

Introduction & The Need to Diversify

Combining Asset Classes within a Portfolio:

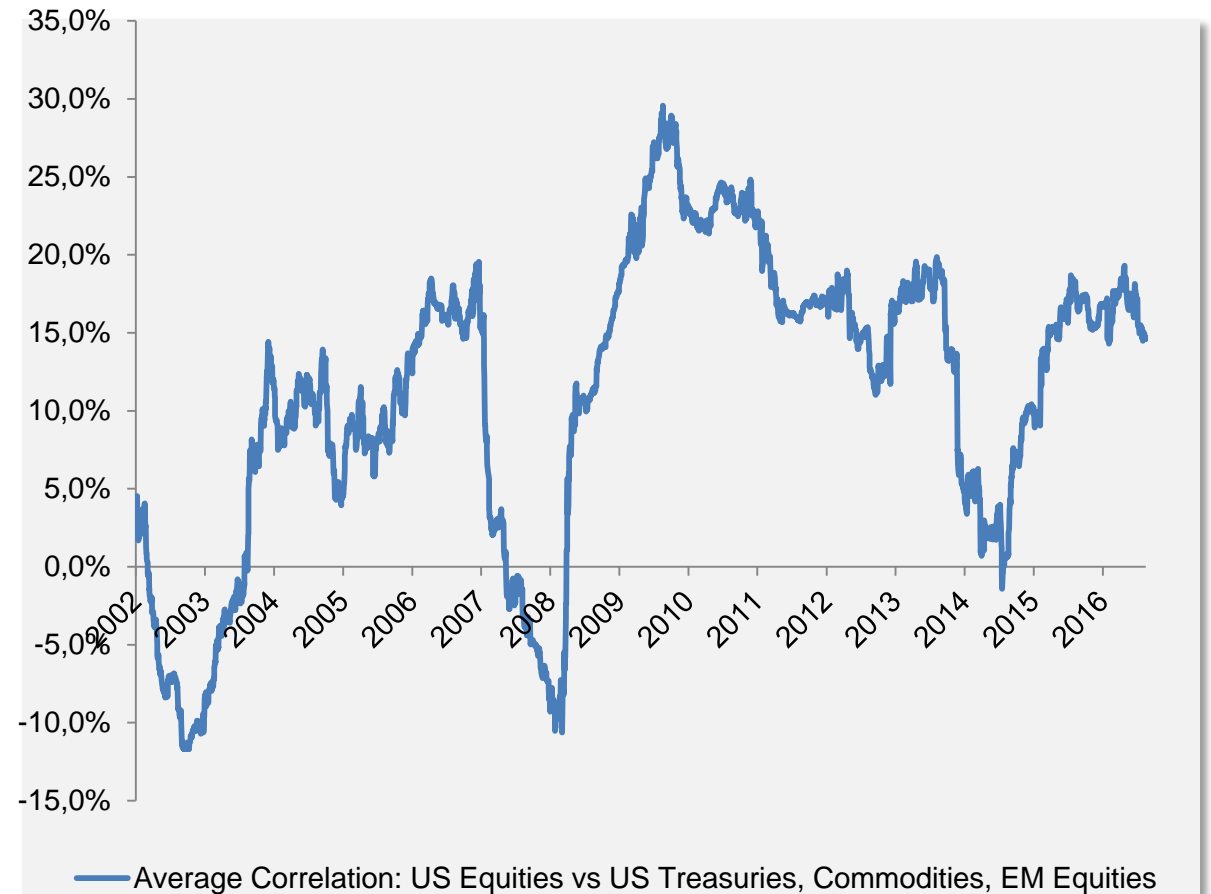
