

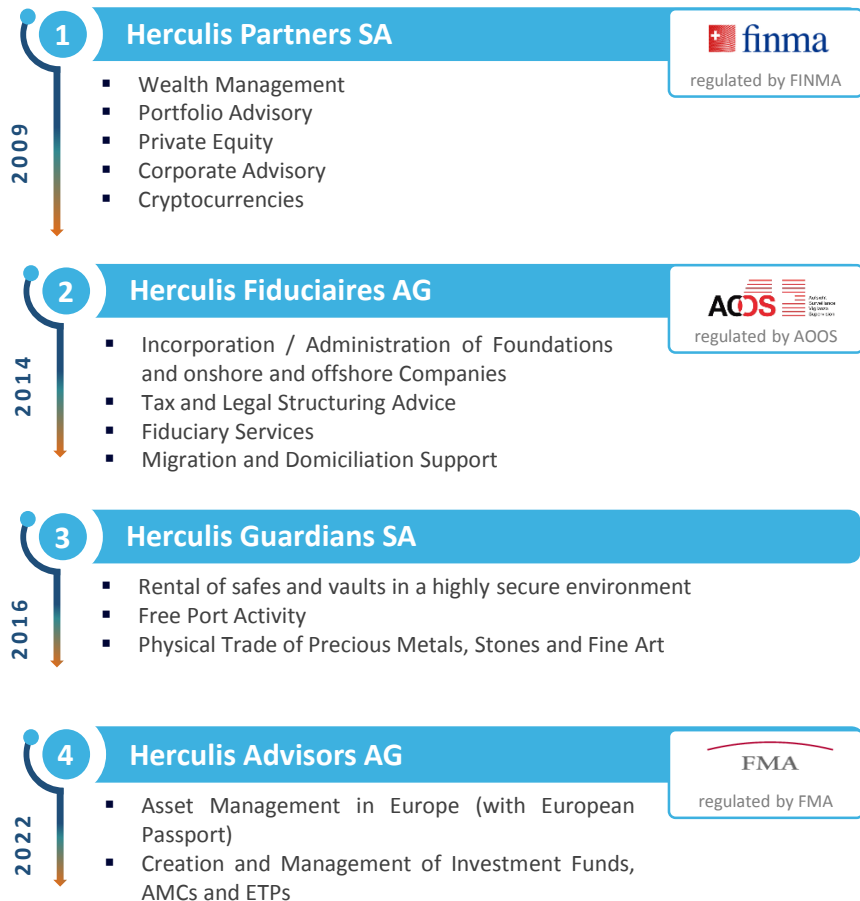
# HERCULIS GROUP

WEALTH MANAGEMENT  
&  
ALTERNATIVE INVESTMENTS





# Wealth And Investment Boutique



**Herculis Group** is a Wealth and Investment Boutique established in Switzerland since 2009. The Group is composed of four companies and offers to its wealthy clients a broad range of services and products.

The Group has a wide presence in Switzerland (Porrentruy, Zurich, Geneva, Lugano) as well as in Liechtenstein (Vaduz) with authorization to operate in European Union.





# HERCULIS PARTNERS SA



## AM

Herculis Partners provides a flexible and fully tailor-made platform to manage Client's assets, taking into consideration ESG principles. In addition, the experience of Herculis Partners in the field of Alternative Investments brings added value to traditional portfolios in a context of challenging markets conditions.

## PA

Herculis Partners provides tools to construct and optimize investment portfolios in a cost-efficient way. Herculis Partners allows Clients to have a 360° view of their assets (liquid assets, real estate, ...) through a consolidated report.

## PE

Private Equity is considered as an effective instrument for Wealth creation. Herculis Partners helps its Clients to realize profitable Private Equity investment deals through rigorous investment process and active Board membership positioning notwithstanding the taken minority shareholder stake.

## CA

Herculis Partners provides business owners, investors, directors, and executives with practical advice on growth strategies that will facilitate fast increase in the value of their business.



