

Description

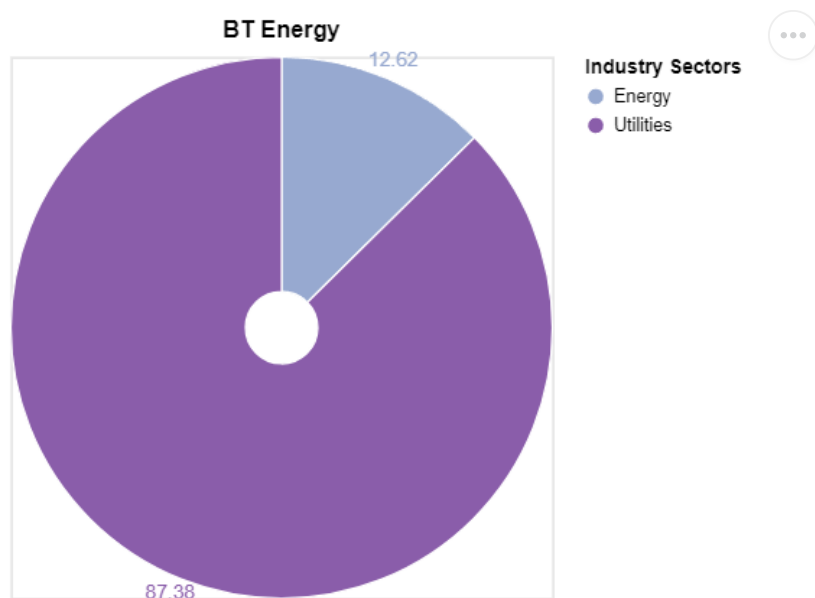
BT Energy is a mutual fund run by BT Asset Management, the asset management division of BT, the largest bank in Romania. The fund was created to improve the statistical and scientific design flaws of the market capitalization methodology used in popular benchmarks. Unlike market capitalization methodology which is risk-increasing and return-reducing owing to its concentration, the model was designed to own 24 Energy Sector companies, and deliver higher risk-weighted excess returns while maintaining low tracking error vs. the STOXX 600. The mutual fund was driven by AlphaBlock license from August 2, 2019 till March 31, 2021.

Methodology

The methodology is based on a modern science innovation, which uses Reversion-Divergence framework to dynamically score, weight and rebalance components in a group to deliver higher risk-weighted excess returns. The method removes the conflict between Efficient and Inefficient market thinking, statistically normal and non-normal behavior, or in simple terms the conflict between Value and Growth investing. The methodology is not Size biased, and obviates the need for concentration and running after winners but rather adopts a slower weight readjustment compared to the market capitalized benchmarks.

