AMC Portfolio Construction (EUR)

Three EUR AMC strategies -- Conservative, Balanced, Aggressive

Reference currency	EUR (ECB deposit 2.25% (hiked 17 Jun 2026))
Structure	Actively-managed certificate (AMC) -- manager discretion within mandate
Market data as-of	26 June 2026 (verified, sourced)
Risk regime (NWCA Risk API)	ELEVATED -- 59 / 100
Method	Historical scenario replay (engine stress.py approach)
Prepared by	New Way Capital Advisory

Reference build, published by New Way Capital Advisory in its own name. Forward return/volatility figures are estimates from current real yields plus risk premia (assumptions, not data). Vehicle tickers/ISINs are representative and confirmed against the live KID at execution.

How to read this document -- an actively-managed certificate

Each of the three books is presented as an actively-managed certificate (AMC): a securitised strategy with a defined investment policy and a named strategy manager who exercises discretion within mandated bands. Two layers run through every page, and they should not be confused:

- The investment policy (permanent): the strategic-allocation bands per profile, the role of each sleeve, the currency policy, and the protection mandate. This is the product; it does not change with the market.
- The manager's current view and positioning (as at the issue date): the regime read, the market levels referenced, and the indicative target weights shown for each book. These are discretionary choices made today, within the policy bands, reviewed and rebalanced periodically -- not fixed properties of the certificate.

So where the document notes that implied volatility is fairly priced and the protection overlay is therefore set near the middle of its budget, that is a positioning decision as at the issue date -- not a permanent feature. The mandate, not the level, is the product.

The discretion the manager operates within

Lever	Policy band (Conservative / Balanced / Aggressive)	How the discretion is used
Equity	10-30% / 33-53% / 45-65%	Tilt within the band on valuation and regime; factor vs cap-weighted mix.
Alternatives (cat bonds, trend, gold, infra)	16-32% / 16-32% / 12-26%	Sized for diversification, not market timing.
Private markets (Aggressive only)	-- / -- / 8-22%	Locked-capital sleeve funded from cash; sized to liquidity capacity.
Protection overlay	0-2% / 0-3% / 0-5% premium budget	Sized to implied volatility -- larger when cheap, smaller when rich, zero when very rich.
Cash / dry powder	0-15%	Raised in stress, deployed into dislocation and capital calls.
Currency	yield sleeves hedged to home currency; equity FX left open	Hedge where it protects a yield; leave equity FX as a diversifier.

1. The EUR-reference lens

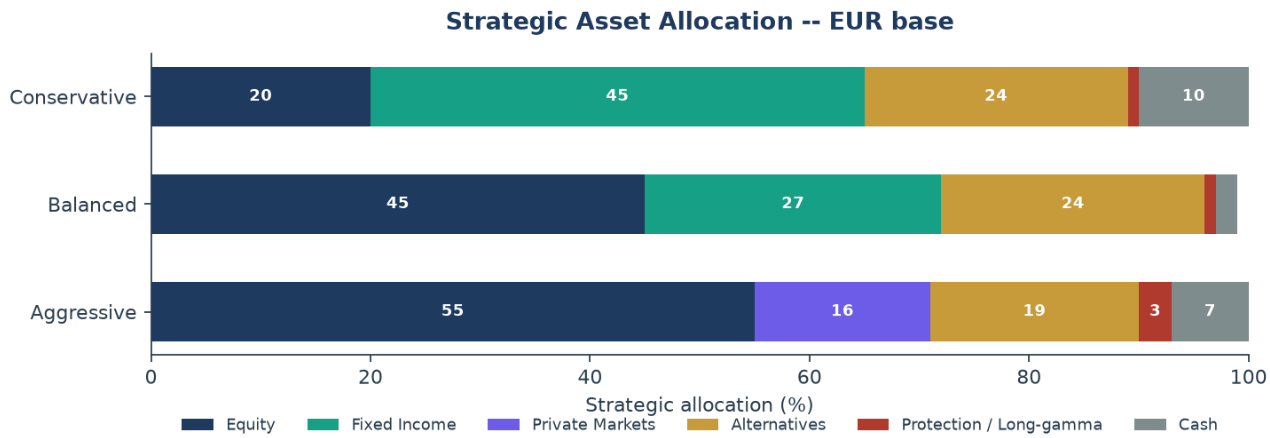
This book is built around one fact: the home policy rate. Hedging a foreign asset back to the home currency earns or costs approximately (home rate - foreign rate), and with USD 3.625% > EUR 2.25% > CHF 0.00% that hierarchy shapes the whole allocation:

