



## OBJECTIVES

Targets peer group leading risk-adjusted returns irrespective of market conditions with a focus on capacity for loss as detailed under the Risk Profile Matrix (shown to the right).

## STRATEGY

Artificial Intelligence (or AI) is a sub-field of computer science that uses computers to generate knowledge by extracting meaningful intelligence from data. Machine learning (ML) leverages AI by using algorithms to identify and act on patterns in the data. ML helps machines learn from the data by themselves without being explicitly pre-programmed. Essentially it learns to adapt by itself.

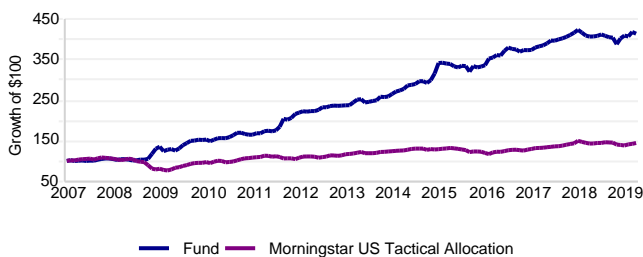
The Portfolio uses a general-purpose Machine Learning engine to more accurately predict how the price of the underlying assets will move going forward from one prediction point until the next (weekly).

The engine comprises the output of a predictive component (the "Predictor") and a risk minimization component ("the Allocator") to operate the strategy in line with pre-defined portfolio objectives.

The Predictor consists of 600 self-learning AI analysts which, as markets evolve, predict the price behaviour of each asset in the portfolio (see "ETF: underlying exposure" table below) plus one "head" AI analyst that produces a single buy, hold or sell signal per asset.

The Allocator is an AI risk manager that attributes weights dynamically across assets, as a function of changes in asset relationships and market behaviour, in order to minimize expected portfolio capital loss risk and provide a better client investment experience over time.

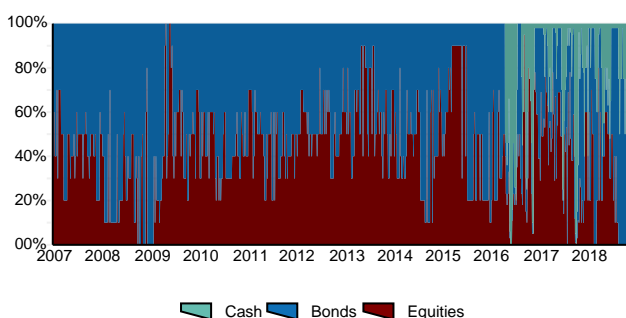
## CUMULATIVE PERFORMANCE\*



## MONTHLY PERFORMANCE (%)\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	0.89	-0.90	3.86	-1.58									2.20
2018	1.35	-3.57	0.75	-1.57	1.30	-0.08	-0.50	1.08	-1.03	-4.91	1.24	3.66	-2.54
2017	0.34	1.89	0.66	0.45	1.71	0.48	0.79	1.28	0.05	1.28	1.29	0.48	11.23
2016	2.55	4.22	1.04	0.19	0.58	4.21	1.54	-0.78	-1.43	-0.16	0.24	0.40	13.14
2015	8.22	-0.71	-1.14	-1.19	0.26	-2.15	2.65	-6.01	-1.10	6.98	-0.74	-0.40	3.91
2014	1.73	3.00	1.04	1.32	3.06	0.59	-1.19	4.33	-2.09	0.25	2.81	5.37	21.89
2013	0.97	1.44	2.95	2.80	-3.30	-2.11	2.73	-1.84	2.98	3.87	0.31	0.47	11.55
2012	1.52	0.95	-1.44	1.92	0.09	1.48	2.65	0.13	1.12	-0.48	0.74	-1.57	7.25
2011	-0.80	3.20	-0.31	3.15	0.81	-2.97	3.55	3.85	8.18	2.24	2.34	4.61	31.12
2010	-1.26	1.26	2.37	3.05	-3.34	2.79	2.35	2.22	3.67	-2.06	-1.48	1.26	11.07
2009	-7.30	-0.92	6.90	-3.55	1.78	3.42	6.84	3.26	3.88	-1.36	3.46	-2.60	13.53
2008	-2.98	-0.54	3.42	-1.92	-1.56	0.34	-1.36	2.90	-2.03	4.12	12.22	10.70	24.36

## ADAPTIVE ASSET ALLOCATION



## RISK PROFILE MATRIX#

Capacity for Loss (Maximum Draw-Down)	15%
Tolerance to Risk (Volatility)	10%
Tolerance to Risk (1-10)	5

# Based on 3 factors; the assumption that cash has the lowest risk and equities the highest risk and a combination of live and simulated performance over a 10 year period between January 2007 and December 2016 with specific reference to volatility measured in standard deviation and maximum draw-down.



Fina Metrica OK Risk  
score range 50 - 61

## KEY INFORMATION

Index	Morningstar US Tactical Allocation
Portfolio Structure	Unitized Managed Account
Portfolio Instruments	ETFs
Liquidity	Daily at NAV
Currencies	USD
Annual Management Charge	0.75%

## RETURN AND RISK ANALYSIS\* (%)

	AI Portfolio	Index
1 Month	-1.58%	1.69%
YTD	2.2%	9.13%
1 Year Return	2.76%	2.38%
3 Years Annualized Return	5.03%	5.66%
5 Years Annualized Return	8.15%	2.76%
Return Since Inception	12.18%	3.06%
Total Return Since Inception	310.95%	44.82%
Volatility	9.86%	9.51%
Sharpe	1.23	0.32
Sortino	2.08	0.49
Best Month	12.22%	5.55%
Worst Month	-7.3%	-11.38%
Positive Months	66.22%	61.49%
Max. Drawdown	-13.04%	-36.54%

## ASSET ALLOCATION

	Cash	Bonds	Equity
As at 30 Apr 2019	20%	60%	20%
Boundaries	0-100	0-100	0-100

## ETF: UNDERLYING EXPOSURE

BO	iShares 20+ Years Treasury Bond
EQ	S&P 500
CA	Cash

**ARTIFICIAL  
INTELLIGENCE****DISCLAIMER**

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**SERVICE PROVIDERS**

<b>Custodian</b>	HSBC Bank Bermuda Limited
<b>Administrator</b>	Kane LPI Solutions, Limited
<b>Execution Broker</b>	Cantor Fitzgerald

\*Performance from May 2015 onwards is that of a live managed account. Performance data from January 2007 to April 2015 is simulated. Simulated performance results are provided for informational purposes only and have certain limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not been executed, the results may have under or over compensated for the impact, if any, of certain market factors. This simulation is based on historical returns for the Portfolio's asset allocation boundaries (as determined by the index) as if the Portfolio had been invested this way since January 2007. No representation is being made that any account will or is likely to achieve profit or losses similar to those shown. The results are not intended to project or predict future investment returns. Results are net of fees and net of all assumed transaction costs. Includes an assumption of 30% withholding tax on all income.

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