# INVESTMENT POLICY STATEMENT

## Paolo M.

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*Effective 1 August 2026 · Next scheduled review 1 August 2027 · Strictly private & confidential*

This Investment Policy Statement (IPS) establishes the objectives, risk parameters, strategic asset allocation, and operating rules governing the investment of Mr. M.'s long-term accumulation portfolio. It exists to govern decisions — not to satisfy a formality — by pre-committing objectives, constraints, allocation and contribution policy so they are followed through market stress rather than re-litigated at each decision. Where this document uses a figure, it is deliberately specific; qualitative labels such as “moderate risk” or “long-term” are avoided. The mandate is advisory and self-directed: the adviser defines what the portfolio should be and why; the client retains full execution control.

## Executive Summary

This Investment Policy Statement governs the investment of a lump-sum initial deposit plus an ongoing monthly contribution, with the objective of building long-term growth capital over a 30-year horizon. The client has stated an aspirational wealth target; this document sets out, quantitatively, why that target is not reachable at the current contribution rate and prudent risk levels, and what would need to change for it to become realistic.

- **Objective.** build long-term capital through a globally diversified, equity-led growth portfolio, supplemented by a physical gold ballast — no income or withdrawal need over the horizon.
- **Strategy.** an 82% equity / 18% gold portfolio of five holdings, built entirely from tax-efficient Irish UCITS funds (plus one physical gold ETC), expected to return ~10.1% p.a. nominal with ~13.9% volatility.
- **Key risk & disclosure.** at the current contribution rate, the modeled probability of reaching the client's stated target is approximately 1.9%. Median projected terminal wealth is approximately 27% of that target — the target is not a realistic base case and should be revised, or the contribution rate substantially increased (§3, §9).
- **Tax design.** the client is a German tax resident; the portfolio is built entirely from Irish-domiciled UCITS accumulating equity funds to access the German partial-exemption (Teilfreistellung) regime, with the physical gold holding held as a documented exception that does not qualify for that exemption (§7).
- **Risk profile.** the portfolio's four equity sleeves are more correlated with one another than their separate labels suggest (0.64–0.88 pairwise) — true diversification benefit is more limited than a naive four-fund count implies; physical gold is the only genuine diversifier in the book (§8.5).

## Contents

| MANDATE | RISK PROFILE | HORIZON | BASE CURRENCY |
|---|---|---|---|
| **Accumulation** | **Growth** | **30 yrs** | **EUR** |
| growth, no income need | A = 2.92 · 82/18 equity/gold | single accumulation phase | Germany tax resident |

| STATED TARGET | MODELED MEDIAN | EXP. RETURN | TARGET PROBABILITY |
|---|---|---|---|
| **Self-set** | **27% of target** | **10.1%** | **~1.9%** |
| by year 30 | at current contribution rate | Black-Litterman, total return | requires revision — §3, §9 |

## §1 Purpose, Scope & Governance

This IPS governs the accumulation portfolio funded by an initial lump-sum deposit and ongoing monthly contributions. It applies to the liquid, self-directed investment portfolio only; the client's employment income, any employer benefits, and other personal assets are outside the managed scope and are not modeled in this document.

### Governance

- **Adviser.** Anton Ladnyi, CFA — prepares and maintains this IPS, the strategic asset allocation, the capital market assumptions, and the monitoring framework. Advisory only; no discretionary authority; no percentage-of-assets fee.
- **Client.** retains full control and executes all trades in his own self-directed brokerage account. All investment and contribution decisions rest with the client.
- **External counsel.** German tax treatment of accumulating UCITS funds (Vorabpauschale, Teilfreistellung) should be confirmed with the client's own tax adviser before this IPS is relied upon for tax planning.

This IPS is reviewed at least annually, and immediately upon any trigger event listed in §12. Amendments are documented, dated, and version-controlled.

