

# AI GO Portfolio Optimization

Data-Driven Customer Risk Assessment  
for Personalized Asset Recommendations

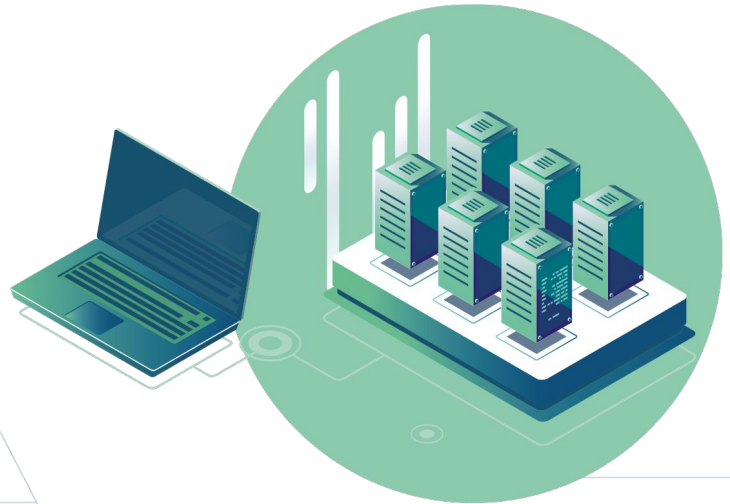


 **Infinitech**

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# Agenda & Content

1. **Pilot 4 - Artificial Intelligence Genetic Optimizer.**
2. **Data-Driven Customer Risk Assessment Concept**
3. **Preferences Selection**
4. **Proposed Portfolio**
5. **Q & A**



# Pilot 4: AI based Genetic Optimizer (AIGO) - flexibility in Portfolio Construction

AI GO is Privé's new developed AI based portfolio construction tool. Starting from a set of simple inputs and constraints (we call these "Fitness Factors"), it provides the investor an improved portfolio compared with its current one, boosting flexibility and ease of use.

This contains

- Genetic algorithm concept for portfolio construction
- Utilizes Model portfolio allocation based on own strategies
- Target risk & return as defined and agreed with investor
- Several Portfolio fitness functions tailored to client investment preferences available



# Data-Driven Customer Risk Assessment Concept

**Would you like to find out your risk score?**

Your need for security is of great importance for the composition of suitable investments.

**Yes**

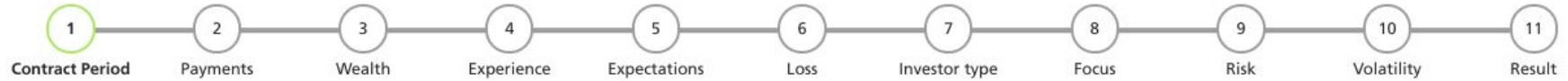
Continue with risk evaluation

**No**

Edit your score here

**Next**

# Data-Driven Customer Risk Assessment Concept (Questionnaire for long term investments)



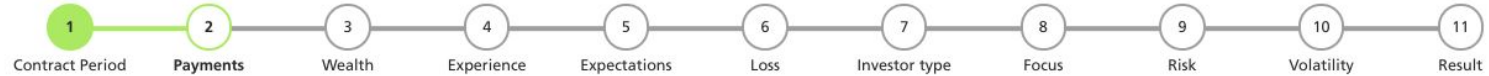
Which policy terms do you aim for?



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# Data-Driven Customer Risk Assessment Concept (Questionnaire Journey)



Do you go for a frequent contribution or a one time payment?

Frequent contribution One time payment

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# Data-Driven Customer Risk Assessment Concept - Financial Capability



How much do you want to contribute monthly?

Monthly contribution

2,345.- €

What is your monthly free available income?

