

Introduction

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 mathematics and safety nets to obtain better and more stable results.

Detailed information is provided on the AFM website afmsa.ch

AFM live portfolio performance

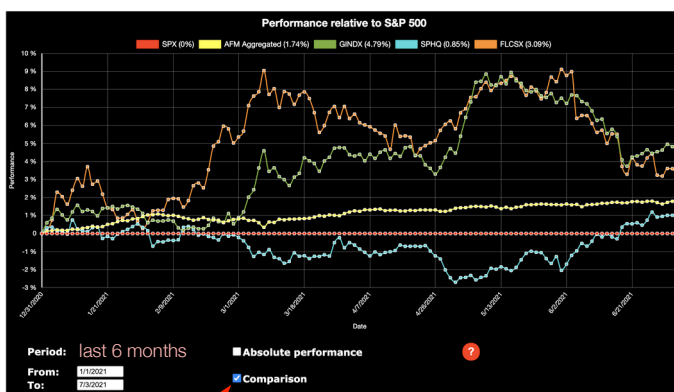


Fig. 1

However over a 2 year-period (Fig. 3), AFM outperformed the 3 funds by a solid margin.

AFM portfolios are exceptionally steady.

Volatility is practically non-existent and they outperform the index between 3 and 5% a year. The reasons:

- portfolio configuration remains practically unchanged,
- being algorithm-driven, the procedure is repetitive,
- results over time rarely show big moves.

AFM is in for the long haul.

Charts can be misleading as can be seen on this page:

the aggregate performance of AFM-managed live portfolios (yellow)
compared to
the Fidelity Large Cap Stock Fund and two exchange-traded index funds, Invesco S&P 500 Quality ETF and Gotham Index Plus Fund
over **6 months**, **12 months** and **2 years**.

AFM-managed accounts slightly underperformed over the 6-month and 12 month periods (Figs. 1 & 2).

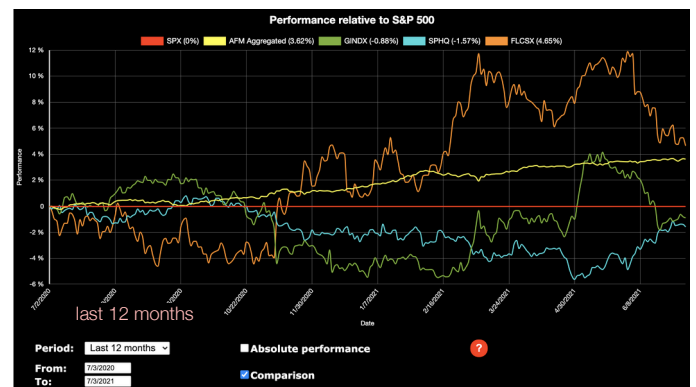


Fig. 2



Fig. 3

Traditional wealth management procedures, rarely outperform a market Index over time.

Investors looking for steady yet unimpressive outperformance figures will find that AFM-managed portfolios are the right choice.

AFM is a particularly suited for investors wanting to invest assets for a future event by taking advantage of the low risks involved.

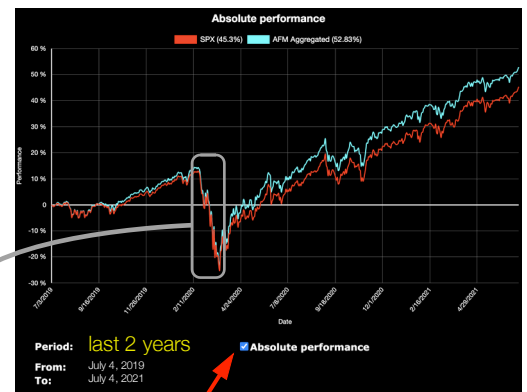
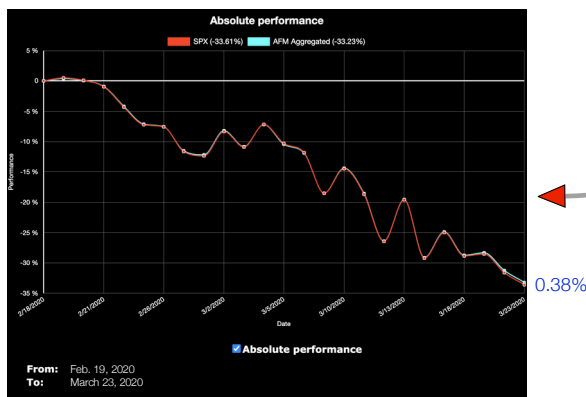
AFM live portfolio performance cont.

AFM portfolios are defined as enhanced index funds and programmed to outperform an index of choice on a relative basis, not in absolute terms.

AFM accounts slowly but surely outperform the S&P500 (previous page). If markets collapse as they did in February/March 2020, they will also suffer, albeit to a lesser extent.