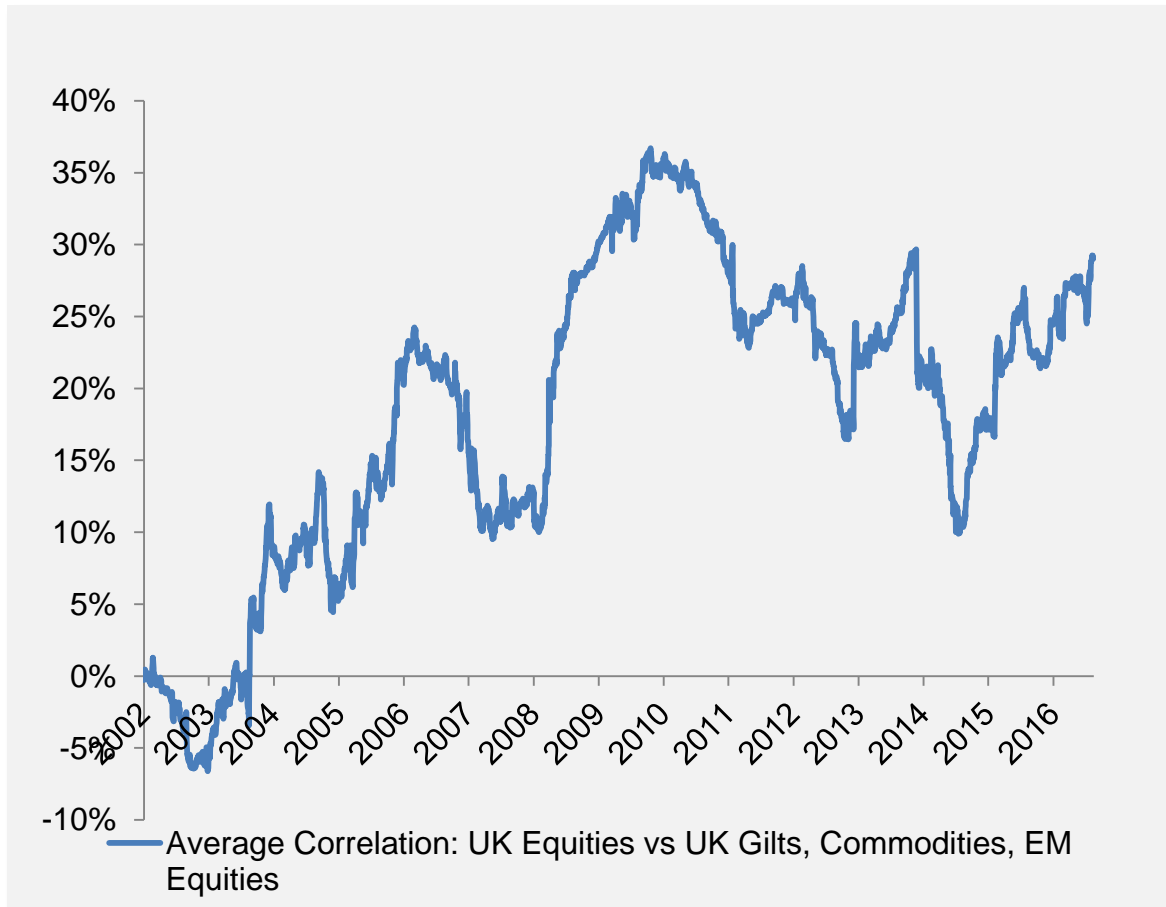
- ▶ Reduces Portfolio Volatility
- ▶ Reduces Drawdowns
- ➔ Increases Risk Adjusted Returns