## §2 Investor Profile

| Attribute | Detail |
|---|---|
| **Age / status** | 30, IT specialist |
| **Residency / tax status** | Resident in Berlin, Germany; German tax resident |
| **Primary objective** | Long-term capital accumulation — no current income or withdrawal need |
| **Investment experience** | Self-directed; engaged directly with the firm's quantitative risk-assessment and portfolio tools |
| **Investable assets** | Lump-sum initial deposit + ongoing monthly contribution (this mandate) |
| **Other assets** | Not in scope of this IPS — no separate emergency cash fund confirmed (see §6) |
| **Decision driving mandate** | Voluntary long-term investment planning — not a lump-sum or liquidity event |

## §3 Investment Objectives

The client's primary financial objective is long-term real growth of invested capital over a 30-year horizon, with no interim income or withdrawal requirement. The client has stated an aspirational wealth target by year 30. Objectives, in priority order:

1. **Growth objective.** Maximise long-term risk-adjusted growth consistent with the Growth risk profile (risk-aversion coefficient A = 2.92), expressed through an equity-led allocation.
2. **Efficiency & control.** Maintain a tax-efficient, transparent, low-cost structure the client can self-manage indefinitely.
3. **Target realism.** Re-anchor the stated target to a realistic, quantified figure or contribution schedule at the first scheduled review (see §3.1 and §9) — the client's current target is not supported by the current contribution rate.

### 3.1 Return objective vs. stated target — a quantified gap

The portfolio's modeled forward return (10.06% nominal, Black-Litterman) applied to the client's initial deposit and monthly contribution over 30 years produces a median simulated terminal value of approximately 27% of the stated target (10,000-path Monte Carlo). The stated target requires a compound outcome roughly 3.7× the median case — achievable only in the upper tail of simulated outcomes (modeled probability ~1.9%). This is not a portfolio-construction problem to be solved with a more aggressive allocation: at prudent risk levels for a diversified equity book, no allocation closes a gap of this size. The two levers that do move the outcome materially are the contribution rate and the time horizon (§9).

## §4 Risk Tolerance & Risk Capacity

Risk is quantified as a maximum acceptable drawdown, a Conditional Value-at-Risk (CVaR) threshold, and a minimum acceptable probability of reaching the client's stated goal — and separates capacity from tolerance, the more conservative binds.

- **Risk capacity (high).** Substantial — a 30-year horizon, no dependants, no near-term liquidity need, and stable IT-sector employment income supporting continued monthly contributions.
- **Risk tolerance (high).** Self-assessed and system-derived profile: Growth (risk-aversion coefficient A = 2.92). The two signals are aligned — no client override was required, unlike engagements where the self-assessed and system-generated profiles diverge.

### Binding risk limits (policy)

| Limit | Threshold | Modeled value |
|---|---|---|
| **Maximum acceptable drawdown** | ≤ −35% peak-to-trough | −31.9% (MC median max DD); −34.0% worst historical stress (§14) |
| **1-month 95% CVaR (expected shortfall)** | ≤ −6.0% | −5.4% |
| **Annualised volatility** | ≤ 16% | ~13.9% |
| **Probability of reaching stated target (30 yr)** | ≥ 50% | ~1.9% at the current contribution rate — BREACHED |

The first three limits are satisfied with margin — this is a well-diversified, moderate-volatility growth book for its risk profile. The fourth limit is materially breached: the portfolio construction is not the problem, the gap between contribution rate and stated target is. See §3.1 and §9 for the quantified remediation options.

## §5 Time Horizon

The horizon is 30 years, a single accumulation phase with no currently identified interim liquidity event (e.g. house purchase, career change). Because there is no withdrawal phase within this horizon, sequence-of-returns risk — the dominant concern in a decumulation mandate — is not material here: an early drawdown has time to recover before any capital is drawn. This is precisely why the mandate can run a higher equity weight than a mandate with a shorter or income-dependent horizon.

## §6 Liquidity Requirements

The portfolio has no scheduled withdrawal need over the 30-year horizon. It is held fully invested; the monthly contribution is the only planned cash flow, and is deployed rather than accumulated as a cash buffer within this mandate.

**Recommendation — separate emergency fund**

This IPS assumes the client maintains 3–6 months of living expenses in cash outside this mandate. That fund is not confirmed as part of the current profile and should be established, or its existence confirmed, before the portfolio is treated as fully committed to long-horizon growth assets.

