

Navigate turbulent markets in a systematic way

Prisma: Systematic market intelligence

Leverage insight from a quant team through our Prisma platform to support tactical investment decision-making

PRISMA
by ALQUANT

The Alquant Prisma Platform: What is it?

The Alquant Prisma platform gives financial institutions and advisors tools to manage market extremes in a customized, rational, and data-driven way, allowing them to proactively address hedging challenges and reap their benefits. They don't need to have prior knowledge of quantitative finance, programming, or data science.



Modern

Systematic,
transparent, fast,
and accessible



Swissness

Innovation and
quality at its core



Protective

Efficient and
cost-attractive
protection

The Alquant Prisma Platform: What can clients expect from it?

Reduce drawdowns cost-efficiently

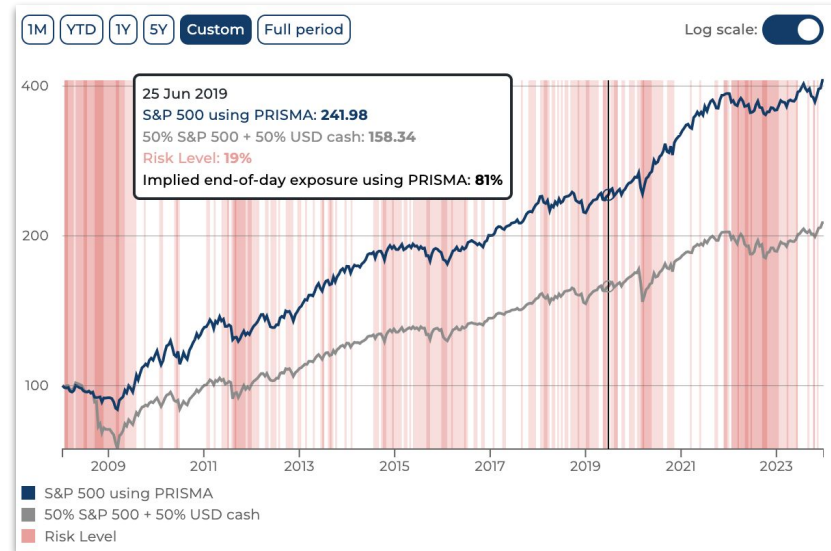
Prisma seeks to ensure that the performance always comes with a manageable maximum drawdowns so that investors actually stay invested.

(See Use Case I on page 4)

Increase long-term returns

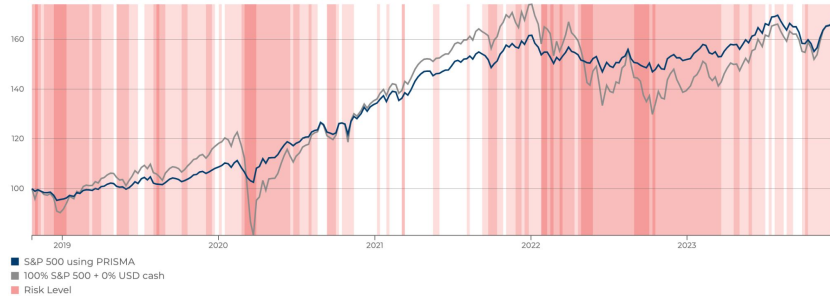
By actively managing downside risk, Prisma enables users to increase their strategic and maximal allocation to equity-like assets and thus to achieve higher returns.

(See Use Case II on page 5)

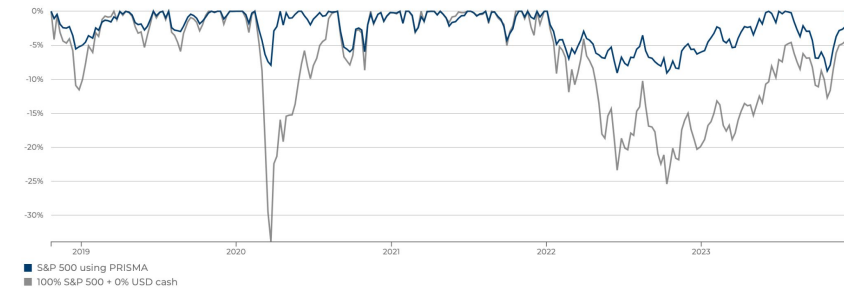


Use case I: Hedge equity strategy against drawdowns without missing too much returns (out-of-sample)

