Different Investment Approaches

Conventional Management

- Attempts to consistently identify mispricing in securities
- Relies on forecasting, security selection and market timing
- Generates higher expenses and trading costs, and excess risk

Index Management

- Allows commercial index to determine strategy
- Attempts to closely track the benchmark
- Accepts lower returns, reduced flexibility, and higher trading costs

A Different Approach to 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