GWP #1

Marketing Material

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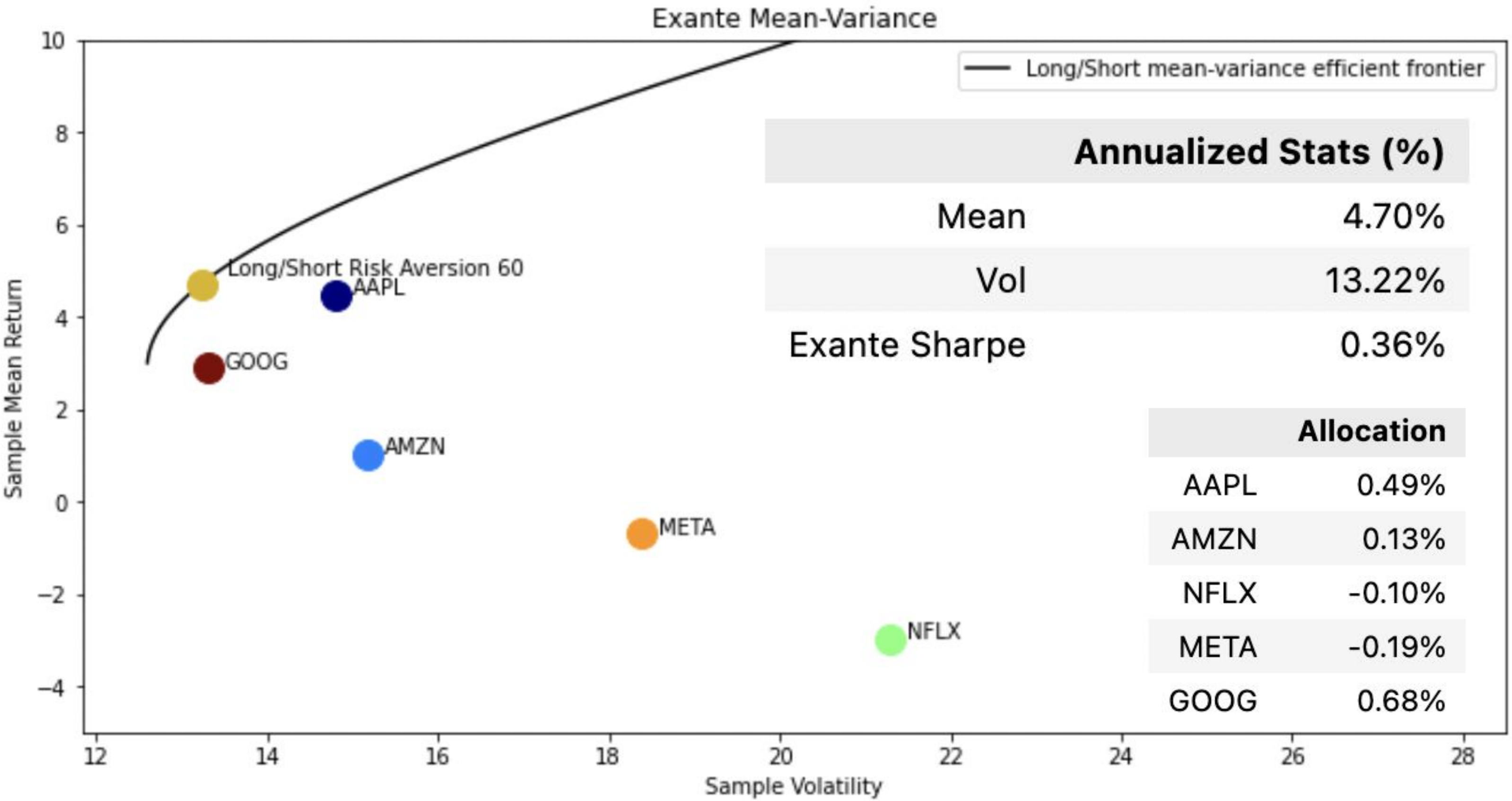
Portfolio Construction: Key Insights

- We use mean-volatility optimization to diversify and hedge risks, thus, maximizing the reward/risk trade-off. **The resulting portfolio allocation is well balanced, easy to implement, and may offer superior absolute and risk-adjusted returns.**

- Long/short positions can be used to reduce portfolio risk beyond what can be achieved with (i) single security portfolios and (ii) long-only portfolios. Specifically, short positions can be used to reduce ex ante volatility, and to improve portfolio skew and kurtosis
  .
- Multi-asset long only portfolios help to improve the return/risk trade-off via diversification; however, when tradable assets are highly correlated (same sector and asset class) then the diversification benefits are reduced.

- Portfolio construction algorithms, such as mean-volatility optimization, can help to highlight trade-offs and to inform the portfolio management process especially as the investable asset universe grows.

Portfolio Construction: Diversification and Hedge Benefits



	Annualized Stats (%)
Mean	4.70%
Vol	13.22%
Exante Sharpe	0.36%

	Allocation
AAPL	0.49%
AMZN	0.13%
NFLX	-0.10%
META	-0.19%
GOOG	0.68%