Black Horse – Multi Asset System

Model Portfolio EUR

Aleph Finance

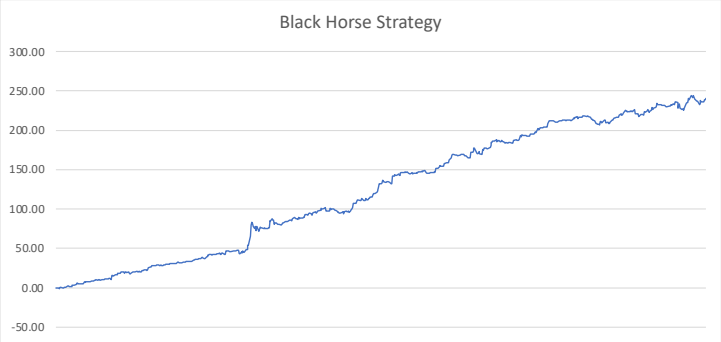
Period 05 2022

Risk Profile (1-7) 4

Investment Horizon 5

Description

The algorithm basket of the Black Horse – Multi Asset System is based on a mathematical analysis component. The models accurately study the price of the underlying assets and do not act on the basis of the classic statistical indicators as it happens in the basic technical analysis. This allows to have a completely scientific approach in evaluating the strategy that no longer expresses a statistical trend subject to high risk exposure. The calculation model adopted therefore allows a substantial reduction of the intrinsic risk of the single strategy but above all the possibility of making extremely reliable forecasting assessments.



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since Inception
2019					1.96	5.72	3.3	8.28	3.38	6.33	3.32	5.86	38.15	38.15
2020	5.67	-0.86	31.1	6.43	7.29	8.27	2.79	8.64	12.26	22.33	3.42	1.3	108.64	146.79
2021	15.39	4.49	9.92	7.87	9.4	10.41	8.6	4	-5.9	8.49	-1.55	15.14	86.26	233.05
2022	2.35	4.73	0.9	15.29	-6.6								16.63	249.68

Notes

(a) Returns data highlighted in orange is based on backtested non-real time data
(b) Returns highlighted in green refer to aggregated live data
(c) See (2) Disclaimer for reference

Hedging Features

The structure of these models is further confirmed by the specific mode of operation of the model itself. In most cases the algorithms are managed in hedging mode.
The Market Neutral represents today the best form of investment in terms of risk control. This strategy does not expose the investment to market fluctuations and by adopting complex Money Management mechanisms it allows to obtain a high return in terms of profit while maintaining the low risk level. The approach does not involve the use of financial leverage as often happens in the most aggressive funds but simply the adaptation of multi-market management to an appropriate and modular recapitalization model.

The Quantitative Team has studied a methodology that substantially increases the profit of Portfolio and enhances its control over risk respectively through the Money Management and Risk Management modules.

Money Management Strategy

This context is attributable to a market maxim which states that it is not a single strategy that makes you rich but an intelligent and prudent Portfolio management. This implies that the concept of diversification is managed to an extent that creates a strategic interweaving. We could use the metaphor of the alchemist who finds the right combination of simple elements to produce the perfect formula. Usually when thinking about diversification, the concept of massive bargaining of well diversified markets comes to mind but this is a generalization that often does not find practical confirmation in reality because if at the base there is a bad strategy, diversification is not however enough to compensate. Therefore, the Money Management module proposes a specific Portfolio model with which individual strategies become the pieces of a great puzzle.

Risk Management Strategy

Portfolio risk control is another interesting piece of the puzzle. Also in this context the principle of diversification reigns. Through the back-testing models adopted, we have confirmed an important reduction in the Portfolio risk, the key factor of which remains always and in any case closely linked to the application of the mathematical models of the individual strategies applied to the individual markets.
The control check on risk management is extremely meticulous: to assess the right risk, we compare at the same time the models on the analysis environment, parallel and real simulation.
This mode allows us to identify standard errors inevitably caused by a rough analysis and to have a result of the level of risk aligned with what occurs in a real execution environment.

Technical Features and Artificial Intelligence

The Artificial Intelligence module is the glue that intelligently assembles the structure and functioning of the algorithms with the respective MM & RM modules. Its main purpose is to make the research behavior of the markets suitable for the mathematical rules set up with the faculty to adapt to changes and reshape models when necessary or even create new ones. In particular, we use artificial intelligence to compare graphic payoffs.