## §7 Constraints (Tax, Legal, Structural)

### 7.1 Tax & jurisdiction — the binding design constraint

The client is a German tax resident. This drives instrument selection:

- **Teilfreistellung.** Irish-domiciled UCITS equity funds (VWCE, SXRV, IS3N, IUSN) qualify as "equity funds" under the German Investment Tax Act (≥51% equity exposure), giving a 30% partial exemption (Teilfreistellung) on gains and distributions — a material, structural tax advantage over non-qualifying wrappers.
- **Vorabpauschale.** accumulating funds are subject to Vorabpauschale — an annual notional minimum taxable amount, based on a base rate tied to the risk-free rate, payable even though no distribution is received. This is a cash-flow timing item (typically small at current rates) rather than a rate increase, and should be budgeted for annually.
- **Sparerpauschbetrag.** the annual investment-income tax-free allowance (currently EUR 1,000 for a single filer) should be used against realised gains and any taxable distributions each year.
- **Documented exception — gold.** the physical gold holding (4GLD / Xetra-Gold) is not an equity fund and does not qualify for Teilfreistellung — gains are taxed without the 30% exemption applied to the equity sleeves. This is a documented, accepted trade-off: gold is held for its diversification role (§8.5), not tax efficiency.

*Tax figures above are general German rules as commonly applied to this fund structure, not a personal tax opinion, and should be confirmed against the client's specific circumstances by a qualified German tax adviser before being relied upon.*

### 7.2 Structural & concentration

- **Execution.** self-directed via a UCITS-compatible brokerage, no discretionary management, no AUM fee.
- **Instruments.** long-only; no leverage; no derivatives unless separately approved.
- **Concentration limits.** no single equity sleeve above 25% of the portfolio at initiation; gold capped at 20% — sized as a genuine diversifier, not a directional commodity bet (§8.5).

## §8 Strategic Asset Allocation

### 8.1 Allocation philosophy

The strategic asset allocation (SAA) is the direct output of the firm's Black-Litterman / mean-variance utility-optimal engine, run on the client's actual risk-aversion coefficient (A = 2.92) and a weekly, 10-year, Ledoit-Wolfshrunk covariance matrix — not a hand-set policy weighting. This is appropriate for a single-phase accumulation mandate with no income, liquidity or estate constraints layered on top; contrast with a decumulation mandate, where a fixed top-down policy allocation is preferred specifically to override a mechanical optimiser (see §8.6 for the CMA methodology behind the optimiser's inputs).

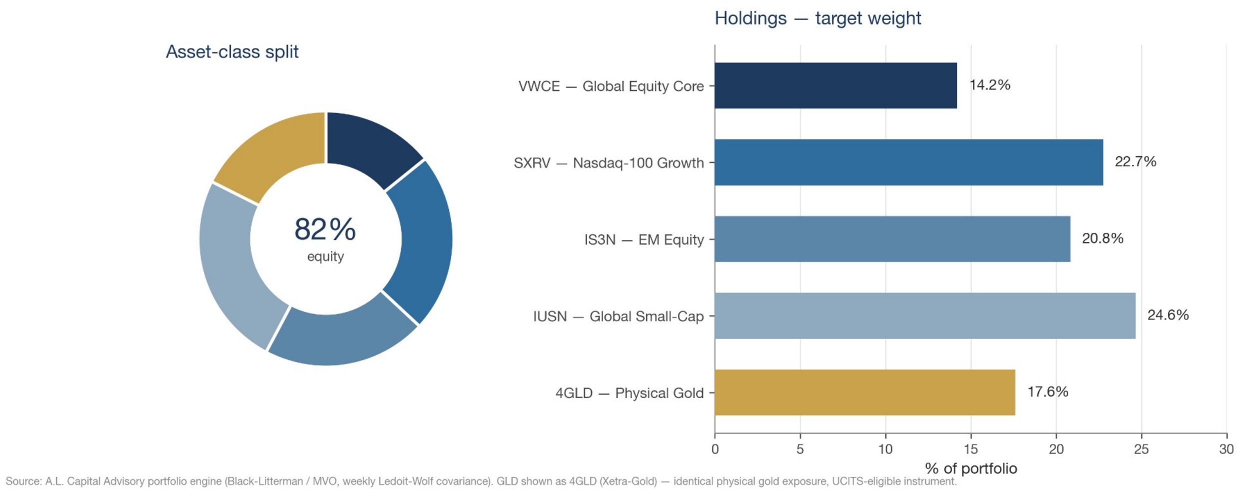


*Figure 1 — Strategic asset allocation: 82% equity across four sleeves, 18% physical gold.*

## 8.2 Asset-class targets, ranges & roles

| Asset class | Target | Range | Role | Exp. return | Vol |
|---|---|---|---|---|---|
| **Global equity** | 82% | 75–88% | Long-horizon growth engine across four complementary sleeves | ~10.7% | ~15.9% |
| **Physical gold** | 18% | 12–22% | The portfolio's only genuine diversifier — low correlation to every equity sleeve | 6.8% | ~15.9% |
| **PORTFOLIO** | **100%** | **—** | **Growth-led total-return accumulation** | **10.1%** | **~13.9%** |

