Asset Allocation Report

04/09/2018

World GDP

North America
2.3

Western Europe
1.8

Eastern Europe
(incl. Russia)
1.2

Middle East/
North Africa
3.0

Japan
1.7

Asia
(excl. Japan)
5.4

0–2%
2–4%
>4%

Latin America
0.6

Sub-Saharan
Africa
3.5
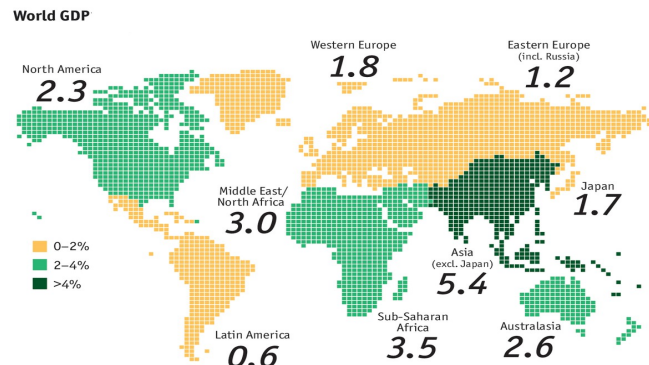
Australasia
2.6

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This report is based on the notion that most of a portfolio's volatility over the long term can be attributed to asset allocation, not stock picking.
Based on your investor profile, we identify the optimal asset allocation that reflects your needs in terms of risk and return. So our aim here is to provide you with a solid foundation for your new investment portfolio.

Asset allocation summary

Key Statistics

Report date: 04/09/2018
Expected return (1y): 3,7%
Expected volatility: 3,2%
Return/volatility: 1,15
3 months 95% VAR: -1,70%
9 months 99% VAR: -1,78%
Next review date: 04/12/2018

Composition and actual market exposure

| MARKET NAME	WEIGHT	POSITION	EXPOSURE
Equity Em. Mkts - India	13,00%	Long (1x leveraged)	13,00%
Equity Em. Mkts - Russia	2,00%	Long (1x leveraged)	2,00%
Commodities - Energy	10,00%	Long (1x leveraged)	10,00%
Bond EUR - corporate AAA 1-3	49,00%	Long (1x leveraged)	49,00%
Bond EUR - corporate AAA 5-7	17,00%	Long (1x leveraged)	17,00%
Bond EUR - corporate AAA 7-10	9,00%	Long (1x leveraged)	9,00%

Asset allocation breakdowns

Currency breakdown

Portfolio reference currency: EUR

This chart shows asset allocation's currency breakdown in terms of actual market exposure

- 13,0%
- 2,0%
- 10,0%
- 75,0%

Legend: EUR, INR, RUB, USD
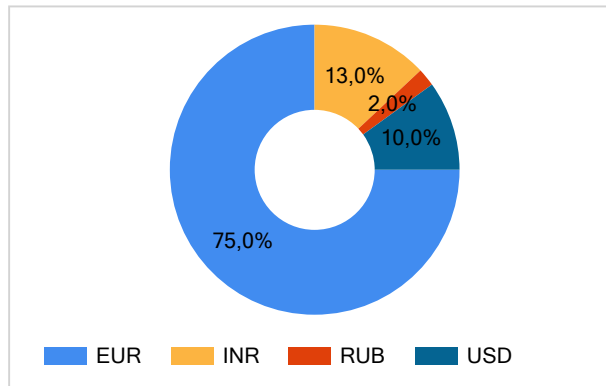
Breakdown by asset classes

This chart shows the weight of each asset class within current allocation in terms of actual market exposure

- 75,0%
- 10,0%
- 15,0%

Legend: Equity, Debt, Commodities
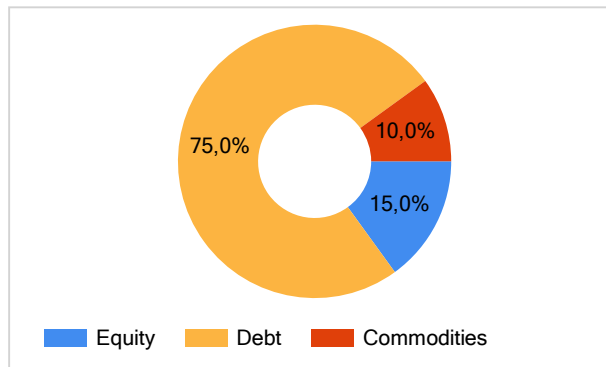
Breakdown by regional exposure