# WEALTH MANAGEMENT

1

DM

## DISCRETIONARY MANDATES

- Delegation to Herculis Partners who becomes responsible for all investment decisions and resulting investment returns
- Focused solely on Absolute Return exploiting global opportunities
- Different strategies in order to cover all Client's specific needs (Conservative, Balanced, Growth, Alternative)
- Dedicated on-line access to the Aggregated Portfolio View Platform in order to monitor management results

2

IA

## INVESTMENT ADVISORY

- The Client is responsible for all his investment decisions and resulting investment returns
- Herculis Partner designs Advisory Mandate together with Client in order to cover all his specific cash-flow needs and time-horizon requirements
- Herculis Partners proposes Client with specific investment recommendations (buy, sell or hold), market opportunities or market timing proposal to rebalance his portfolio upon his request

3

EO

## EXECUTION ONLY

- The Client is responsible for all his investment decisions and resulting investment returns
- No Investment advice is provided to the Client by Herculis Partners

4

AI

## ALTERNATIVE INVESTMENTS

- Herculis Partners provides Client with easy access to unique set of Alternative Investments like Hedge Fund, Private Equity Fund, Wine, Fine Art and Precious Stones Investments in order to preserve and grow his wealth
- Alternative Investments are attractive mainly due to their low or negative correlation with standard class of assets like stocks and bonds
- The Client can use Alternative Funds as a tool to reduce his overall investment risk and diversify his portfolio