## 8.3 Sub-allocation & instrument selection

| Sleeve | Instrument (UCITS unless noted) | Target | Role / rationale |
|---|---|---|---|
| **Global equity core** | VWCE — Vanguard FTSE All-World (Acc) | 14.2% | Broad, cap-weighted global beta — the diversified core |
| **US growth** | SXRV — iShares Nasdaq-100 (Acc) | 22.7% | Growth satellite consistent with a high risk-aversion-tolerant, long-horizon profile |
| **Emerging markets** | IS3N — iShares Core MSCI EM IMI (Acc) | 20.8% | Valuation diversification away from developed-market concentration |
| **Global small-cap** | IUSN — iShares MSCI World Small Cap | 24.7% | Long-horizon size premium — a 30-year horizon is exactly what this factor needs |
| **Physical gold** | 4GLD — Xetra-Gold (physical, allocated) | 17.6% | The only sleeve with low-to-negative correlation to the equity book (§8.5) |

*Instrument note: the client's own submission specified GLD (SPDR Gold Shares, a US-listed, non-UCITS fund). This IPS recommends 4GLD (Xetra-Gold) instead — identical physical gold spot exposure, but a UCITS-eligible, Xetra-listed instrument consistent with the German-tax-resident, non-US-situs structure used throughout this mandate. Return and risk figures shown are gold spot exposure and apply equally to either instrument.*

## 8.4 Expected portfolio characteristics

| EXP. RETURN | VOLATILITY | SHARPE RATIO | MEDIAN 30Y WEALTH |
|---|---|---|---|
| **10.1%** | **~13.9%** | **0.43** | **27% of target** |
| Black-Litterman, total return | annualised | (10.1% – 4.0% rf) / 13.9% | 10,000-path Monte Carlo |

## 8.5 Diversification rationale — the correlation reality behind the fund count

Five funds is not automatically five independent sources of return. The correlation matrix (Appendix B) shows the four equity sleeves moving together far more than their distinct labels ("core", "growth", "EM", "small-cap") suggest: VWCE–IUSN correlate at 0.88, VWCE–SXRV at 0.83. In a broad equity sell-off, all four fall together. Physical gold is the one holding that does not — correlation to the equity sleeves ranges 0.11 to 0.22, making it the portfolio's only genuine diversifier rather than a fifth correlated equity bet. This is the same "correlation illusion" pattern the firm flags across its published research: a portfolio can look diversified by holding count while carrying most of the risk of a single factor.

## 8.6 Capital market assumptions — methodology

Forward returns are the Black-Litterman posterior: an implied market-equilibrium prior (CAPM, derived from each holding's own covariance with the S&P 500 and the market's own historical excess return) converted to a total-return basis. Covariance is estimated with Ledoit-Wolf shrinkage on weekly total-return data over the available history. No manual return overrides were applied for this mandate — the allocation is the engine's unmodified output (§8.1). Full per-holding assumptions are in Appendix A.

## 8.7 Costs & fees

| Fund | Ongoing charge (TER) |
|---|---|
| **VWCE — FTSE All-World** | 0.22% |
| **SXRV — Nasdaq-100** | 0.33% |
| **IS3N — EM IMI** | 0.18% |
| **IUSN — World Small Cap** | 0.35% |
| **4GLD — Xetra-Gold** | ~0.00% (storage-cost structure, not a fund TER) |
| **PORTFOLIO — weighted** | **~0.25%** |

Ongoing charges are indicative figures from fund documentation and should be confirmed against current KIDs / factsheets before execution. There is no percentage-of-assets advisory fee; the engagement is defined-scope and self-directed.

