AMC Portfolio Construction (USD)

Three USD AMC strategies -- Conservative, Balanced, Aggressive

Reference currency	USD (Fed 3.50-3.75%)
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 USD-reference lens

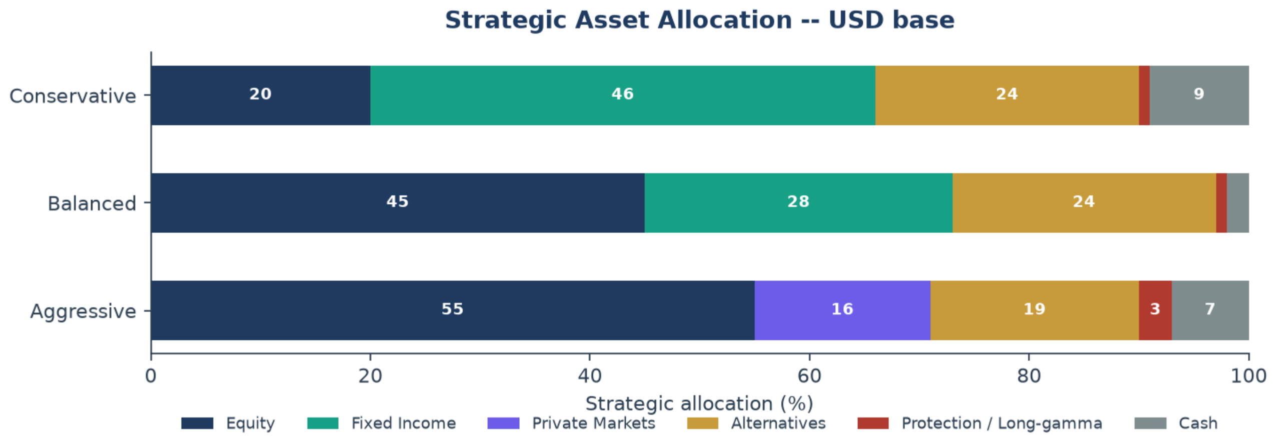
This book is built around one fact: the home policy rate. Hedging a foreign asset back to the home currency earns or costs approximately (home rate - foreign rate), and with USD 3.625% > EUR 2.25% > CHF 0.00% that hierarchy shapes the whole allocation:

Hedge foreign assets back to USD	Carry (home rate - foreign rate)
USD assets	-- (home)
EUR assets	earn ~1.4%
CHF assets	earn ~3.6%

The income problem disappears: home FI pays real money (T-bills ~3.6%, UST 4.49%, IG ~5%), hedging foreign bonds back to USD EARNS carry, and cat bonds / private credit are home-currency (full yield, no hedge drag). So the book carries a bigger, higher-quality fixed-income sleeve, cash as a genuine asset, and full-fat alternatives. The sharp caution: at S&P; fwd P/E ~22 the equity earnings yield (~4.5%) roughly matches the 10-year (4.49%) -- a USD investor is paid about as much to hold bonds as equity, which argues for fuller FI and selective equity.

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 -- USD base

Capital preservation in USD. Target USD +4.0% to +5.0% / 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): ~0.25% / 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
US min-volatility	8	iShares MSCI USA Min Vol (USMV) -- US46429B6974	0.15%	USD
US quality	5	iShares MSCI USA Quality (QUAL) -- US46432F3394	0.15%	USD
Global ex-US developed	7	iShares Core MSCI Intl Developed (IDEV) -- US46435G3267	0.05%	global
US T-bills / short UST	10	iShares 0-3m Treasury (SGOV) -- US46436E7186	0.07%	USD
US IG corporate	14	iShares iBoxx USD IG (LQD) -- US4642872422	0.14%	USD
US TIPS	8	iShares TIPS (TIP) -- US4642871762	0.10%	USD
US Treasury 7-10y	9	iShares 7-10y Treasury (IEF) -- US4642874402	0.15%	USD
Intl govt, USD-hedged	5	iShares Core Intl Agg USD-hdg (IAGG) -- US46435G6724	0.07%	USD
Catastrophe bonds (USD class)	9	GAM / Plenum / Twelve	~1.1-1.4%	USD
Gold (unhedged, home)	7	iShares Gold (IAU / GLDM) -- US4642852044	0.10%	USD
Managed futures / trend	5	iMGP DBi Managed Futures (DBMF) -- US53700T8273	~1.0%	USD
US REITs / listed infra	3	Vanguard Real Estate (VNQ) -- US9229085538	0.13%	global
Equity downside hedge	1	12m S&P; put-spread -5/-20	--	USD
Cash (T-bills, ~3.6%)	9	SGOV -- US46436E7186	0.07%	USD

