

Risk Premia Portfolio Weights

Overview

- The Portfolio is a 5% Volatility-Targeted Portfolio with weights to the underlying premia systematically adjusted based on a risk-weighted (Equal Risk Contribution) allocation methodology.

Risk-Weighting

- The weights for the basket of risk premia are set based on an Equal Risk Contribution approach and rebalanced quarterly to these weights.
- Risk-weights for the relative allocations within the basket are set based on 1-year trailing realized volatilities and correlations.

Volatility-Targeting

- The allocation to the basket of risk premia is adjusted daily to achieve a volatility target of 5%.
- The allocation is based on two measures of short-term trailing realized volatility.