Cross Asset Correlations since 2002 (based on monthly returns)								
	<i>Commodities</i>	<i>US Equities</i>	<i>EM Equities</i>	<i>US REITs</i>	<i>UK Gilts</i>	<i>UK Equities</i>	<i>EU Equities</i>	<i>US Treasuries</i>
<i>Commodities</i>	1.00	0.23	0.36	0.16	-0.14	0.26	0.26	-0.14
<i>US Equities</i>	0.23	1.00	0.52	0.72	-0.26	0.53	0.58	-0.37
<i>EM Equities</i>	0.36	0.52	1.00	0.36	-0.26	0.58	0.64	-0.26
<i>US REITs</i>	0.16	0.72	0.36	1.00	-0.11	0.32	0.37	-0.19
<i>UK Gilts</i>	-0.14	-0.26	-0.26	-0.11	1.00	-0.31	-0.38	0.56
<i>UK Equities</i>	0.26	0.53	0.58	0.32	-0.31	1.00	0.75	-0.31
<i>EU Equities</i>	0.26	0.58	0.64	0.37	-0.38	0.75	1.00	-0.35
<i>US Treasuries</i>	-0.14	-0.37	-0.26	-0.19	0.56	-0.31	-0.35	1.00

Source: Commerzbank AG, Bloomberg

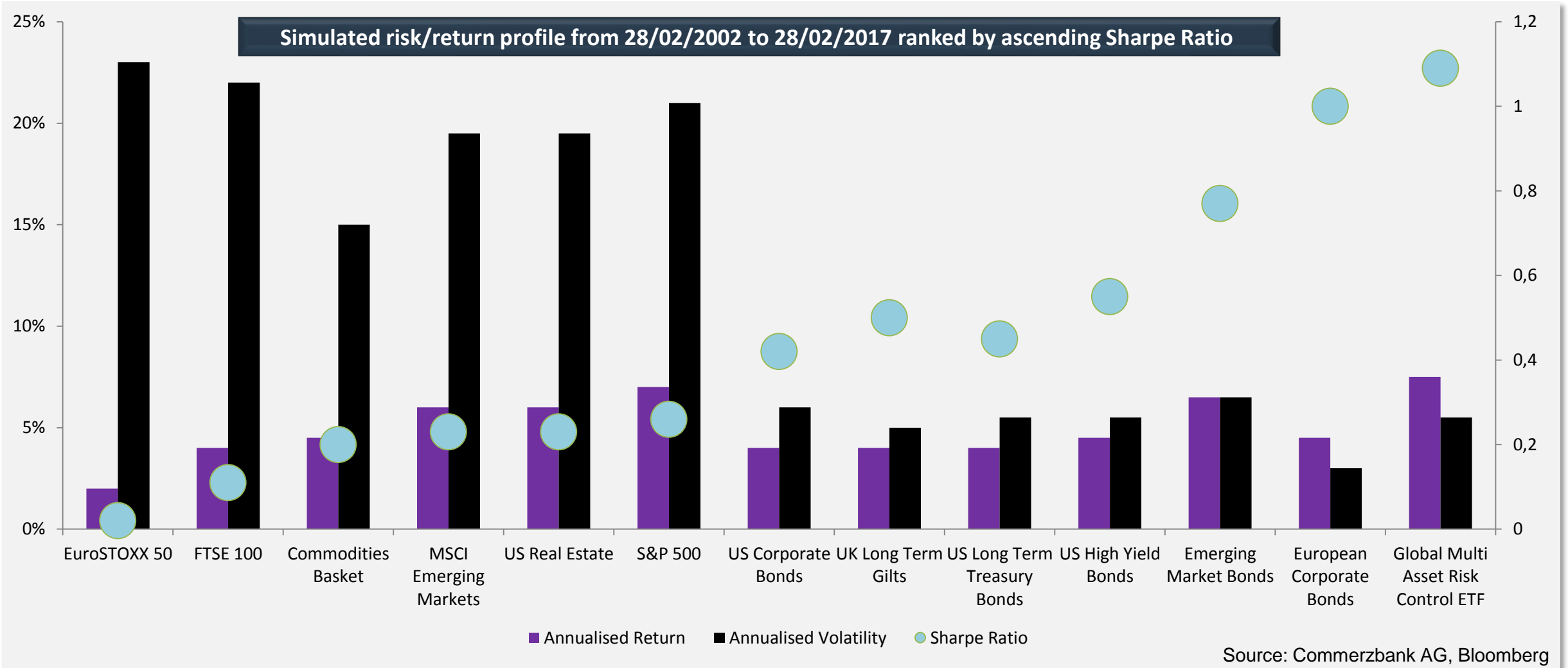
Not a “Buy and Forget” Investment

Cross Asset Correlations are dynamic: Depending on market conditions & Macro events.