*Tailor Made*

*Skills*

*Efficiency*

*Innovation*

# INVESTMENT PROCESS



1. Definition of Client's Investment Profile

2. Ethics and Investment Philosophy

3. Macro Views and Mega Trends

**STRATEGIC ASSET ALLOCATION**

4. Portfolio Construction

5. Tactical Asset Allocation

6. Portfolio Implementation

**INVESTMENTS**

7. Risk Management (Portfolio Optimization)

8. Reporting, Monitoring, Challenging our choices



# INVESTMENT PROFILE

## Conservative Portfolio

**Wealth Preservation** with focus on Income

**Money Market:** 0-100%

**Bond:** 0-100%

**Equity:** 0-40%

**Alternative:** 0-20%

## Balanced Portfolio

**Long Term Wealth Growth** with focus on Income and capital appreciation

**Money Market:** 0-20%

**Bond:** 0-50%

**Equity:** 0-70%

**Alternative:** 0-20%

## Growth Portfolio

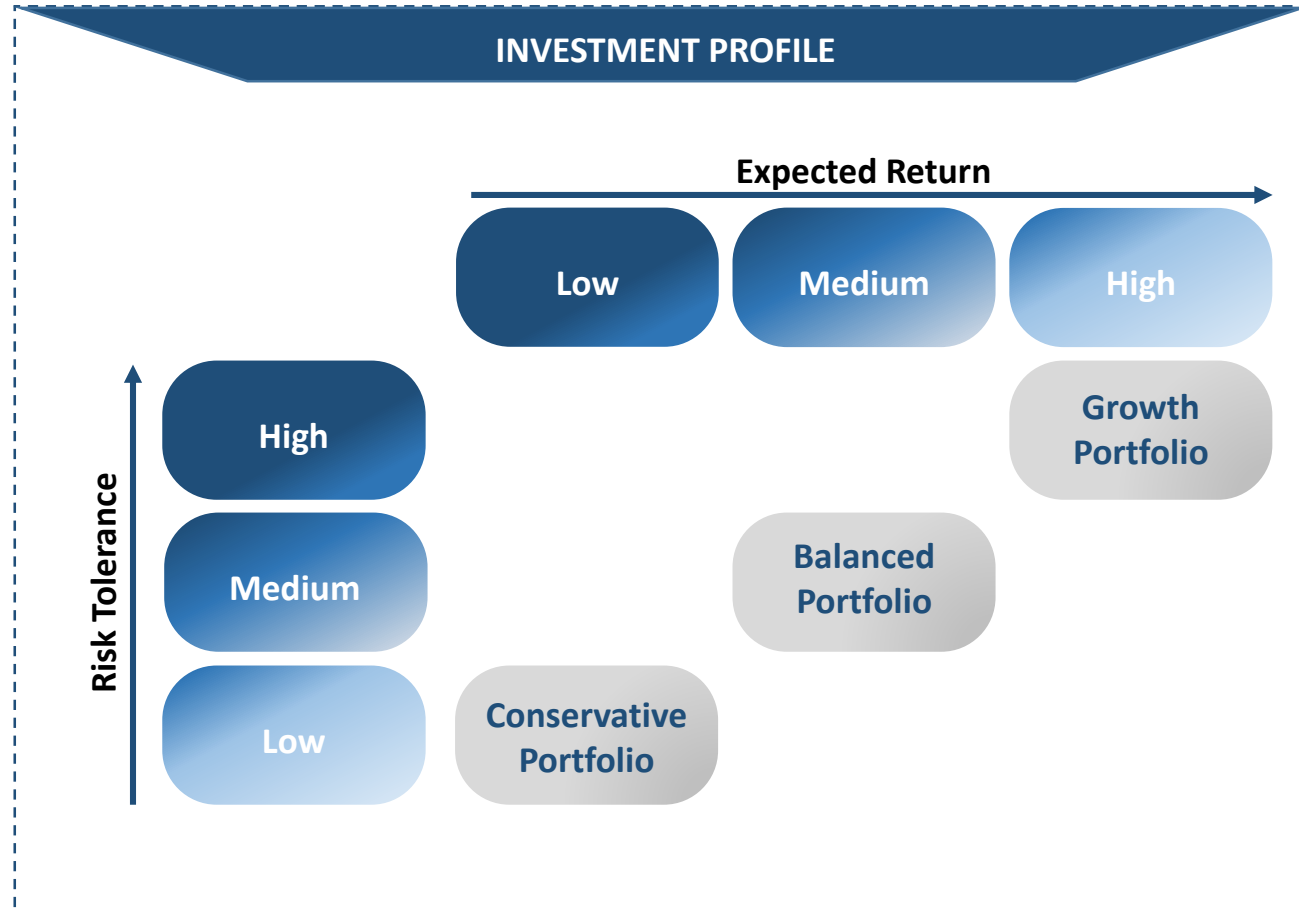
**Real Long Term Wealth Growth** with focus on capital appreciation

**Money Market:** 0-20%

**Bond:** 0-20%

**Equity:** 0-100%

**Alternative:** 0-20%





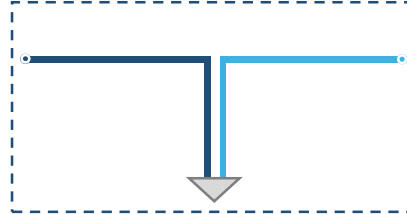
# STRATEGIC ASSET ALLOCATION

A typical Strategic Asset Allocation portfolio employs a buy-and-hold strategy constructed to include multiple asset classes. A fixed target allocation for each asset class is then selected, e.g., 60% stocks and 40% bonds, referred to as a 60/40 portfolio. This allocation is maintained throughout all market conditions.

