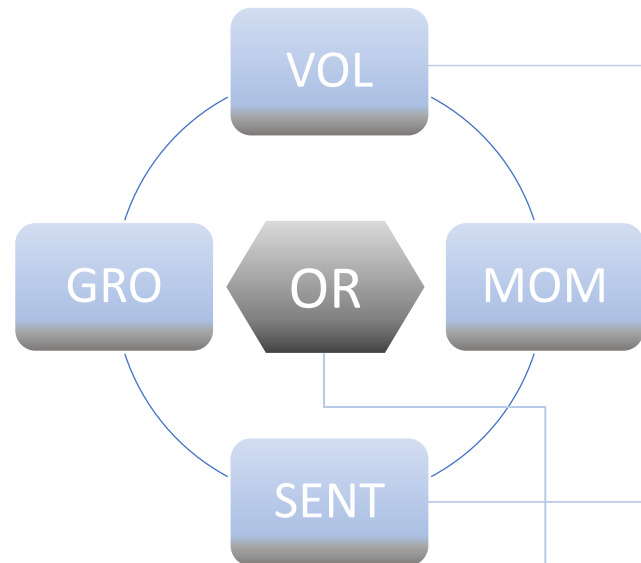



- ❖ ISORF Factors are active portfolio management strategies capitalising on factor exposure and resorting to a widened analysis dimension hyperspace
- ❖ The ISORF ACWI (worldwide) risk model is the result of the combined application of the Factors to the preminent equity markets encompassed by the MSCI ACWI
- ❖ The combined utilisation of two or more ISORF Factors is achieved by means of an Operations Research (OR) engine which makes it possible to take all factors into account and to meet the applicable constraints, including diversification and cost effectiveness constraints



- ❖ ISORF **VOL** = Volatility Factor
it is meant to dominate the benchmark by underweighting volatile stocks and by imposing at the same time a profitability lower-bound threshold
- ❖ ISORF **MOM** = Momentum Factor
it is meant to outperform the benchmark by overweighting the bullish stocks
- ❖ ISORF **SENT** = Sentiment Factor
it is meant to dominate the benchmark by reducing the exposition to the equity asset class when the sentiment indicators worsen and/or the implied volatility surges
- ❖ ISORF **GRO** = Growth Factor
it is meant to outperform the benchmark by overweighting stocks with better fundamentals, namely higher EPS and NS (net sales) growth rate
- ❖ ISORF **VAL** = Value Factor
the stocks' market multiples are meant to normalise the other factors

relevant ISORF empirical research

-  Momentum Strategy: A Risk Management Perspective
-  ACWI Daily Volatility-Based Market Timing Strategy
-  A Sentiment based Volatility Portfolio Strategy for The Developed Equity Markets
-  ACWI Monthly 3-Factor Market Timing Strategy: Volatility, Sentiment & Momentum
-  OR Models for Stock Index Passive Replication & Risk-Control Replication