

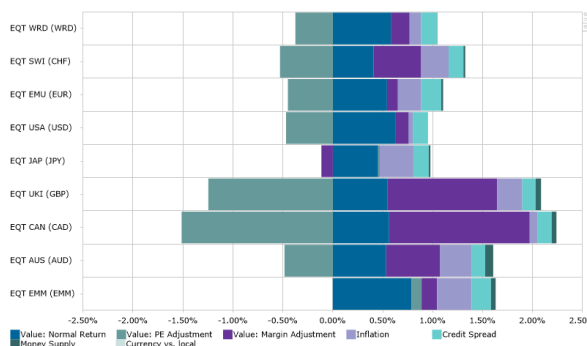
# JAIVE

- ... is a decision support system for the top-down allocation of more than 300 asset classes. It is based on the latest insights of quantitative financial market research – **neutral, transparent, systematic.**
- ... helps to reduce complexity and to focus on what is important in the financial markets, allowing well-founded investment decisions to be made – **focused, straightforward, easy-to-understand.**
- ... has successfully been used by numerous banks, pension funds, and insurance companies for twenty years – **proven, successful, reliable.**

## From sound fundamental analysis...

Investors observe and analyze fundamental data together with market developments and derive conclusions with respect to their tactical asset allocation. But what, for instance, do high profit margins, cheap credit, and a generous money supply by central banks imply for the attractiveness of equities compared to bonds? Or more specifically, for European telecommunication companies compared to American utilities? What does it mean for alternative investments? To what extent should the foreign currency exposure be hedged?

These are just the kinds of questions for which **jaive** provides answers. It analyses crucial fundamental information from a neutral point of view and shows their impact on more than 300 different asset classes in a simple and easy-to-understand way. It provides a sound and transparent support that allows for truly fact-based investment decisions to be made.



Using regional stock markets as an example, the diagram above shows how return potentials in **jaive** are broken down into well-defined fundamental components.

Interested? Our experience tells us that once you have evaluated **jaive**, you will not want to forgo anymore its systematic and easy-to-understand approach to global tactical asset allocation.

## Kraus Partner Investment Solutions AG

Kraus Partner Investment Solutions AG is an independent investment advisor based in Zurich. It has a strong focus on systematic and quant-based investment approaches. Since 2001 the company supports institutional clients in their tactical asset allocation process.

'Innovation in Quant Finance' is both, the foundation as well as the goal of the company's activities. The company's services are founded on the latest insights of quantitative financial market research. These innovations are implemented for the benefit clients as transparent solutions with strong performance results.

## ...to top-down asset allocation

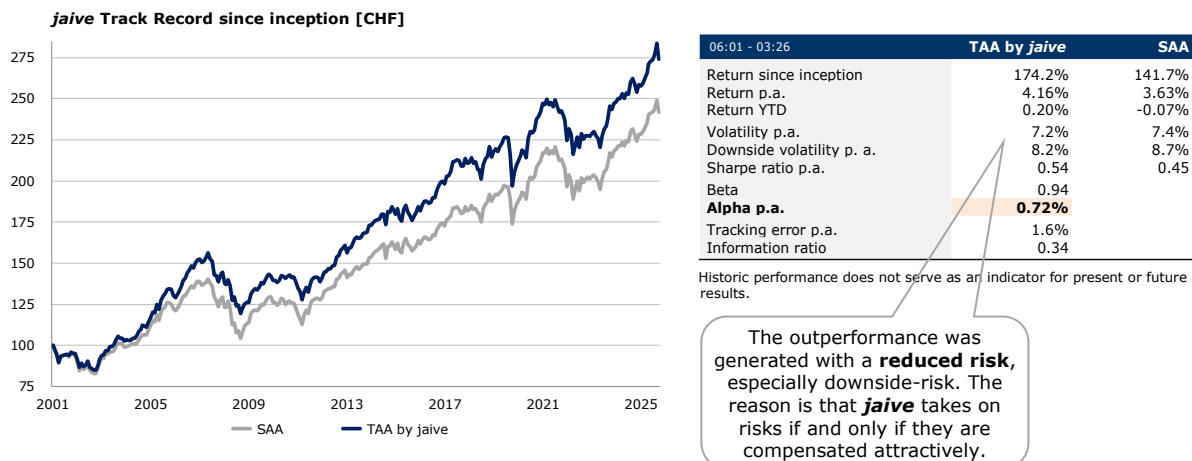
Based on the fundamental market analysis, individual asset allocation decisions need to be made. Together with return expectations, risk and diversification effects are to be taken into consideration. Should a negative outlook for the Swiss stock market lead to an underweight of 10 % or maybe just 3 % when considering risk and diversification effects? Should foreign exchange rate risks currently be completely hedged or only partially?