Source: Commerzbank AG, Bloomberg

Diversification through Smart Beta Multi Asset Investing



*Past Performance is not a reliable indicator of future performance.



#AGEFIday

Ossiam Global Multi Asset Risk Control UCITS ETF

KEY FEATURES

A multi-asset strategy that invests into ETFs

Dynamic Exposure to Risky Assets
obtained by mean-variance optimization

Dynamic allocation between
Risky Assets and Cash to control the drawdown

OVERVIEW

RISKY ASSETS



CASH

DRAWDOWN CONTROL LAYER

GLOBAL MULTI-ASSET RISK-CONTROL STRATEGY

UCITs ETFs for all Asset Classes

ASSET CLASS MAX WEIGHT	UNDERLYING ETF NAME	ETF TICKER	CURRENCY	ETF MAX WEIGHT
WESTERN EQUITIES 50%	iShares EURO STOXX 50 UCITS ETF	SX5EEX GY	EUR	19%
	iShares Core FTSE 100 UCITS ETF	ISF LN	GBP	19%
	iShares Core S&P 500 UCITS ETF	CSPX LN	USD	19%
WESTERN TREASURY BONDS 50%	SPDR Barclays US Treasury Bond UCITS ETF	TRSY LN	USD	19%
	iShares Core Euro Government Bond UCITS ETF	IEGA LN	EUR	19%
	iShares Core UK Gilts UCITS ETF	IGLT LN	GBP	19%
EMERGING MARKETS (25%)	iShares MSCI Emerging Markets UCITS ETF	IDEM LN	USD	15%
	iShares JP Morgan \$ Emerging Markets Bond UCITS ETF	IEMB LN	USD	15%
CORPORATE BONDS 25%	iShares \$ Corporate Bond UCITS ETF	LQDE LN	USD	15%
	iShares USD High Yield Corporate Bond UCITS ETF	IHYU LN	USD	15%
	iShares Core Euro Corporate Bond UCITS ETF	IEAC LN	EUR	15%
ALTERNATIVE 20%	iShares US Property Yield UCITS ETF	IDUP LN	USD	10%
	ComStage ETF Commodity ex-Agriculture EW Index TR UCITS ETF	CBCOMM GY	USD	10%

RISKY ASSET
PORTFOLIO

Combining the Multi Asset ETFs in a Smart Way

$$W^{RA} : \rightarrow \max (\mu * w - \frac{\lambda}{2} w \Sigma w)$$

μ
 Realized return (Based on returns over a 120-day period)

λ
 Trade-off: between the realized return maximization and the risk penalization. This parameter is set to be equal to 40

Σ
 Realized Volatility/Correlations (Based over 120-day period)

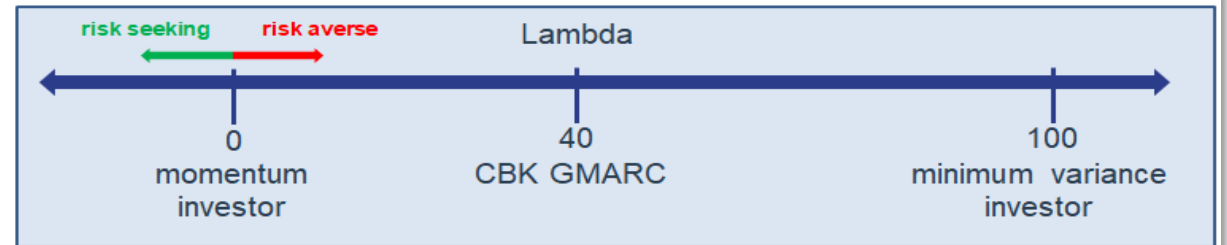
THE PARAMETER λ REFLECTS THE INVESTOR'S RISK APPETITE

The parameter λ gives the trade-off between the realized return maximization and the risk penalization. This parameter is set to **40**.

