



**ALL-TERRAIN  
INVESTING:**

**A Resilient Approach to Portfolio Management**

# All-Terrain Investing: A Resilient Approach to Portfolio Management

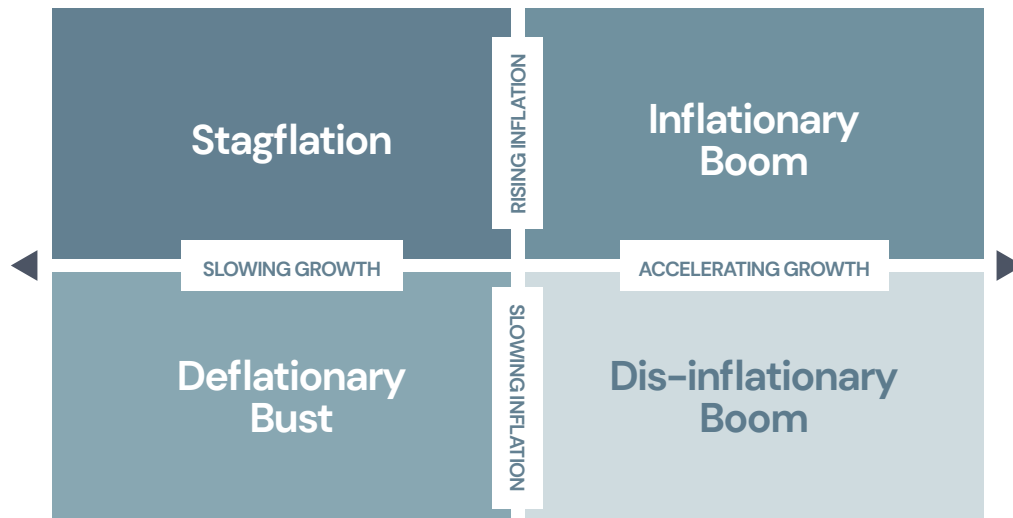
## Introduction

In an increasingly complex and unpredictable financial landscape, traditional investment strategies often struggle to deliver consistent returns across different market environments. All-Terrain Investing provides a robust framework designed to perform well in a variety of economic conditions. This approach is particularly well-suited for investors seeking resilience, adaptability, and long-term growth potential.

## The Core Philosophy of All-Terrain Investing

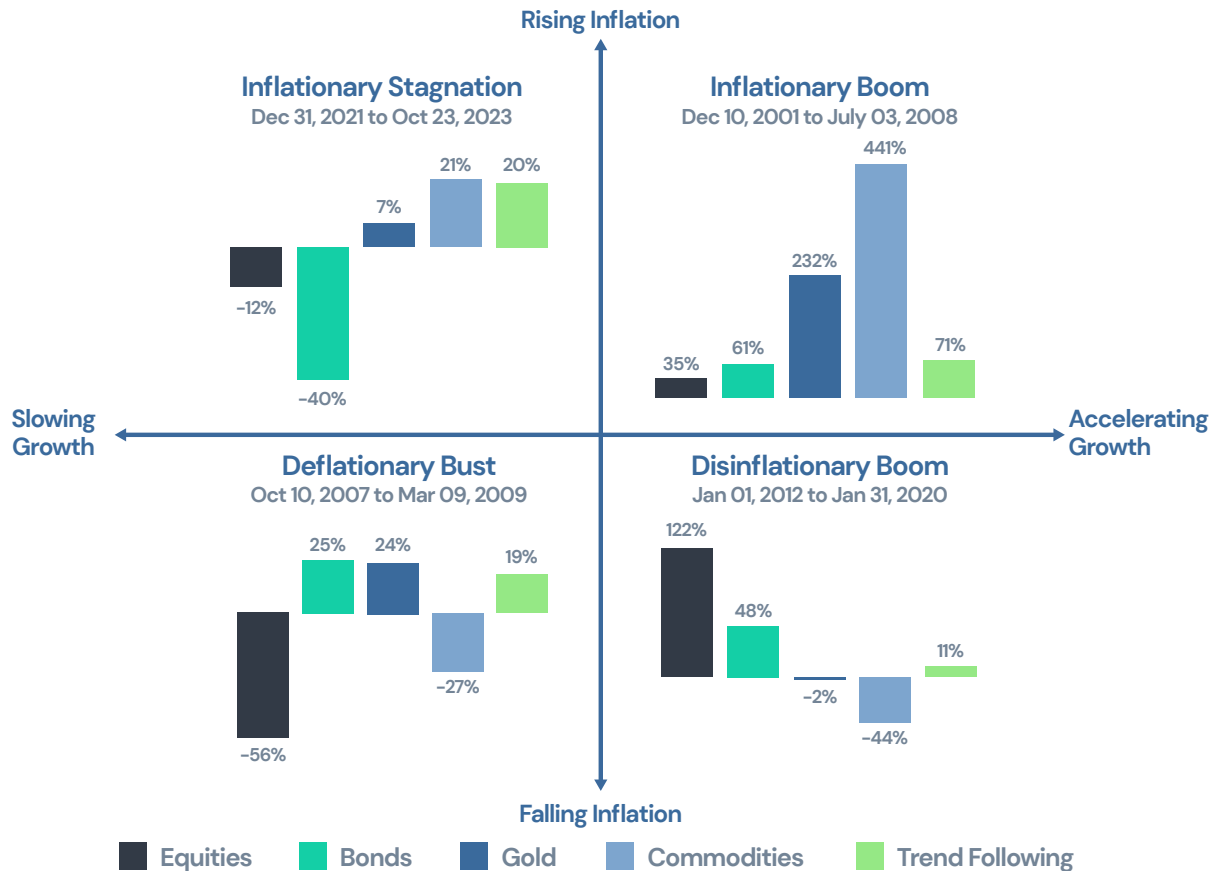
All-Terrain Investing is based on the idea that no single asset class or investment strategy consistently outperforms across all market regimes. By recognizing that economic conditions are constantly shifting – characterized by fluctuations in growth and inflation – this approach aims to construct portfolios that are prepared for multiple scenarios.

