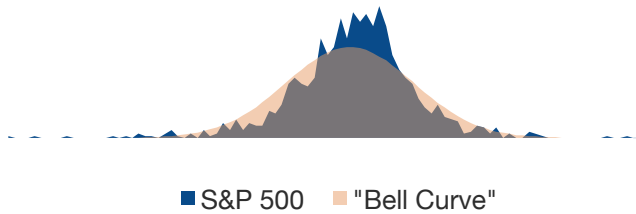




Drawdown Protection: Why a Momentum Model?

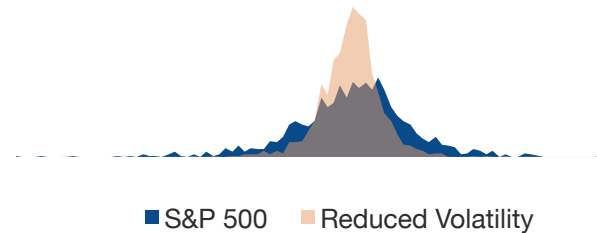
Method: Static Allocation



S&P 500 exhibits "fat tails"

Managing losses is about managing the size of the "left tail"

Method: Reduce Overall Volatility

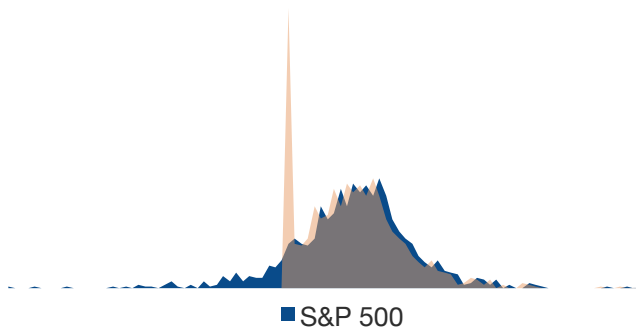


Like always "holding cash"

Can dampen the impact of risky assets

Decreases the overall return potential of the portfolio

Method: Purchase Put Options

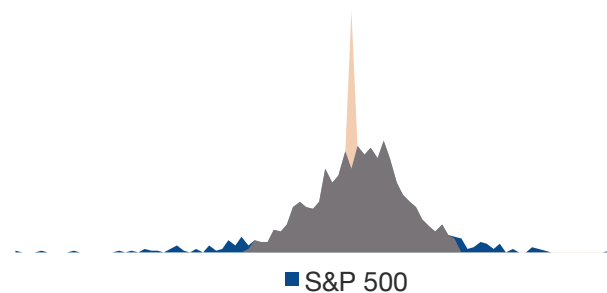


Cuts off the left tail

Comes at the cost of purchasing the options themselves

Reduces overall returns regardless of market conditions

Method: Momentum Overlay



Left and right tail are both shortened

Retains the return structure in normal market conditions,

Protects capital without giving up return potential in bull markets



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