Why this book

The income problem is gone. Home fixed income pays real money (T-bills ~3.6%, UST 4.49%, IG ~5%), so the preservation book leans HOME and large -- 46% FI + 9% cash -- instead of reaching. A USD investor is paid to be conservative.

Hedge foreign bonds back to USD for POSITIVE carry. The 5% intl-govt sleeve is USD-hedged: you keep the diversification and EARN ~1.4-3.6% of carry doing it (USD is the high-yielder).

Full-fat alternatives. Cat bonds (9%) and trend are USD-native -- the entire yield, no hedge drag.

Equity: home-biased but disciplined. US min-vol + quality carry the equity; at fwd P/E ~22 with the earnings yield (~4.5%) roughly matching the 10y (4.49%), a USD investor is paid about as much to hold bonds as equity -- hence only 20% equity and a put-spread on top.

Gold unhedged. Gold is priced in USD -- the home investor holds it natively, no hedge decision, no carry.

3. Balanced book -- USD base

Growth with controlled drawdown, USD. Target USD +5.0% to +6.5% / 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): ~0.26% / yr.

Sleeve	Wt %	Representative vehicle	TER	Ccy view
US core (S&P; 500)	18	iShares Core S&P; 500 (IVV) -- US4642872000	0.03%	USD
US quality	7	iShares MSCI USA Quality (QUAL) -- US46432F3394	0.15%	USD
Global ex-US developed	10	iShares Core Intl Developed (IDEV) -- US46435G3267	0.05%	global
EM equity	6	iShares Core MSCI EM (IEMG) -- US46434G1031	0.09%	EM
US min-volatility	4	iShares MSCI USA Min Vol (USMV) -- US46429B6974	0.15%	USD
US IG corporate	9	iShares iBoxx USD IG (LQD) -- US4642872422	0.14%	USD
US TIPS	6	iShares TIPS (TIP) -- US4642871762	0.10%	USD
US Treasury 7-10y	5	iShares 7-10y Treasury (IEF) -- US4642874402	0.15%	USD
EM local-currency debt	4	iShares EM Local Govt (EMLC) -- US92189H3003	0.30%	EM
Intl agg, USD-hedged	4	iShares Core Intl Agg USD-hdg (IAGG) -- US46435G6724	0.07%	USD
Catastrophe bonds	7	GAM / Plenum / Twelve (USD)	~1.1%	USD
Managed futures / trend	6	iMGP DBi Managed Futures (DBMF) -- US53700T8273	~1.0%	USD
Gold	5	iShares Gold (IAU) -- US4642852044	0.10%	USD
Private credit (USD direct lending)	4	Blackstone BCRED / Apollo ADS	mgmt	USD
Convertibles	2	SPDR Bloomberg Convertible (CWB) -- US78464A3591	0.40%	USD
S&P; put-spread collar	1	-5/-20 put financed by call	--	USD
Cash	2	SGOV -- US46436E7186	0.07%	USD

Why this book

Equity home-biased to the US. The deepest, most liquid market is home; the US core + quality is 25% of the book, complemented by global-developed and EM for breadth. EM gets the softer-USD tailwind directly for a USD investor (no FX translation drag).