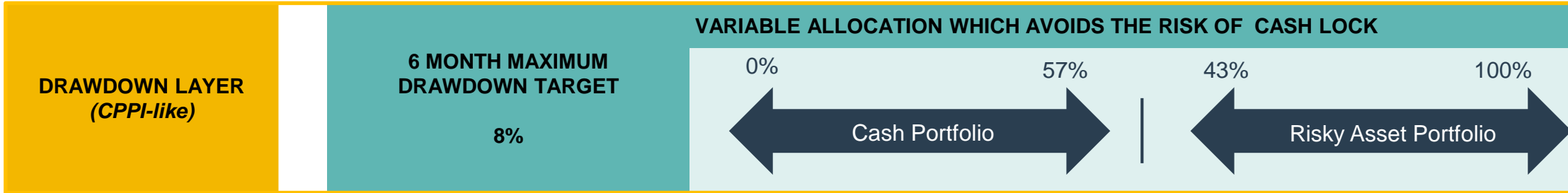
With this value, we aim at representing a typical investor that is risk adverse and is not totally *sharpe ratio* invariant. This typical investor does not have the same sensitivity to low and high risk.

Example:

Increase in Risk	0%	10%	20%	30%	50%	100%
New Risk	4.00%	4.40%	4.80%	5.20%	6.00%	8.00%
Sharpe Invariant Return	5.00%	5.50%	6.00%	6.50%	7.50%	10.00%
Utility Invariant Return (L = 40)	5.00%	5.67%	6.41%	7.21%	9.00%	14.60%

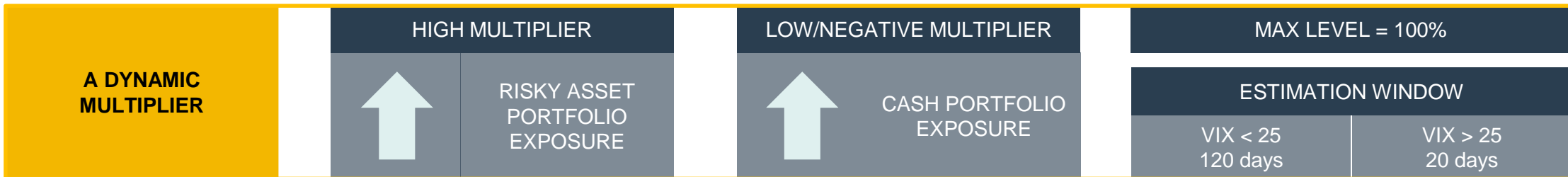
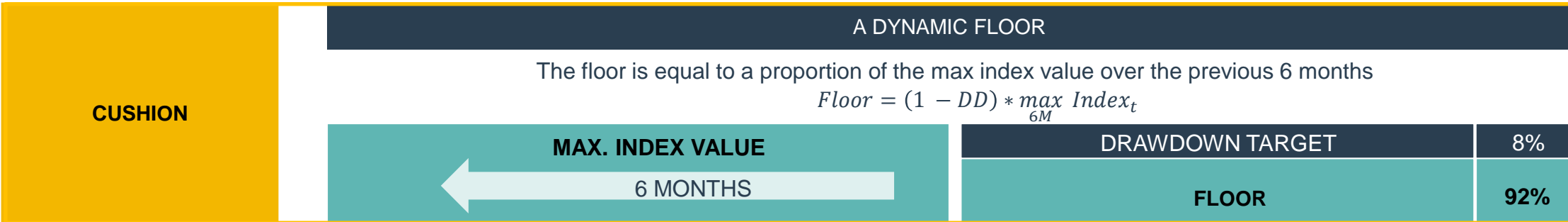


