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# INTRODUCTION

I am not sure what the content of this document will be. The goal is to write about everything.

# introspection

## Friendship

What is friendship? Personally, I have a few friends whom I knew when I was an adolescent. Now that I am middle aged and I live in another country. I am seeing him less often but when I see him, nothing has really changed. We have the same interest and it is great to see him.

I noticed another type of friendship. I live in the UK and I met a few friends through work. When we were working together, we were seeing each other regularly and we were having a lot of fun. Now that I am working elsewhere, I am seeing them much less, so to say never. We keep in touch but we don’t see each other.

From my point of view, I thought you only have one kind of friendship where you can share practically everything like my friend I met when I was an adolescent. I suppose the second type of friendship could be defined as very nice relationships. It is not bad; this is just something I should be aware of.

## Goal in life

What is my goal in life? What are we supposed to do? Are we?

We are living in societies which impose us to enter in a cycle from the earliest age. Is it the right model? If it is not the right model, what is the alternative? We can imagine anarchy where there is not government but then, you are not protected anymore. It is difficult to build something. Millions years ago, Homo-Sapiens decided to live in society to protect themselves against the dangers of the nature such as animals for example.

It does make sense to live in society and it requires rules which each human has to abide. Consequently, the goal in life is to make the society better. Each human enters in a cycle determined by the society and depending on his talents; the goal will be set automatically. For example, the teacher’s goal is to make sure students understand the message which has been set up by the society. A mother at home is taking care of her family making sure everyone is satisfied, it could be raising children which is similar to the teacher’s role. A banker purpose is to lend money to a company or to someone who is trying to make the society better.

My goal is to make sure my family is happy and for this, I need to find a job where I will have a goal which will make the society better. It is not very complicated.

# humankind beginning

## Generalities

According to theories relating how Homo sapiens, one of the first identified humankind, has evolved in society and to my deduction where Homo sapiens ancestors were living in a complete loneliness, it seems that the move from living alone to living in society came naturally to seek protection against predators and the harsh conditions to survive.  
Then we know the story from this prehistoric period to nowadays societies. Today, the societies are composed from multiple micro societies, specifically the family. What triggers me to write this thought is that on top of seeking protection, humans need to develop the goal of successful communication to "survive" in the society.   
We just mentioned the two reasons why humans want to live in group: protection and communication. If we put the reason protection aside and we focus on communication.  
When a human meets another human for the first time they have to communicate using signs and sounds. Moving on the time spectrum, communication has been developing in a lot of different ways. 

Summarising my point above: before humans needed to communicate to achieve protection. Today humans need to achieve protection "and" communication, the connector "and" is critical in my explanation.  
  
Humans are now used to live in society and they talk to each other. They are accustomed to live together since their birth. When suddenly, a human is finding "itself" alone, he has lost all his references linked to living in society and he can suffer from this new situation. With time, the human will develop new habit and will become used to this new loneliness state. His capacity of adapting has always impressed me.  
However, nowadays a human can be lonely in a society which is paradoxical. This paradox creates challenges for the human to adapt and generates behaviour which contradicts a state of loneliness or a state of society..

The question to answer is why does human need to communicate? The obvious answer is to deliver a message to other people, making sure he is understood and finds a certain satisfaction. I would like to analyse in more details the second point "finds a satisfaction". I don't really know where this analysis will end as I do not have a specific plan and anyway I do not think there is an end but a start, always a start.  
So, finding a satisfaction when communicating requires two entities: the person who triggers the communication, let's call it the "sender" and the entity or the person receiving the message from the sender, let's call it: the receiver. In order to be satisfied, the receiver should show something to the sender. If the receiver shows nothing, then we are in the paradox of being lonely in the society, consequently not satisfactory.    
The question to ask is what kind of thing the receiver is sending to the sender in order for the latter to be pleased or content? Is it something like an acknowledgement? What is it?   
Let's try to provide an answer and extrapolate.   
If the receiver acknowledges positively the sender then the latter is satisfied. It means that communication relies on how we think we are perceived from others. This means that we are driven by our relationships with others which is fundamentally different from the human living alone, who is driven by the survival aspect.  
When the human decided to live in society, he did not need to survive anymore as life became easier. In a certain way he has reached his objective and should be satisfied. Instead, another objective has been created which translates as getting satisfied when communicating.

To summarise:  
The human leaving alone during the prehistoric period has one objective: surviving. For analogy below we will call the human: an entity.  
The human leaving in society has one objective: communicating. The society has become an entity and has one objective: surviving. In this evolution a new entity has been created which is the society.  
  
