

Impassive Investing



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[@ImpassiveW](https://twitter.com/ImpassiveW)



Essential concepts.

- Inspired by **passive** investing.
- But **refined** so asset rebalancing is:
 - More **frequent**. Typically monthly.
 - More **sophisticated** (algorithm based).
- **Basic rules:**
 - **Funds partly invested**, partly reserved as “liquidity”.
 - Periodic checks lead to **buy or sell orders**.
 - Entirely **price based**.
 - Based on buying **cheap** and selling **expensive**.

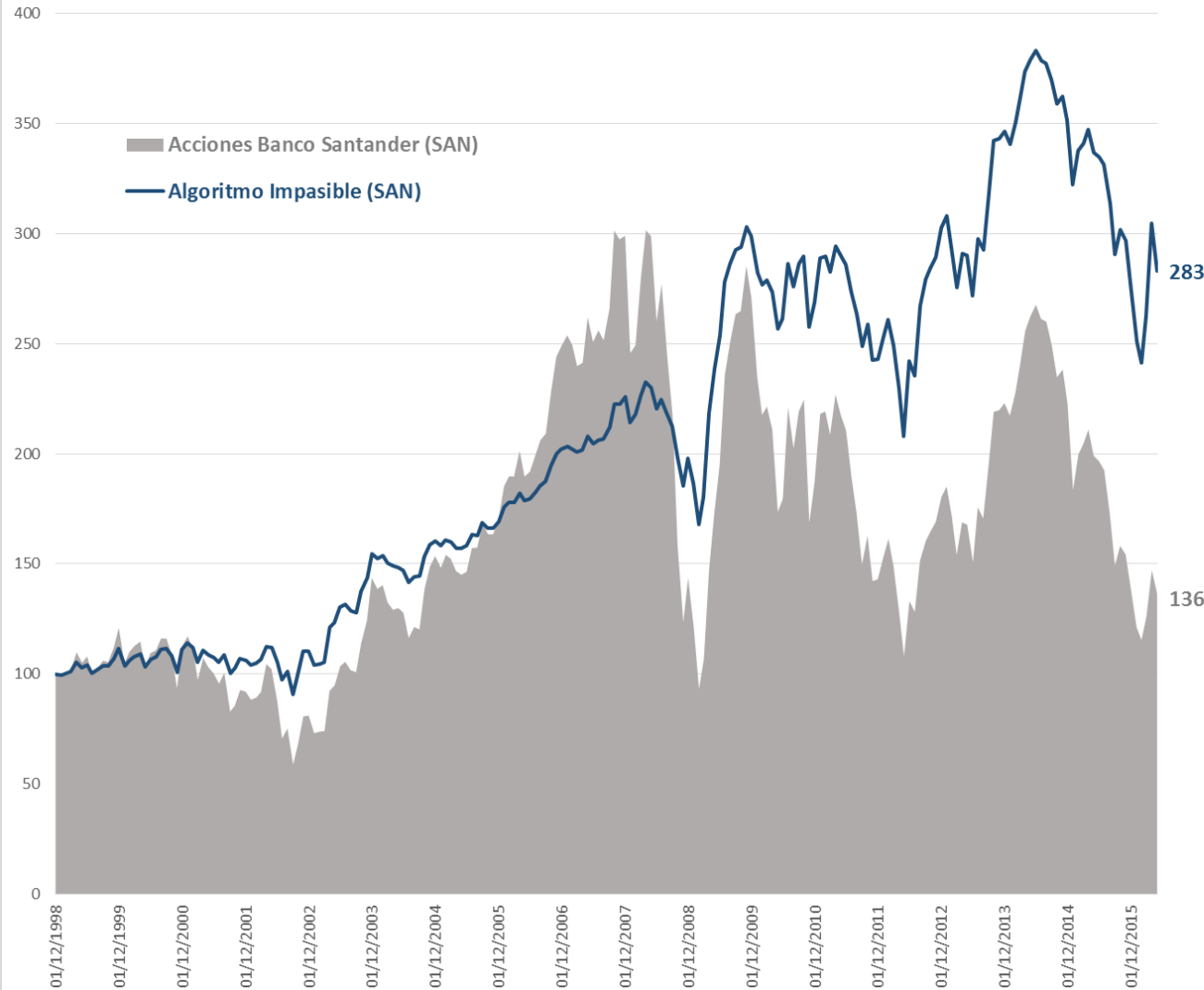


Advantages (as investment strategy).

- **Versatile:** applicable to most assets.
- **Defensive:** preserves capital.
- **Satisfactory:** suitable for most investors.
- **Valuable:** buy low, sell high.
- **Low risk:** liquidity stored in safe assets.
- **Simple:** orders (if any) once a month.
- **Impassive:** ignores daily market noise.
- **Historic:** uses prices, not predictions.



Example 1. Shares of Santander Bank.



