Question 1: Systematic AI Fund

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Abstract

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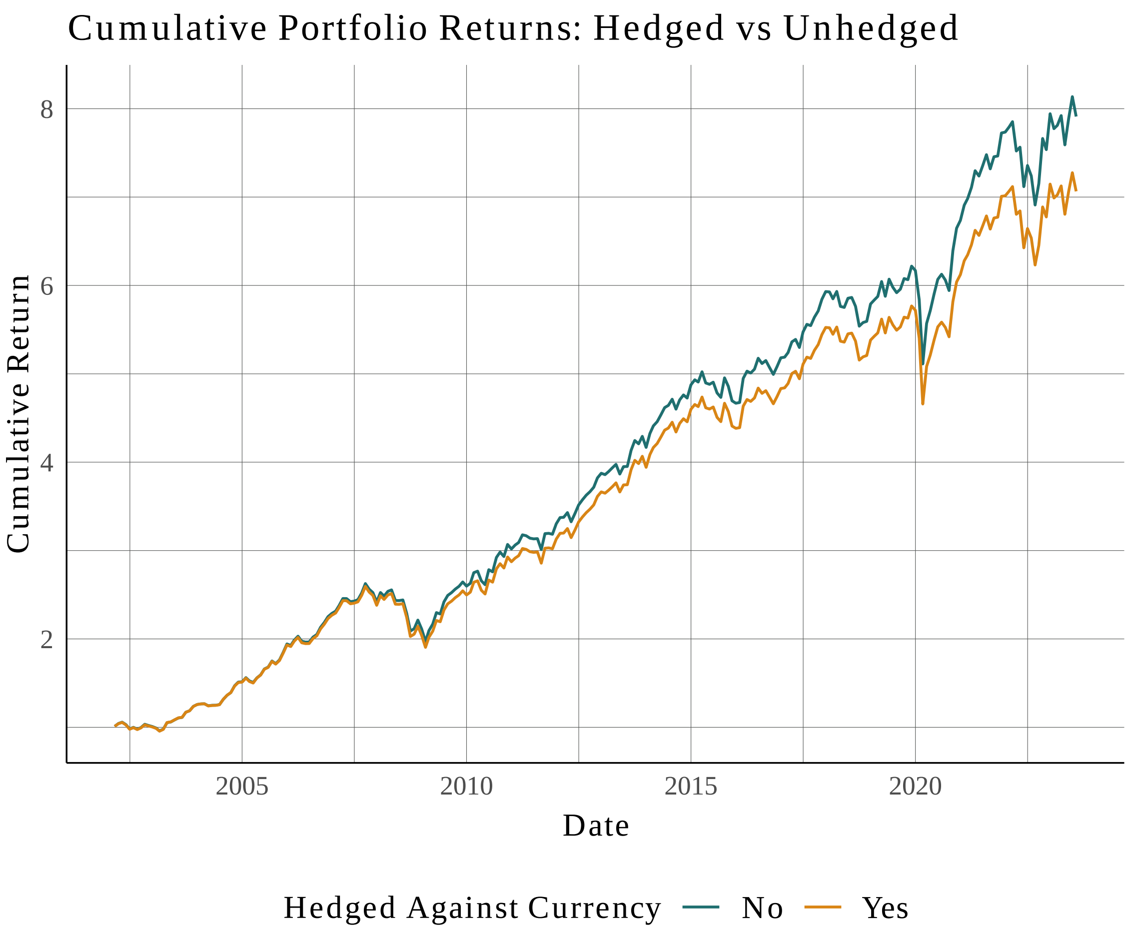

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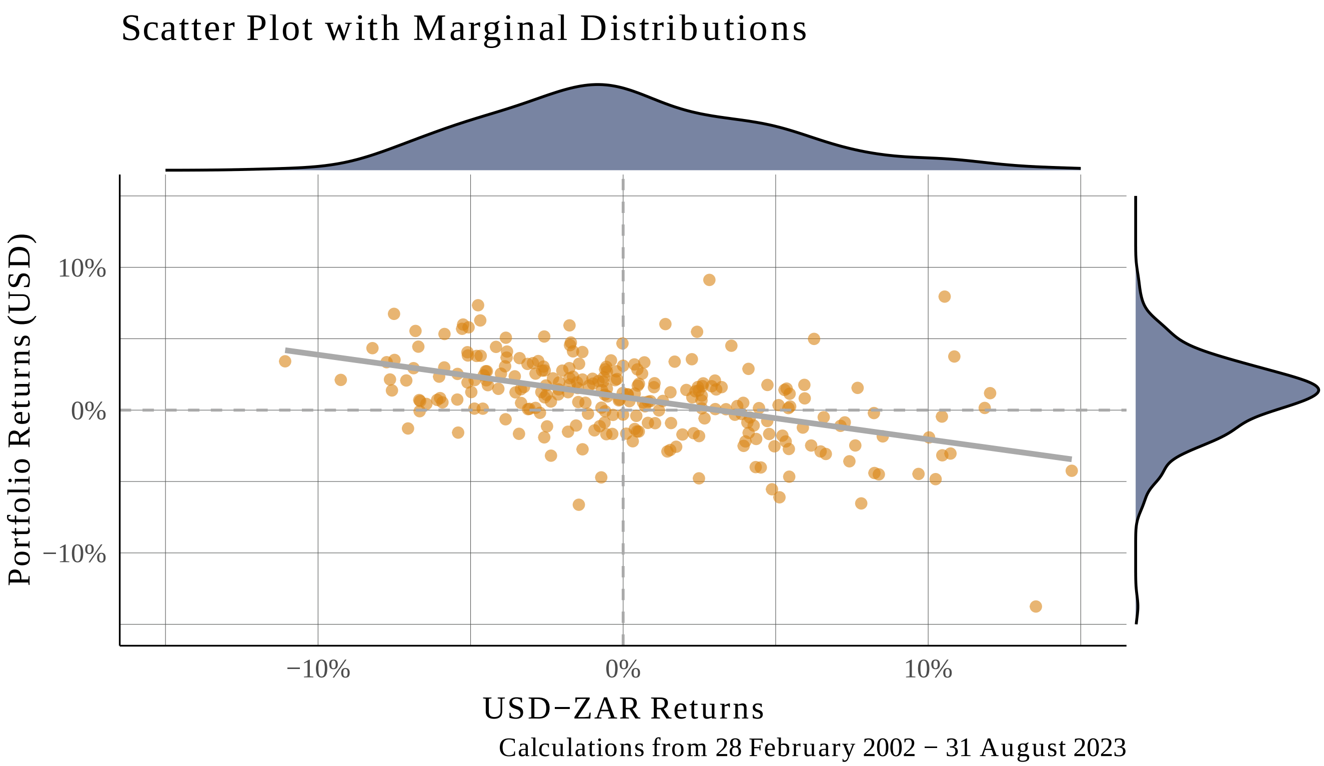

1. Next create the downside risk table from Prac 2

Downside Risk Estimates

	Unhedged	Hedged
Semi Deviation	2.11%	2.17%
Downside Deviation (Rf=0%)	1.72%	1.81%
Maximum Drawdown	24.96%	26.60%
Historical VaR (95%)	−3.99%	−4.27%
Historical ES (95%)	−5.88%	−6.19%
Modified VaR (95%)	−4.12%	−4.32%
Modified ES (95%)	−6.74%	−7.54%

2. Volatility Modelling?