Drawdown Control



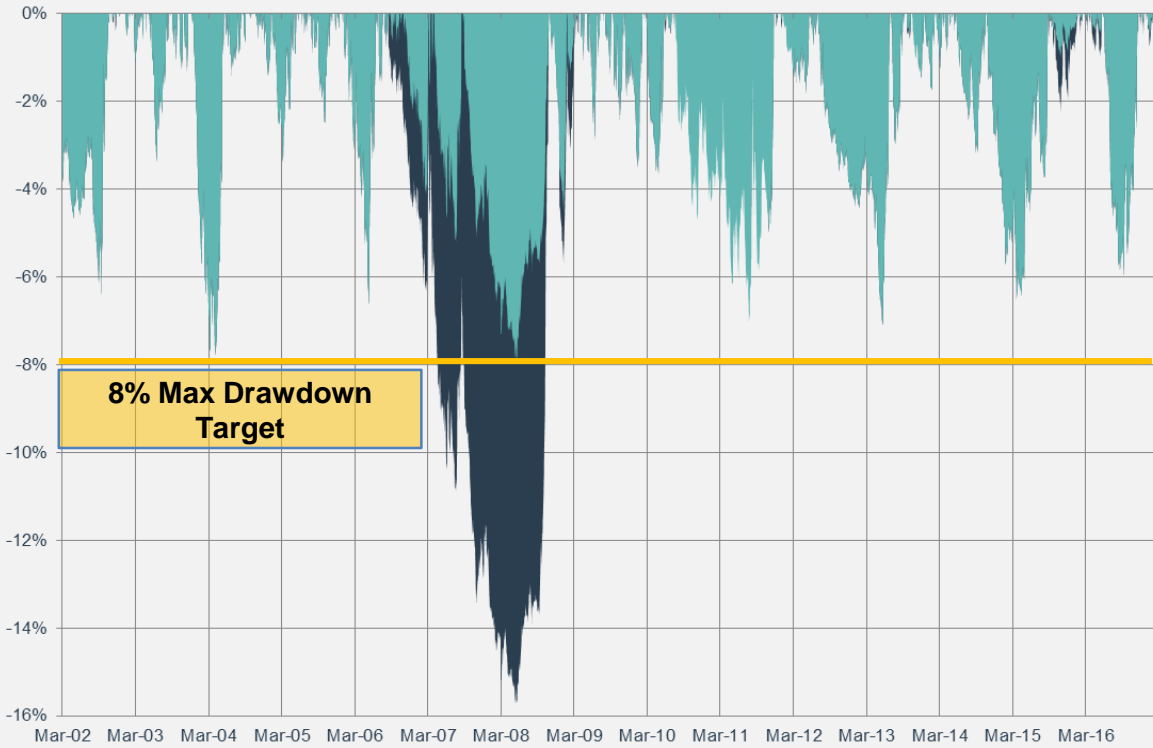
Risky Asset allocation consistent with a classical CPPI framework