Income

4,034.- €

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# Data-Driven Customer Risk Assessment Concept - evaluate Know-how Level for investment types



With which asset classes are you familiar with? (multiple selections possible)

Savings Account / Money Market	Fixed Income or Fixed Income Funds, ETFs
Equity or Equity Funds, ETFs	Commodities

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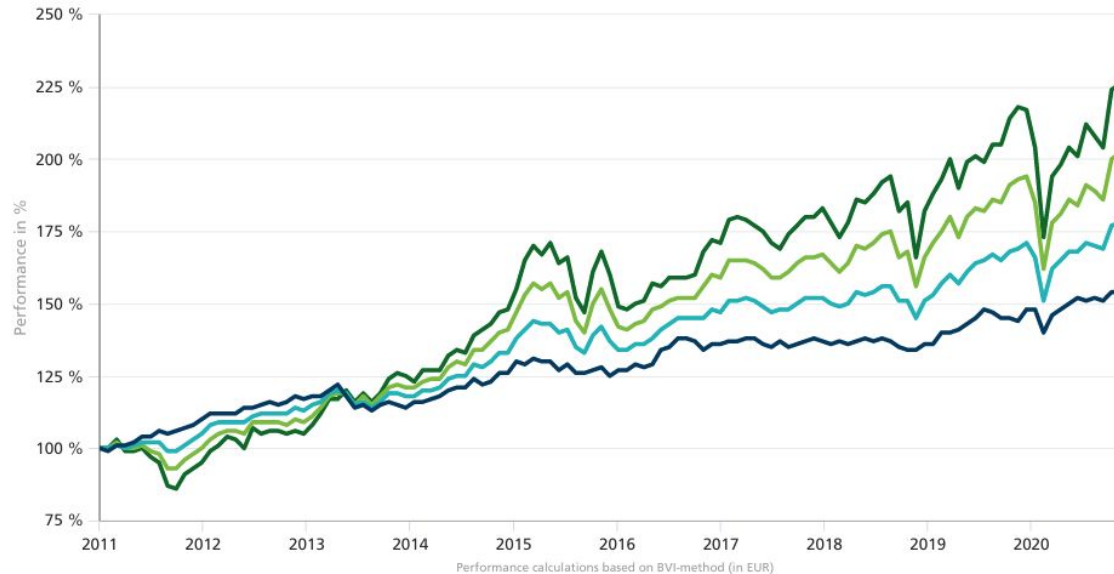
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# Data-Driven Customer Risk Assessment Concept - Behavioural Finance approach - Risk Awareness



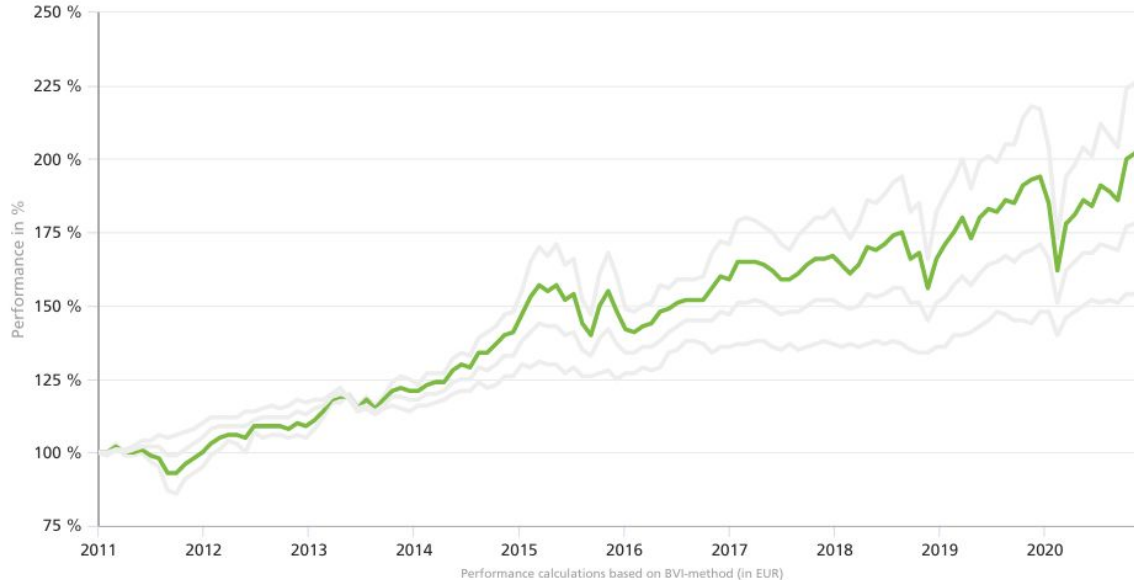
Let's pretend you may choose one of the 4 historic charts.  
Which one matches your personal preferences best?