Private credit added at home (4%, ~9-10% yield). No hedge cost -- at 4% of the book, the USD investor banks the full senior-secured spread (~9-10% yield).

FI smaller than Conservative but still real. 28% FI yielding 4-5% at home; HY still excluded (275bp OAS) -- replaced by cat bonds + private credit, same as every book.

Same diversifier + protection spine. Cat bonds, trend, gold, convertibles and the collar carry the diversification and protection roles.

4. Aggressive book -- USD base

Long-horizon capital growth, USD. Target USD +7.0% to +9.0% / 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): ~0.35% / yr.

Indicative all-in cost incl. performance carry: ~0.45-0.55% / 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
US core	20	iShares Core S&P; 500 (IVV) -- US4642872000	0.03%	USD
Global ex-US developed	8	iShares Core Intl Developed (IDEV) -- US46435G3267	0.05%	global
EM (incl. China/India)	8	iShares Core MSCI EM (IEMG) -- US46434G1031	0.09%	EM
US quality	8	iShares MSCI USA Quality (QUAL) -- US46432F3394	0.15%	USD
Thematic AI / semis	6	VanEck Semiconductor (SMH) -- US92189F6768	0.35%	USD
US small/mid-cap	5	iShares Core S&P; Mid/Small (IJH/IJR) -- US4642875078 / US4642878049	0.06%	USD
Private equity (evergreen)	7	Blackstone BXPE / Partners Group	mgmt+carry	EUR/USD
Private credit (direct lending)	6	Blackstone BCRED / Apollo ADS	mgmt	USD
Listed alt manager	3	Blackstone (BX) / Apollo (APO)	--	USD
Managed futures / trend	6	iMGP DBi (DBMF) / Man AHL -- US53700T8273	~1.0%	USD
Catastrophe bonds	5	GAM / Plenum / Twelve (USD)	~1.1%	USD
Gold + gold miners	5	iShares Gold (IAU) + VanEck GDX -- US4642852044 / US92189F1066	0.10/0.51%	USD
Convertibles	3	SPDR Convertible (CWB) -- US78464A3591	0.40%	USD
Equity tail hedge	3	Long-dated S&P; put-spread	--	USD
Cash (dry powder)	7	SGOV -- US46436E7186	0.07%	USD

Why this book

Public equity 55%, home-tilted. US core + quality + small/mid is the growth engine; the ~22x P/E concentration risk is met with quality + the explicit tail hedge.

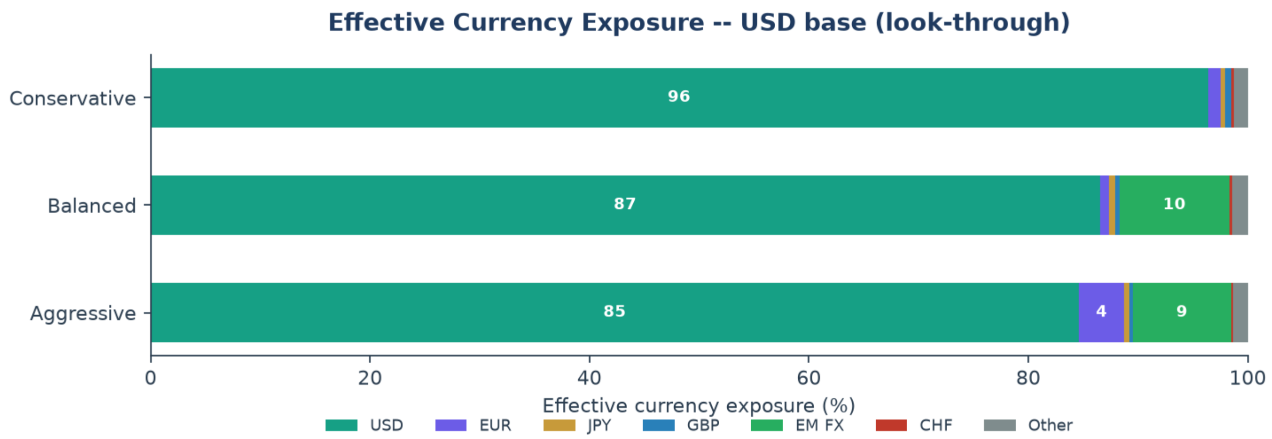
Private markets at home (16%), no hedge drag. USD PE and direct lending are home-currency; the illiquidity premium is banked in full. Locked-capital discipline (funded from the 7% cash buffer; mind the BCRED-style gate).