Performance

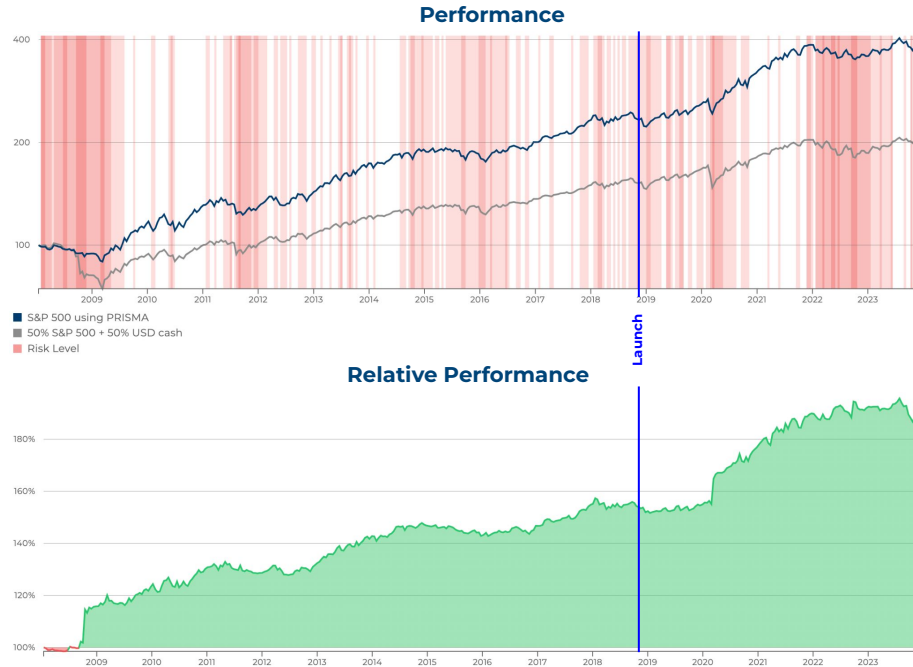


Drawdowns



Achieve similar returns as passive exposure to equity market while dividing the annualized volatility by two. Drawdowns are kept under control (below 10% compared to more than 33% for the equity market)

Use case II: Enhance the performance of multi-asset mandates while maintaining the same risk profile



Generate superior performance over the long term without increasing volatility and downside potential, while achieving consistent outperformance (information ratio > 0.7) and controlling tracking error.

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The Alquant Prisma Platform: What do clients concretely get?

→ An Unmatched Suite of Remarkably Coherent Risk Indicators, characterized by:

- ✔ **Actionable Insight:** Easily translated into concrete portfolio actions for effective decision-making.
- ✔ **Broad Applicability (top-down):** Applicable to any equity-exposed portfolio, ensuring extensive AuM capacity.
- ✔ **Built on Recognized Risk Factors:** Establishing solid foundations by leveraging well-recognized risk elements.
- ✔ **Standardized Interpretation:** All indicators share a uniform range, facilitating easy comparison and understanding.
- ✔ **Complementary Coverage:** Each indicator comprehensively addresses distinct risk aspects, preventing overlap.
- ✔ **Proven track-record:** Operational for over five years, repeatedly delivering successful outcomes.
- ✔ **Adaptable Rebalancing Frequency:** Tailored to accommodate various portfolio management approaches, offering flexibility.
- ✔ **Fresh Perspective Integration:** Enhancing value through a novel outlook on established factors.
- ✔ **Synchronized Updates:** Daily updates across all indicators, ensuring timely and consistent information.
- ✔ **Combinable Integration:** Standardization, synchronization, and complementarity enable blending for a comprehensive daily market view.

The Alquant Prisma Platform: What do clients further get?



Actionable risk indicators

Dynamic adjustment of risk exposure depending on market conditions



Run historical simulation

Without having to code interactively analyze the impact of a hedging solutions on any portfolio



