HULT
INTERNATIONAL
BUSINESS SCHOOL

19th April 2026

Post Mortem Client Check-in

Investment Strategy

Protecting and growing $1,000,000 through one of the most volatile quarters in recent markets

CHL-0200 SP26
THE INVESTMENT CHALLENGE

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About the Client

Who are they & what do they **want**?

Client: high risk tolerance, growth-focused, $1,000,000 to deploy over Feb–Apr 2026

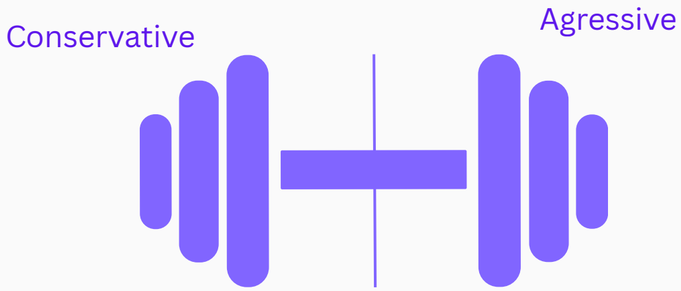
Objective: outperform SPY while keeping risk within agreed limits

Investment Policy Statement: no security >9% of capital, no sector >25%, target beta around 1.0

Setting the Macro scene

- Feb 2026: Nasdaq already distributing, US–Iran tensions escalating, Fed cuts repeatedly deferred
- Q4 international fiscal year end: earnings calls, audit season, and annual reports driving institutional repositioning
- By late March: S&P 500 down ~8–9% YTD with volatility spikes and headline-driven gaps

The barbell of balance



DEFENSIVE FLOOR

Utilities, staples, and gold to stabilise drawdowns

- XLU
- XLP
- GLD

GROWTH ENGINE

High-conviction AI and quality growth

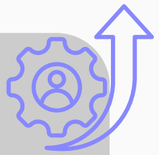
- NVDA
- AMZN
- GOOGL
- PLTR
- ORCL

Everything Built Inside IPS Guardrails

- No security above 9%
- No sector above 25% at any point

The story of the money

We finished at $956,280: an absolute loss of 4.37% versus SPY at −2.29% for the period



OUTPERFORMED

We outperformed during the crash: max drawdown ~−6.3% vs SPY around −8.5% at the trough



UNDERPERFORMED

We underperformed in the rebound: a slow, cautious re-entry into equities after the ceasefire left 2–3% on the table

Final return	Our return	SPY return	Max drawdown	Underperformance
$956,279	−4.37%	−2.29%	−6.27%	208 bps

Adapting to Market Conditions

01

Foundation

- Initial allocation to SPY and defensive equities
- Diversified exposure across sectors
- **Portfolio beta ~1.0**

02

Growth (Early–Mid March)

- Increased exposure to growth stocks (NVDA, ORCL)
- Rotation into outperforming sectors
- **Portfolio beta increased to ~1.1**