# Data-Driven Customer Risk Assessment Concept - identify mix of investment types based on real charts



Let's pretend you may choose one of the 4 historic charts.  
Which one matches your personal preferences best?



100% Equity Globally

70% Equity Globally and 30% Fixed Income Globally

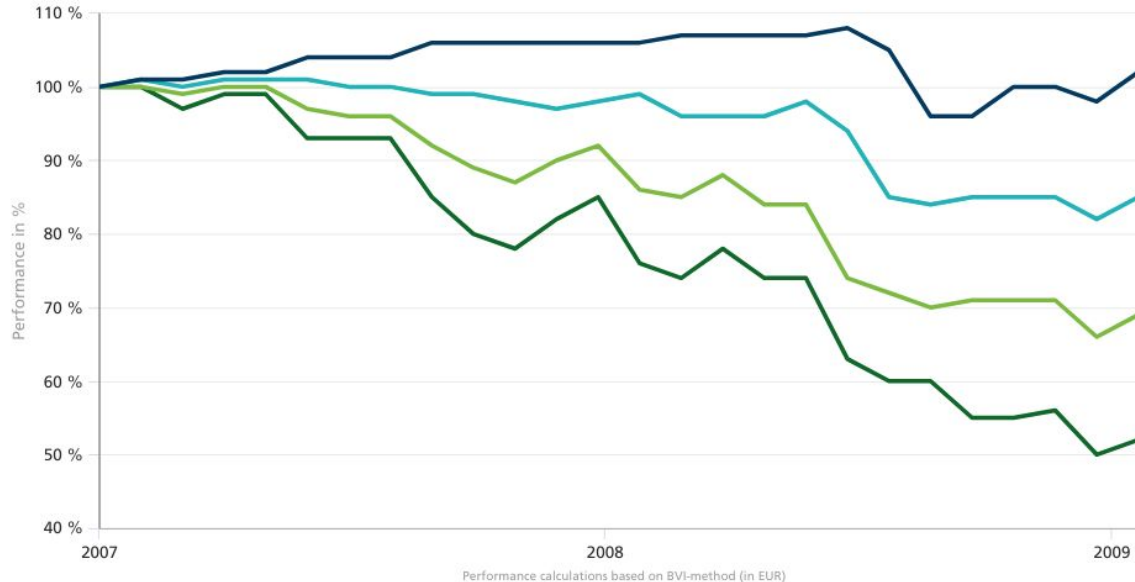
40% Equities Globally and 60% Fixed Income Globally

10% Equities Globally and 90% Fixed Income Globally

# Data-Driven Customer Risk Assessment Concept - create Draw-down awareness and risk appetite



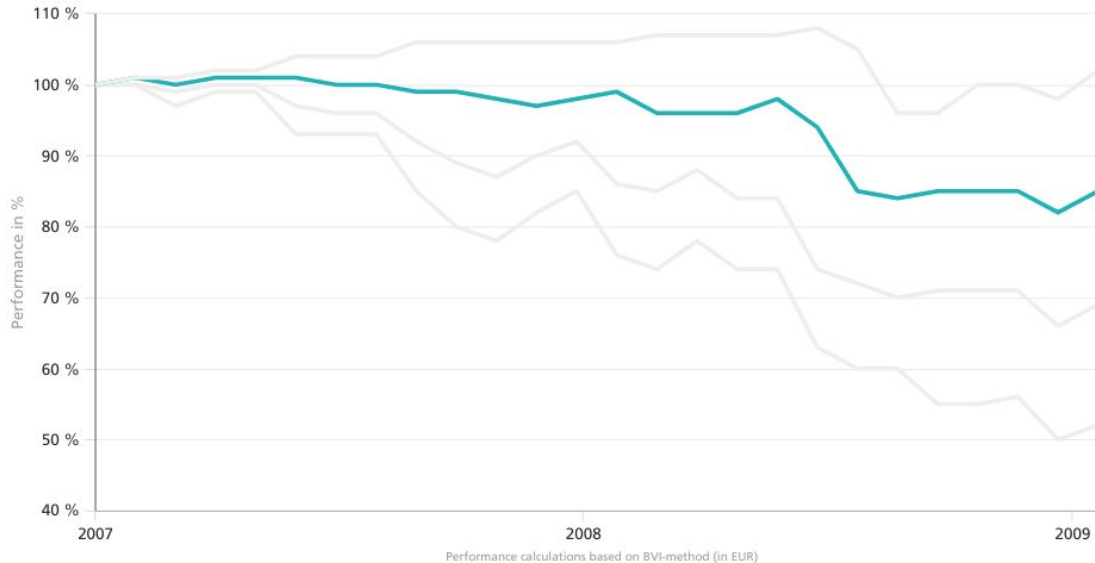
The same 4 investment opportunities were available during the financial crisis from 2008 to 2009. Which of these interim impairments are acceptable to you?