SANTANDER shares
Dec.1998-May.2016

Annual returns:

SAN.: 1,8%
ImpassiveW.: 6,1%

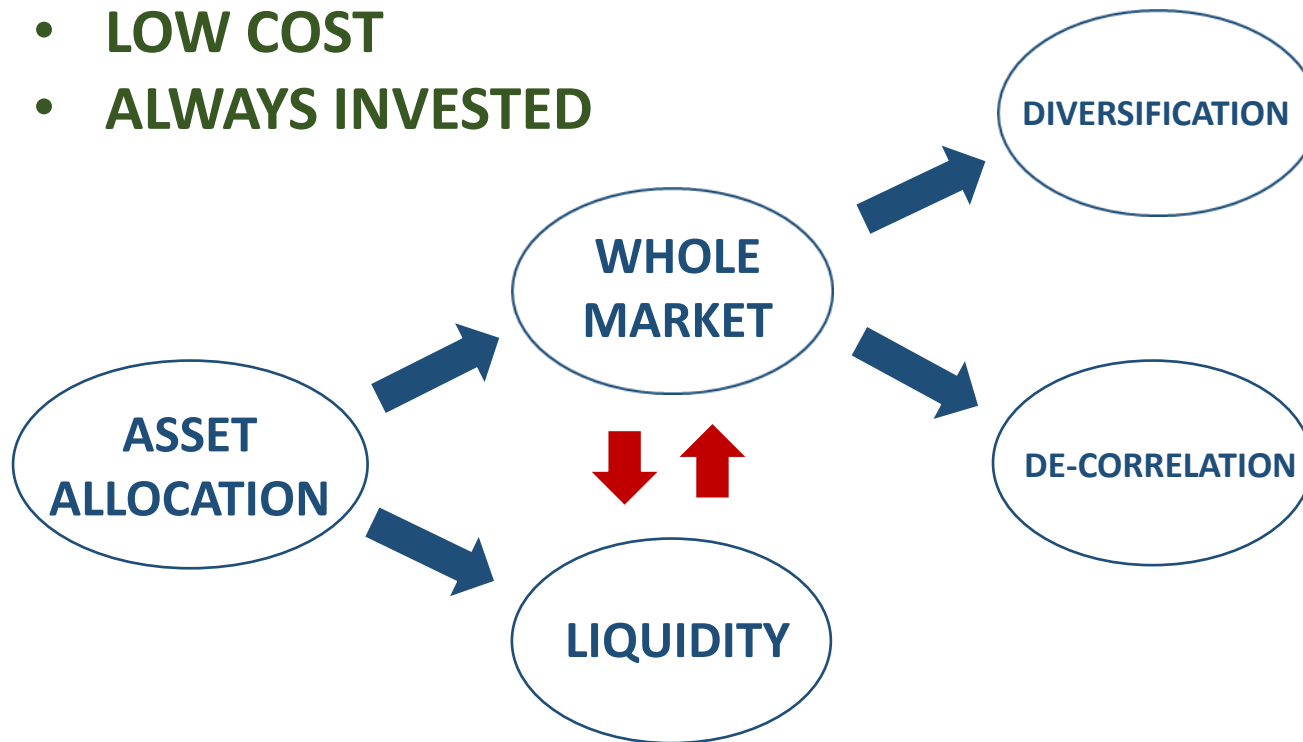
*Returns in
sideways
markets using
volatility*



Example 2: iW CLASSIC (I)

ASSET ALLOCATION STRATEGY

- **LONG TERM**
- **LOW COST**
- **ALWAYS INVESTED**



EQUITY (SHARES)

- REGION
 - Europe
 - USA
 - Emerging
 - Asia Pac
- SIZE

OTHER ASSETS

- REITs
- Gold
- Commodities



Example 2: iW CLASSIC (II)

IMPASSIVE WEALTH CLASSIC (USD) 1986-may.2016

Annualised returns:

VANGUARD FUNDS

Shares:

9,5%

VANGUARD FUND

Short term debt:

5,2%

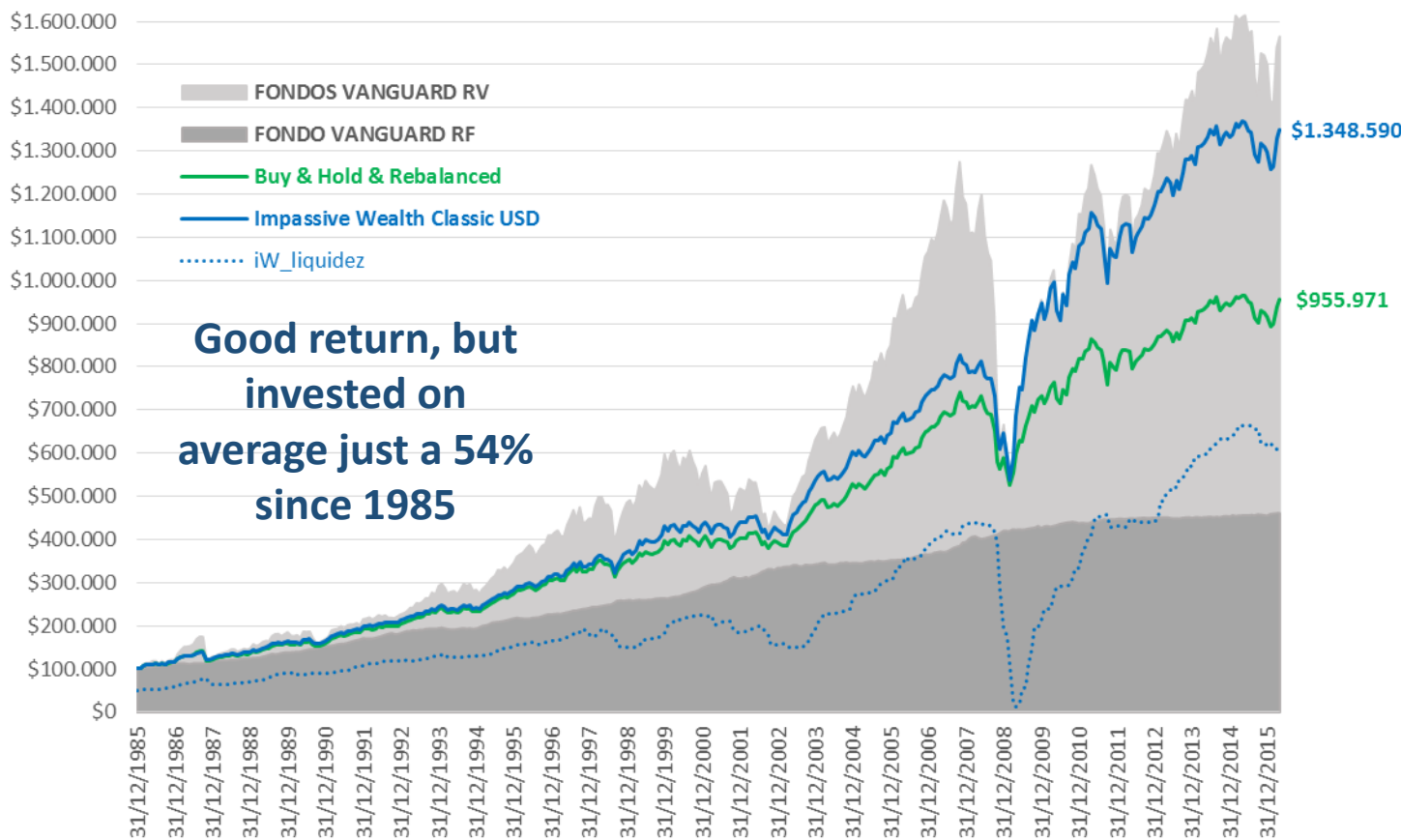
Buy & Hold & Rebalanced:

7,7%

Impassive Wealth

Classic (USD):

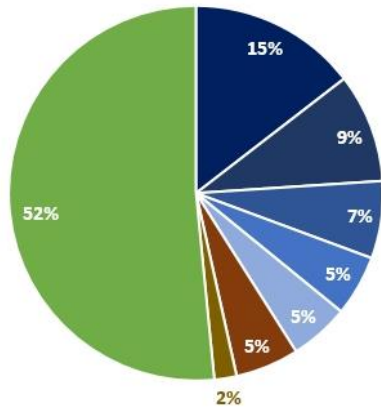
9,0%



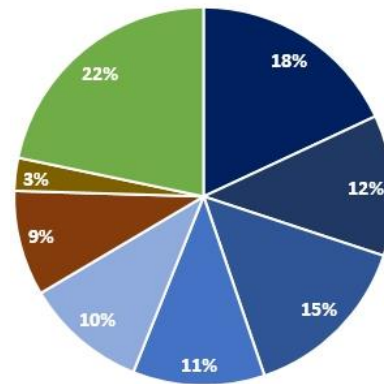


Example 2: iW CLASSIC (III)

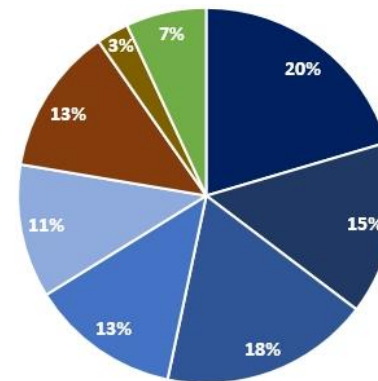
IMPASSIVE WEALTH CLASSIC – Evolution of **liquidity**. *Dynamic rebalancing.*



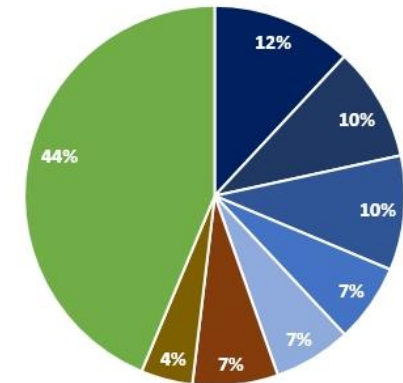
OCT. 2007



FEB. 2009



JUN. 2009



APR. 2016

- It is possible that the liquidity of one asset is **spent 100%**.
- *Impassive Wealth Classic* minimises this eventuality:
 - With **diversification** and **de-correlation** of assets.
 - Borrowing **liquidity** associated to other assets.