Regime-Adaptive Long/Short Equity (PSRAE) Index: Strategy Document

Strategy Goals:

A strategy that seeks to maximize total return from capital appreciation while minimizing potential losses during periods of market volatility.

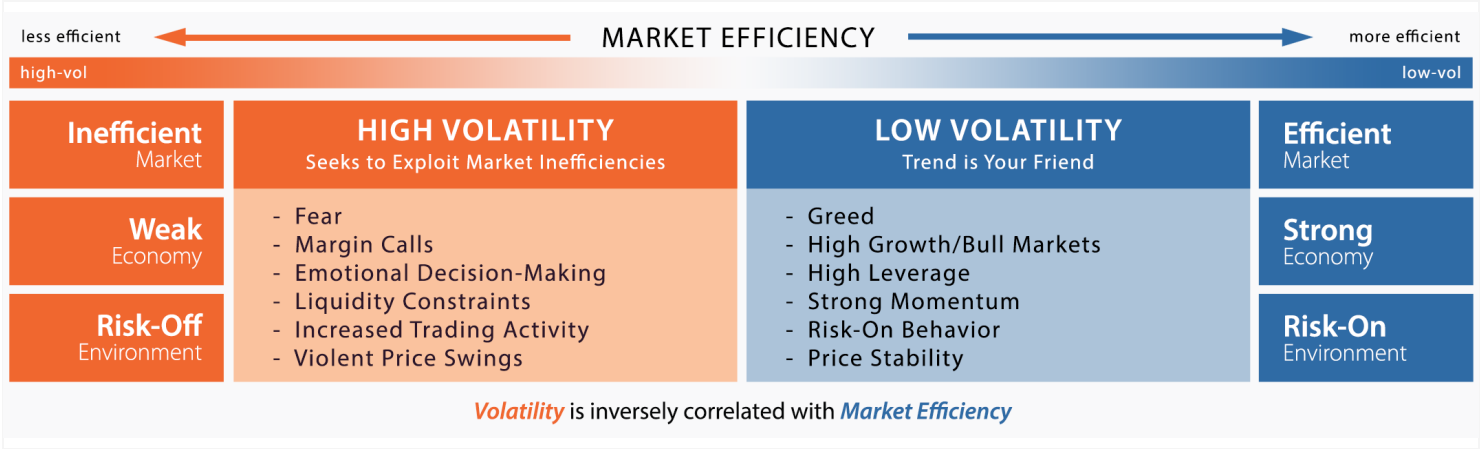
Created for Investors:

- Seeking to reduce portfolio volatility and increase the chances of achieving better long-term results.
- Looking for diversification, daily liquidity, and investment transparency.
- Hoping for an opportunity to generate positive returns irrespective of market conditions.

Investment Framework:

The Strategy is based on the premise that US equity markets can be characterized by two distinct states: low volatility and high volatility. By aligning our approach to benefit during the prevailing market state, our goal is to optimize risk-adjusted returns and improve the consistency of portfolio performance.

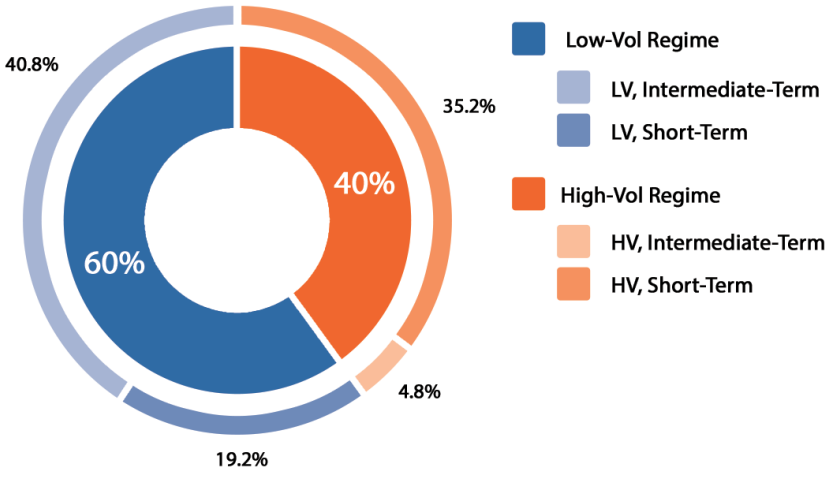
Using the same investment strategies for low- and high-volatility states would be equivalent to bringing a golf club to a tennis match. The ProfitScore Regime-Adaptive Long/Short Equity (PSRAE) Strategy, first identifies the market state and then uses the most beneficial investment strategy for that market environment:



Allocation Considerations: Depending on how you allocate your portfolio, the ProfitScore Regime Adaptive Equity Strategy can fit into one of several allocation objectives: Large Cap Equity, Long/Short Equity, Liquid Alternatives, and Managed Futures.

Opportunity Capture: By adjusting exposures (Long or Short) based on market conditions, the strategy can potentially capture growth opportunities during rising markets and profit from falling markets.

Diversification: Since the strategy's correlation with equity markets can vary from positive to negative, it may help diversify a portfolio and improve risk-adjusted returns.



Portfolio Stabilization: The dynamic nature of the strategy may help stabilize a portfolio during periods of market stress, providing a buffer against significant declines in equity markets.

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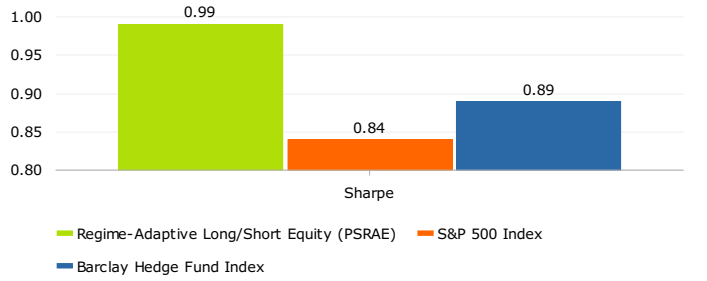
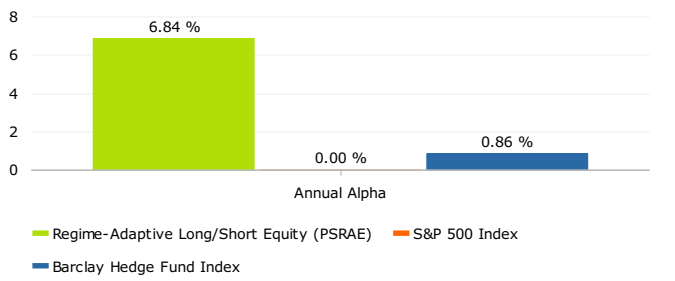
The ProfitScore Regime-Adaptive Long/Short Equity (PSRAE) Strategy aims to provide better risk-adjusted returns over the long term by providing consistent returns across a range of market conditions. It is designed to help investors ride out short-term market fluctuations and focus on long-term investment goals.

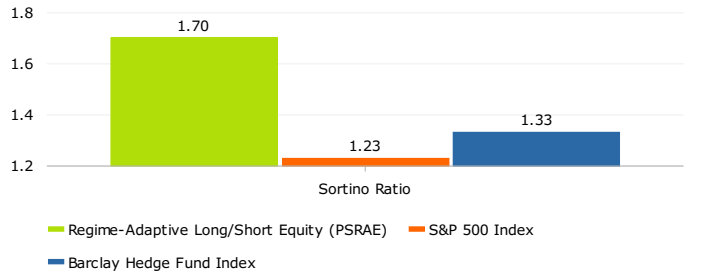
Sharpe Ratio (0%)



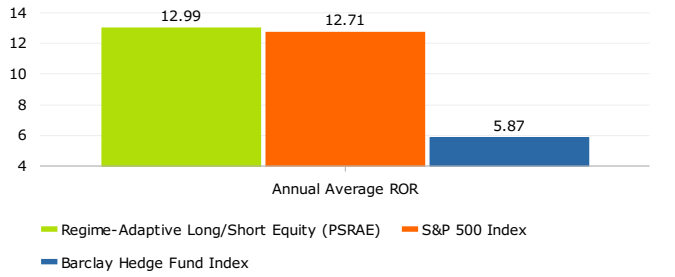
Alpha (0%)



Sortino Ratio



Average Annual ROR



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