## 8.8 Holdings reference — identifiers & current pricing

| Ticker | Fund | Weight | Current price | 52-wk range |
|---|---|---|---|---|
| **VWCE** | Vanguard FTSE All-World UCITS ETF (Acc) | 14.2% | €162.96 | €132.52 – €167.08 |
| **SXRV** | iShares NASDAQ 100 UCITS ETF (Acc) | 22.7% | €1,401.00 | €1,128.00 – €1,539.20 |
| **IS3N** | iShares Core MSCI EM IMI UCITS ETF (Acc) | 20.8% | €45.36 | €34.29 – €51.01 |
| **IUSN** | iShares MSCI World Small Cap UCITS ETF (Acc) | 24.7% | €8.92 | €7.05 – €9.31 |
| **4GLD** | Xetra-Gold (physical, allocated) | 17.6% | — | — |

*VWCE/SXRV/IS3N/IUSN pricing as captured at the time of the underlying risk-assessment run; verify live prices before execution. 4GLD priced separately in gold spot terms (Appendix E).*

## §9 Contribution (Savings) Policy

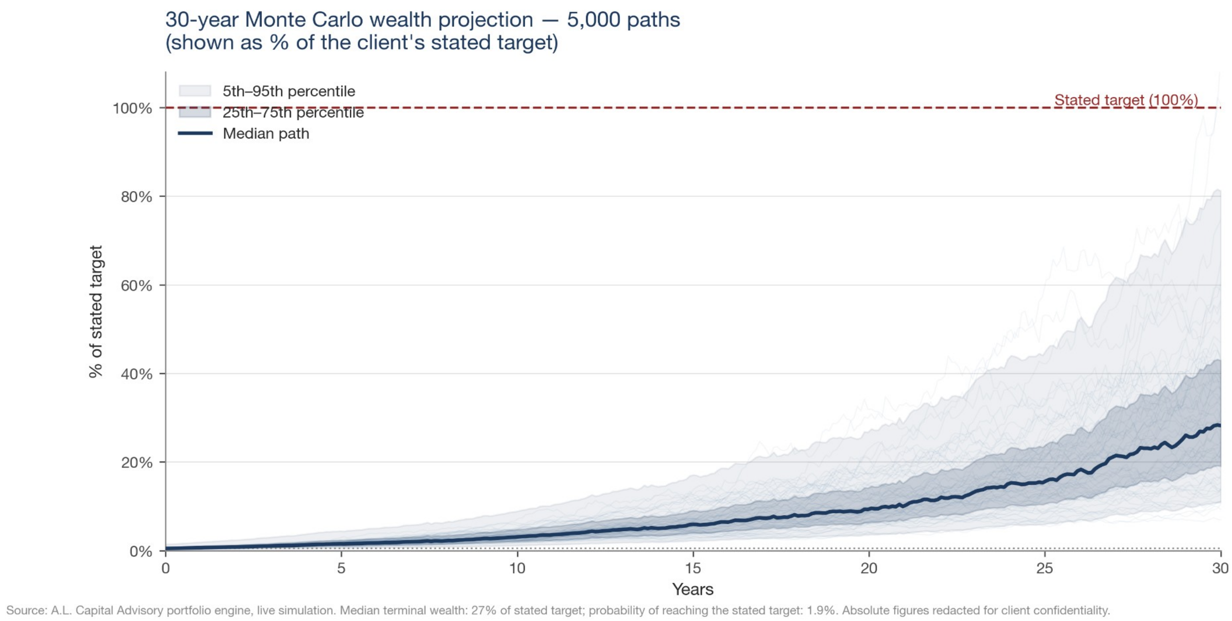


*Figure 2 — 30-year Monte Carlo wealth projection at the client's current contribution rate (5,000 paths), shown as % of the stated target. Shaded bands are 25th–75th and 5th–95th percentile ranges; the red line marks the stated target (100%).*

- **Current contribution.** Deployed at each contribution date rather than held as cash. Median projected terminal wealth at year 30: approximately 27% of the stated target.
- **Sustainability lever.** the contribution rate is the single most powerful lever over the outcome — far more than allocation changes within a prudent risk band. The chart below shows the deterministic (non-stochastic) year-30 value at higher contribution levels.
- **Target guidance.** even at 4× the current contribution rate, the deterministic projection reaches only ~92% of the stated target, still short of it, and the actual median Monte Carlo outcome would run below that deterministic figure. The target should be revised downward, treated explicitly as a stretch goal rather than a base case, or paired with a materially higher savings rate and reviewed again in 5 years.