The question I have is once the human has managed to live in society because he wanted to survive, why he was not satisfied then and felt the need to create another objective as the survival objective was transferred to the micro society.  
  
Let's try to work on a simulation which could give some clues on why the "communication" objective was created.  
Suppose a human meets another human at the prehistoric era and there is a huge storm. The first human X runs in a cavern nearby where the second human Y is already sheltered. Y does not do anything except watching X. X does the same, watching Y. When the storm ends, X leaves the cavern and Y follows. They do not talk but they communicate by attitude, signs and sounds. Y showing X that he wants to be with X.    In terms of objectives, both try to survive and keep up the communication. When they find easier to survive at two rather than one, a micro society is created. The micro society has now a survival objective whereby X and Y need to maintain this society through communication.  
What does it mean? It means the human finds it is easier to reach its objective with someone else and transfer it to the micro society. Unconsciously, he has created a "communication" objective. If the human failed to communicate then he failed to survive as well because he transferred this objective to this micro society, so he needs to adapt again to live alone and it will take time.   
We will come back on this unconscious objective transfer a bit later as I would like to go one step further with our micro society of two humans (let's call it society2)  
Suppose these two humans attack a beast and struggle to win because the beast is too strong. Suppose another human who was around help them to win against the beast. After the fight they decide to stay together creating a micro society of three people (let's call it society3). Society3 could have the survival objective, society2 could have an objective of communicating with the third human and each human has a communication objective to make sure Society2 and Society3 objectives are reached. It becomes a process without an end and the complexity is increasing. Nowadays, we can imagine the complexity of our societies.

The conclusion of this thought is as follows:  
To achieve a goal (let's call it goal1) an entity (the human for example and let's call it entity1) creates unconsciously another entity (the micro society for example, let's call it entity2) which will take over goal1. Entity1 has unconsciously transferred goal1 to entity2 and has generated another goal (goal2) to keep the connection between entity1 and entity2.

Following this previous thought, I would like to explore this unconscious transfer in more details.  
Let's make a detailed simulation to understand.  
Suppose there is a storm happening, the first human (let's call it human1) runs to the cavern to seek protection while the second human (let's call it human2) is already sitting there, watching the land pouring with rain. Suddenly lightning bolts strike the area and Human2 is very scared of the thunderstorm. He crouches to the end of the cavern.

The cavern is about three meters long, two meters wide. The cavern allows for two people to rest comfortably. Human2 sits at the back of the cavern and covers his face with his hands, as he is scared. 

Human1, caught in the storm runs fast and spots the cavern and decides to shelter inside. He reaches it and stops at the entry one meter in, avoiding the rain and standing up.  
One minute elapses without both humans noting each other, the storm is deafening.   
Suddenly, human1 turns his head to the back of the cavern to inspect and perceived human2 sitting with his head in his arms. Human1 emits a neutral sound, not aggressive as he feels confident that human2 could not hurt him in this harsh environment. Human2 subsequently raises his head and emits a neutral sound acknowledging human1 presence. Thirty seconds later, human1 reiterates his sound behaviour and human2 as well. A certain form of communication is taking place and this interaction lasts for a few more minutes with moments of silence until the storm ends.   
Then Human1 decides to leave the cavern and Human2 follows. The communication by sound continues punctuated by silent moments until they help each other against an animal. When the animal is down, they share it and the connection between them becomes stronger.  
  
Going back to our analysis, the unconscious transfer of survival objective and the creation of the new entity of the two humans taking over the survival objective depends on their random encounter and the communication. The latter is critical in our analysis where the human constantly communicates with inert entities such as stones. He also communicates with living beings such as animal or other humans or plants.  
It means this constant communication in a random situation is provoking a transfer of objectives amongst entities as well as creating them.

The difference between communication and the objective of survival is that the latter is what the entity tries to achieve while communication is something the human or the entity is performing continuously like breathing. He is communicating in two ways: consciously and unconsciously. For example, when the humans met in the cavern, they were saying to each other "I will not hurt you" and that was unconscious. When they were emitting sounds, it was done consciously.

It means the transfer of objectives and the micro-society creation is coming from the unconscious and conscious communication.

Not only the human communicates with living and non-living beings from the environment, the environment itself communicates with the human. It provides responses to human senses such as smell, sound, taste and more importantly sight. The human reacts and develops new entities with new objectives. The environment and the human are provoking these interactions.