03

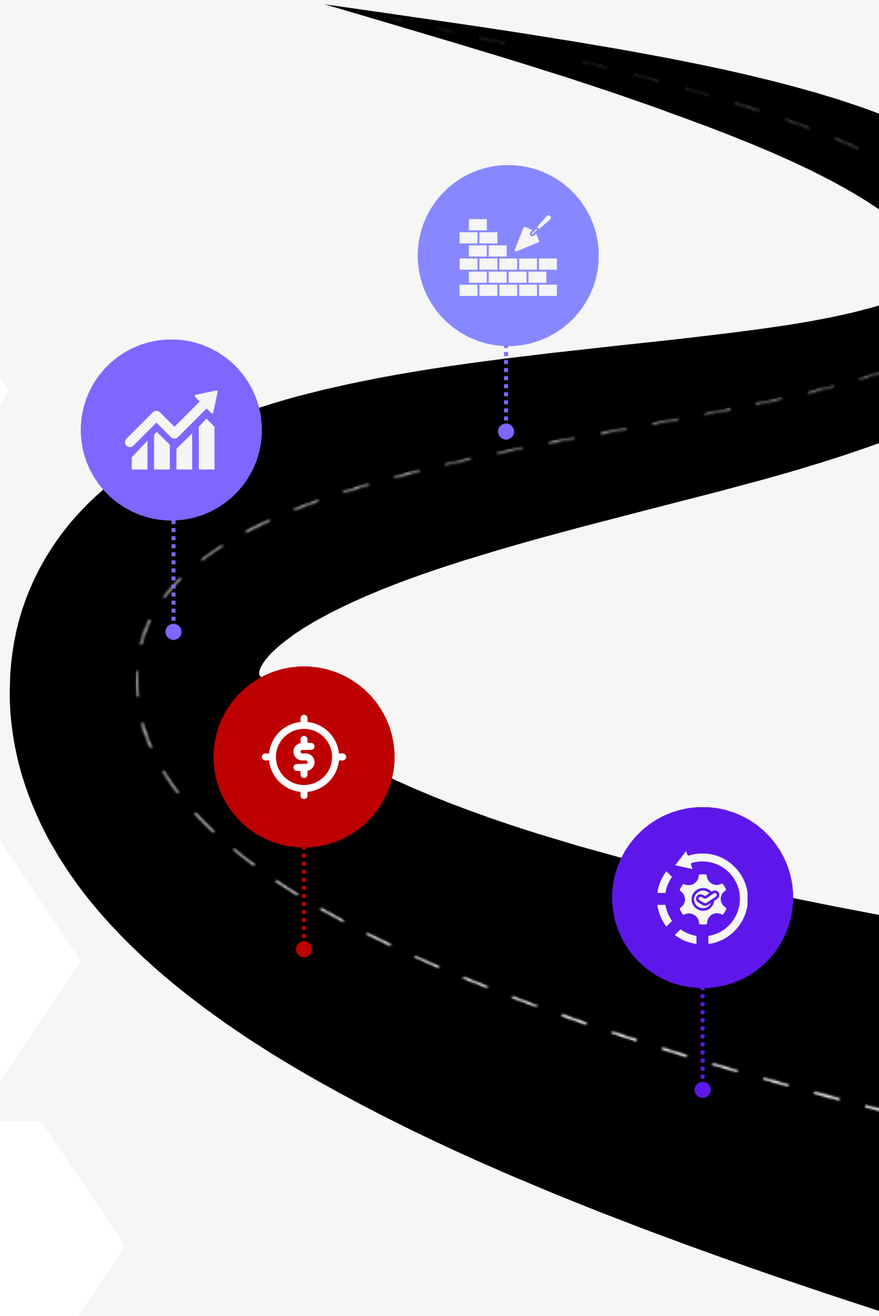
Crisis (Late March)

- Shift to hedging assets (GLD, SH, PSQ, metals)
- Reduced equity exposure
- **Portfolio beta reduced to ~0**

04

Recovery (Early-Mid April)

- Re-entry into equities (SPY, XLF, XLI, JPM)
- Gradual increase in exposure
- **Portfolio beta ~0.6**



A Regime-Based Investment Strategy

GROWTH (RISK-ON)

- Core SPY and AI
- **Target beta** ~1.0+ (Quality Growth)

→

CRISIS (RISK-OFF)

- Emergency Override on 30 March into SH, PSQ, AA, CENX and gold
- **Net beta** ~0

→

RECOVERY (RE-RISK)

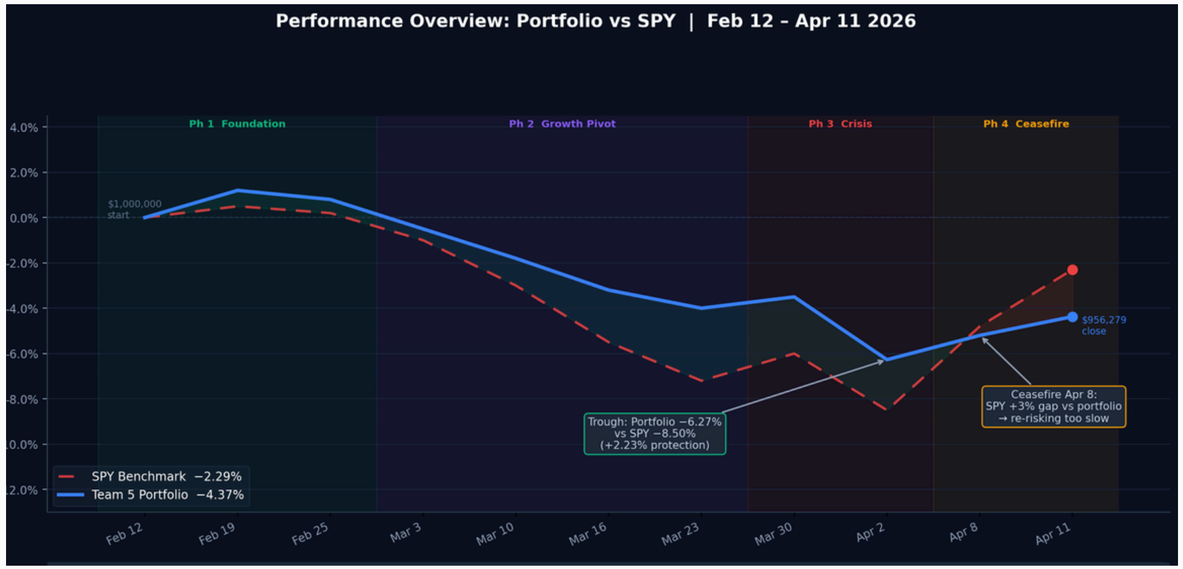
- Rotation back into SPY, ESGU, XLF, XLI, CAT, JPM after the April 8 ceasefire with
- **Beta** ~0.6