This chart shows regional exposure of current allocation in terms of actual market exposure

- 75,0%
- 10,0%
- 15,0%

Legend: Emg Mkts, Europe, Global
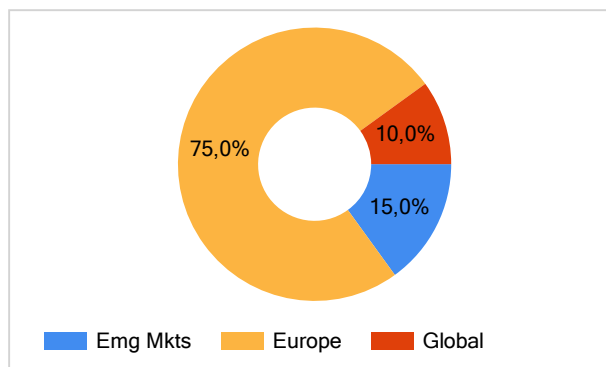
Market risk profiles breakdown

According to our suitability framework, each market has been given a corresponding risk profile.

This chart shows how allocation is concentrated in different market risk categories.

- 9,0%
- 25,0%
- 17,0%
- 49,0%

Legend: Low, High, Very high, Medium
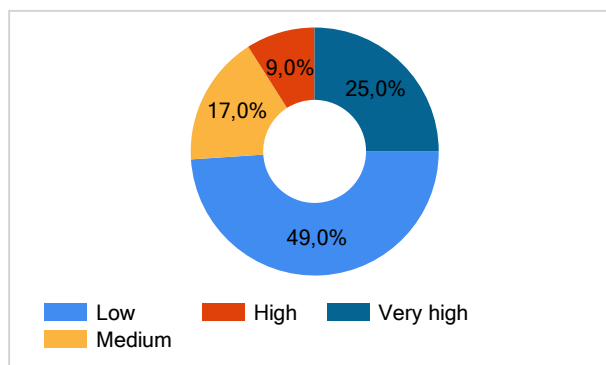
Risk and return analysis

Value at Risk (VaR) analysis

VaR is a worst case scenario analysis It tells you the maximum loss that you can suffer with a given probability over a specific time horizon.

For example: a 2 months 95% VaR of -5,0% tells you that there are 95% chances that your portfolio will not lose more than 5,0% at the end of a two months period of time.
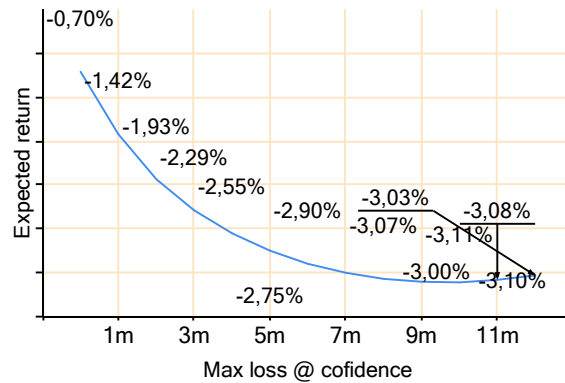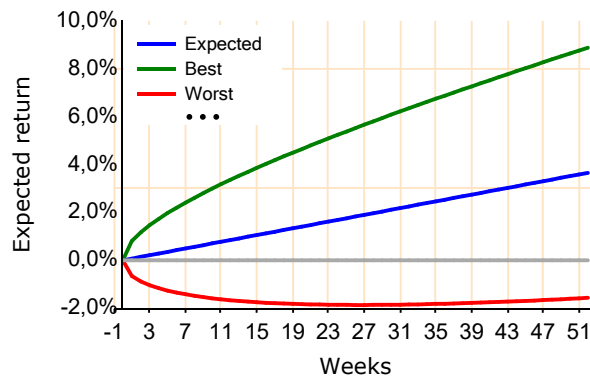

Ibbotson volatility cone

This chart shows 3 possible evolutions of asset allocation return over time.