The S&P500 lost **33.6%** between the 19th of February and the 23rd March last year. During that same period, AFM live accounts outperformed the index by **0.38%**.

This might not seem much but nevertheless represents an extrapolated annual outperformance slightly under 4%, in keeping with AFM's average annual stated goal.



Why this steady outperformance?

AFM accounts are managed using algorithms with no research and analysis involved.

Formulas drive the trades without human intervention therefore adding to stability.

AFM portfolios also contain a high percentage of stocks contained in the index of choice which also helps contain volatility.

Useful features in the AFM website

1. - Export

As AFM uses mathematics to manage portfolios, all data is stored and can be retrieved for further analysis. In History, to the right of Account is a field named Export with a red question mark which explains the procedure.

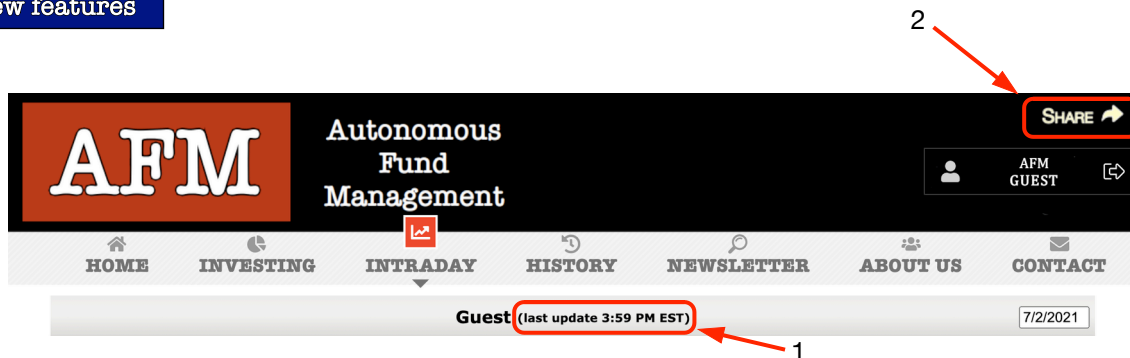
Save As: PerfData.csv
Tags:
Where: Desktop - iCloud
Format: comma-separated values
Cancel Save

Account: All Export ?

Select the account to be analysed and click Export and Data of that particular account, including S&P500 will be downloaded in csv (**comma-separated values**) format.

Copy the entire csv sheet and paste to an Excel workbook for analysis using available xlsx tools (average, standard deviation, max/ min, etc.) over any time period.

New features



Two features have recently been added to the AFM site :

1. Performance data is updated automatically every 4 minutes. Time of the last update is shown on the INTRADAY screen next to the account holder's name.
2. A **SHARE** button has been added at the top right-hand corner of the screen allowing users to forward the AFM link to other interested parties.

Other matters

Current S&P500 gross annual dividend yield is currently 1.37% which amounts to roughly 1% after taxes. Live accounts outperformed the index by 5.1% in 2020 and this year outperformance is running at 1.8%.

A \$10 million account using the AFM platform would have produced a \$510'000 net gain last year. A far cry from the approx. \$100'000 net dividend income.

The AFM website is purely consultative and investors can only follow the performance of their portfolios. In order to intervene (**not recommended**) they need to access their account through the broker website.

This is about to change. Sub-accounts (**not the master account**) will be made available for intervention but only under specific and tightly-controlled circumstances.

Access to the Master account and transfer of funds will continue to remain unavailable. Explanation and details to follow.

Using AFM

AFM requires an account at a brokerage firm providing an API link (see Note)
The account remains at all times property of the owner.

Standard setup

For best results, AFM-managed accounts are separated into 2 categories:

1. A **Master Account** to which AFM has no access.
2. A number (usually 3-6) of **sub-accounts** funded through the **MA**.

AFM subsequently configures the sub-account portfolios and launches the procedure.

Master account	
sub-account	1
	2
	3
	4
	etc.

Constraints

The account holder needs to advise AFM if he wishes to access the sub-accounts through his broker website. Any outside action may cause the procedure to dysfunction.

.... other

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

- AFM's objective is to outperform an index of choice over time on a relative basis.
- The AFM website provides detailed information not generally available on the broker website.
- An investor can follow the performance (both in relative and absolute terms) of his portfolios in real time. And much more.

Fees

Investors pay a monthly oversight fee depending on the sub-account's net worth. No performance commissions or other expenses are charged.

There is a one-time portfolio configuration fee of 0.03% which also applies to any increase/decrease in portfolio assets by the investor when under AFM management.

No termination charges are applied.

AFM does not share in broker commissions or other retro-commission arrangements.

Contact

Interested parties may address info@afmsa.ch

or contact **Leyun Xia** at +41 78 796 81 83
AFM research and development manager



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.