$$X = m * cushion / index$$



Drawdown Control: In Control

Simulated historical drawdown from 28/02/2002 to 28/02/2017



Source: Bloomberg, Calculated by Ossiam

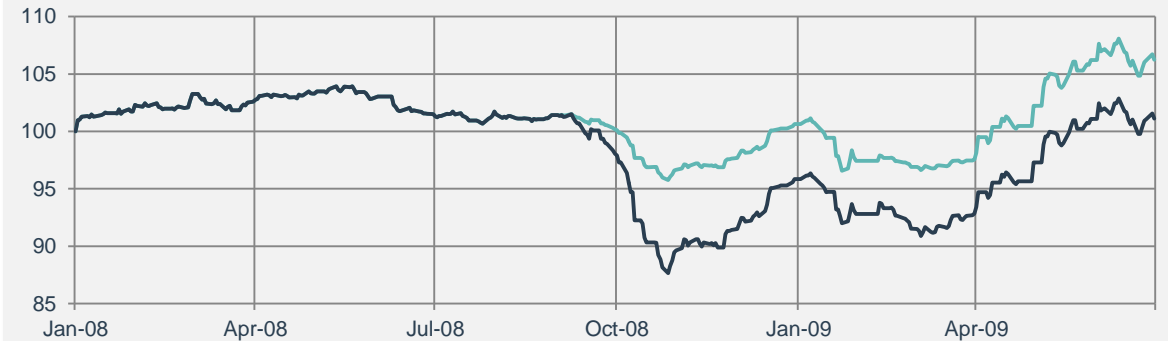
Risky Asset Portfolio

Simulated risk/return profile

The inclusion of a drawdown layer preserves the risk/return profile of the strategy

From 28/02/2002 to 28/02/2017	Global Multi-Asset Risk-Control Strategy	Risky Assets Portfolio
annualized performance	6,88%	7,35%
annualized volatility	5,17%	5,43%
Sharpe ratio	1,05	1,08
maximum draw down	-7,9%	-15,7%

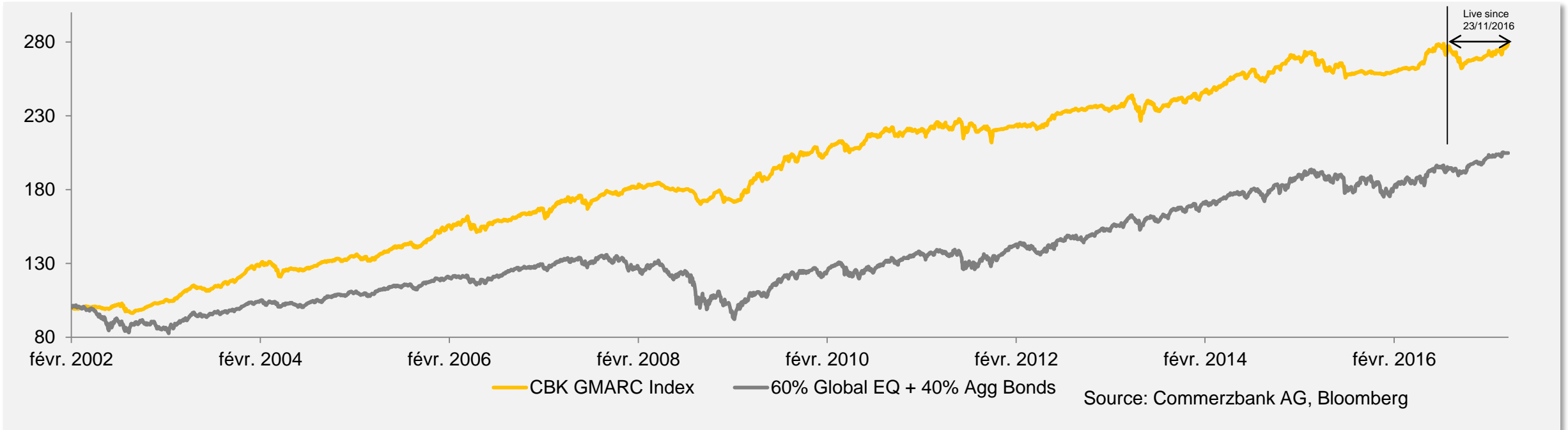
Focus January 2008 – June 2009



Global Multi-Asset Risk-Control Strategy

*Past Performance is not a reliable indicator of future performance.