# Data-Driven Customer Risk Assessment Concept



The same 4 investment opportunities were available during the financial crisis from 2008 to 2009. Which of these interim impairments are acceptable to you?



● 100% Equity Globally

● 70% Equity Globally and 30% Fixed Income Globally

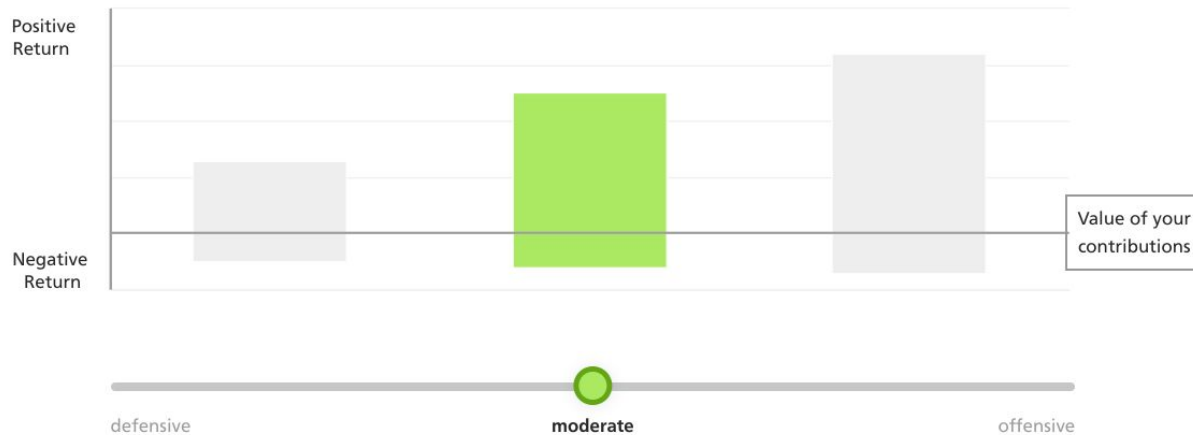
● 40% Equities Globally and 60% Fixed Income Globally

● 10% Equities Globally and 90% Fixed Income Globally

# Data-Driven Customer Risk Assessment Concept - result in defining “investment character”



What's your investment character?





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# Data-Driven Customer Risk Assessment Concept - final view on “Risk-Return correlation”



What do you prefer?

 <p>I want a maximum value of my maturity payment</p>	 <p>I want a minimal value fluctuation</p>
For this I also accept a larger value fluctuation	For this I accept a lower drainage performance

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# Data-Driven Customer Risk Assessment Concept - doublecheck on “risk appetite”



**In order to achieve a high return, temporary fluctuations in value must be accepted. Losses at expiration are also possible. The possibility of a loss...**

makes me nervous

makes me anxious

is familiar to me and is part of the game

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# Data-Driven Customer Risk Assessment Concept - final risk decision based on real example



Let's assume you invested 10.000 Euro in funds last year.  
Now you find it, their value dropped to 8.500 EUR. How  
would you react?

Panic and sell all funds

I feel worried and reduce  
my investment

Interim volatility is normal  
to me

I take the opportunity to  
buy additional funds

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# Data-Driven Customer Risk Assessment Concept - Result of Risk-Score definition (customer specific)



## Your result

You show a **balanced investment behavior.**

This means that you accept fluctuations in value in order to achieve higher asset growth in the long term.

Based on your calculated risk level, your investments should consist of at least half to the majority of equity funds. In this way, you profit from above-average return opportunities in the long term. In order to reduce fluctuations in value and achieve a broader spread of risk, a certain proportion of your portfolio consists of low fluctuation funds, such as bond funds.