Hedge foreign assets back to EUR	Carry (home rate - foreign rate)
USD assets	pay ~1.4%
EUR assets	-- (home)
CHF assets	earn ~2.25%

Home FI is usable (Bund 2.87%, EUR IG ~3.5%, ECB 2.25%) so the income problem is mild. Hedging USD costs ~1.4%, and hedging CHF EARNS ~2.25%. Crucially the reflation theme is a HOME theme: the ECB's first hike since 2023 lifts EUR cash/short rates and supports the euro -- and European equity, which we were tactically overweighting anyway, is now also the home market, so home-bias and the cheapness call align.

The permanent spine of the book: the diversifier sleeves (cat bonds / trend / gold), a discretionary protection mandate sized to implied volatility (a 0-5% premium budget, currently mid-budget at VIX ~19), the exclusion of public high yield (271bp OAS), and the EM sleeve held unhedged (the FX is the thesis). The regime read (ELEVATED, equities and credit both expensive) is the manager's current view as at the issue date.

Strategic allocation across the three profiles:



2. Conservative book -- EUR base

Capital preservation in EUR. Target EUR +3.0% to +4.0% / yr, vol ~4-5%, max drawdown ~ -8%.

Weights below are the manager's current target positioning within the policy bands; reviewed and rebalanced periodically, not fixed.

Weighted TER (ongoing fund charges): ~0.29% / yr.

Weighted by allocation; ETF/fund ongoing charges per latest KID (ranges at midpoint, gold+miners blended). Cash, T-bills and the option-hedge line carry no TER -- the hedge premium is a separate stated cost. Private-markets sleeves shown at a representative ~1.0-1.25% management fee; performance carry is excluded.

Sleeve	Wt %	Representative vehicle	TER	Ccy view
Euro min-volatility	8	iShares Edge MSCI Europe Min Vol -- IE00B86MWN23	0.25%	Europe
Euro quality / dividend	5	iShares MSCI Europe Quality Dividend -- IE00BYYHSM20	0.28%	Europe
Global developed	7	iShares Core MSCI World (EUR) -- IE00B4L5Y983	0.20%	global
EUR govt 1-5y	14	iShares EUR Govt Bond 1-5 (IBGS) -- IE00B14X4Q57	0.07%	EUR
EUR IG corporate	16	iShares Core EUR Corp Bond (IEAC) -- IE00B3F81R35	0.20%	EUR
EUR inflation-linked	6	iShares EUR Infl-Linked Govt -- IE00B0M62X26	0.09%	EUR
EUR govt 7-10y	4	iShares EUR Govt Bond 7-10 -- IE00B3VTN290	0.07%	EUR
US Treasury, EUR-hedged	5	UST EUR-hedged (cost ~1.4%)	0.10%	EUR
Catastrophe bonds (EUR-hedged)	9	GAM / Twelve EUR-hdg	~1.2%	EUR
Gold (unhedged USD link)	7	iShares Physical Gold (EUR line) -- IE00B4ND3602	0.12%	USD
Managed futures / trend	5	Man AHL Trend (EUR)	~1.2%	EUR
European real estate	3	iShares European Property (IPRP) -- IE00B0M63284	0.40%	global
Equity downside hedge	1	12m Euro Stoxx 50 put-spread	--	EUR
Cash (EUR, ~2.2%)	10	EUR money market	--	EUR

Why this book

A real -- if modest -- home income. ECB at 2.25% and Bund at 2.87% give the EUR investor a usable home FI sleeve (45%): govt + IG + linkers yielding ~2.5-3.5%.

