



ACTIVE ASSET ALLOCATION

### Who we are

Active Asset Allocation is an investment solution designer providing institutional investors, pension funds and asset managers with state-of-the-art asset allocation techniques.

### What we offer

We advise our clients on how to make the best use of the assets they select. To do so, we design dynamic asset allocation models, which take into account each investor's risk and allocation constraints.

Our approach is solely based on downside risk management, through a continuous control of the drawdown levels.

Our advanced risk allocation techniques provide an alternative to traditional asset allocation practices and they do not necessitate to speculate on the future performance of asset classes. Our services include absolute return as well as asset & liability management solutions.

- ▶ **Pension funds:** we help them achieve full funding as quickly as possible by locking-in the funding ratio progresses and minimizing the sponsor's required contributions. Our solutions also fit employee saving plans with defined contributions.
- ▶ **Insurers, Mutual funds and Endowments:** we help improve their asset & liability management in order to comply with regulatory requirements (ex: Solvency 2 - management under SCR constraints) and liquidity constraints.
- ▶ **Asset Managers and Private Banks:** we act as product or solution designers. Our solutions enable investors to maximise performance while limiting the maximum drawdown to their pre-defined level.





Prior to implementation, our asset allocation models are tested and adjusted on a large number of simulated market scenarios. Asset allocation is revised regularly and portfolios are monitored on a daily basis.

\* funding ratio = assets / liabilities, in other words, an indicator of the fund's solvency

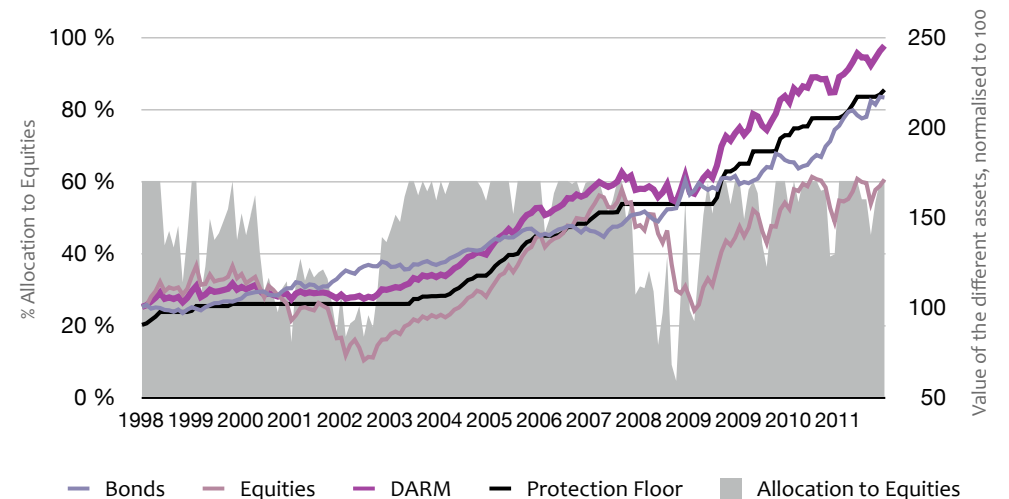
# Drawdown Control

DARM (Dynamic Asset and Risk Management) is our asset allocation solution that enables an asymmetric management of the portfolio returns: by dynamically controlling negative returns, DARM helps limit losses without restricting performance.

DARM model is inspired by risk allocation techniques. It protects a wealth level and allocates capital, depending on the risk budget that is available, among the assets selected by the investor. Our research department has brought major improvements to the traditional risk allocation techniques:

-  Allows multiple asset classes (unlike CPPI)
-  Protection of a progressive level of wealth
-  Management of different protection types
-  Reduction of the risk to be fully invested in cash

### Example of DARM on two assets



*This material does not provide or offer financial or other advice. You should not rely on it as a financial advice. Active Asset Allocation is registered in France under No B000183 with ACIFTE, an association regulated by the French Authority of Financial Markets (AMF).*

FOR MORE INFORMATION

+33 (0)4 93 18 02 97  
contact@active-asset-allocation.com  
www.active-asset-allocation.com