Risk Score: **3**

Volatility: **9.4%**

SRRI: **4**

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Select your product

# Preferences Selection - personalised portfolio construction possibility like ESG or similar



## How sustainable should your investment be?

HDI offers you a broadly diversified selection of sustainable funds in all fund categories. We have only marked those funds as sustainable which clearly and explicitly define your sustainability goals in your investment objectives



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# Preferences Selection - Product Types



## Do you want ETFs to be included in your portfolio?

In our range of funds you will find a large selection of ETFs. We offer equity ETFs, bond ETFs and mixed ETFs. The range of funds also includes sustainable ETFs or ETFs with special themes.

neutral preferred

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# Preferences Selection - Investment Themes with specific product baskets as investment proposals



## Would you like to invest in specific topics?

You can select a maximum of 3 themes to be included in your fund mix.

### Sustainability Themes

 Environmental Protection	 Impact Investing	 Renewable Energy	 Water
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Additional Themes

 Health	 Technology	 Real Estate	 Infrastructure
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Megatrends	 Aging Societies	 Gold	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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# Preferences Selection - personalised summary



You have determined the following preferences for your fund mix:

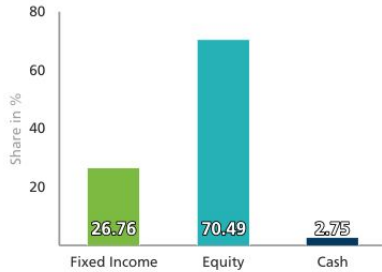
Topic	Choice	Description
Sustainability	100%	The ESG approach provides additional information, which is used in addition to the classic financial key figures, to assess companies holistically.
ETFs	preferred	An ETF stands for an exchange traded fund because there is daily trading on an exchange.
Investment Themes	Environmental Protection Impact Investing Water	You can indicate whether you prefer to overweight certain investment focuses.

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Show me my optimized Portfolio

# Proposed Portfolio - based on personal risk-definition, preferences and optimisation algorithm

## Asset Classes

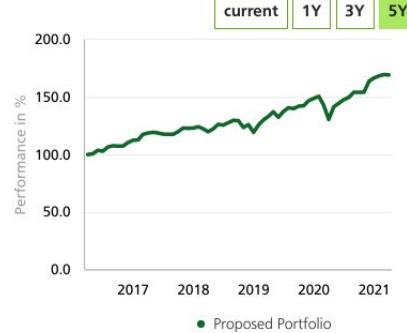


Risk Score  
**3**

Return p.a.  
**11.1%**  
5-Year Average

Volatility  
**9.41%**  
5-Year Average

## Return



## Proposed Portfolio 1

Sort by Portfolio Share ▾

Funds Name	Category / ISIN	Morningstar-Rating™	Portfolio Share ▾
UBS ETF - MSCI World Socially Responsible UCITS ETF (USD) A-dis	ETF North America LU062949743	★★★★★	17.0% ▾
Raiffeisen-Nachhaltigkeit-Solide RZ T	Mutual Funds Europe Developed AT0000A1TMK2	★★★★★	17.0% ▾
Schroder International Selection Fund Global Sustainable Growth A Accumulation USD	Mutual Funds North America LU051720098	★★★★☆	16.0% ▾
Raiffeisen-GreenBonds (I) T	Mutual Funds Europe Developed AT0000A1PV69	★★★☆☆	15.0% ▾
Brown Advisory US Sustainable Growth Fund USD Class B Dis Shares	Mutual Funds North America E008F116710	★★★★★	11.0% ▾
Nordea 1 - Emerging Stars Equity Fund BI EUR	Mutual Funds Asia Emerging LU0602539271	★★★★★	8.0% ▾
BNP Paribas Funds Aqua Privilege Capitalisation	Mutual Funds North America LU1165135879	★★★★☆	7.0% ▾
ÖkoWorld ÖkoVision® Classic T	Mutual Funds Europe Developed LU1727504356	★★★☆☆	5.0% ▾
Nordea 1 - Global Climate and Environment Fund AP EUR	Mutual Funds North America LU0994683356	★★★★★	4.0% ▾
<b>Total</b>			<b>100.0%</b>