Key Performance Overview

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Profit Factor	Avg Win ($)	Sharpe Ratio	Omega Ratio	Jensen's Alpha
0.166	$3176.75	-2.111	0.166	-0.000443



Treynor Ratio	Expectancy	Beta	Win Rate	Avg Loss ($)	Sortino Ratio	Calmar Ratio	M² (Modigliani)	Information Ratio
-0.138	-$4,558.91	0.628	28.57%	-$7653.18	-4.156	-0.645	-0.274	-2


Quant.
Our Quantitative
Python Deep Learning



Confidence, not autopilot

The model as a confidence engine, a closed-universe stochastic simulation over the remaining trading days.

Simulations used our live positions, observed volatility from the market, and textbook assumptions to generate distributions of potential outcomes,

When conviction was thin, the model helped size positions and interpret risk.

Animations not in PDF

The Stochastic Void

Alpha-Beta Orthogonality

Rate Limiter: API Governance

Stochastic Local Volatility Surface

$\sigma_{LV}(K/S,\ T)$

Factor Risk Re-Attribution

The Architecture Matrix

5. Expected Shortfall (CVaR)

$$CVaR = \frac{1}{1-\alpha}\int_{-\infty}^{VaR} x f(x) dx$$

The Optimal Edge

Structural Data Flow

Fama-French Attribution

Dynamic Allocation

Invariant Balancing: HRP

BWC: Full Architecture

Animations not in PDF

Monte Carlo: Quadratic Variation

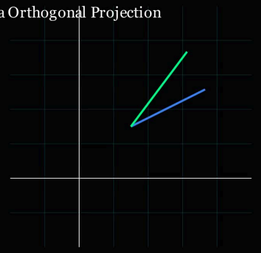
Stress Testing: Tail Events

Web Spiders: Data Harvest

Regime Phase Shift

Agent Optimizer: Black-Litterman

4. Alpha & Beta Orthogonal Projection



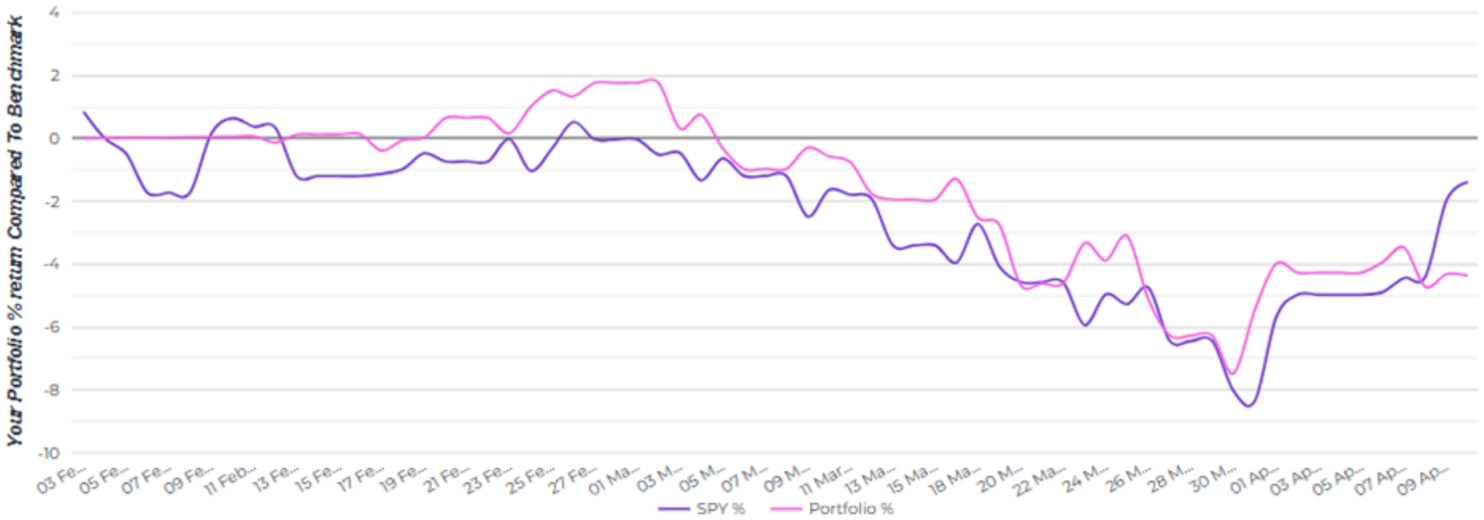
Value-at-Risk Sweep

Backtest Engine

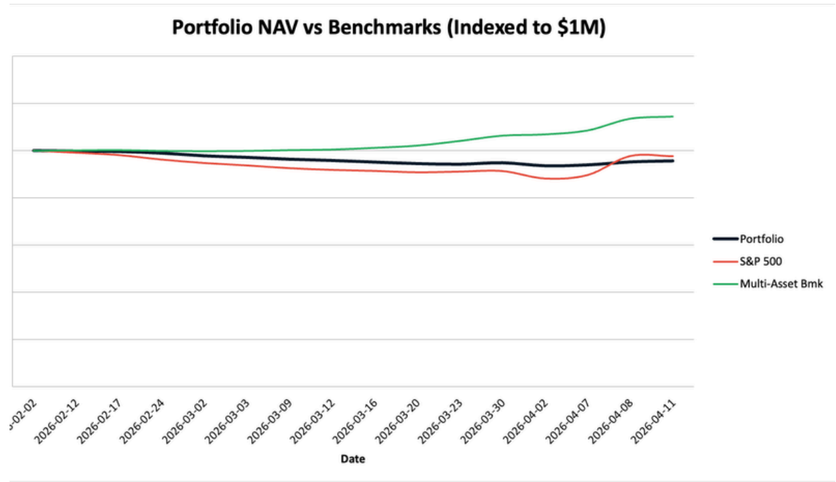

Crisis.
Failure
Management

The April 2 fake-out and April 8 lag

- **March 30**: Emergency Override into inverse ETFs and crisis metals was directionally correct in a confirmed correction
- **April 2**: binary policy shock and tariff surprise produced a +7.5% style rally that burned the hedges in a single session



That fake-out created psychological scar tissue, on April 8 we demanded confirmation before re-risking, which cost ~300 bps in the snap-back



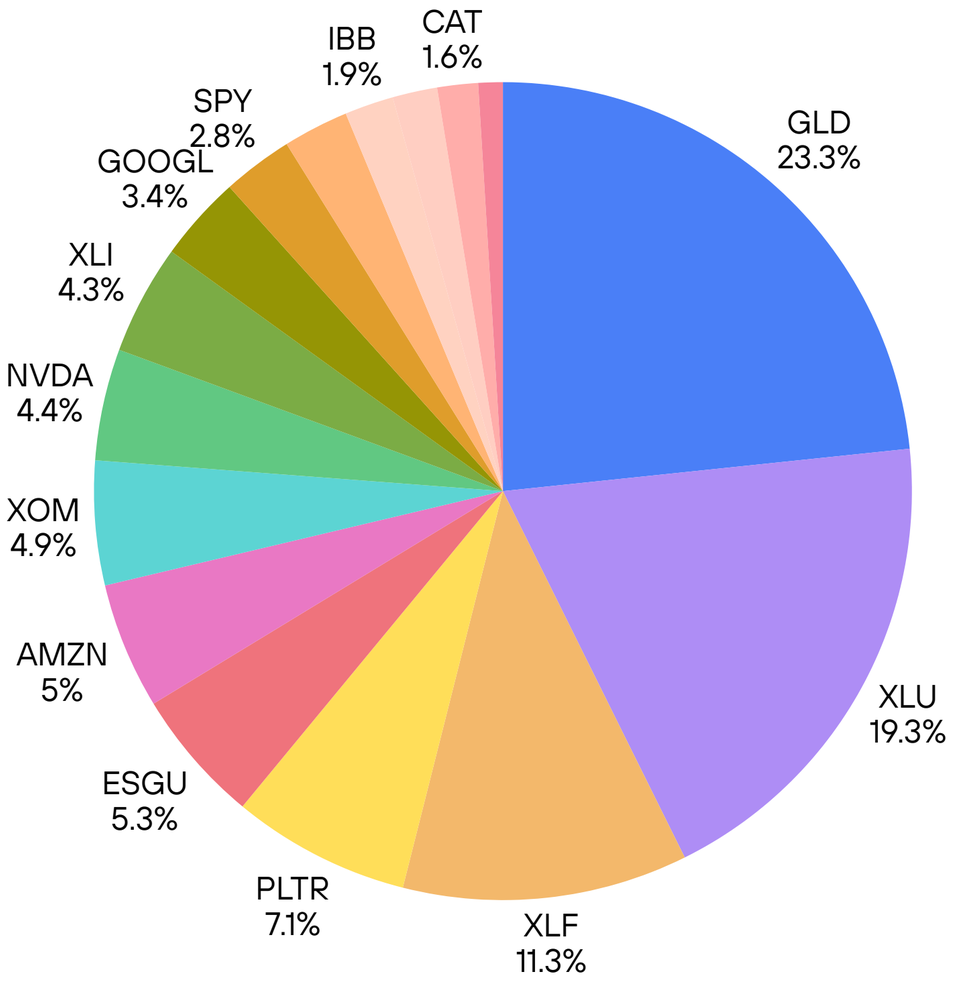
Simulation Mechanics vs. Fiduciary Reality