Figure 1. Inflation and Growth Market Regimes



To navigate different growth and inflation regimes, a portfolio should include:

- **Diversified Global Equities:** Generally provide relatively strong returns during periods of economic growth and low inflation.
- **Global Government Bonds:** Generally provide strong returns during low inflation environments and protection during deflationary shocks
- **Commodities:** Broad commodities and gold tend to provide strong relative returns during inflationary growth periods or broad inflationary shocks
- **Liquid Alternative Strategies:** Designed to provide absolute returns in most market environments and some categories like managed futures have historically provided strong relative returns during periods of inflation shocks and equity market crashes

**Figure 2. Examples of Return Outcomes for Each Global Asset Class Across Regimes**


Source: Bloomberg and Société Générale. Analysis ReSolve Asset Management SEZC (Cayman). Equities is MSCI All Country World Index ("ACWI"), Bonds is ICE U.S. Treasury 20+ Year Bond Index Total Return (ICET20X2), Gold is Gold Index ("XAUUSD"), Commodities is DBIQ Optimum Yield Diversified Commodity Index (DBLCDBCT), Trend Following is the Société Générale Trend Index ("NEIXCTAT"). You cannot invest in an index. Returns are gross of taxes. Past performance is not indicative of future results.

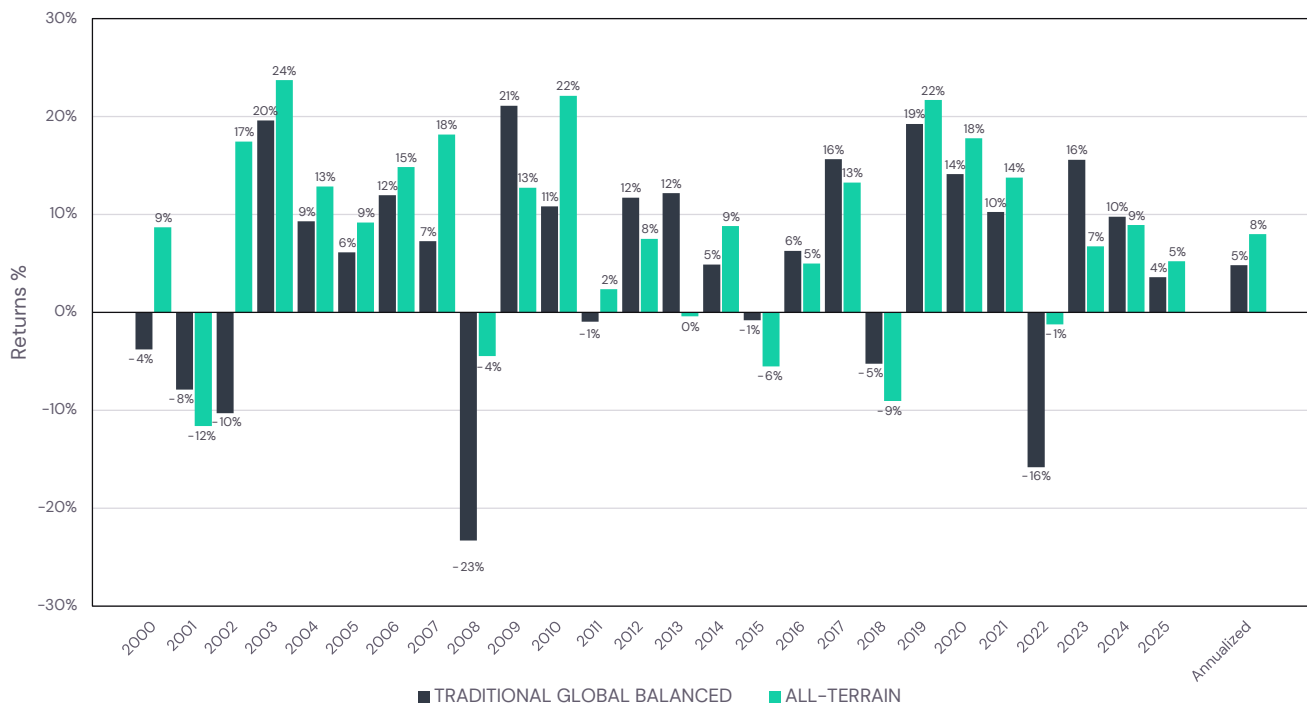
- Global Perspective** – By looking beyond domestic markets, investors can tap into global opportunities, reducing concentration risk and increasing portfolio robustness.
- Diversification Beyond Traditional Asset Classes** – A well-constructed portfolio should include a broad range of assets, including equities, bonds, commodities, gold, and alternative investments.
- Risk Balance** – by sizing each asset class exposure in a way that no one asset class dominates the risk of the portfolio, we help ensure that the portfolio exposures are balanced across each economic regime.
- Thoughtful Portfolio Scaling** – When we maximize diversification, we tend to reduce portfolio volatility to such an extent that a moderate amount of non-recourse leverage (achieved inside the ETF vehicles) should be deployed to help achieve return goals.