Create customized solutions

Create customized indicators and apply them on any desired underlying

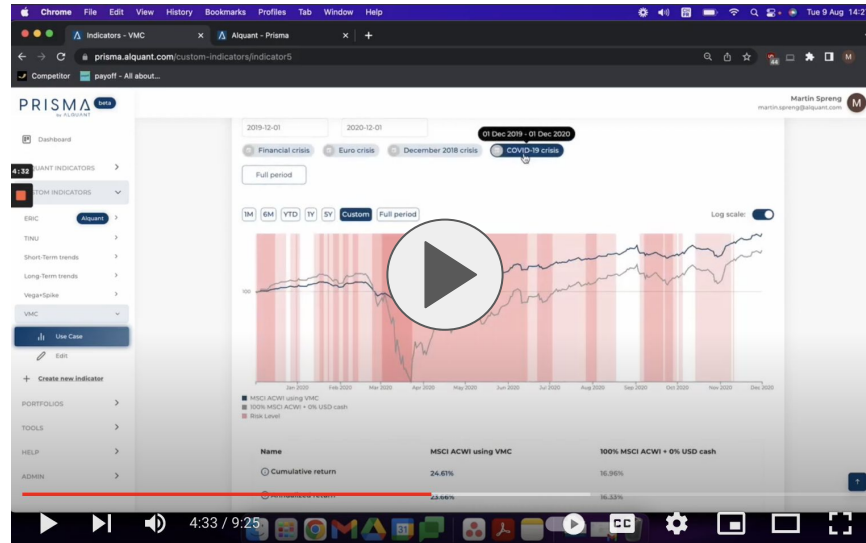


Receive automatic notification

Set up email notifications that match your rebalancing frequency or are based on thresholds.

[Go to the Prisma Platform](#)

The Alquant Prisma Platform: A video is better than 1000 words



[Link to other videos](#)

Alquant's risk indicators' characteristics



Performance-enhancing

Increasing long-term absolute performance by enhancing short-term risk-adjusted performance.



Clear

Designed to be simple to understand.



Actionable

Easy to translate into concrete actions.



Generic

Can be applied to every portfolio having an exposure correlated to equity.



Versatile

Can anticipate significant market movements arising from various sources.



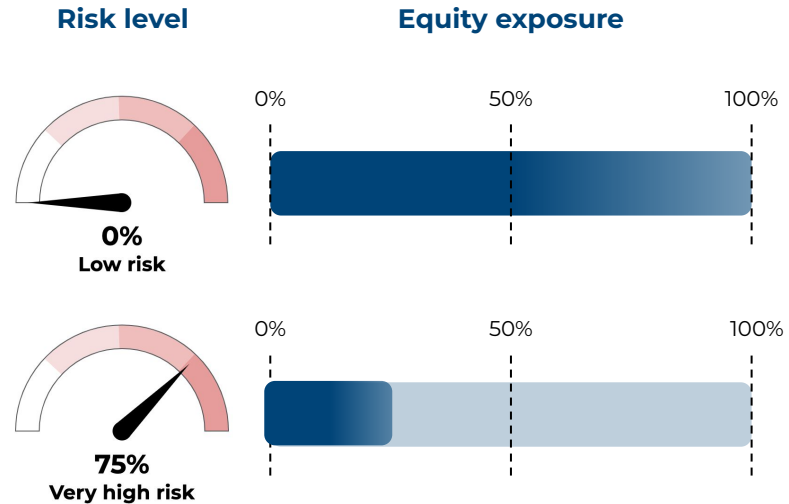
Unbiased

Based on facts and data, not influenced by feelings.

Alquant risk indicators compared to other indicators

Unlike other indicators, Alquant's risk indicators:

- Are easy to translate into concrete portfolio actions
- Can be applied to any portfolio having exposure to equity
- Follow the same scale (always range between 0-100%) and same timeframe, which make them easily comparable and easy to combine together.



Alquant's seven risk indicators



Vega

Based on the dynamics and trend of the VIX futures curve, this indicator seeks to identify panic periods in the equity market



Macroeconomic

This indicator is keeping a timely bird-perspective of the real global economy using leading economic indicators and high-frequency economic data



Credit

This indicator analyzes the dynamics of credit spreads of the global high yield and lower grade bonds segment



Spike

This indicator combines various equity market volatility measures to provide a responsive risk signal that can be used to adjust equity exposures over short term horizons.



Momentum

This indicator enables to easily determine how many percentage of time frames show a negative price trend and thus exhibit investors' bearish herd behavior.



Crossvol

This indicator gathers implied volatility measures on assets classes including equity, commodities, bonds and currencies and combines these volatility data into a single risk estimation



Net Liquidity

The Net Liquidity Indicator evaluates major global central banks' balance sheet data to estimate resulting liquidity and potential market risk.

Alquant's risk indicators: Common indicators with a secret touch

The risk indicators listed on the last page may seem rather common. In fact, this is normal because we have not reinvented the wheel. We have built our indicators from highly relevant data and factors that are supported by empirical evidence and that many already use as a type of indicator.

However, we have developed an AI-based research process that extracts as much of this data as possible to build indicators that are as easy to use as possible.