If we separate the environment and the human to understand more in details the process of communication, we may be able to find some useful conclusions.

## Separating the environment

We talked about the human communicating with living beings like humans or animals or plant and non living beings such as stones. We also mentioned the human is communicating consciously and unconsciously. Let's try to go further in this thought.

Communicating could be described as interaction with the environment. It is not possible to not communicating with the environment. If the human decides not to interact, how can he do this? It is just impossible because the human body is part of the environment. If you take the example of gravity which allows the human standing on the ground, otherwise he will float in the air, we can say the world with its rules communicates with the human whether he likes it or not.

We could ask ourselves the question: is there a way of separating the human from the environment removing the communication with it? How can we achieve this process of thoughts?

We could think of a human in a void where there is no environment and he can not communicate or more precisely he does not need to communicate. What does he do? We should also remove any physical needs because it will be linked to the environment. Let's assume a body which becomes a sort of shell, sheltering pure thoughts.

As there is no environment, his thoughts are not focused on other beings either.

What do we have left? The human in a void with his thoughts which encompass so many different things. One of them is imagination.

I have to say that I am stuck, I don't know how to move forward. The difficulty of thinking of a human brain with no environment and no body resides how we can imagine this situation. What thoughts, the brain is focusing on? Usually everything is linked to the environment. If there is nothing, there is nothing to think of.

What I can do is to imagine the void with just the brain thinking. Let's try and see where we go: The void could be imagined as a dark space where small invisible cells float on the void. Randomly they combine and their combination creates an event or thoughts. We can imagine their combination has created our first planet either by physical process devoid of thoughts or by a cellular thoughtful process, cellular referred to the invisible thoughts.

Now let's try to imagine how these cells appeared which does not not seem a simple task. We could suppose the cells appeared from the explosion of a bigger element. It brings us then to how this bigger element has appeared. We could assume its formation is coming from a cellular combination to keep the same train of thoughts above.

We end up in circular cycle: big element -> explosion in a myriad of cells -> cells combination creates big element -> big element.

When you think about, this circularity is retrieved everywhere, specifically in the space with planet, stars, how they evolve in a circular manner around the sun. Fascinating how my process of thoughts could conclude to this specific, i.e. circular, state of a void and how you could deduct the evolution based on a few simple assumptions.

Going back now, we have concluded this circularity could explain the potential evolution of our universe. For each cycle, the void with its cells and its big element slowly define and design what we called the universe.

If we summarise from the beginning point by point:

- First we wanted to understand the relationship of a human in the society

- We started with one human meeting another human in the prehistoric period

- The human needs to survive and we define its first objective as the survival objective

- When the human meets another human, they unconsciously create a micro society

- The two humans in the micro society generate a communication objective in order to maintain this micro society and they transfer their primary survival objective to the micro society

- This ends up to an exponential growth of micro societies with communication objective. The overall society gets the survival objective

- We wanted to understand conscious and unconscious communication. The human communicates with its body and the physical world automatically. It is difficult to understand how communication appears or explaining it origin. We are stuck in the explanation.

- Then, we made an assumption of removing physical world and human body to explore what is left beyond which is characterised by a void and cells of thoughts moving randomly

- We conclude of the existence of a cycle: cells merge to create a big element which then explodes in multiple cells

Now, we can assume, the eternal cycle started from one element which exploded in multiple cells which after merged together into another single element which exploded again paving the path of the universe evolution.

The one element at the start could be assimilated to the theory of "Big Bang".

What do we have before the Big Bang? An eternal cycle

It becomes difficult to imagine what happened before the Big Bang. Our mind are set to think along a line of time with a start and an end. We could also think the notion of start and end could not exist where this circular cycle, unique element - myriads of cells, has always existed indefinitely.

We could say in this infinite state of this circular cycle, the definition of a cycle implies a start and an end where the unique element has been created from the combination of cells and has been terminated from its explosion.

The cycle has always existed and the origin lies in this infinity. We could imagine what, who trigger this cycle: god or gods? Then what happened before god or gods? We could try to explain the origin of something without never ending. Something will always exist after or something has always existed before.

We could conclude of the existence of an infinite cycle with period beginning and ending. From a rational perspective, that constitutes the only explanation. We just understand the infinity of our universe we live in and this represents for me the final explanation.

## Growth

Growth why focusing on growth?  
  
Nowadays, in our society, growth represents the main focus. For example a country aims to reach a growing level of gross national product (GDP), a company tries to increase profit, a man or a woman wants to grow his or her wealth.   
  