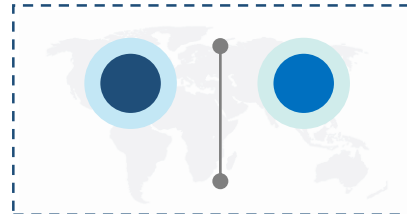
## Investment Profile



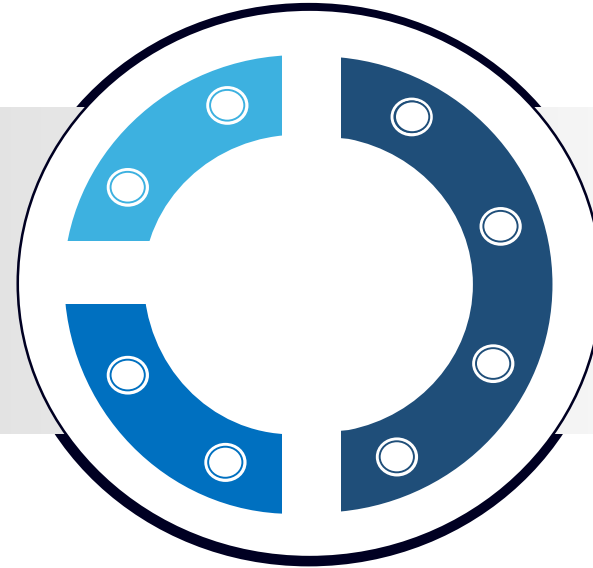
## Ethics and Investment Philosophy



## Macro View and Mega Trend



## STRATEGIC ASSET ALLOCATION

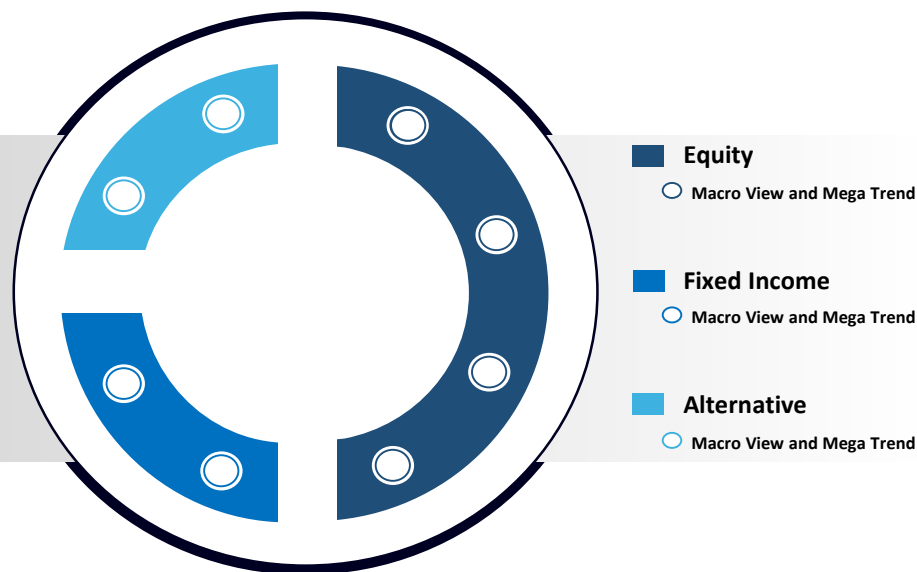


- Equity
  - Macro View and Mega Trend
- Fixed Income
  - Macro View and Mega Trend
- Alternative
  - Macro View and Mega Trend




## PORTFOLIO CONSTRUCTION

During this phase of the investment process, Herculis Partners identifies the most suitable investment solutions to get exposure to each of the selected thematics. The selection integrates several qualitative and quantitative criteria: cost of the vehicle, liquidity, track record, correlation with the market, diversification, ...



What is the most suitable solutions for each thematic?

- 
- Funds
  - ETF / ETP
  - Shares
  - Bonds
  - Certificates
  - Derivatives
  - Futures / Options
  - Hedge Funds

