Question 1: Systematic AI Fund

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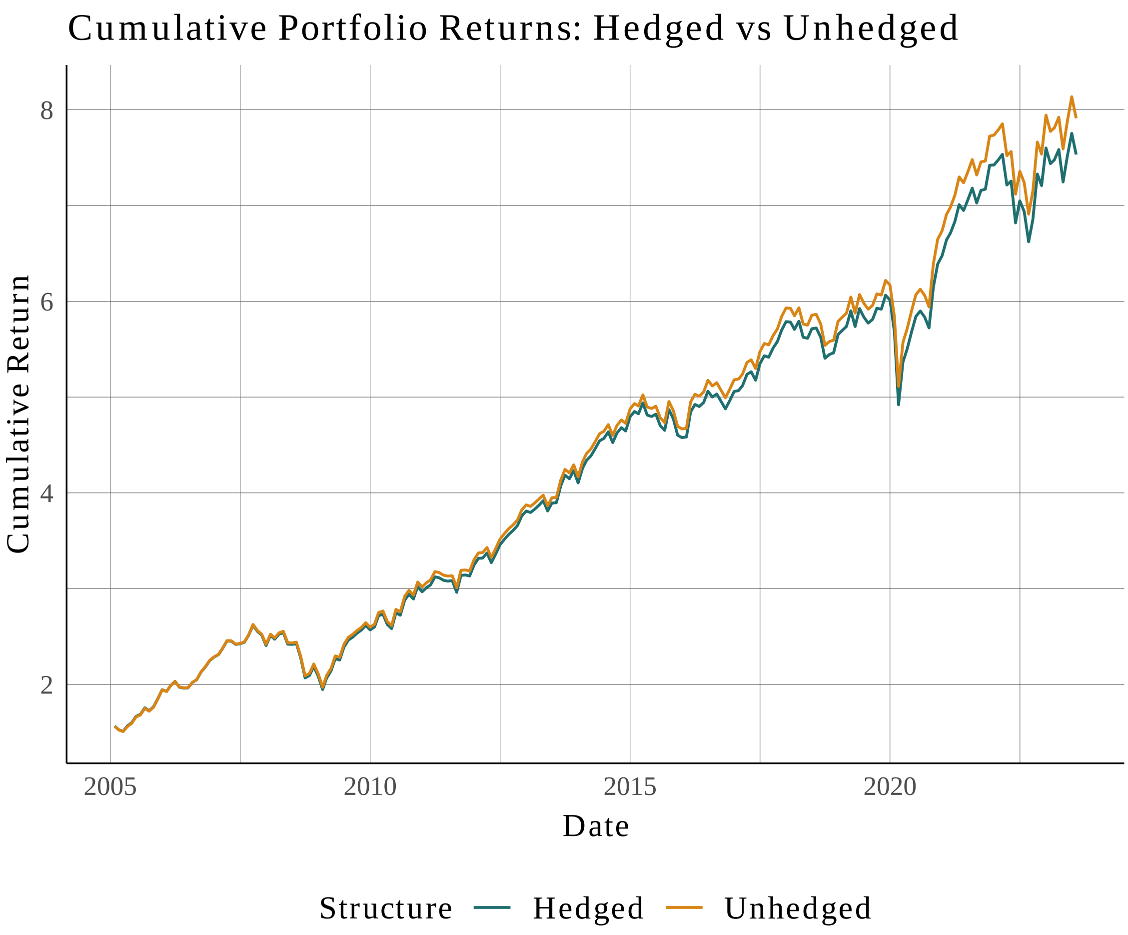
Abstract

Insert abstract if necessary.