Let's define an entity a country or company or a man (instead of using man or woman every time, I will use man only for simplicity). Every entity want growth. Why?  
First, let's define growth? Growth can be characterised by something which increases. It can be triggered consciously or unconsciously.   
  
We will try to understand how the concept of growth has developed. As we have already done in other analysis, we will proceed to a simulation with assumptions. Suppose during the prehistoric period, a human is trying to survive, which constitutes his primary objective. To survive, the human needs food such as nuts and fruits for example. When he finds a nice tree with plenty of fruits, he will eat some to appease his hunger and probably keep some for later. How will it store the surplus of food? Let's assume he is digging a hole where he can bury the food, then he can come back and eat later. It means the human has to stay around to avoid long walk to get his food when he is hungry. If he finds another tree nearby with fruits, the possibility of coming back easily to his hidden place allows him to store more food and to contemplate the growth of his treasure.   
If we step back a little bit, the first feeling of growth comes from a certain abundance of food greater than what it is needed to appease hunger at that specific moment, allowing at the same time the human to save for the future.   
From this point, the human objective will be focusing to increase his savings in order to survive in this harsh environment. It means the human has a sense of future scarcity and savings will help to mitigate this scarcity.  
If the human was living in an environment where food was available at all time, then he will not need to save for the future and to contemplate the growth of his saving.  
  
Therefore the first concept of growth is linked to the environment where food scarcity pushes the human to save for the future. On the other hand, if food was abundant, the human does not need to save.  
  
Moving on the time spectrum to our nowadays society, growth has become the main driver how the different entities interact. In the prehistoric time, food represented the main good the entity was focusing on to grow. Today, food has been replaced by money. Every entity are trying to increase their amount of money in order to be able to buy any goods.  
  
The main issue resides in an environment with limited resources. Each entity thinks of growing their wealth for the future.   
If we come back to our simulation in the prehistory, when the human found these trees with more food than needed, he has been made aware of several concepts unconsciously and simultaneously. We mentioned the concept of growth, we can now say the human has developed the idea of saving and also the thought of the future. Growths, saving and future have become gradually part of the human life, mostly unconsciously, then progressively with more and more conscious of these new concepts.

## Idea

Now let's go back to this unconscious transfer. Why was Society2 created? Let's try to specify a few reasons:  
- curiosity: when the human met  
The other human in the cavern, they were interested in each other. Unconsciously they wanted to know a bit more between each other, which requires communication.  
- coïncidence: the storm forced the two humans to seek protection in the cavern.  
- survival goal of course  
- attraction or love  
If we take the attraction factor. When the human meets the other human and they are attracted to each other, the survival goal disappears to be replaced by the desire of communicating as the goal becomes attracting the other.

What do we have before the Big Bang?

# ALTERNATIVE RISK PREMIA

This paper has been written in the perspective of analysing the alternative risk premia world and how investors should position themselves for the medium-long term in this space.  
  
Traditionally, investors invest in a portfolio of equities and bonds. The standard allocation, the so called 60/40 whereby 60% is invested in equities and 40% to bonds is deeply anchored in people mind.   
The rationale behind is that equities and bonds are negatively correlated. This allocation is bringing diversification which decreases the volatility and consequently increases the return over volatility or the risk adjusted return.  
Traditional risk premia represent long only strategies in equities and bonds. The weighting mechanism is based on market capitalisation in accordance to the financial theory.   
This concept of allocation has been discussed and analysed over the last fifty years.  
This 60/40 exists in different forms, where a small percentage of the total portfolio is dedicated to less correlated (supposed to bring diversification) asset classes such as emerging market or other advanced beta strategies (based on different weighting mechanism, not specifically linked to market capitalisation).  
To summarise, investors moved along the risk premia continuum from traditional to advanced beta strategies. The particularity of these investment styles is their relative strong correlation as the long only nature does not allow that much diversification.  
  
More recently liquid, transparent and low cost strategies have gained momentum as technology and communication have improved. It has started in the traditional risk premia area then in advanced beta and more specifically in alternative risk premia world.  
  
It is now possible to invest in liquid, transparent and low cost strategies based on alternative risk premia which are providing diversification and excellent sharpe ratios, limited drawdowns and positive skewness.  
  
These Alternative Risk premia generate returns in a systematic way capturing momentum, carry and value across asset classes.  
A combination of alternative risk premia adds another layer of diversification enhancement with significant returns metrics (sharpe, drawdown, skewness) improvement.

## Blues in E

### Title 3