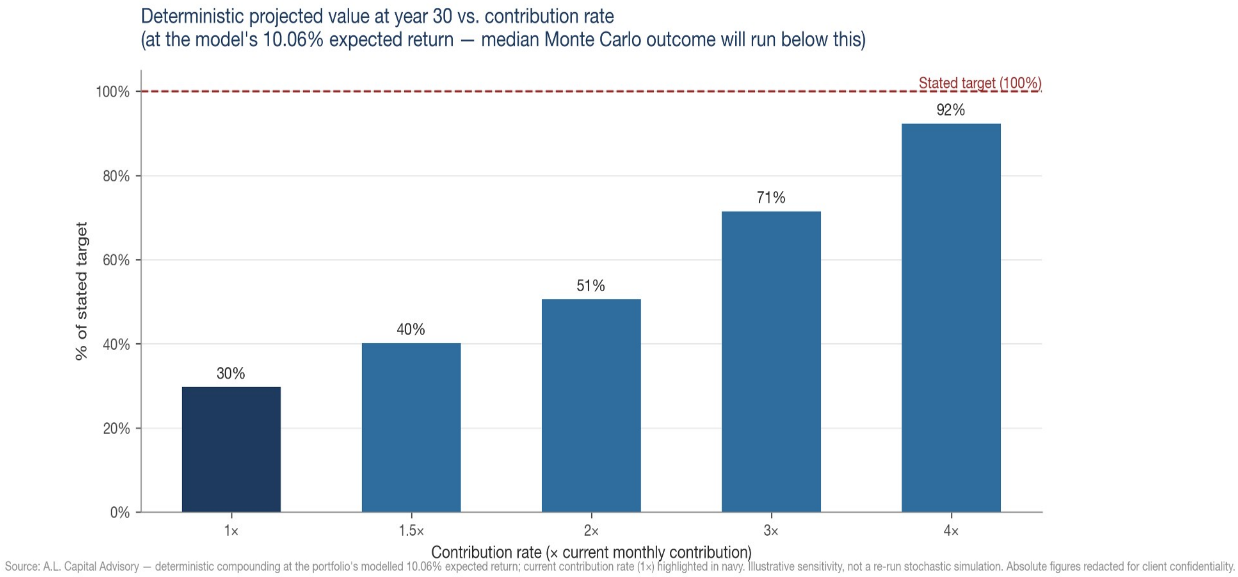


*Figure 3 — Deterministic year-30 value vs. contribution rate (× current), at the model's 10.06% expected return. Current contribution rate highlighted in navy.*

| Monthly contribution | Deterministic year-30 value | vs. stated target |
|---|---|---|
| **1× (current)** | — | 30% |
| **1.5×** | — | 40% |
| **2×** | — | 51% |
| **3×** | — | 71% |
| **4×** | — | 92% |

*Figures are deterministic compounding at the model's 10.06% expected return — an upper-case illustration, not a probability-weighted outcome. The actual median simulated outcome at the current contribution rate (27% of target, Figure 2) runs below the deterministic 30% of target shown here; the gap is volatility drag, a real cost of a stochastic return path versus a smooth average.*

## §10 Implementation Guidelines

4. **Confirm access.** Confirm the brokerage account can trade Irish-domiciled UCITS lines and the Xetra-listed 4GLD instrument.
5. **Phase-in.** Phase the initial deposit into the target allocation over several tranches rather than a single day, to mitigate entry-point (sequence) risk.
6. **Instrument correction.** Deploy 4GLD in place of the client's originally-specified GLD (§8.3) — identical exposure, correct domicile for a German tax resident.
7. **Contribution automation.** Set up the monthly contribution as an automated investment plan, split pro-rata across the five target holdings or accumulated and deployed quarterly to reduce transaction costs — client's preference.
8. **Target review.** Revisit the stated target explicitly at the first scheduled review, informed by §3.1 and §9.

## §11 Rebalancing Policy

Rebalancing is performed on a calendar-annual schedule: once per year the portfolio is rebalanced back to the §8 target weights. This suits a self-directed, cost-sensitive accumulation book — turnover stays low and the process is simple and rules-based, removing discretion at the moments it is hardest to exercise. The §8.2 ranges act as tolerance guardrails between annual rebalances: if a band is breached materially before the scheduled date, an interim rebalance may be made at the client's discretion. Monthly contributions are directed toward the most-underweight sleeve where practical, reducing the need for separate rebalancing trades.

## §12 Monitoring & Review

### Benchmarks

Total portfolio vs. a blended policy benchmark (82% MSCI ACWI IMI / 18% gold spot); goal progress vs. the §3.1 target trajectory; risk vs. the §4 limits.