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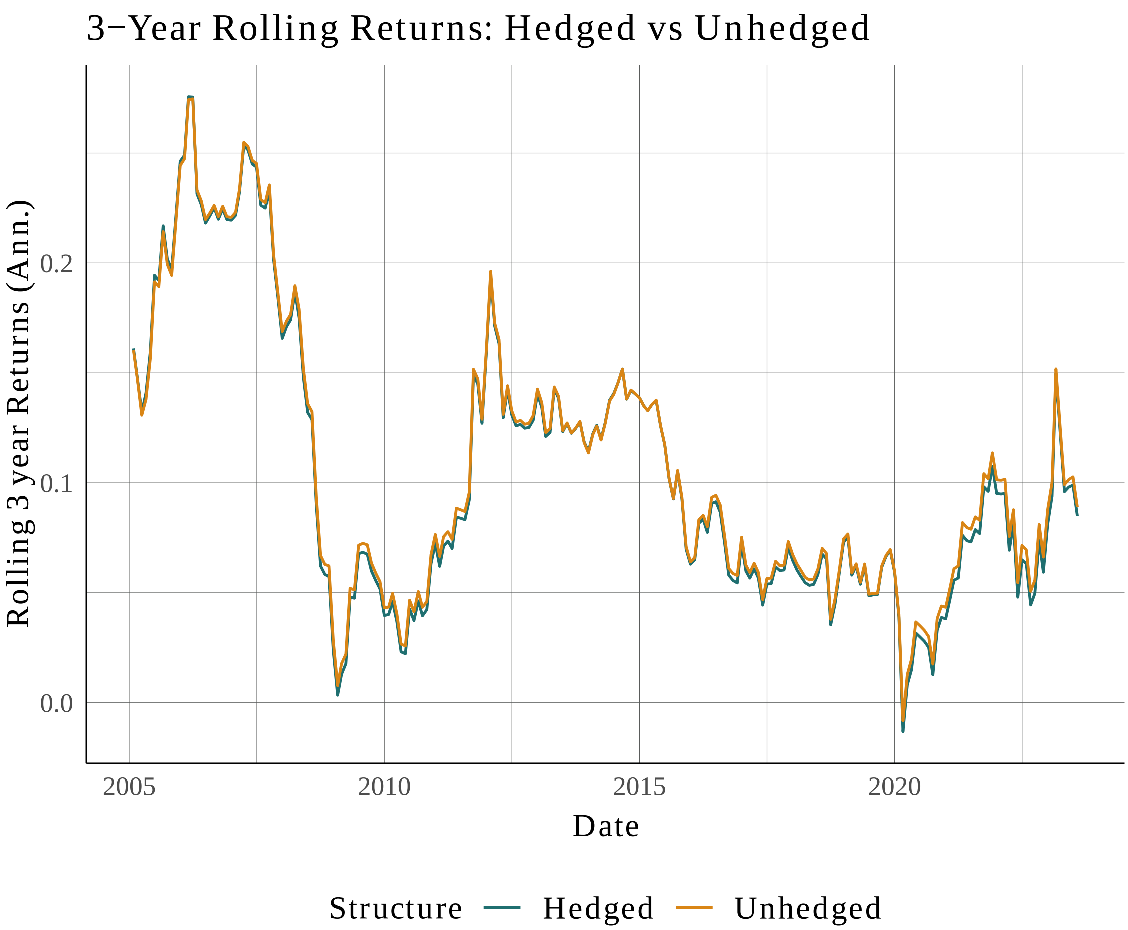
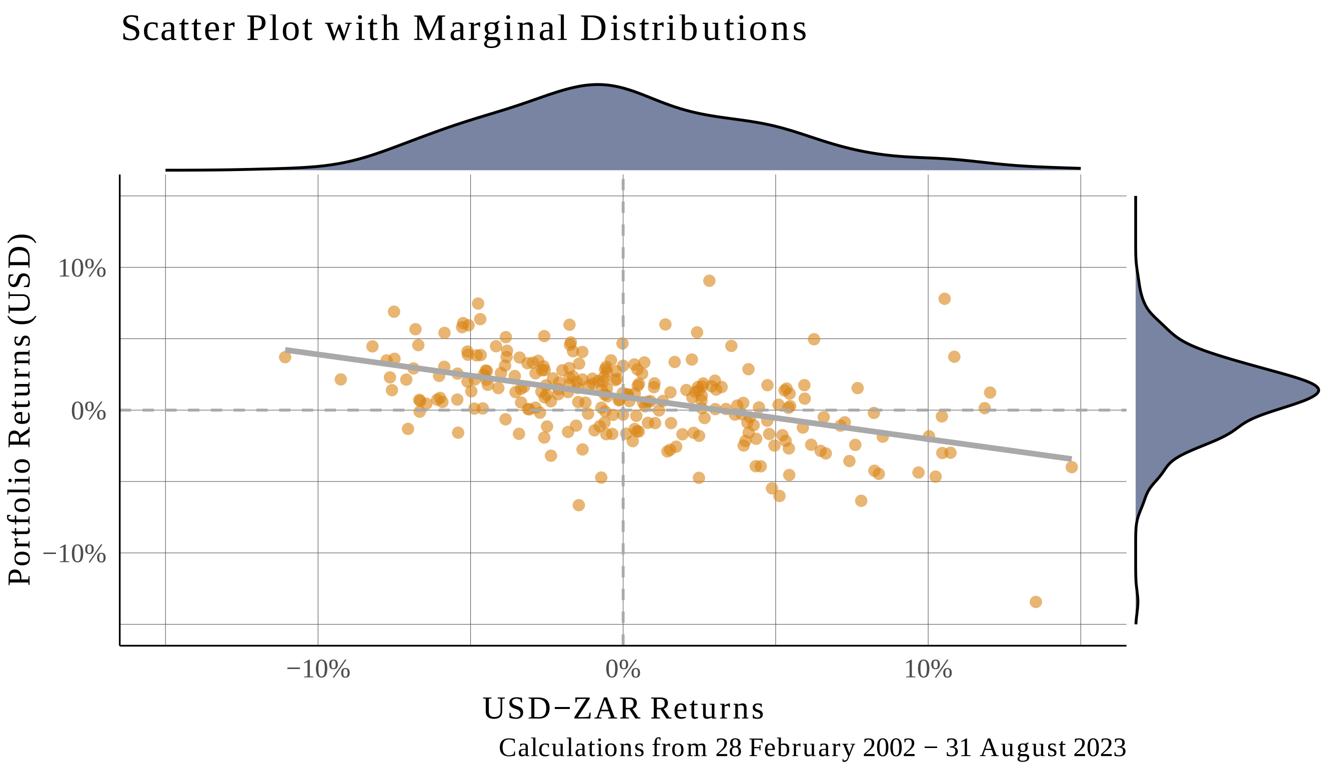