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Edit Portfolio

Accept Proposed Portfolio

# Proposed Portfolios - detail views

## Proposed Portfolio 1

Sort by Portfolio Share ▾

Funds Name	Category / ISIN	Morningstar-Rating™	Portfolio Share ▾
UBS ETF - MSCI World Socially Responsible UCITS ETF (USD) A-dis	ETF North America LU0629459743	★★★★★	17.0% ▾
Raiffeisen-Nachhaltigkeit-Solide RZ T	Mutual Funds Europe Developed AT0000A1TMK2	★★★★★	17.0% ▾
Schroder International Selection Fund Global Sustainable Growth A Accumulation USD	Mutual Funds North America LU0557290698	★★★★☆	16.0% ▾
Raiffeisen-GreenBonds (I) T	Mutual Funds Europe Developed AT0000A1FV69	★★★★☆☆	15.0% ▾
Brown Advisory US Sustainable Growth Fund USD Class B Dis Shares	Mutual Funds North America EQ081116110	★★★★★	11.0% ▾
Nordea 1 - Emerging Stars Equity Fund BI EUR	Mutual Funds Asia Emerging LU0602939271	★★★★★	8.0% ▾
BNP Paribas Funds Aqua Privilege Capitalisation	Mutual Funds North America LU1165135879	★★★★☆☆	7.0% ▾
ÖkoWorld ÖkoVision® Classic T	Mutual Funds Europe Developed LU1727504356	★★★★☆☆	5.0% ▾
Nordea 1 - Global Climate and Environment Fund AP EUR	Mutual Funds North America LU0994683356	★★★★★	4.0% ▾
<b>Total</b>			<b>100.0%</b>

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Edit Portfolio

Accept Proposed Portfolio

## Nordea 1 - Global Climate and Environment Fund AP EUR

Mutual Funds North America  
LU0994683356



4.0% ^

Vendor: Nordea Investment Funds SA

Current Price	<b>24.99 EUR</b>	
	Performance	Volatility
Current Year	<b>2.54%</b>	-
1 Year	<b>28.43%</b>	<b>21.98%</b>
3 Years p.a. (annualized)	<b>15.87%</b>	<b>18.18%</b>
5 Years p.a. (annualized)	<b>15.55%</b>	<b>15.35%</b>

### Risk Figures (since inception)

SRRI-Score	<b>6</b>	
Sharp-Ratio	<b>0.88</b>	
Longest loss Period	<b>2.0 Months</b>	
Maximum Drawdown	<b>21.0%</b>	

### Performance

current 1Y 3Y 5Y



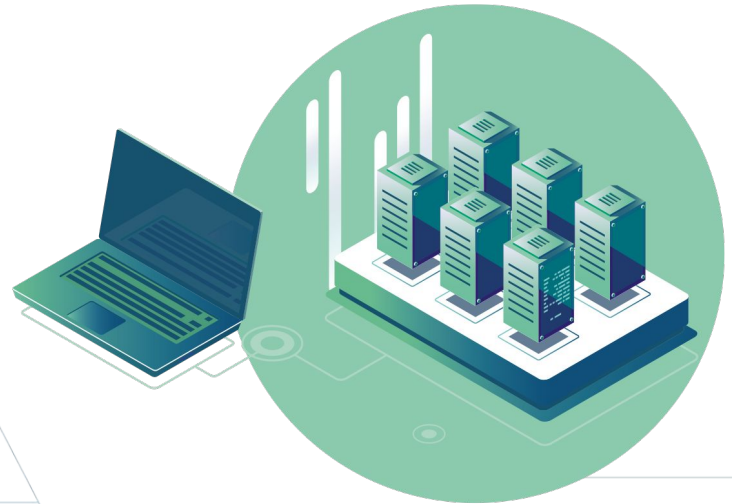
This fund aims to achieve long-term capital growth through a diversified portfolio of equity or equity related investments in companies, which are expected to benefit either directly or indirectly from developments related to environmental challenges such as climate change. The fund shall invest globally and shall invest a minimum of two thirds of its total assets in equities, other equity shares such as co-operative shares and participation certificates, dividend right certificates, warrants on equities and equity rights.

[Download Full Funds-Factsheet \(pdf\)](#)

Q & A

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Questions?





# Contact Us

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