Hedge USD bonds to EUR at a tolerable ~1.4%. The 5% UST sleeve is EUR-hedged: you pay ~1.4% and still net a positive yield pick-up over Bunds. Cat bonds EUR-hedged at the same ~1.4% net ~8-9%.

Reflation is a HOME theme. The ECB's first hike since 2023 lifts EUR cash/short rates and supports the euro -- a tailwind the EUR investor owns directly through home FI and European equity.

Equity home-biased to Europe -- which is also the cheap market. European min-vol + quality/dividend; Europe trades ~14-15x vs the S&P;'s ~22x, so home bias and the tactical cheapness call point the same way. Put-spread on Euro Stoxx on top.

Gold left unhedged. Gold is USD-priced; EUR-hedging it would cost ~1.4% on a zero-yield asset, so it is held unhedged (the USD link is itself a partial stress hedge).

3. Balanced book -- EUR base

Growth with controlled drawdown, EUR. Target EUR +4.5% to +5.5% / yr, vol ~8-9%, drawdown ~ -15%.

Weights below are the manager's current target positioning within the policy bands; reviewed and rebalanced periodically, not fixed.

Weighted TER (ongoing fund charges): ~0.32% / yr.

Sleeve	Wt %	Representative vehicle	TER	Ccy view
Europe core	16	iShares Core MSCI Europe (IMEU) -- IE00B1YZSC51	0.12%	Europe
Global ex-Europe developed	12	iShares Core MSCI World (EUR) -- IE00B4L5Y983	0.20%	global
EM equity	5	iShares Core MSCI EM IMI -- IE00BKM4GZ66	0.18%	EM
Euro quality	7	iShares MSCI Europe Quality -- IE00BQN1K562	0.28%	Europe
US large-cap	5	iShares Core S&P; 500 (EUR) -- IE00B5BMR087	0.07%	USD
EUR IG corporate	9	iShares Core EUR Corp (IEAC)	0.20%	EUR
EUR govt	6	iShares EUR Govt Bond	0.07%	EUR
EUR inflation-linked	5	iShares EUR Infl-Linked Govt -- IE00B0M62X26	0.09%	EUR
EM local-currency debt	3	iShares JPM EM Local Govt -- IE00B5M4WH52	0.50%	EM
US IG, EUR-hedged	4	USD IG EUR-hedged (cost ~1.4%)	0.25%	EUR
Catastrophe bonds (EUR-hedged)	7	GAM / Twelve EUR-hdg	~1.2%	EUR
Managed futures / trend	6	Man AHL Trend (EUR)	~1.2%	EUR
Gold	6	iShares Physical Gold -- IE00B4ND3602	0.12%	USD
Listed infrastructure	4	iShares Global Infrastructure -- IE00B1FZS467	~0.45%	global
Convertibles (EUR-hedged)	2	SPDR Global Convertible EUR-hdg -- IE00BDT6FP91	~0.50%	EUR
Euro Stoxx put-spread collar	1	-5/-20 put financed by call	--	EUR
Cash (EUR)	2	EUR money market	--	EUR

Why this book

Equity home-biased to Europe + the tactical overweight aligned. The ECB-reflation / cheap-Europe call we made tactically IS the EUR investor's home market -- so Europe core + quality is the equity anchor, complemented by global and a measured US slice.

Moderate home FI (27%) + a cheap USD hedge. EUR govt + IG + linkers carry the income; a 4% USD-IG sleeve is EUR-hedged at ~1.4% to pick up the higher USD spread net.

Cat bonds / convertibles EUR-hedged at ~1.4%. EUR-hedged at ~1.4%; net cat-bond yield ~8-9%.

The diversifier + protection spine. Trend, gold, infra, convertibles, collar carry the diversification and protection roles.

4. Aggressive book -- EUR base

Long-horizon capital growth, EUR. Target EUR +6.5% to +8.0% / yr, vol ~13-15%, drawdown ~ -25%. UHNW / lock-up capacity.

Weights below are the manager's current target positioning within the policy bands; reviewed and rebalanced periodically, not fixed.