3−Year Rolling Returns: Hedged vs Unhedged
Rolling 3 year Returns (Ann.)
0.0
0.1
0.2
2005
2010
2015
2020
Date
Structure
Hedged
Unhedged

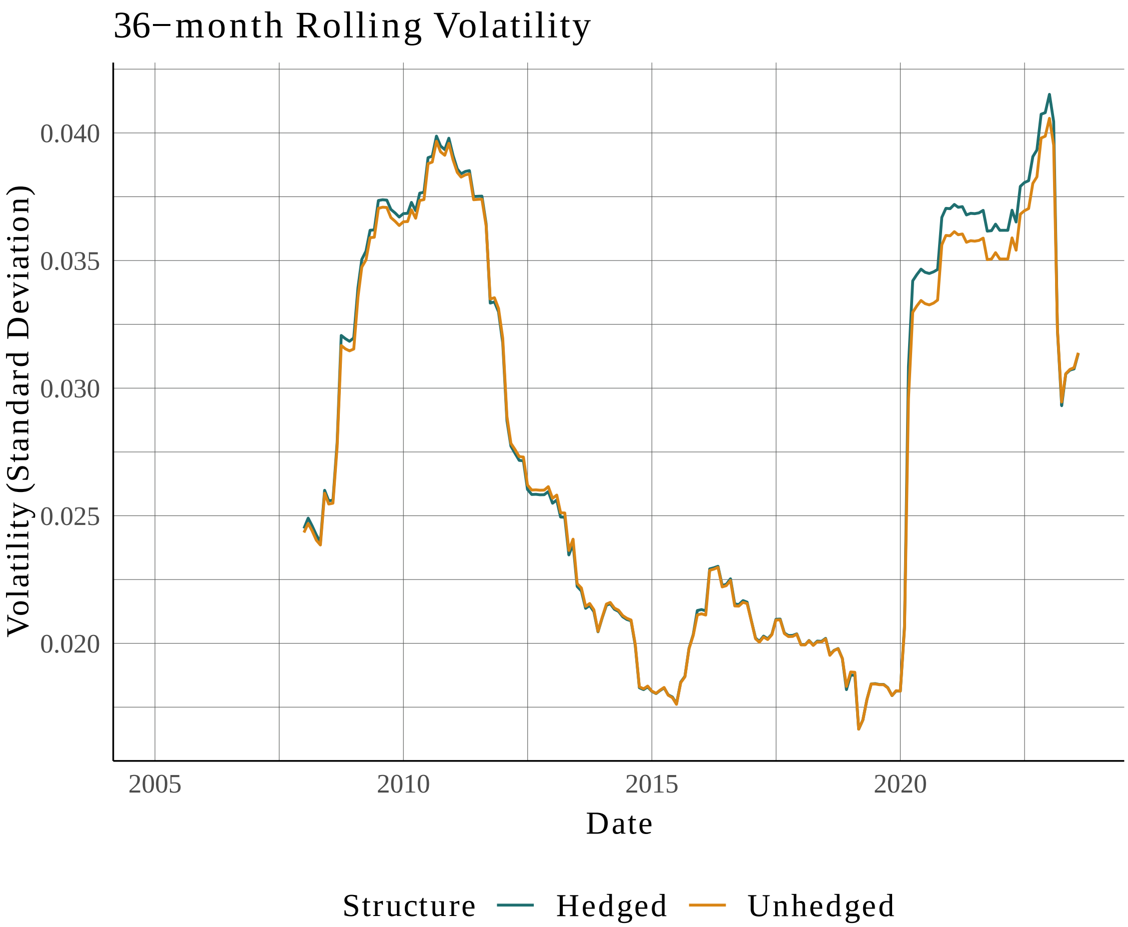


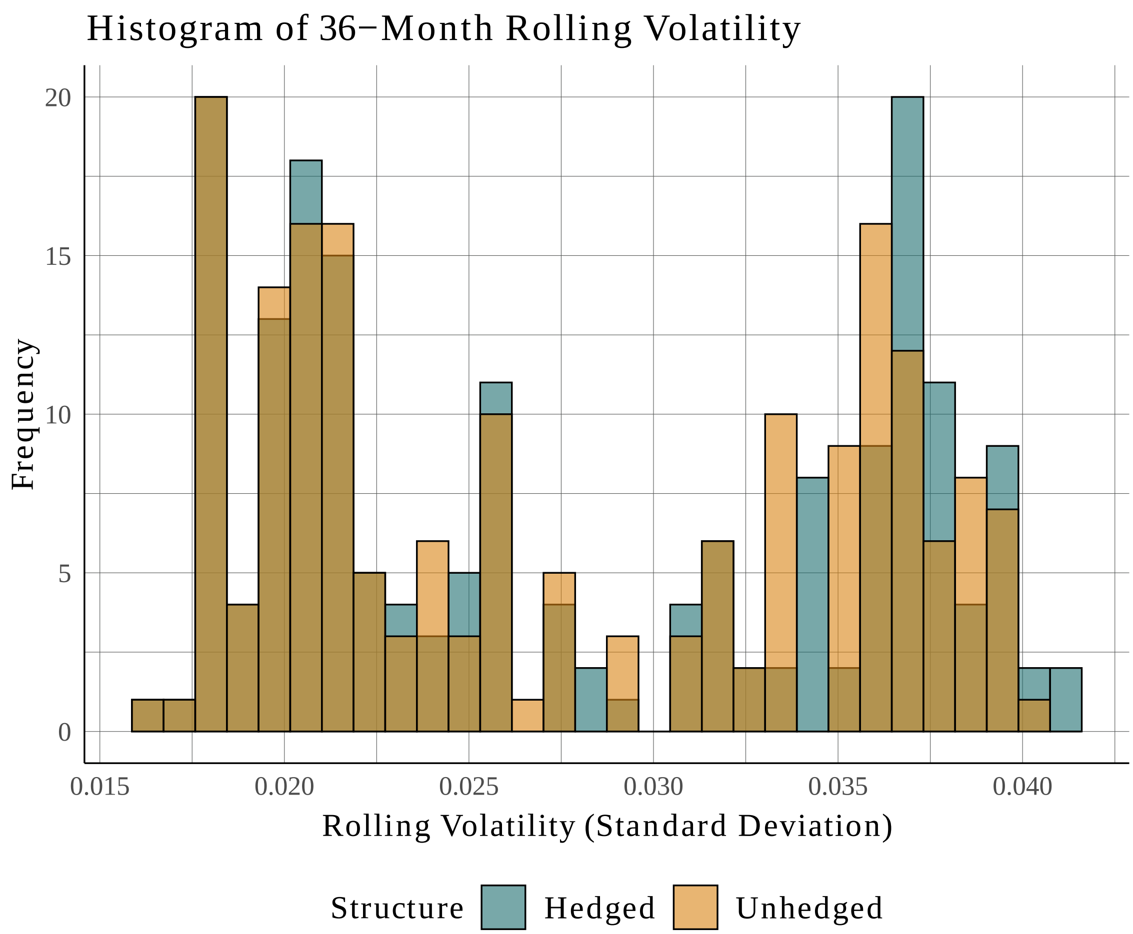
1. Next create the downside risk table from Prac 2