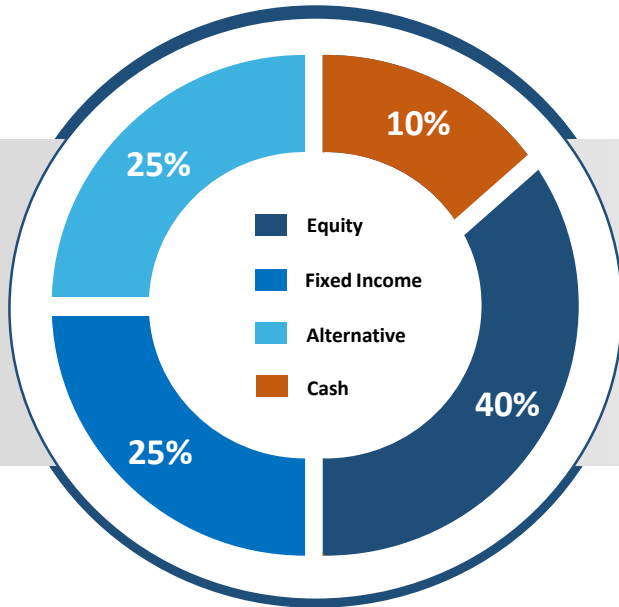


# TACTICAL ASSET ALLOCATION

Tactical Asset Allocation is an active management portfolio strategy that dynamically adjusts a portfolio's asset allocation to current market conditions with the objectives of minimizing the potential for large losses and maximizing opportunities to improve returns.

This strategy allows Herculis Partners to create extra value by taking advantage of certain situations in the marketplace. It is a moderately active strategy since managers return to the portfolio's original asset allocation once reaching the desired short-term profits.