Weighted TER (ongoing fund charges): ~0.43% / yr.

Indicative all-in cost incl. performance carry: ~0.53-0.63% / yr. The private-equity (7%) and private-credit (6%) sleeves also bear performance carry -- typically ~15-20% of gains over a hurdle -- which is performance-based, not an ongoing charge, and so sits outside the TER above. On an illustrative mid-single-digit net excess return it adds an estimated ~0.10-0.20% / yr; actual carry depends on realised performance. The listed-PE proxy and all cash / option lines bear no carry.

Sleeve	Wt %	Representative vehicle	TER	Ccy view
Europe core	16	iShares Core MSCI Europe (IMEU) -- IE00B1YZSC51	0.12%	Europe
Global ex-Europe/US developed	8	iShares Core MSCI World (EUR) -- IE00B4L5Y983	0.20%	global
US large-cap	8	iShares Core S&P; 500 (EUR) -- IE00B5BMR087	0.07%	USD
EM (incl. China/India)	8	iShares Core MSCI EM IMI -- IE00BKM4GZ66	0.18%	EM
Thematic AI / semis	5	VanEck Semiconductor UCITS -- IE00BMC38736	0.35%	USD
Euro small/mid-cap	5	iShares MSCI EMU Small Cap -- IE00B3VWMM18	0.58%	Europe
Global quality	5	iShares Edge MSCI World Quality -- IE00BP3QZ601	0.30%	global
European PE (ELTIF / evergreen)	7	EQT Nexus / Partners Group	mgmt+carry	EUR/USD
Private credit (EUR ELTIF 2.0)	6	Apollo / BNP Paribas ELTIF	mgmt	EUR
Listed PE proxy	3	Partners Group (SIX) / EQT (STO)	--	EUR
Managed futures / trend	6	Man AHL / Lynx (EUR)	~1.2%	EUR
Catastrophe bonds (EUR-hedged)	5	GAM / Twelve EUR-hdg	~1.2%	EUR
Gold + gold miners	5	iShares Physical Gold + VanEck Gold Miners -- IE00B4ND3602	0.12/0.53%	USD
Convertibles (EUR-hedged)	3	SPDR Global Convertible EUR-hdg -- IE00BDT6FP91	~0.50%	EUR
Equity tail hedge	3	Long-dated Euro Stoxx / S&P; put-spread	--	EUR
Cash (dry powder)	7	EUR money market	--	EUR

Why this book

Public equity 55%, Europe-anchored but global. Europe core + small/mid is home; US, EM, semis and global quality provide the growth breadth a EUR investor still needs offshore (Europe is light on mega-cap tech).

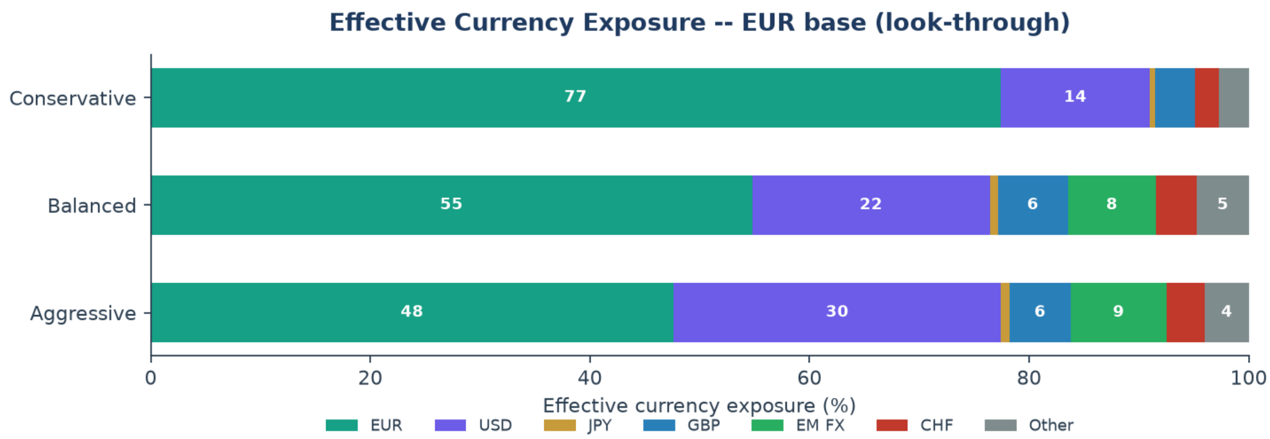
Private markets via EUR ELTIF 2.0 (16%). The most natural regulated-EU access for a UHNW client -- EUR-denominated, regulated, semi-liquid; no USD hedge needed on the home private-credit sleeve. Locked-capital discipline.