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% -- an S&P; put-spread plus convertibles.

Gold + miners unhedged. Home-currency real-asset hedge; miners add operating leverage to the ~$4,040 spot.

5. Currency exposure (USD 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.



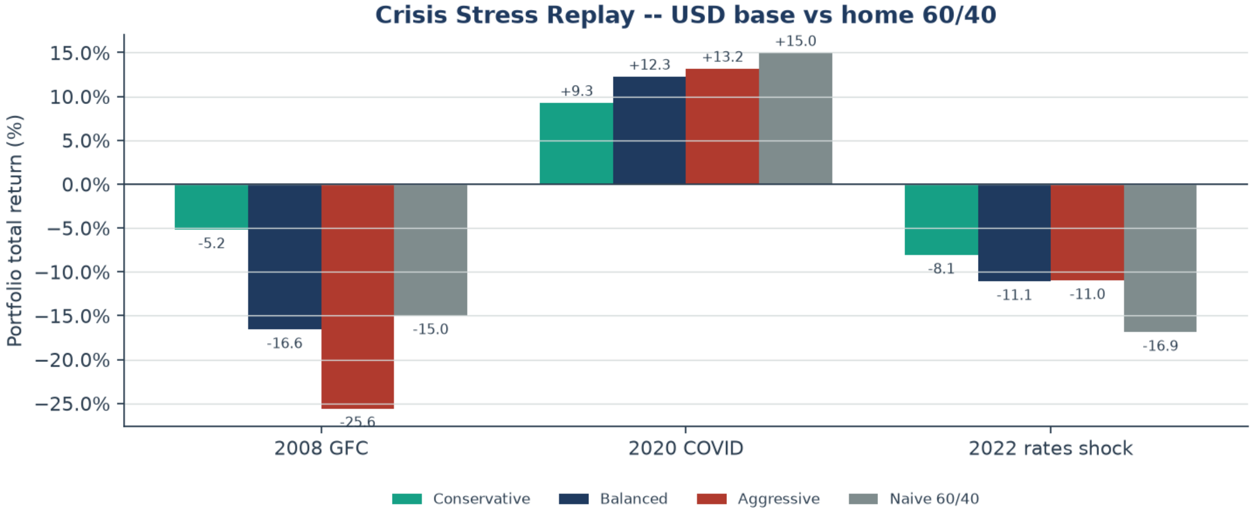
Currency	Conservative	Balanced	Aggressive
USD	96.4%	86.5%	84.6%
EUR	1.2%	0.8%	4.1%
JPY	0.4%	0.6%	0.5%
GBP	0.6%	0.4%	0.3%
EM FX	0.0%	10.0%	8.9%
CHF	0.2%	0.2%	0.2%
Other	1.3%	1.4%	1.3%

"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.

The home currency dominates because US equity, US bonds and USD-native alternatives are all home. The USD investor does NOT need to hedge (foreign FX is a small diversifier) and CAN hedge foreign bonds for positive carry. EM-FX is the deliberate offshore tilt.

6. Crisis stress replay (USD 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 USD replay needs little/no FX translation for the home-currency majority.