Historical Performance*



Since February 2002	CBK GMRC Index	60% Global EQ + 40% Agg. Bonds
Annualised Return	6.73%	4.71%
Annualised Volatility	5.17%	9.78%
Max Drawdown	-7.89%	-32.11%
Sharpe Ratio	1.30	0.48
Calmar Ratio	0.85	0.15

- › Time Period: Feb-2002 to May-2017
- › Index Currency: EUR
- › Benchmark: 60% Global Equity + 40% bond portfolio
- › Return type: Net Total Return
- › BBG Ticker: CBKIGMRC Index

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Ossiam Global Multi Asset Risk Control UCITS ETF

Share Class	ISIN	TER	Inception Date	ETF Tickers	
UCITS ETF 1C (EUR)	LU1446552496	0.55%	28/12/2016	Euronext Paris	GMRC FP Equity
				XETRA	OSXM GY Equity

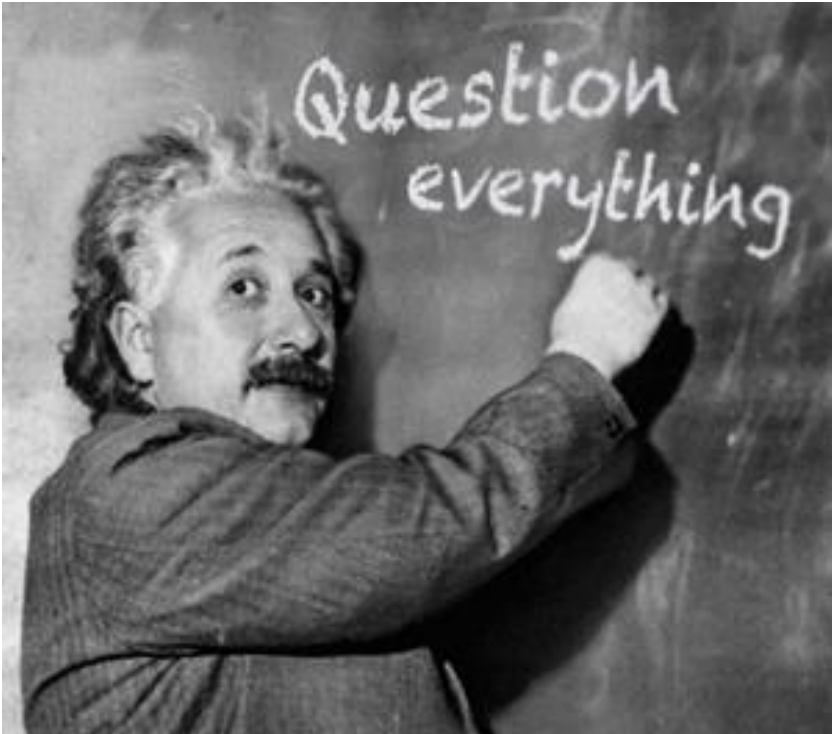
Risk management guidelines

Replication type	Synthetic
Substitute basket min. size	92% of the fund assets
Substitute basket composition (as described in the prospectus)	Minimum of 60% in equities or rights issued by companies having their registered office in OECD countries
Swap counterparties max. exposure	Since March 1st 2017 (implementation of EMIR), the exposure to counterparty risk is limited to 500,000 EUR (Minimum Transfer Amount MTA). Cash collateral is exchanged between the ETF and the swap counterparty with daily adjustments in order to reduce the exposure under the MTA.
Swap counterparties	Commerzbank

Index

Reference Index	
<p>The Global Multi Asset Risk Control Index is a net total return index (expressed in EIR) which reflects the performance of a dynamic long exposure to different asset classes (Equity, Fixed Income, Alternative, Emerging Markets, Cash) which are selected according to a mean-variance optimization with a drawdown overlay.</p>	
Bloomberg ticker	CBKIGMRC Index
Calculating Agent	Solactive AG
Launch date	23/11/2016
Back-tested since	28/02/2002

Questions



Disclaimers

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Prior to 20 May 2016, NGAM S.A. acted as management company of the SICAV. Effective as of 20 May 2016, the SICAV has appointed Ossiam as its management company, responsible for the investment management, administration and distribution of the SICAV.

The management company has appointed State Street Luxembourg as Administrative Agent, Paying Agent, Domiciliary and Corporate Agent, Registrar and Transfer Agent of the SICAV.

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