



# Intech® Global Income Adaptive Volatility

Product summary for institutional investors only

## MAINTAIN EQUITY EXPOSURE

Under-funded plans that require risk-seeking assets to meet return assumptions can turn to our strategy to uphold equity allocations prudently. By systematically adapting beta exposure with risk regimes, our approach seeks asymmetric equity returns to smooth your overall portfolio outcomes.

## TAKE RISK WHEN YOU NEED IT

Risk regimes aren't static; your core equity implementation shouldn't be either. Drawing on 30 years of volatility analysis, our approach works like a hybrid automobile: it aims to systematically deliver alpha-seeking "power" in risk-on regimes while mitigating risk in risk-off environments.

## AVOID COSTLY HEDGING TOOLS

Unlike more expensive tail-risk management tools like options, covered calls and market neutral strategies, our approach attempts to deliver alpha while providing meaningful beta management – without exposures to derivatives, leverage or riskier investment trade-offs.

## Overview

Intech® adaptive volatility strategies are a hybrid of our traditional active and low volatility equity strategies – a distinctive industry offering. These distinctive strategies attempt to offer an asymmetric return profile by outperforming the equity market over a full market cycle with downside protection.

**Investment Platform:** Defensive Equity

**Benchmark:** MSCI World High Dividend Yield Index

**Expected Risk Reduction:** Up to 30%

Expected risk reduction includes an effort to manage risk relative to a benchmark index, which should not be confused with and does not imply low investment risk or the ability to control risk. It is a long-term annualized forecast gross of fees. Do not consider or rely on it as a performance guarantee. Actual results may vary.

## Applications

These strategies may address a wide range of needs:

- Allow for higher equity exposure throughout a target-date glide path
- De-risk an under-funded plan without reducing equity exposure
- Increase equity exposure without increasing total risk
- Insulate beta risk from unpredictable market shocks
- Reduce plan surplus volatility

# Philosophy and Process

## An Approach with Real Distinction

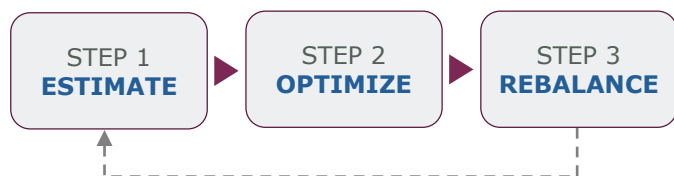
We adhere to a different investment paradigm than the traditional financial economics embraced by most asset managers – both fundamental and quantitative.

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 or individual stocks.

## 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.



LEARN MORE ABOUT OUR SOLUTIONS  
[INTECHINVESTMENTS.COM](https://intechinvestments.com)

## Defensive Equity Leadership

#7 / GLOBAL EQUITY INSTITUTIONAL  
QUANTITATIVE MANAGER BY AUM

#9 / DEFENSIVE EQUITY INSTITUTIONAL  
QUANTITATIVE MANAGER BY AUM

30+ / YEARS GENERATING ACTIVE CORE  
EQUITY RESULTS FOR INSTITUTIONS

9+ / YEARS GENERATING LOW VOLATILITY  
EQUITY RESULTS FOR INSTITUTIONS

Assets under management and ranks are based on data reported to the eVestment Alliance databases as of September 30, 2021, and included all institutional active equity strategies where the primary investment approach is equal to "quantitative." The number of managers includes those with at least one strategy in each group. Large Cap Equity strategies included strategies where the primary equity capitalization is equal to "large cap", which is 162 managers. Low Volatility Equity included strategies in the All Low Volatility Equity Universe and included 44 managers. Information is current as of the date shown and may change at any 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 traditional equity, defensive equity, and absolute return investment solutions.

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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. Adaptive 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.