## Why All-Terrain Investing Matters for Clients

Investors face an array of challenges, from inflationary pressures to geopolitical risks and market uncertainty. All-Terrain Investing provides a solution that is designed to navigate various market conditions while optimizing for risk-adjusted returns. By employing a diversified, balanced, and recession/inflation aware portfolio, investors can achieve:

- Greater consistency in performance across different economic environments
- Reduced exposure to extreme market drawdowns
- A well-balanced portfolio that tends to thrive in both inflationary and deflationary conditions

**Figure 3. Example of a Traditional Portfolio against a simple All-Terrain Allocation**



|                       | Traditional Global Balanced | All-Terrain |
|-----------------------|-----------------------------|-------------|
| Annualized Return     | 5.01%                       | 8.29%       |
| Annualized Volatility | 11.46%                      | 11.42%      |
| Annualized Sharpe     | 0.44                        | 0.73        |
| Max Drawdown          | -38.26%                     | -25.67%     |

Source: Bloomberg and Société Générale. Analysis ReSolve Asset Management SEZC (Cayman). Traditional Global Balanced is 60% MSCI All Country World Index ("ACWI") and 40% Bloomberg US Aggregate Bond Index ("LBSTRUU"). All-Terrain is 36% MSCI All Country World Index ("ACWI")/45% ICE U.S. Treasury 7-10 Year Bond Index(IDCOT7TR)/16% Gold ("XAUUSD")/14% DBIQ Optimum Yield Diversified Commodity Index (DBLCDBCT)/45% CTA. Trend is the Société Générale Trend Index ("NEIXCTAT") minus -56% Bloomberg Short Treasury US Total Return Index ("LD12TRUUU"). You cannot invest in an index. Returns are gross of taxes. Returns assume the reinvestment of all distributions. Past performance is not indicative of future results. Period is 12/31/1999 through 02/19/2025. The starting date is chosen based upon the earliest date data is available for the underlying indexes.

## Conclusion

All-Terrain Investing is not about predicting the future – it's about preparing for it. By embracing a balanced, regime diverse approach, investors can build more resilient portfolios that stand the test of time. This strategy aligns with the ultimate goal of delivering sustainable, risk-efficient growth for long-term financial success.

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