### Reviewed each period

Realised vs. modeled return; drawdown vs. the −35% limit; 95% CVaR; correlation structure across the four equity sleeves (§8.5); an updated probability of reaching the (possibly revised) target on the then-current balance and contribution rate.

### Trigger-based review — revise the IPS before the scheduled date if:

- Portfolio drawdown breaches −35% (the §4 limit).
- A material, sustained change in the client's contribution capacity — up or down.
- The client elects to revise the stated target following §3.1 / §9.
- A material change in employment, residency, or tax status.

Scheduled review annually (next 1 August 2027).

## §13 Roles & Responsibilities

| Party | Responsibilities |
|---|---|
| **Client (Paolo M.)** | Executes all trades; makes all investment and contribution decisions; funds the monthly contribution; notifies the adviser of material changes. |
| **Adviser (Anton Ladnyi, CFA)** | Maintains the IPS, SAA and CMAs; monitors risk limits and goal progress; recommends rebalancing; conducts reviews. No discretion. |
| **Tax adviser** | Confirms German tax treatment (Vorabpauschale, Teilfreistellung) before reliance. |
| **Custodian (self-directed brokerage)** | Executes and settles trades; provides UCITS and Xetra access, custody, reporting. |

## §14 Risk Factors & Stress Testing

The portfolio is stress-tested against six documented historical crises, applying each holding's own beta to that crisis's factor shocks. Figures are point-in-time troughs on the current portfolio base; most scenarios recovered within 1–6 years.

| Scenario | Period | Portfolio DD | Market DD | Recovery | Severity |
|---|---|---|---|---|---|
| **1970s Stagflation** | 1973–74 | −34.0% | −48.2% | ~66 mo | Catastrophic |
| **Global Financial Crisis** | 2007–09 | −33.6% | −56.8% | ~38 mo | Catastrophic |
| **Dot-com Bust** | 2000–02 | −30.8% | −49.1% | ~53 mo | Severe |
| **Black Monday** | 1987 | −23.3% | −33.5% | ~17 mo | Severe |
| **COVID-19 Crash** | 2020 | −20.0% | −33.9% | ~3 mo | Severe |
| **2022 Rate Shock** | 2022 | −18.9% | −25.4% | ~19 mo | Moderate |

The portfolio's worst modeled scenario is the 1970s stagflation shock (−34.0%), narrowly ahead of a GFC-style event (−33.6%) — both are broad equity-led crises the 18% gold sleeve only partially cushions (gold itself fell in the stagflation scenario, though far less than equities). In every scenario the portfolio falls meaningfully less than the broad market (portfolio beta ~0.74), reflecting the diversification the gold sleeve genuinely provides (§8.5) — but the four equity sleeves still move together in a systemic equity sell-off, and no scenario here is cushioned the way a fixed-income allocation would cushion a bond-holding portfolio. This is a growth mandate accepting growth-mandate risk; the −35% drawdown limit (§4) is calibrated to that reality, not to a capital-preservation objective.

# Appendix A — Capital Market Assumptions

Forward return is the Black-Litterman posterior (equilibrium prior converted to total-return basis, §8.6); volatility ("Model") is the annualised standard deviation used in the covariance matrix behind every §4/§8 risk figure and the Monte Carlo simulation. β is against SPY.

| Holding | Fwd return | Volatility | Weight | Risk contribution |
|---|---|---|---|---|
| **VWCE (Global equity core)** | 10.1% | 15.1% | 14.2% | 14.3% |
| **SXRV (Nasdaq-100 growth)** | 11.1% | 19.4% | 22.7% | 27.0% |
| **IS3N (EM equity)** | 10.0% | 16.4% | 20.8% | 20.7% |
| **IUSN (Global small-cap)** | 11.4% | 19.1% | 24.7% | 30.4% |
| **4GLD (Physical gold)** | 6.8% | 15.9% | 17.6% | 7.6% |
| **PORTFOLIO** | **10.1%** | **13.9%** | **100%** | **100%** |

*Risk contribution (last column) is each holding's share of total portfolio variance — not its weight. SXRV and IUSN together are 47% of the portfolio's capital but 57% of its risk; 4GLD is 18% of capital but only 8% of risk — the quantitative expression of §8.5's diversification point.*

### Comparison portfolios (same 5-fund universe, same covariance)

| Portfolio | Exp. return | Volatility | Sharpe |
|---|---|---|---|
| **Minimum Variance** | 8.6% | 11.8% | 0.39 |
| **Recommended (Max Sharpe / Utility-Optimal)** | **10.1%** | **13.9%** | **0.43** |
| **Equal Weight (20% each)** | 9.9% | 13.6% | 0.44 |