The blu line is the expected portfolio return.

The green line represents a 'best case' scenario while the red one is a 'worst case' expected return
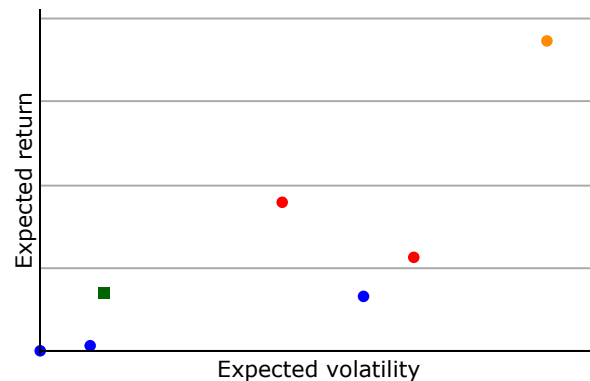

Return-to-risk ratio analysis

This chart shows the risk/return profile of current asset allocation (green square) together with its constituents.

Red circles represent equity markets.

Blue circles are for fixed income markets.

Orange circles are for commodities

Gray circles are for other assets

Note: VaR and Ibbotson volatility cone are computed with a confidence level of 95%

Quantitative background

Twelve months expected returns and volatilities for markets included in current asset allocations:

| Market name / code	ExpRet	ExpVol
Equity Em. Mkts - India / APE05	9,12%	10,60%
Equity Em. Mkts - Russia / APE08	5,80%	16,08%
Commodities - Energy / MtP02	18,84%	21,63%
Bond EUR - corporate AAA 1-3 / OEU18	0,16%	0,50%
Bond EUR - corporate AAA 5-7 / OEU20	0,48%	2,60%
Bond EUR - corporate AAA 7-10 / OEU21	3,44%	13,99%

Diversification power: 45,33%*

Diversification power is a quantitative measure of how much, low or negative market correlations contribute to reduce asset allocation's volatility risk.

The red column is the maximum risk without considering diversification (all correlations set to 1).

The orange column is the expected portfolio risk.

The gray column is the amount of risk removed by diversification.

5,81%
2,63%
3,18%
Potential risk
Removed risk
Expected risk
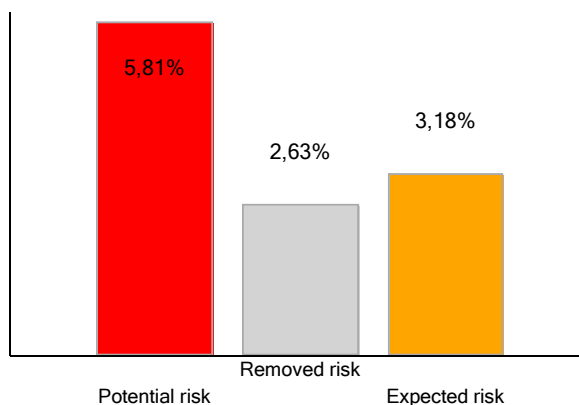
* It means that a 45,33% of total potential risk has been removed by the correlation effect

Suitability analysis

Assessment by client risk profiles

Risk tolerance	Is suitable
P1 - Very low	❌
P2 - Low	✅
P3 - Low to medium	✅
P4 - Medium	✅
P5 - Medium to high	✅
P6 - High	✅
P7 - Very high	✅

Lowest suitable client risk profile is P2

PROFILE DESCRIPTION

This kind of investor has typically low financial knowledge and limited interest in keeping up to date with investment issues. He probably has limited experience in investment fields, and is probably more familiar with bank accounts. He has a strong preference toward liquidity but could consider other investment instruments for longer term. Finally, he typically suffers from regret when his investment decisions turn out badly.