Book	2008 GFC	2020 COVID	2022 rates shock
Conservative	-5.2%	+9.3%	-8.1%
Balanced	-16.6%	+12.3%	-11.1%
Aggressive	-25.6%	+13.2%	-11.0%
60% S&P; 500 / 40% UST 7-10y	-15.0%	+15.0%	-16.9%

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

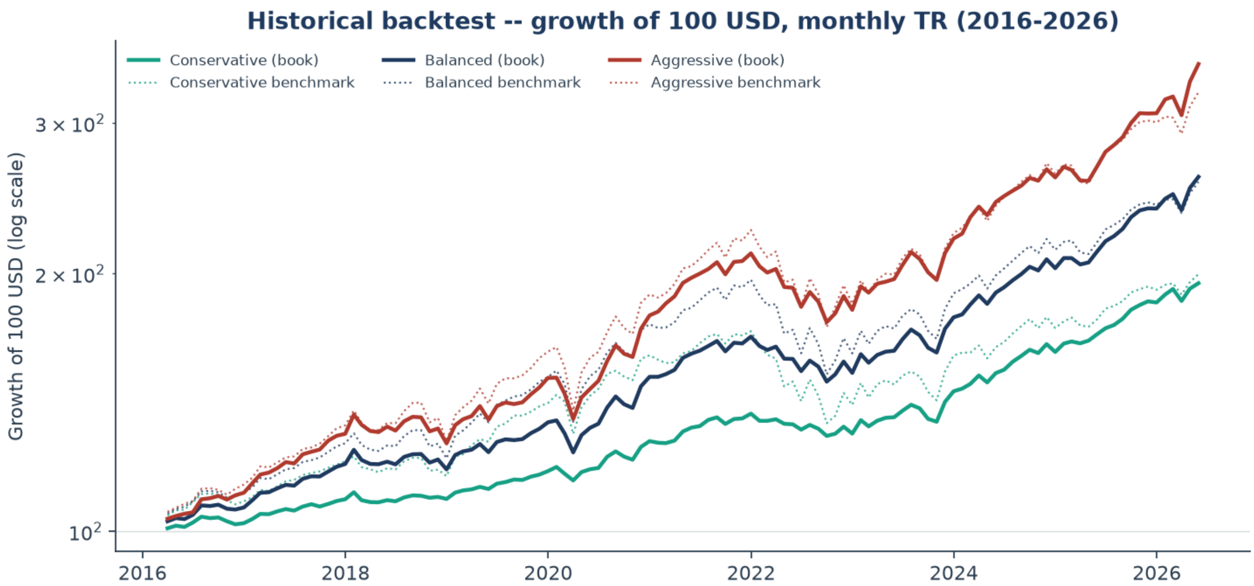
A continuous monthly total-return backtest of each book on real market data, 2016-03-31 to 2026-05-31 (~10 years), to sit alongside the crisis replay. Method, stated plainly:

- 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 USD. Unhedged foreign sleeves bear the realised FX move; sleeves the book hedges back to USD 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 -- S&P; 500 / US 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.