*The recommended allocation is not the maximum-Sharpe point on this specific 5-fund frontier — equal weight edges it slightly on a pure Sharpe basis. The utility-optimal weighting is preferred because it is calibrated to the client's actual risk-aversion coefficient (A = 2.92) rather than an arbitrary equal split, and the difference between the two (Sharpe 0.43 vs. 0.44) is not decision-relevant.*

# Appendix B — Risk Analytics

### Correlation matrix (weekly returns, Ledoit-Wolf shrinkage — as modelled)

| | VWCE | SXRV | IS3N | IUSN | 4GLD |
|---|---|---|---|---|---|
| **VWCE** | 1.00 | 0.83 | 0.76 | 0.88 | 0.16 |
| **SXRV** | 0.83 | 1.00 | 0.64 | 0.69 | 0.11 |
| **IS3N** | 0.76 | 0.64 | 1.00 | 0.70 | 0.22 |
| **IUSN** | 0.88 | 0.69 | 0.70 | 1.00 | 0.19 |
| **4GLD** | 0.16 | 0.11 | 0.22 | 0.19 | 1.00 |

The four equity sleeves cluster at 0.64–0.88 — meaningfully correlated, as expected for four global equity strategies in the same broad market regime. Gold is the standout diversifier at 0.11–0.22 to every equity sleeve — the only holding that is not, in practice, a variation on the same equity bet (§8.5).

### Portfolio risk metrics

| Metric | Value |
|---|---|
| **1-month 95% VaR** | 3.6% (of current portfolio base) |
| **1-month 99% VaR** | 6.3% |
| **1-month 95% CVaR (expected shortfall)** | 5.4% |
| **1-month 99% CVaR** | 7.9% |
| **Sortino ratio** | 0.54 |
| **Calmar ratio** | 0.32 |

## Appendix C — Glossary

**Black-Litterman —** A Bayesian model that blends a market-equilibrium return prior with explicit investor views to produce stable, diversified expected returns — used here in its unmodified, no-views form.

**Risk-aversion coefficient (A) —** A single number describing how much expected return an investor requires to accept one additional unit of risk; A = 2.92 places this client in the Growth band.

**Ledoit-Wolf shrinkage —** A covariance-estimation technique that corrects the instability of raw historical covariance matrices, especially with few return observations.

**Teilfreistellung —** German partial tax exemption (30% for equity funds) on gains and distributions from qualifying investment funds.

**Vorabpauschale —** German annual notional minimum taxation on accumulating funds, applied even absent a distribution.

**Probability of ruin / of target —** The share of Monte Carlo simulation paths, out of the total run, that fall below (ruin) or reach (target) a specified wealth level.

**Sharpe ratio —** Excess return over the risk-free rate, divided by volatility — the standard risk-adjusted return measure.

**CVaR / Expected Shortfall —** The average loss in the worst tail of outcomes — a stricter risk measure than VaR.

**UCITS —** EU-regulated fund structure (here, Irish-domiciled) offering tax and structural advantages for EU-resident investors.

## Appendix D — Disclosures & Attestation

This Investment Policy Statement is advisory and does not constitute discretionary management, tax advice, or legal advice. Tax conclusions require confirmation by a qualified German tax adviser. Capital market assumptions are forward judgments, not forecasts; realised outcomes will differ, and past performance is not indicative of future results. Pricing figures are indicative and should be confirmed against current fund factsheets and live market prices before execution. Not regulated financial advice.

## Appendix E — Fund Pages & Factsheets

Each holding's full profile — factsheet, holdings, KID and characteristics — is linked below to the manager's official product page.

VWCE — Vanguard FTSE All-World UCITS ETF (Acc) · (IE00BK5BQT80)

SXRV — iShares NASDAQ 100 UCITS ETF (Acc) · (IE00B53SZB19)

IS3N — iShares Core MSCI EM IMI UCITS ETF (Acc) · (IE00BKM4GZ66)

IUSN — iShares MSCI World Small Cap UCITS ETF · (IE00BF4RFH31)

4GLD — Xetra-Gold (physical, allocated) · (DE000A0S9GB0)

Adviser — Anton Ladnyi, CFA

Client acknowledgement — Paolo M. · Date