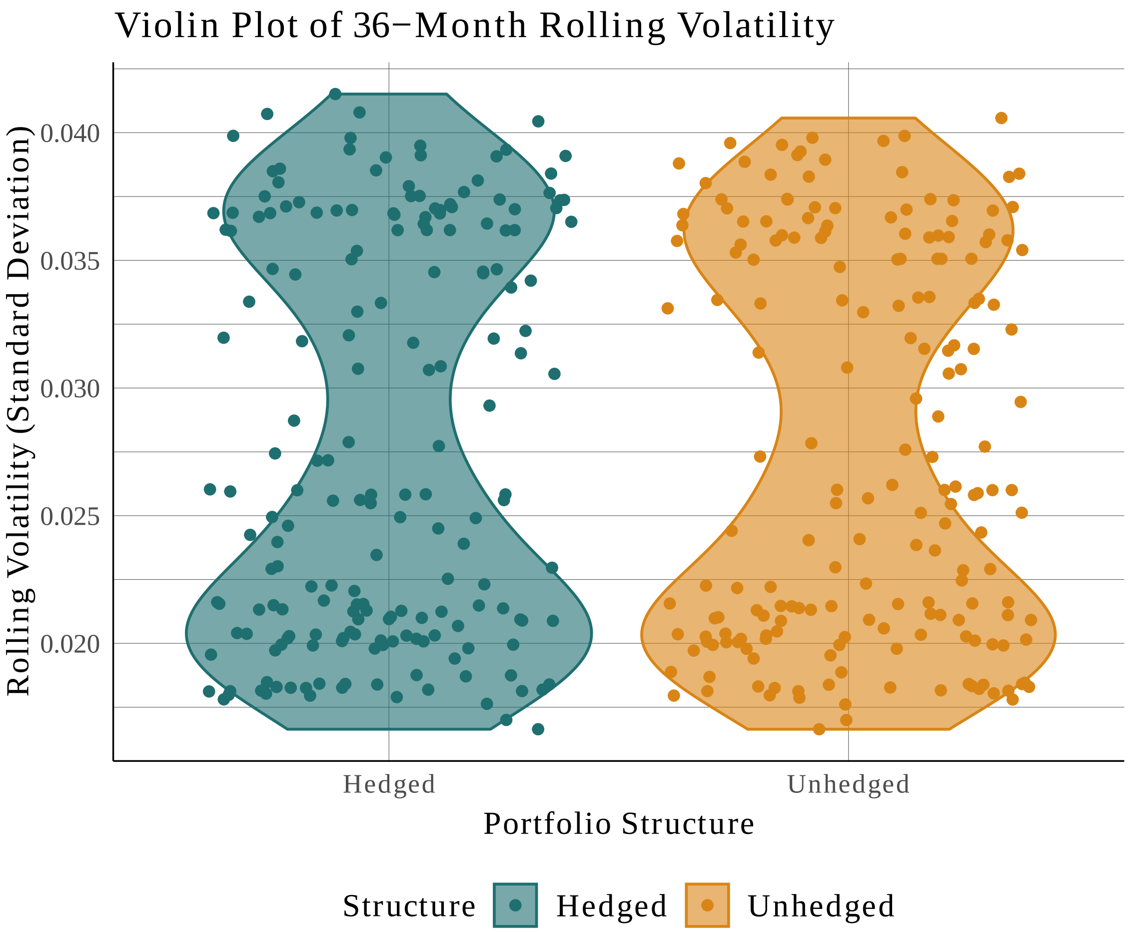
Downside Risk Estimates

	Unhedged	Hedged
Semi Deviation	2.15%	2.19%
Downside Deviation (Rf=0%)	1.78%	1.84%
Maximum Drawdown	24.96%	25.65%
Historical VaR (95%)	−4.15%	−4.22%
Historical ES (95%)	−5.98%	−6.16%
Modified VaR (95%)	−4.26%	−4.40%
Modified ES (95%)	−7.03%	−7.58%

2. Volatility




Histogram of 36−Month Rolling Volatility
Frequency
20
15
10
5
0
0.015
0.020
0.025
0.030
0.035
0.040
Rolling Volatility (Standard Deviation)
Structure
Hedged
Unhedged


Violin Plot of 36−Month Rolling Volatility
Rolling Volatility (Standard Deviation)
0.040
0.035
0.030
0.025
0.020
Hedged
Unhedged
Portfolio Structure
Structure
Hedged
Unhedged