## **Investment Strategy**

Smart Diversification...Quant + Common Sense...Core/Satellite
Investing

As a professional investor it is important to conduct your business with a sense of humbleness, as inexhaustible scientific investment research shows that only about 20% of the active asset managers are able to consistently outperform the self-imposed (composite) benchmark in the long run. In addition, within the financial industry two different schools of thought are distinguished; 'bottum-up' investors who select individual stocks to build their investment portfolios, and 'top-down' investors, who are thinking in 'clouds of financial titles' to set up their portfolios. The mix of both approaches is often indicated with the term 'Core-Satellite', where the core of the portfolio is invested in passive Exchange Traded Funds (ETF's, Beta exposure), and the satellite part is invested through active asset managers, who, because of their specific skills, are deemed to be able to add value to the overall portfolio (Alpha managers).

Assetgrip Management implement the above-described 'Core-Satellite' approach in their daily practice, with the main premise that as a professional investor one should *focus* only on those elements that you can actually influence. These elements consist of the modeling of individual risk-budgets over different classes (Smart Diversification), asset executing at the lowest *cost* and the discipline to go through an integrated predefined investment process without emotions. Investments in **ETF's** are considered as investments in individual stocks. However a look-through analysis is implemented to give the investment manager an idea of the economic exposure/sensitivity of the portfolio towards economic conditions.

By going through a predefined investment process with *discipline*, one ensures the highest probability that a long-term investor is rewarded with the expected returns form financial markets, where the level of risk accepted is undeniably linked to the expected returns.