Overview
Intech® low volatility strategies help you control funded status volatility by seeking upside equity market participation and downside protection. We construct these strategies irrespective of a low-volatility anomaly or factor; instead, we focus on low-volatility outcomes.

Investment Platform: Defensive
Benchmark: MSCI All Country World Index
Expected Risk Reduction: Up to 60%

Applications
These strategies may address a wide range of needs:
• Allow for higher equity exposure without increasing risk throughout a target-date glide path
• Reduce the 100% downside capture of cap-weighted passive strategies
• De-risk a well-funded plan while maintaining equity exposure
• Increase equity exposure without increasing equity risk budget
• Avoid index arbitrage and limitations inherent in minimum volatility indexes
Philosophy and Process

An Approach with Real Distinction

We adhere to a different investment paradigm than the traditional financial economics embraced by most asset managers – both fundamental and quantitative.

Our approach is linked to Modern Portfolio Theory, but we base our decision model on observations, not expectations. Our model inputs are observed stock price volatility and correlations. We don’t rely on subjective forecasts of markets, factors, or company performance.

Straightforward Three-step Process

Our Princeton-based investment team applies our approach across a three-step process designed to deliver consistent results over time:

1. **Estimate** volatility and correlations of the stocks in a benchmark.
2. **Optimize** portfolio weights for diversification consistent with our clients’ risk-return objectives.
3. **Rebalance** target weights actively and cost-efficiently – seeking trading profit, replenishing diversification, and compounding gains over time.

About Intech®

Intech® is a specialized global asset management firm that harnesses stock price volatility as a source of excess return and a key to risk control. Founded in 1987 in Princeton, NJ by pioneering mathematician Dr. E. Robert Fernholz, Intech® serves institutional investors across five continents, delivering relative return, low volatility, adaptive volatility and absolute return investment solutions.

LEARN MORE ABOUT OUR SOLUTIONS
INTECHINVESTMENTS.COM

Past performance is no guarantee of future results. Investing involves risk, including possible loss of principal and fluctuation of value. There is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses. Low volatility strategies tend to underperform the index during periods of strong up markets and may not achieve the desired level of protection in down markets.