1. BT Energy - August 2019 to March 2021

1.1. Sector Breakdown

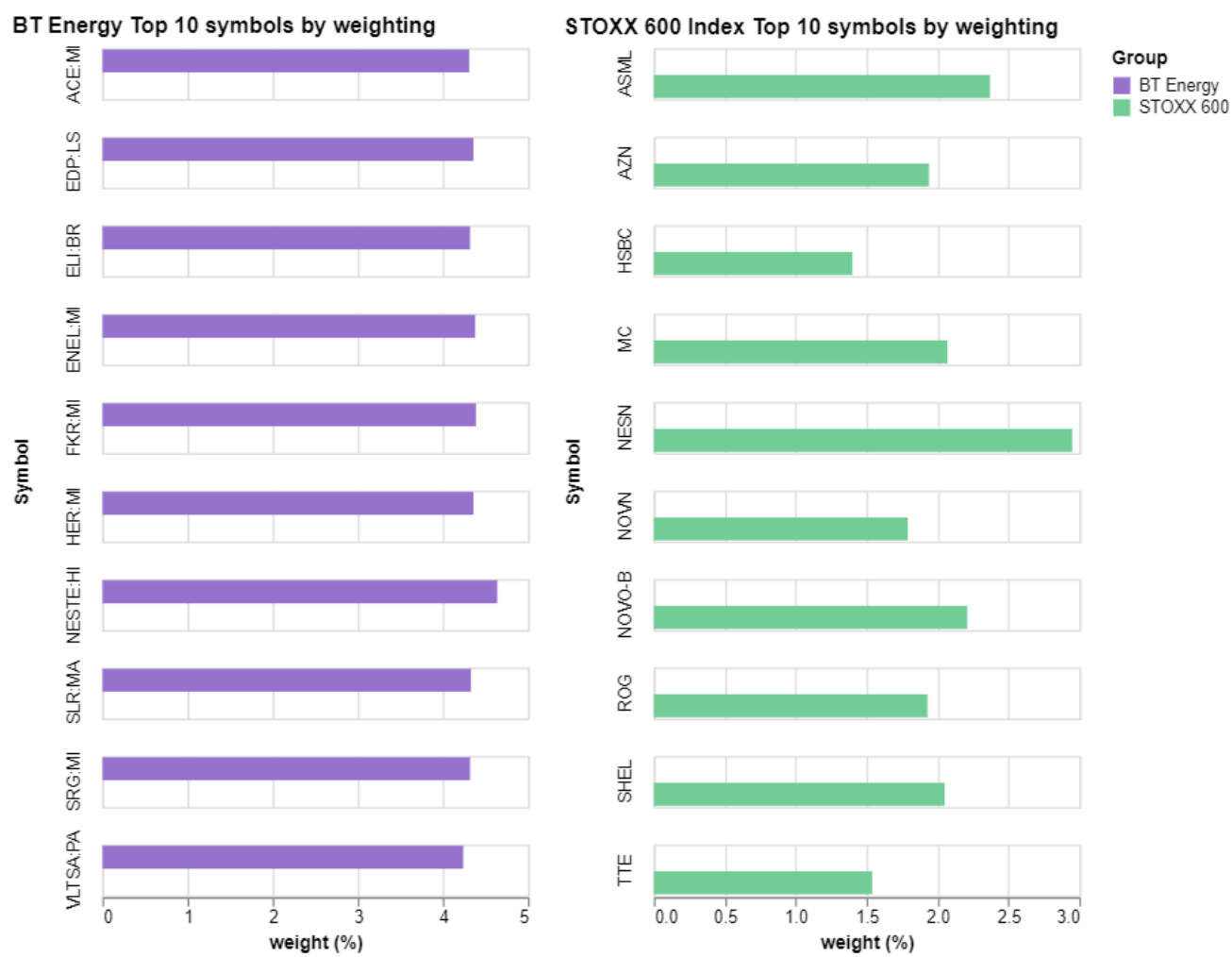


1.2. Top 10 Components

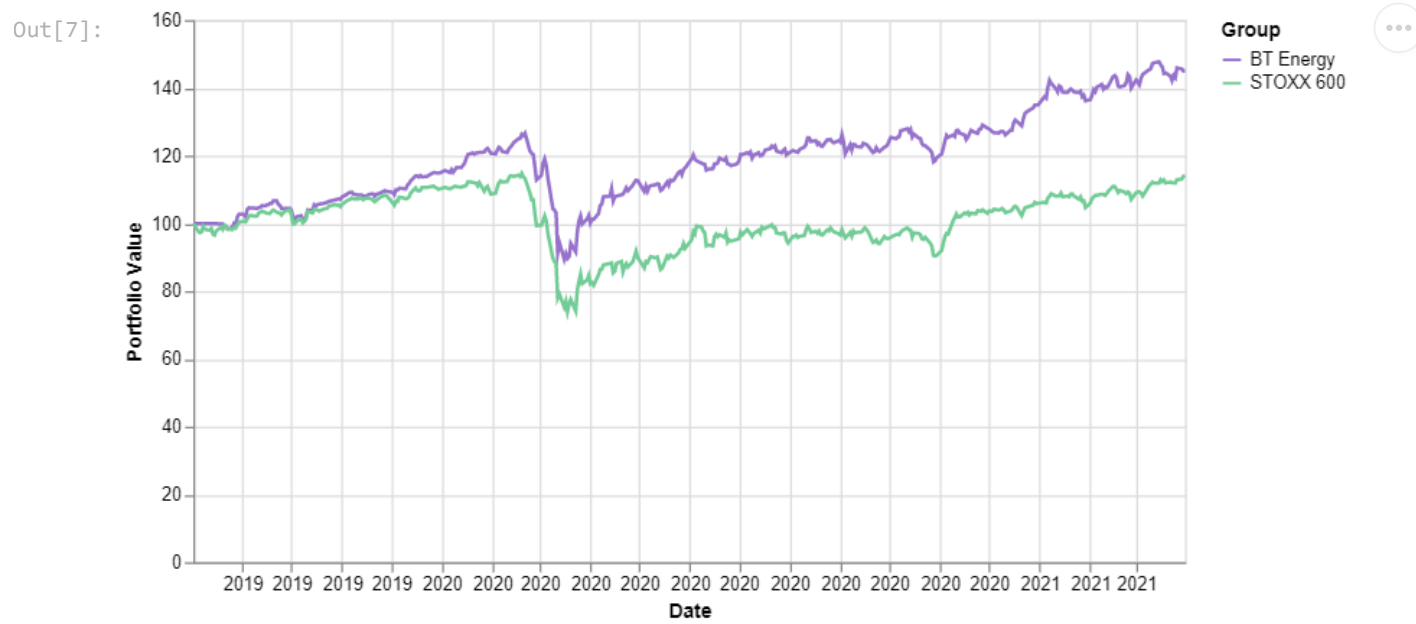
Out[5]:

