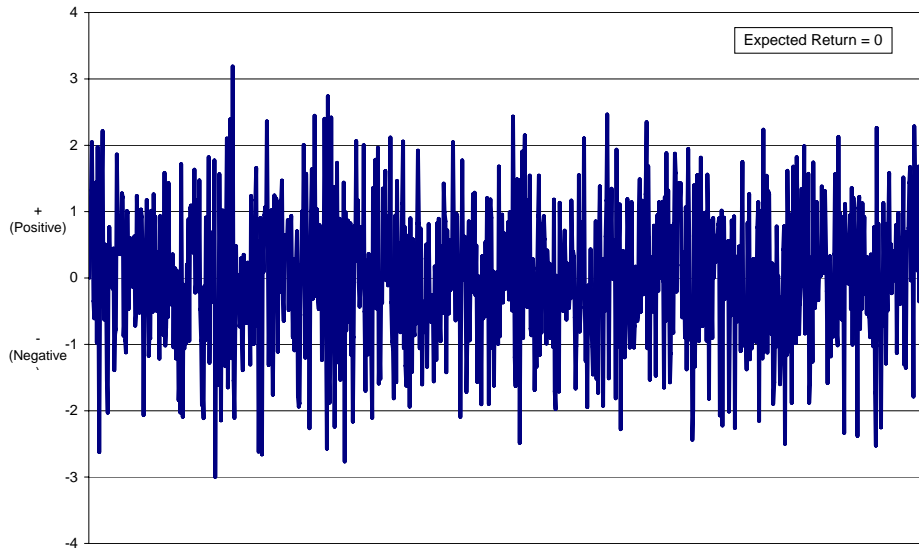
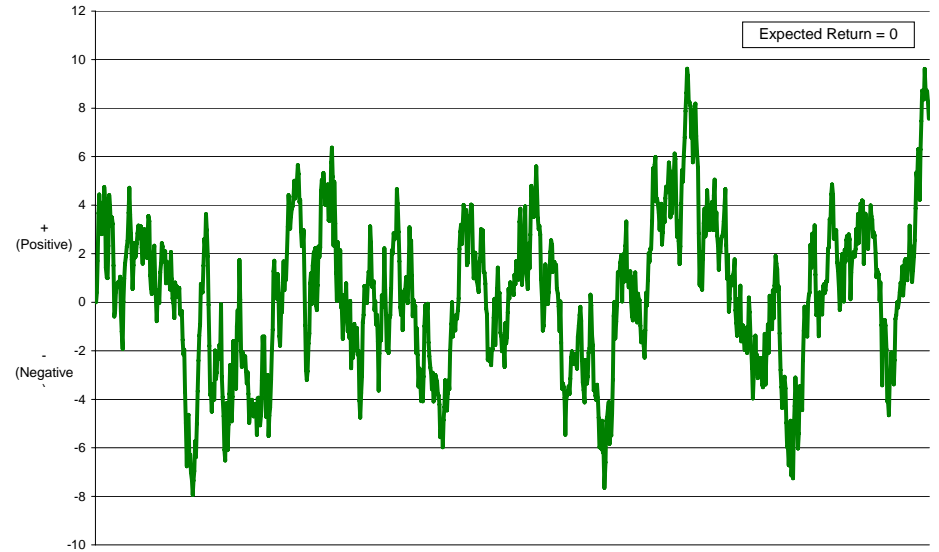


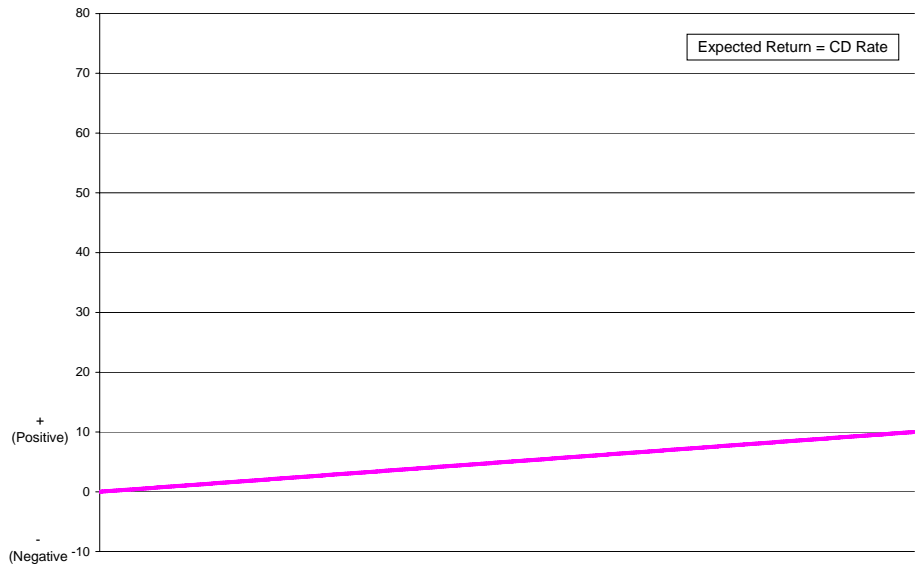
White Noise



Random Walk

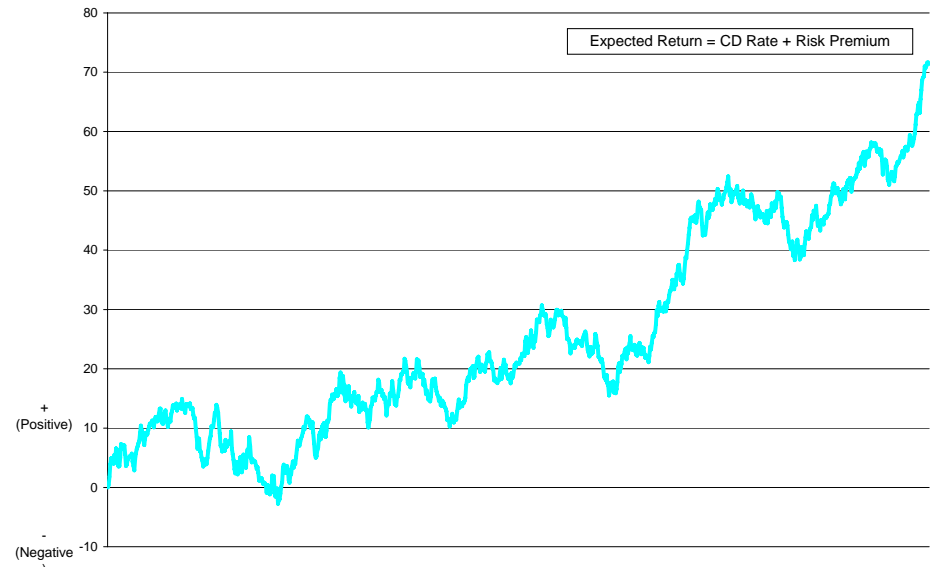


Deterministic



- Returns are:
 - 1) Riskless
 - 2) Predictable
- Expected returns are **not** a function of volatility.

Drift & Diffusion



- Enhance returns through:
 - 3) Diversification
 - 4) Rebalancing
- Expected returns are a function of volatility.