Three Investment Approaches

ALLODIUM®
INVESTMENT CONSULTANTS

INVESTMENT STRATEGY

Passive Investing

Index Investment Management

- Strategy based on a commercially developed index.
- Attempts to match the performance of the index.
- Prioritizes matching the index performance over higher expected returns.

Evidence-Based Investment Management

- Gains insights about markets and returns from academic research.
- Structures portfolios along the dimensions of expected returns.
- Adds value by integrating research, portfolio structure and implementation.

Active Investing

Conventional Investment Management

- Relies on forecasting to time the market.
- Attempts to select "undervalued" securities
- Generates higher expenses, trading costs and risk.

INDEXING

Passive Return
Managing to a benchmark

Cost effective, rules based and transparent.

"The market is efficient, so just own the market with the lowest cost portfolio you can find."

FACTOR INVESTING

Factor-Based Return
Outcome focused

Opportunity to outperform.

"Using academic research to overweight the investments in the portfolio that show a higher expected rate of return."

FUNDAMENTAL

Active Return
Managing against a benchmark

"Outguess the market by buying and selling stocks at the right time."

Passive investing is an investment strategy that aims to maximize returns over the long run by keeping the amount of buying and selling to a minimum. The idea is to avoid the fees and the drag on performance that potentially occur from frequent trading.

Active investing refers to an investment strategy that involves ongoing buying and selling actions by the investor. Active investors purchase investments and continuously monitor their activity to exploit profitable conditions.

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