Protection -- a standing mandate. The certificate may run a 0-5% protection overlay at the manager's discretion, sized to implied vol. As at the issue date (VIX ~19, mid-range) it sits near 3% -- a tail hedge plus EUR-hedged convertibles.

Gold + miners unhedged. USD-linked real asset; EUR-hedging a zero-yield asset isn't worth ~1.4%.

5. Currency exposure (EUR base, look-through)

Effective exposure after look-through and hedging (home currency first). Equity ETFs are looked through to underlying currency weights; hedged sleeves count in their hedge currency.



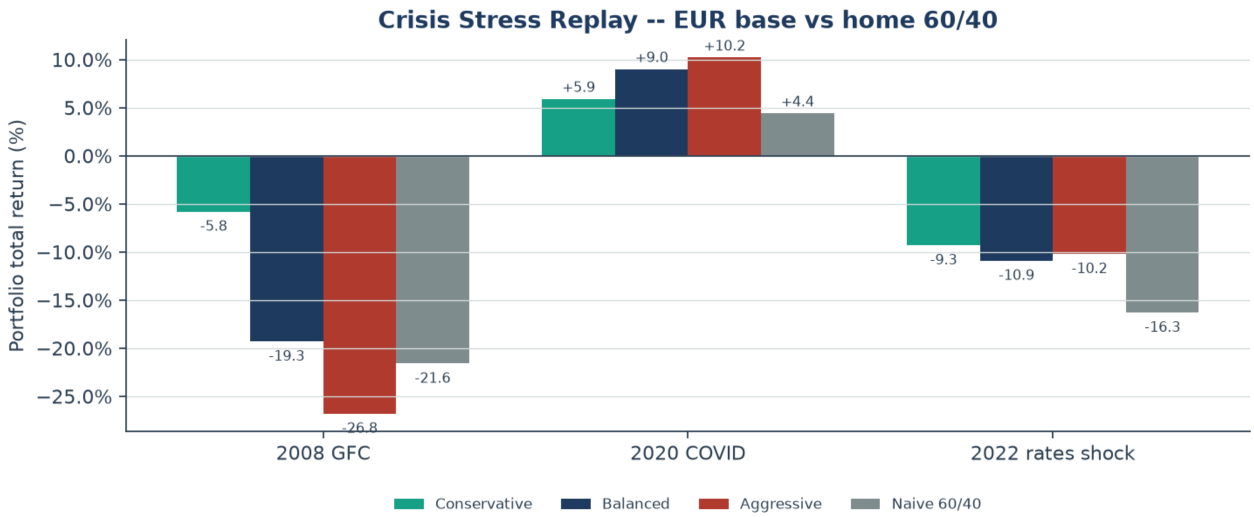
Currency	Conservative	Balanced	Aggressive
EUR	77.4%	54.8%	47.6%
USD	13.6%	21.6%	29.8%
JPY	0.4%	0.7%	0.8%
GBP	3.7%	6.4%	5.6%
EM FX	0.0%	8.0%	8.8%
CHF	2.1%	3.8%	3.5%
Other	2.7%	4.7%	4.0%

"Other" = smaller developed-market currencies not broken out separately -- chiefly the Canadian and Australian dollars, the Nordic currencies (SEK / DKK / NOK) and HKD / SGD -- picked up from the MSCI World, MSCI Europe and global-infrastructure look-through. "EM FX" = emerging-market currencies (from EM equity and EM local-currency debt). Neither is an exotic or unhedged-FX risk: it is the long tail of currencies inside the global index funds, none individually large enough to name.