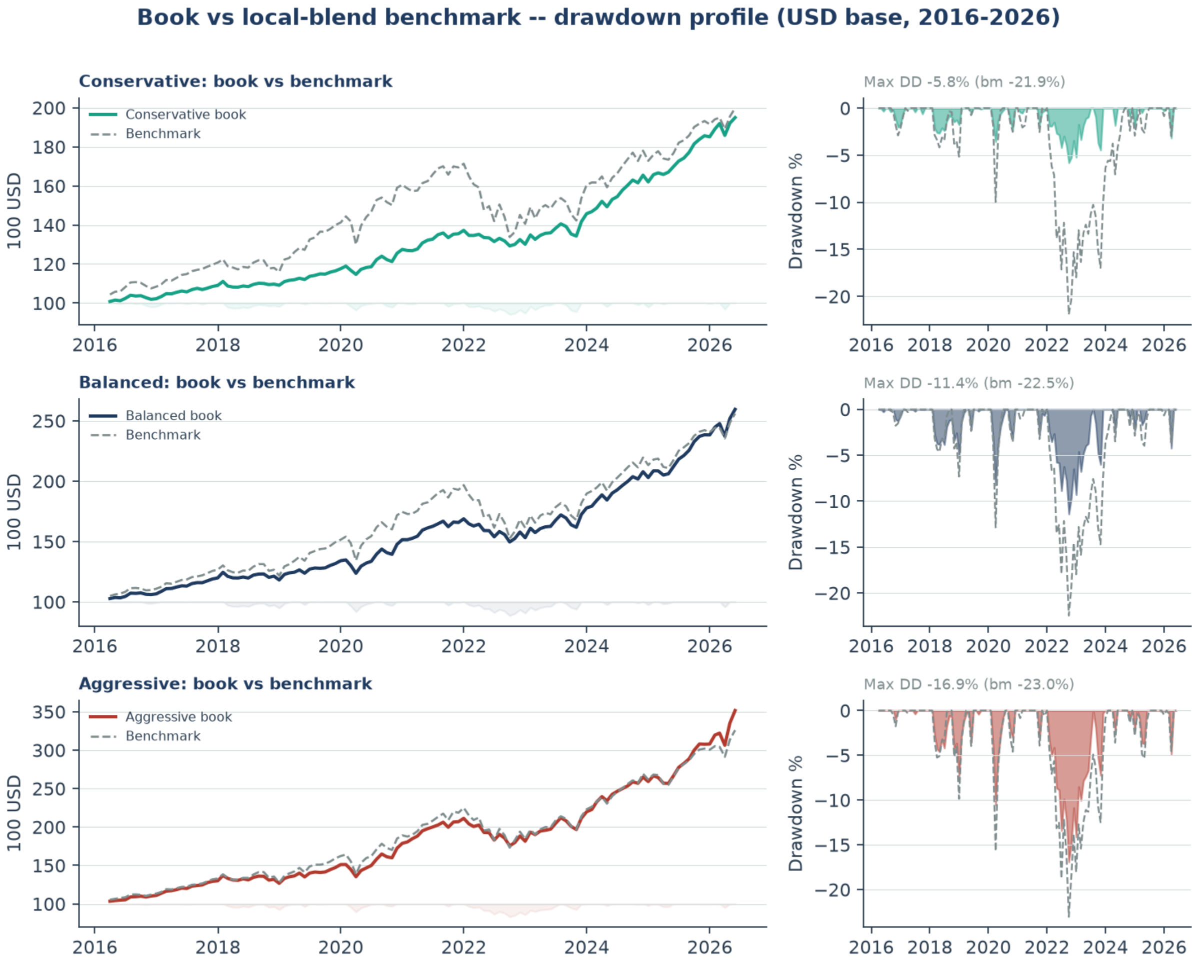
Key statistics -- book versus local-blend benchmark

Strategy	Cum. TR	CAGR p.a.	Ann. vol	Sharpe	Sortino	Max DD	Calmar
Conservative (book)	+95%	6.7%	4.9%	0.90	1.59	-5.8%	1.16
Conservative benchmark (30/70)	+100%	7.0%	9.4%	0.53	0.72	-21.9%	0.32
Balanced (book)	+160%	9.8%	7.6%	0.97	1.57	-11.4%	0.86
Balanced benchmark (50/50)	+156%	9.6%	10.8%	0.70	0.96	-22.5%	0.43
Aggressive (book)	+252%	13.0%	10.0%	1.06	1.77	-16.9%	0.77

Strategy	Cum. TR	CAGR p.a.	Ann. vol	Sharpe	Sortino	Max DD	Calmar
Aggressive benchmark (70/30)	+226%	12.2%	12.5%	0.81	1.11	-23.0%	0.53

Book rows shaded; benchmark rows in grey. Sharpe / Sortino use the realised USD 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.