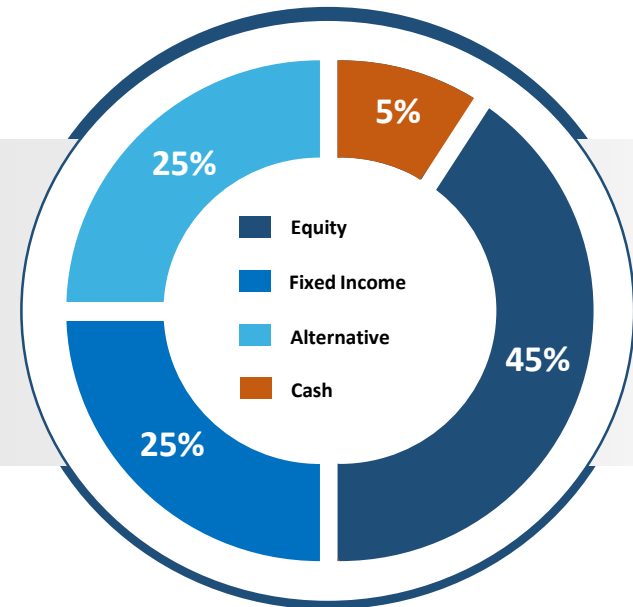
## Strategic Asset Allocation

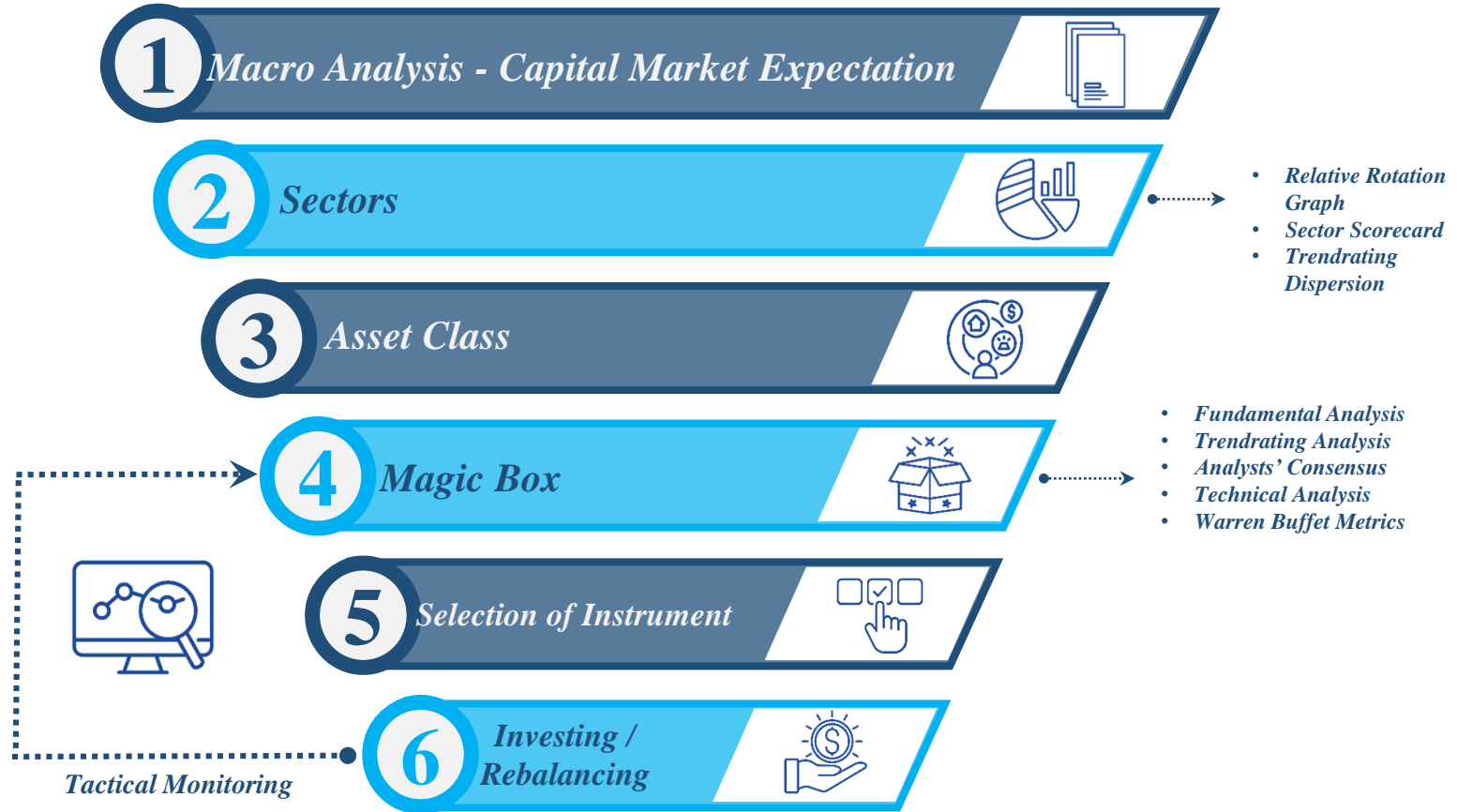


Expectation of an equity market rally in the next 3 months

After 3 months, portfolio rebalancing

## Tactical Asset Allocation

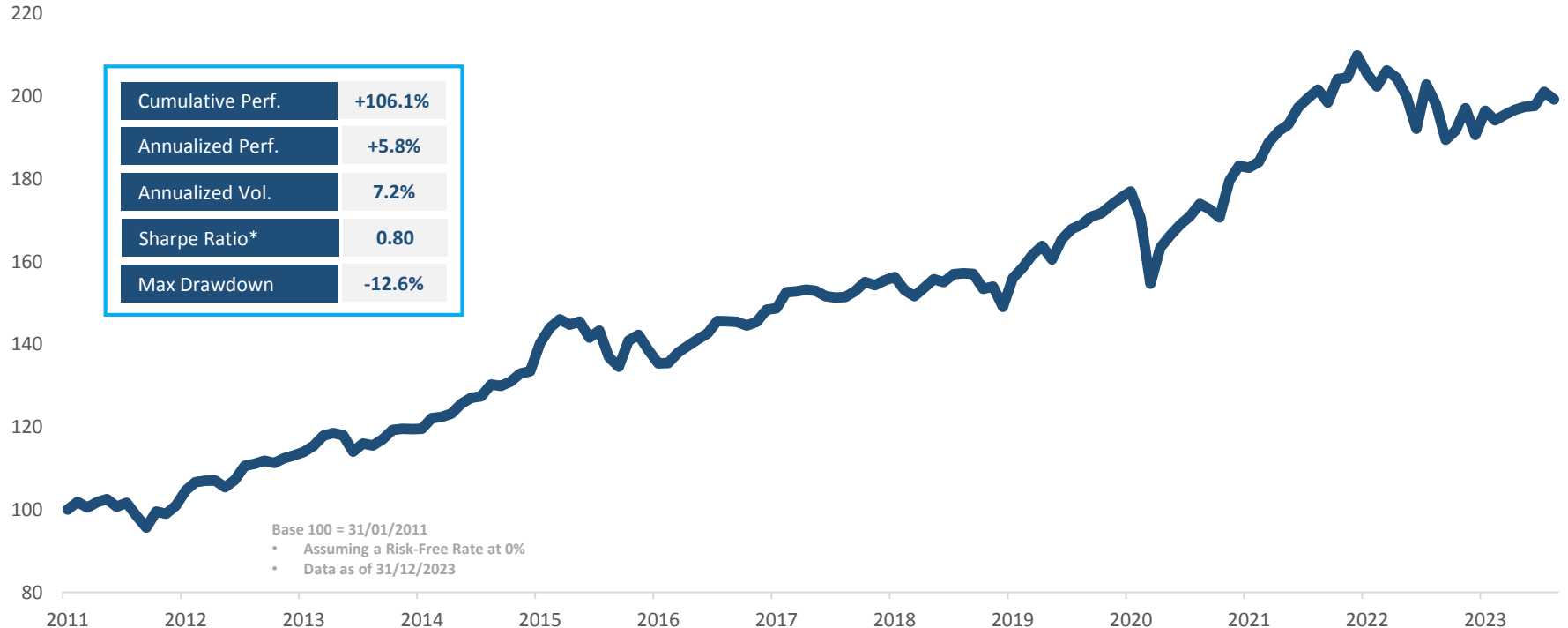






# MODEL BALANCED PORTFOLIO

The investment process created by Herculis Partners has been put in practice through the creation of a Balanced Model Portfolio.





# RISK MANAGEMENT (DIVERSIFICATION)

1

Check for redundant strategies within the portfolio

We analyze the instruments within the portfolio in order to identify potential redundant strategies. Getting rid of redundant strategies should enhance the diversification impact on the overall portfolio

Funds in USD from illustrative portfolio

Name	Strategy	Portfolio Weight
...	...	...
FT Technology (FTT)	Global Tech	3.0%
PCT Digital (PCD)	Digital Services	3.0%
MS Growth (MS)	Growth	3.0%
...	...	...

2

Find a more effective candidate on the same strategy

Simple, liquid and with a low fee structure, a good candidate to replicate a global tech/growth strategy is an ETF on the NASDAQ.

In order to verify that the candidate has the same profile as the selected funds, we start checking the correlation between the funds and the candidate:

	FTT	PCD	MS	Nasdaq
FTT	1	0.85	0.86	0.94
PCD	0.85	1	0.77	0.85
MS	0.86	0.77	1	0.80
Nasdaq	0.94	0.85	0.80	1

5-years average correlation with Nasdaq is high (0,86) as well as the correlation between the funds

*Source: Bloomberg, Herculis Partners. Data as of April 2022*

3

Create a sub portfolio with the funds and backtest

We create a sub portfolio with the selected funds. In our example, we create a portfolio made of 3 funds that represent each 33,3% of the portfolio.

We run an historical simulation against the more effective candidate over a defined period, and we confront the result:

	Sub Portfolio	Candidate
Correlation	0.90	
Total Return	103.07%	127.98%
Annualized Return	26.40%	30.70%
Annualized Volatility	22.70%	22.90%
Sharpe Ratio	0.76	0.87

*Source: Bloomberg, Herculis Partners. Data as of April 2022*

Over a 5-year period, the ETF on the Nasdaq has generated a higher performance with the same level of risks. Even though past performance are not a good indicator of future performances, it can be more optimal substituting the 3 funds with only one instrument, that shows the same profile but with better characteristics.