Alquant's ambition is clear: use the same relevant input data but process it better to obtain enhanced and actionable indicators. This is confirmed by the performance of our out-of-sample indicators which started in September 2018.

In case you already have internal indicators or a quant team that creates similar internal models, Prisma offers an interesting way to get a second opinion and challenge them by comparing your results with those obtained with Alquant's risk indicators.

Tool 1 - "Use Case" - Calibrate Alquant's indicators to meet your needs

Parameters

Underlying

MSCI ACWI (ACWI.INDX) ▾

Strategy: MSCI ACWI can vary between 25% and 75%



Benchmark: 50% MSCI ACWI + 50% USD cash



Advanced ▾

Underlying type ⓘ

Growth ▾

Rebalancing frequency ⓘ

Weekly ▾

Rebalancing threshold (in %) ⓘ

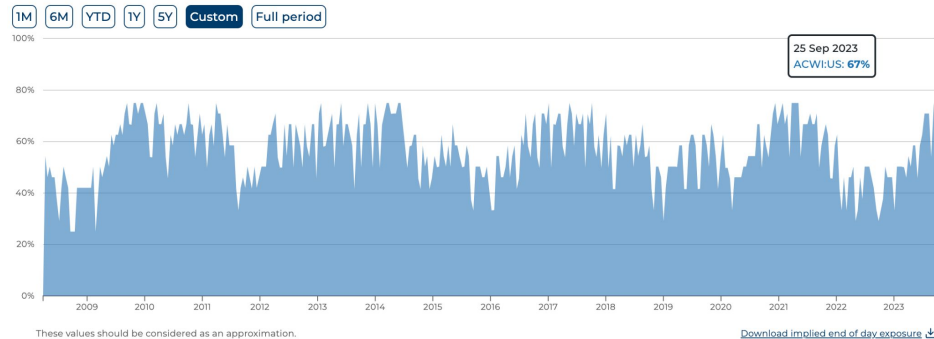
10% ▾

Transaction cost (in %)

0.05

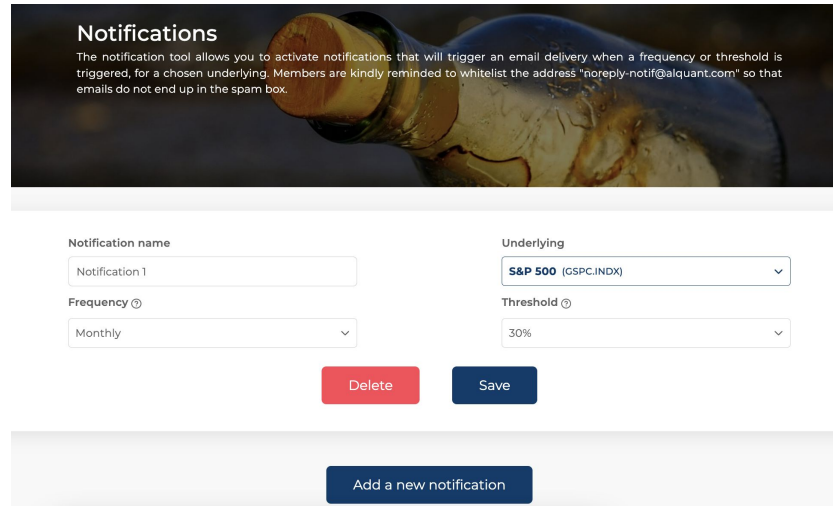
The "use case" tool provides an in-depth analysis of **(custom) indicators** or a **portfolio** you wish to analyse. By selecting the different parameters shown on the left side, you will get information on historical returns and statistics as well as end-of-day exposures (see illustration image below).

End-of-day exposure



Tool 2: “Notifications” - Support for investment/allocation committees

Use the Equity Risk Indicator (ERIC) or customize your own indicator based on Alquant's 7 indicators, and create email notifications that help in decision making processes without having to go on Prisma’s platform.



Notifications

The notification tool allows you to activate notifications that will trigger an email delivery when a frequency or threshold is triggered, for a chosen underlying. Members are kindly reminded to whitelist the address "noreply-notif@alquant.com" so that emails do not end up in the spam box.

Notification name: Notification 1

Underlying: S&P 500 (GSPC.INDX)

Frequency: Monthly

Threshold: 30%

Delete Save

Add a new notification

Address

Guillaume Bourquenoud

Co-Founder and CEO

079 594 93 17

gb@alquant.com

Online

www.alquant.com

<https://prisma.alquant.com/>

[linkedin.com/company/alquant/](https://www.linkedin.com/company/alquant/)

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