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Abstract: We consider portfolio management strategies where the investment style switches based on the value of a crisis indicator. A variety of strategies is considered in historical backtests on different datasets. Our findings show that certain simple switching strategies achieve statistically significant out-performance when compared to the equally-weighted portfolio with respect to the Sharpe ratio and Omega. In our backtest, the 1/N strategy and equal-risk contribution portfolio perform best during "normal times". On the other hand, during turbulent times, risk considerations seem to play a major role leading to minimum variance as the preferred strategy.

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