Here the 'Allocator' comes into play, an easy-to-use Excel-tool specifically developed for **jaive**. With just two mouse clicks, an individual recommendation for a tactically optimized portfolio allocation is generated. Individual expectations or third-party inputs can be included in the analysis as well.

Group	Asset class	Weights SAA	Tactical deviations	TAA
<b>Liquidity</b>		<b>10.0%</b>	<b>1.4%</b>	<b>11.4%</b>
	Cash CHF	10.0%	1.4%	11.4%
<b>Bonds</b>		<b>50.0%</b>	<b>1.8%</b>	<b>51.8%</b>
	Domestic CHF	25.0%	-1.1%	23.9%
	Foreign HDGD	15.0%	0.7%	15.7%
	Emerging HC	10.0%	2.2%	12.2%
<b>Equities</b>		<b>40.0%</b>	<b>-3.2%</b>	<b>36.8%</b>
	Switzerland	15.0%	1.2%	16.2%
	World	25.0%	-4.4%	20.6%

The table above shows an output of the 'Allocator'. Against the backdrop of one's own strategic asset allocation, the optimized recommendation for tactical over- and underweights are shown in red and green.

## Track record *jaive* - balanced portfolio based on the Allocator (CHF)



The diagram shows the track record of *jaive*. The model has been live since 2001. The benchmark allocation was defined in Q1 2004, and the tactical recommendations have since been published on a regular basis. For the time period before 2004 thorough out-of-sample back testing has been performed. Afterwards the track record reflects all model upgrades in real time.

The strategic asset allocation (benchmark) consists of cash (5 %), bonds (35 %), equities (45 %), and alternatives (15 %). Tactical ranges are +/- 10%. The Swiss Franc serves as reference currency. In 2009, 2020, and 2025 there were minor adjustments to the strategy; however, they were not integrated into the track record retroactively.

## Disclaimer

The information in this document (the Document) has been prepared by Kraus Partner Investment Solutions AG (Kraus Partner). However, Kraus Partner provides no warranty (neither express nor implied) that the information and statements set forth herein are correct, accurate, complete or up to date. Further, Kraus Partner has no, and assumes no, obligation to update, modify or amend this Document or to otherwise notify a reader thereof in the event that any information set forth herein changes, is or becomes inaccurate, incomplete or untrue.

This Document is not, and shall not be construed to be, an issue prospectus pursuant to article 652a or 1156 CO, respectively. The content of this Document is for information purposes only and does not constitute an offer or invitation to transmit an offer, a solicitation or recommendation to (i) buy or sell any investment instruments, (ii) effect or have effected any other transactions, or (iii) conclude any other legal acts whatsoever.

Kraus Partner does not provide any advice by way of this Document. Consequently, potential investors should consult an investment expert before taking any investment decisions.

The performance of investment instruments may vary over time and cannot be predicted based on past performance. Past performance may not necessarily be indicative for future performance, and the value or price of investment instruments may fall or rise. Further, if an investment instrument is denominated or invested in a foreign currency, a change in exchange rates may adversely affect the price or value of, or the income derived from, such investment instrument. Hence, currency risks are inherent to investment instruments denominated or invested in a foreign currency, and should also be taken into consideration. Finally, the use of strategies described in the Document or the investment in instruments described in the Document may not be suitable for all investors. Potential investors should therefore carefully consider whether the use of such strategies or an investment in such instruments is suitable for them in respect of their financial situation, and their ability to bear risks. In this respect, potential investors should also consider the impacts of a total loss of their investment.

Potential investors should take note that certain information set forth herein originates from persons other than Kraus Partner. Consequently, Kraus Partner assumes no responsibility for such information and is not liable for any damage or loss of whatsoever nature directly or indirectly resulting from such information or investments entered into based thereupon.

This Document may not be copied, distributed, made available or published by any person for any purpose without the prior written consent of Kraus Partner. When quoting, a clear reference to Kraus Partner and this Document has to be included.