	Nr./Symbol	Name	Current Price	P&L(%)	BT Energy Proportion(%)
1	NESTE:HI	NESTE OYJ	58.62	11.44	4.64
2	FKR:MI	FKR:MI in MI context	5.46	5.31	4.39
3	ENEL:MI	ENEL:MI in MI context	8.50	5.22	4.38
4	EDP:LS	EDP-ENERGIAS DE PORTUGAL SA	4.76	4.64	4.36
5	HER:MI	HER:MI in MI context	3.18	4.61	4.36
6	SLR:MA	SOLARIA ENERGIA Y MEDIO AMBI	18.89	3.85	4.33
7	ELI:BR	ELIA GROUP SA/NV	93.60	3.77	4.32
8	SRG:MI	SRG:MI in MI context	4.70	3.77	4.32
9	ACE:MI	ACE:MI in MI context	18.14	3.42	4.31
10	VL TSA:PA	VOLTALIA SA- REGR	19.58	1.87	4.24

1.3. Top 10 Comparisons



1.4. Performance Plot Since August 2019



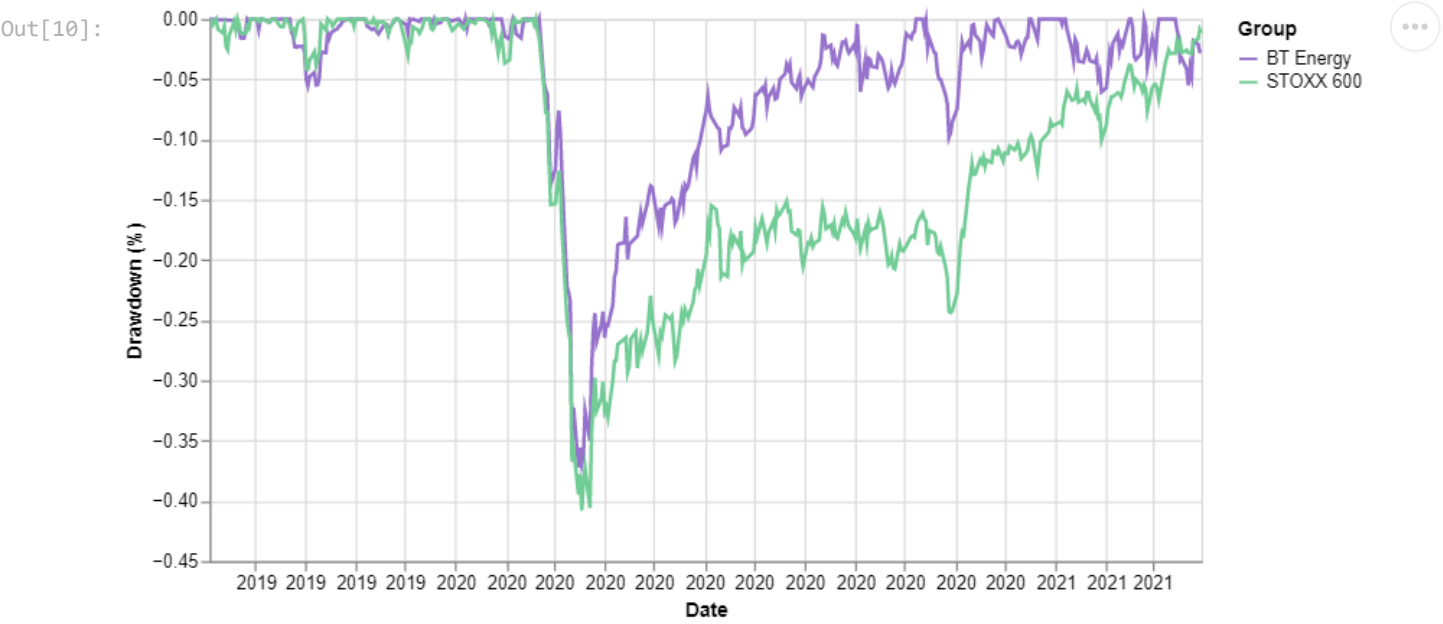
1.5. Performance Metrics

The table illustrates the performance across various parameters. The Performance (%) of Portfolio from different starting points, Current portfolio value of the funds invested at inception, Annualized (%) Returns, Annualized Standard Deviation (%), Average Tracking Error (%) and Average Information Ratio (%).

Out[8]:	Nr./Name	BT Energy	STOXX 600
1	Performance (%) since January 2020	25.35	2.69
2	Average Holding Period (Days)	31.00	-
3	Current Portfolio Value (Invested in August 2019)	144.92	113.61
4	Annualized (%) Return (Since August 2019)	25.00	7.97
5	Annualized Std. Deviation	15.35	21.55
6	Tracking Error	10.78	-
7	Information Ratio	1.58	-

1.6. Drawdown Analysis

A daily time series plot illustrating drawdowns from peak equity.



Bibliography

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