EUR is the largest weight, though the global-equity look-through keeps a meaningful USD share. USD is the main foreign exposure; it can be hedged at ~1.4% where it sits in bonds, and is left open in equity (a diversifier). EM-FX is the deliberate offshore tilt.

6. Crisis stress replay (EUR base)

Historical scenario replay (engine stress.py method): each sleeve mapped to its real proxy-index total return per crisis, weighted. Home-government FI sleeves use anchored marks (Bunds rallied 2008, fell hard 2022); equities, gold, trend, cat bonds and credit are sourced. The EUR replay needs little/no FX translation for the home-currency majority.



Book	2008 GFC	2020 COVID	2022 rates shock
Conservative	-5.8%	+5.9%	-9.3%
Balanced	-19.3%	+9.0%	-10.9%
Aggressive	-26.8%	+10.2%	-10.2%
60% MSCI Europe / 40% EUR govt	-21.6%	+4.4%	-16.3%

Built for the 2022 rates/inflation regime (beats home 60/40 there), with managed futures the standout crisis-alpha sleeve and cat bonds roughly flat throughout. Limits: calendar-year replay understates true peak-to-trough; illiquid/home-govt sleeves use anchored marks; the cat-bond tail (a record catastrophe season) is on a different axis not captured here.

7. Historical backtest -- 10-year monthly performance

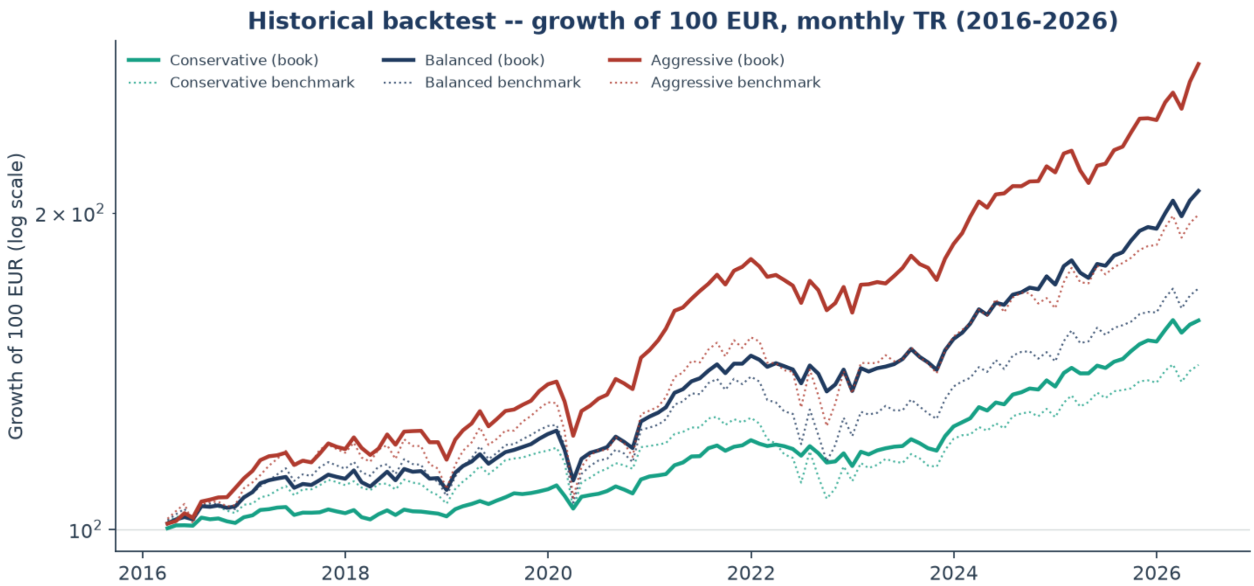
A continuous monthly total-return backtest of each book on real market data, 2016-03-31 to 2026-05-31 (~10 years), to sit alongside the crisis replay. Method, stated plainly:

- Monthly total returns. Liquid sleeves use real ETF / index total returns (dividends reinvested, auto-adjusted). The illiquid sleeves -- catastrophe bonds (Swiss Re Global Cat Bond TR index), private credit (Cliffwater Direct Lending Index) and private-equity evergreen -- are reconstructed from their published index returns, because they carry no clean daily marks. Their appraisal smoothing understates true volatility (the same honesty as the crisis replay): the real risk is higher than the reported figure.

