

Autonomous Fund Management (AFM) is a portfolio and fund-management procedure designed for the digital marketplace. Instead of relying on traditional research and analysis, it uses algorithms and safety nets to obtain better and more stable results.

AFM is non-speculative, it outperforms the market index by executing trades when stock prices overreact. Only blue-chip stocks of the index of choice are involved.

AFM works directly on the user's account via an API (Application Programming Interface) acting in the decision-making process, account monitoring and order execution.

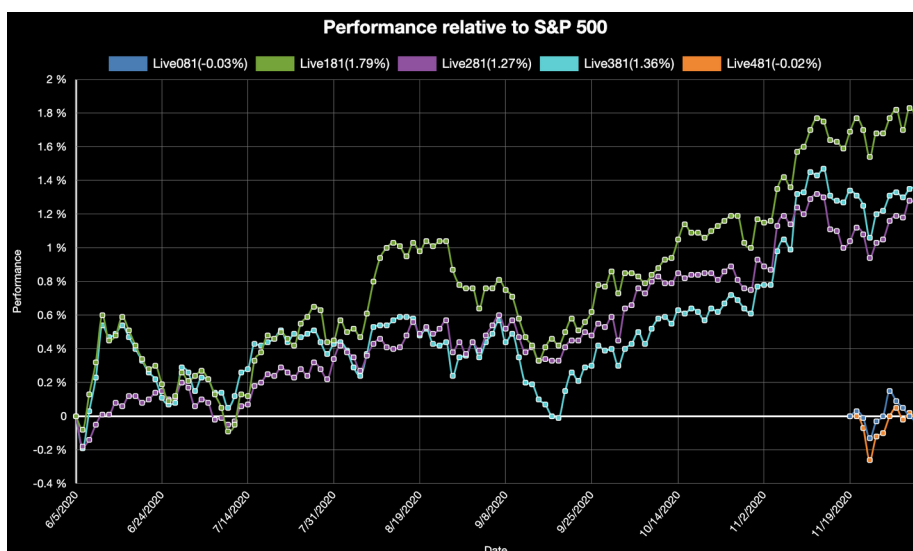
**AFM-managed accounts remain at all times
the exclusive property of the investor.**

The procedure is explained in the afmsa.ch website. Paper (virtual) accounts can be followed in real time during market hours.

Last 6 months 2020						
Account	Last \$	Account change \$ %	SPX %	AFM contribution % \$		
Live081	\$ 1,288,425	\$40,398 +3.24%	+3.27%	-0.04%	\$-462	
Live181	\$ 1,294,305	\$193,813 +17.61%	+15.82%	+1.79%	\$19,746	
Live281	\$ 1,339,332	\$195,470 +17.09%	+15.82%	+1.27%	\$14,544	
Live381	\$ 1,280,595	\$187,740 +17.18%	+15.82%	+1.36%	\$14,881	
Live481	\$ 1,289,087	\$40,529 +3.25%	+3.27%	-0.03%	\$-349	
Total	\$ 6,491,744	\$657,951 n/a	n/a	n/a	\$48,360	
S&P 500	3,699.12					

Two portfolios were added to the live accounts on November 11 (see chart below).

Last
6 months



Live accounts outperformed the S&P500 index **9 months out of 11** during the current year.

J	F	M	A	M	J	J	A	S	O	N	D	YTD
-0.14%	0.22%	1.33%	1.29%	0.86%	-0.42%	0.19%	0.10%	0.08%	0.34%	0.34%		4.76%

Particularities which may surprise you

Research and Analysis being practically impossible on a large scale, AFM has applied a different approach to achieve better and (especially) more stable results.

Mathematics, algorithms and safety nets replace traditional research. The following is what separates AFM from traditional fund management:

1. General

AFM does not take company details or even performance figures into account. The price of a share is the general consensus of its value at any particular moment. How it will perform in the near future is guesswork.

AFM is interested in the fluctuation of a share price and its immediate consequences.

A computer program analyses the price movements of all securities of a particular index in real time and a series of interconnected algorithms determines what needs to be done.

Apart from oversight, no human interference is involved.

AFM-managed portfolios start with a clean sheet composed only of cash. Once the procedure is launched, no further assistance is required.

R&A costs and fund management fees are eliminated - a major cost-saving.

2. Stability

Portfolios can react in a positive or negative manner depending on whether a stock or a group of stocks suddenly react to market speculation. An AFM portfolio holds a large number of positions (between 80 and 100) at all times, thereby sharply reducing volatility with regards to the index.

A particularity of AFM is that it largely reduces the impact of dominating positions. AFM is able to neutralize the effects within a portfolio should shares for example of Amazon, Apple or other behemoths suddenly react, one way or the other.

Another proof of stability is to be found in the Average Daily Spread, ie the difference between account performance and that of the S&P500 index. In AFM-managed portfolios it is **+0.019%**, the average amount the account outperforms the market index every day.

A standard deviation of **+0.115%** also underlines the stability of AFM portfolios (see note).

3. Performance

AFM outperforms a market index by trading not by investing.

Outperforming a market index occurs over time, not on a regular basis. This is due to unpredictable events such as takeovers, profit warnings, de-listings, etc. over which AFM has neither control nor prior knowledge.

How to invest using AFM

The only requirement is to have an account at a brokerage firm providing an API link (see below)
Apart from funding the account, AFM takes care of the next steps.

No further action is required.

Things to remember

The investor retains full ownership of his account at all times.

- The AFM platform acts in the decision-making process, account oversight and order execution.
- The platform is purely consultative and does not allow access to the account.
- It does however provide detailed information not generally available on the broker website.
- The investor can follow the performance of his account in real time as well as over different periods. And much more.

Constraints

Accessing the account using the broker website should be handled with care.

- Interference by the account holder using the broker platform is prohibited 24/7 as long as the account is under AFM control and may cause the procedure to dysfunction.
- The same applies to transferring funds and/or securities in/out of the account.

Statistics (\$10M account)

- Daily number of trades vary between 50 and 100. Commissions and SEC fees represent roughly \$0.60/trade and amount to \$10-25'000 pa. Such costs might appear substantial but represent only 2-3% of an average net yearly outperformance, estimated between \$400 - 500'000.
- The Average Daily Spread of **+0.019%** between the S&P500 and an AFM account indicates it will theoretically outperform the index by **5.1%** per annum (269 trading days).

Note: **API** is the acronym for **Application Programming Interface**, a software intermediary that allows two applications to talk to each other.

Brokerage firms usually provide such a link.

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