



Multi-Asset Risk Premia Portfolio

Portfolio Construction

OVERVIEW

- The Portfolio is a Volatility-Targeted Portfolio with weights to the underlying systematically rebalanced based on an Equal Risk Contribution allocation methodology.

RISK-WEIGHTING

- The weights for the basket of risk premia are set according to a risk-weighted allocation considering both strategy volatility and correlation to other risk premia included in the portfolio – the basket is rebalanced quarterly to these weights.
- Risk-weights for the relative allocations within the basket are set based on 1-year trailing realized volatilities.

VOLATILITY-TARGETING

- The allocation to the basket of risk premia is adjusted daily to achieve the volatility target.
- The allocation is based on two measures of short-term trailing realized volatility.
- Volatility is calculated using exponential moving averages with half-lives of 20-days and 60-days for the two measures - this provides more weight to recent observations while also accounting for data further back in history.

LEVERAGE CAPS AND RISK CONTROL

- A leverage cap at the aggregate portfolio level ensures that the maximum exposure to all the strategies combined does not exceed 500% of the notional invested in the Portfolio.
- Caps on individual strategy weights are set based on a multiple of historical risk-weighted allocations.
- Individual strategies are monitored between rebalance dates and deleveraged if short-term volatility exceeds risk-based thresholds.