# AXIOMA | QONTIGO

# AXIOMA GLOBAL MULTI-ASSET CLASS RISK MODEL (AXGMM4)

## Parsimonious, multi-asset class model built for portfolio construction and asset allocation

Designed to capture the investment risk of a multi-asset class portfolio through a combination of exposures to a parsimonious set of risk factor returns and asset specific risks, the Axioma Global Multi-Asset Class Risk Model allows you to construct global portfolios that conform to investment guidelines, track benchmarks and express views.

## Key Benefits

**❶ Parsimonious Factor Structure**

Capture meaningful and actionable sources of risk across your multi-asset class portfolio

**❷ Fixed income factors powered by robust spread curves**

Get a more accurate view of credit risk with proprietary methodology for issuer-specific spread curves that are the basis for our fixed income factor models

**❸ Industry leading equity models**

Capture systematic factor and specific risks in the equity markets to better understand the sources of risk

**❹ Efficient portfolio construction**

Allocate risk to the factors you believe will outperform while tracking benchmarks and managing allocations

**❺ Strategy alignment**

Control portfolio exposures to key style factors within your investment approach

**❻ Fund Allocation**

Identify cross-fund factor exposure and risk concentrations and manage allocations to avoid undesired factor or sector tilts

**Portfolio managers overseeing multi-asset class investments can leverage a consistent view of risk for:**

> Asset allocation

> Benchmark replication

> Portfolio optimization

> Strategy backtesting

> Risk attribution

> Factor-based investing

**AXGMM4 is for:**

> Private wealth managers investing in a broad range of asset classes

> Institutional multi-asset class managers

> Fixed income portfolio managers implementing strategies to control for factor risk

> Fund-of-fund investment managers

> Solutions groups managing risk allocation and factor exposure

## Model Factors

Our models are designed to separate and quantify systematic and idiosyncratic components of risk. The systematic factors captured in the Axioma Multi-Asset Class Risk Model reflect risk from:

✓ Interest Rates    ✓ Currencies
✓ Equities          ✓ Size
✓ Commodities       ✓ Region/Country
✓ Inflation         ✓ Sector/Industry
✓ Volatility        ✓ Quality
✓ Credit            ✓ Styles

## Model Delivery and Access

> Delivery is available through SFTP file download or through a REST API

> Covariance, specific risk and exposure matrices are available as weekly or monthly updates

> AXGMM4 can be integrated with Axioma Portfolio Optimizer™ for portfolio construction and also available in our cloud-based enterprise risk management system, Axioma Risk™
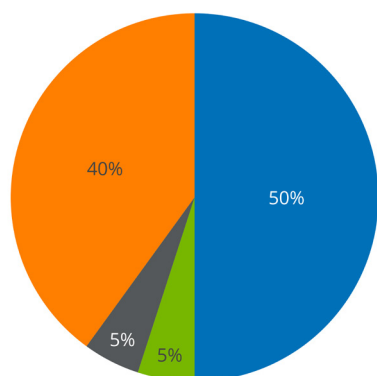
## Ratio of Risk to Weight Allocation by Asset Type for a Model Global MAC Portfolio
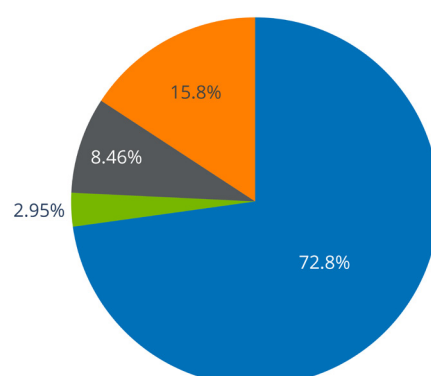
### Model Portfolio Major Asset Class Risk Divided by Weight
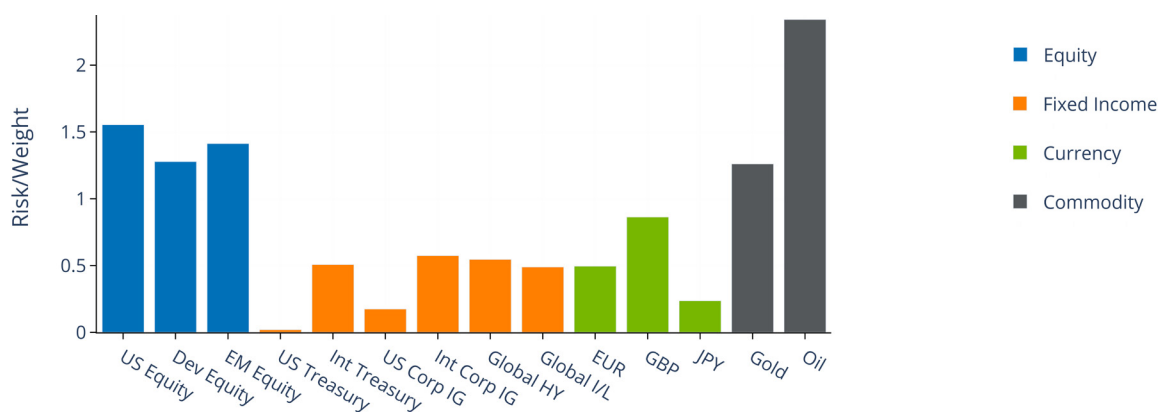


### Model Portfolio Major Asset Class Weight



### Model Portfolio Major Asset Class Risk