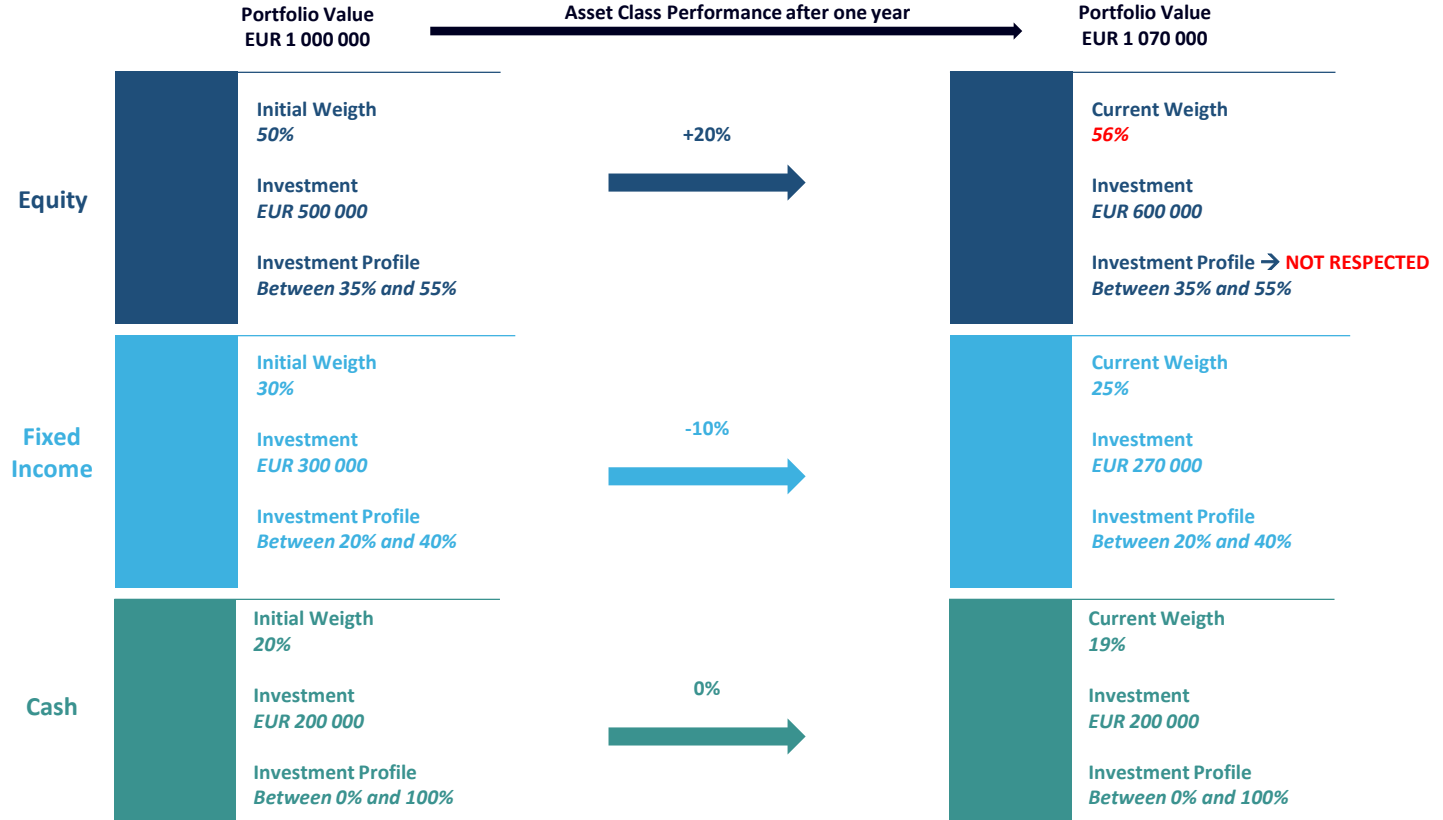


# RISK MANAGEMENT (PORTFOLIO OPTIMIZATION)

Over time, the portfolio can move away from the initial investment profile.

If the weights imposed by the investment profile are not respected and realigned accordingly, Client is exposed to unexpected and unmanaged risks. For example, after a positive equity market performance, profile can shift from balanced to aggressive, which exposes the client to heavier losses in case of correction.

Such control and realignment can be done at asset classes level but also for each instrument.





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