⚠️ StockTrak distortions and phantom accounts inflated starting capital for much of the cohort, making raw rankings misleading

⚠️ Many teams effectively ignored the Investment Policy Statement.

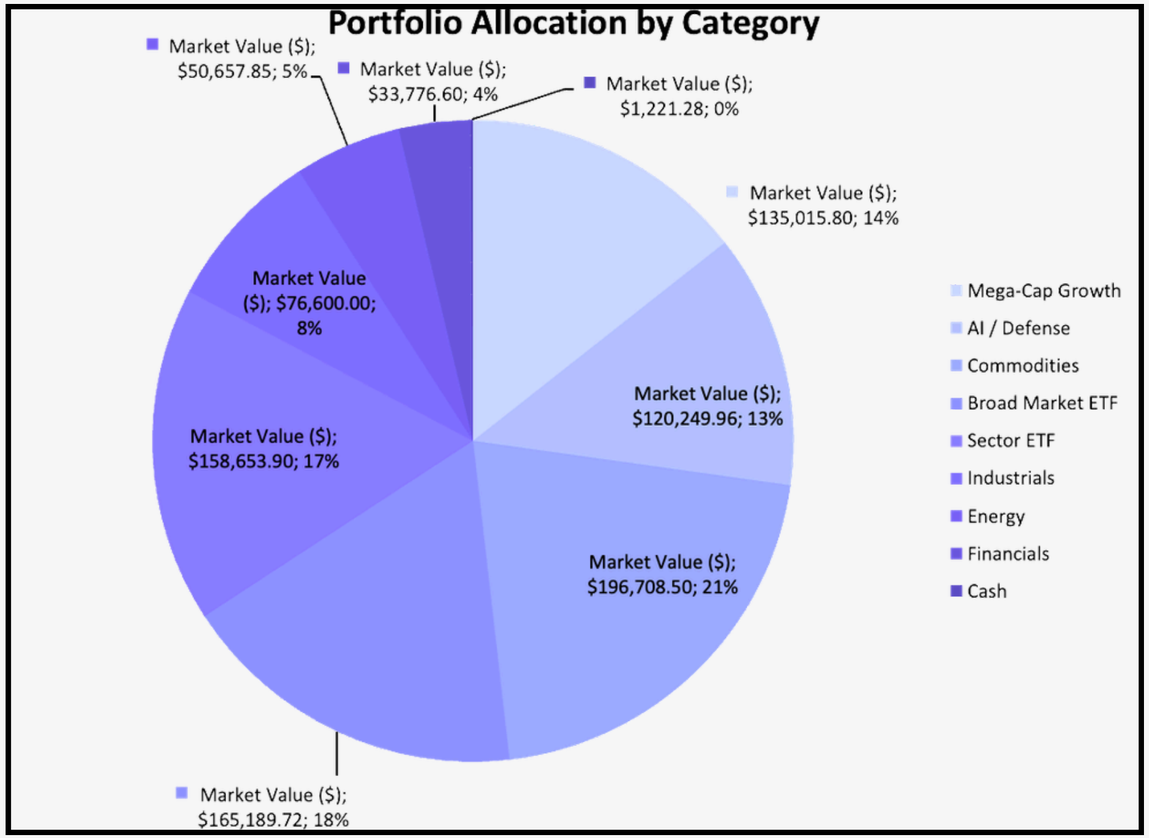
- In real markets, losing money while following the rules is an insurance event; losing money while breaking them is a lawsuit, we chose the former standard