- REBALANCING: positioning is set each month WITHIN THE PUBLISHED POLICY BANDS -- the same discretion described in section 5 -- and not restored to a fixed target. One signal drives every lever: the LEI / credit-spread regime cell, scaled by its measured probability of a 20%+ drawdown. Equity moves across its band, the protection sleeve scales on the regime multiplier and is hard-capped at the published premium budget, long-dated fixed income rotates into T-bills, and cash absorbs inside its own band. Alternatives are never timed: the mandate sizes them for diversification. Every band is checked in every regime cell the policy can reach. Transaction costs and ongoing charges are NOT deducted -- see the limitations note.

- CURRENCY: every sleeve is expressed in EUR. Unhedged foreign sleeves bear the realised FX move; sleeves the book hedges back to EUR bear the realised interest-rate carry (home rate minus foreign rate) and no FX. Policy-rate paths are time-varying, from the public central-bank record.

- BENCHMARK: a blend of the LOCAL stock market and LOCAL fixed income -- MSCI Europe / EUR investment-grade corporate bonds -- with the equity weight set by risk profile: Conservative 30 / 70, Balanced 50 / 50, Aggressive 70 / 30 (equity / fixed income). The benchmark is restored to those weights every month. The book is NOT -- it is managed within its bands -- so the difference between the two carries the rebalancing decision as well as the allocation. They are not separated here.



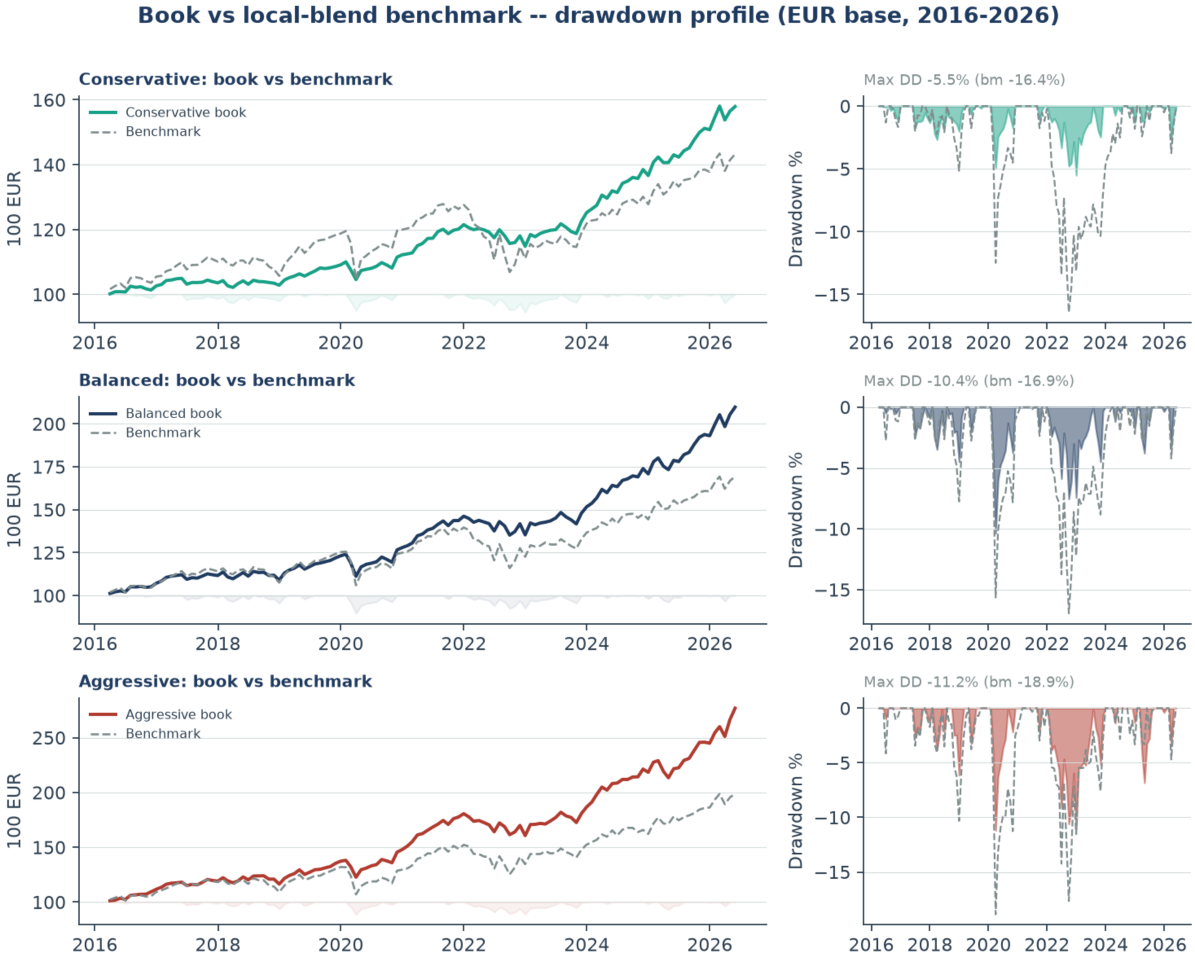
Key statistics -- book versus local-blend benchmark