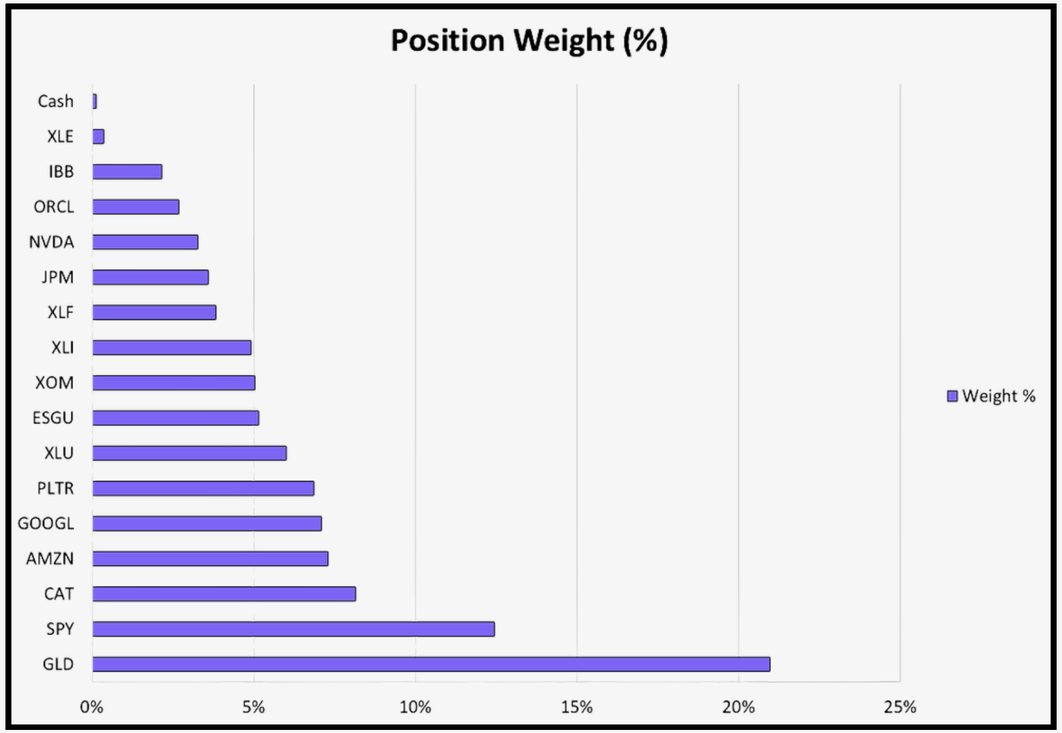
Current book and forward path



- Final holdings balance core beta (SPY, ESGU) with quality growth (AMZN, NVDA, GOOGL, PLTR) and regime-resilient assets (GLD, XLF, XLI)
- The freeze date stops the simulation but not the thesis – this is a diversified, conviction-based book designed to compound beyond a three-month window

Portfolio Construction





Recommendation

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Keep the barbell structure:

- Maintain core equities + crisis hedge approach.
- Low-beta foundation protected **–2.23%** more drawdown than SPY.

Replace Inverse ETFs with Put Options:

- Diversify with options and other instruments
- Allocate **1–2%** of NAV to OTM SPY puts instead
- Convex payoff: loses only premium in calm markets, pays off in crashes

Pre-Set Regime Transition Rules:

- Speed of re-evaluation is itself a competitive edge
- Binary events need immediate pre-committed rules

Conclusion

Be profitable & have fun

- The original charter was simple: be profitable and have fun – we fully delivered on the second and built the foundations for the first
- Across one of the most volatile recent quarters, we protected capital, learned to operate inside an IPS, and thought like fiduciaries, not students
- In a three-month simulation, the noise trader can win the leaderboard; in a three-year fund, disciplined process and risk management win for the client



Thank you for listening

We are open for questions!



Fancy a ‘pint’ and ‘brownies’?