Strategy	Cum. TR	CAGR p.a.	Ann. vol	Sharpe	Sortino	Max DD	Calmar
Conservative (book)	+58%	4.6%	4.2%	0.89	1.46	-5.5%	0.83
Conservative benchmark (30/70)	+43%	3.6%	7.5%	0.40	0.49	-16.4%	0.22
Balanced (book)	+110%	7.5%	7.1%	0.95	1.40	-10.4%	0.72
Balanced benchmark (50/50)	+69%	5.3%	9.4%	0.51	0.65	-16.9%	0.31
Aggressive (book)	+177%	10.4%	8.7%	1.10	1.72	-11.2%	0.93

Strategy	Cum. TR	CAGR p.a.	Ann. vol	Sharpe	Sortino	Max DD	Calmar
Aggressive benchmark (70/30)	+99%	6.9%	11.5%	0.58	0.76	-18.9%	0.37

Book rows shaded; benchmark rows in grey. Sharpe / Sortino use the realised EUR cash rate as the risk-free. Illiquid sleeves are appraisal-smoothed, so their true drawdowns are deeper than shown.

Drawdown profile -- each book against its local-blend benchmark



What the backtest says

Across all three profiles the book earns a HIGHER Sharpe ratio and a SHALLOWER maximum drawdown than the equivalent local-blend benchmark: the diversifier and protection sleeves do their job -- more return per unit of risk, and less ground surrendered in the 2018, 2020 and 2022 drawdowns. The illiquid sleeves are appraisal-smoothed, so their reported volatility understates true economic risk. The figures are a backward-looking, reconstructed-where-illiquid estimate, not a promise: the same regime and instrument logic, measured on the last decade of real data.

Sources & disclaimer

Market levels (rates, yields, P/E, gold, spreads, regime) as-of 26 Jun 2026, sourced from Fed H.15, ECB, SNB, Trading Economics, FRED, GuruFocus, SIX and the NWCA Risk API. Crisis-period returns: MSCI, S&P; (upmyinterest), Yahoo (IEF/TIP/LQD), SG Trend (Hedgeweek), Swiss Re Cat Bond index, Cliffwater/Proskauer (private credit); home-government FI 2008/2020/2022 are anchored estimates. This document is for discussion with a professional/eligible counterparty, not investment advice. Forward figures are estimates, not guarantees. Vehicles/ISINs are representative and confirmed against current KID/prospectus before any transaction. New Way Capital Advisory.