

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.

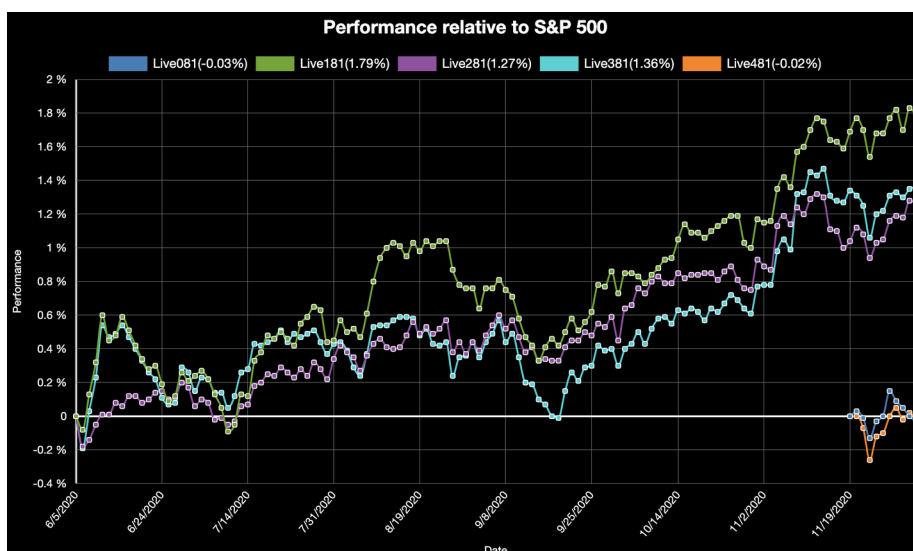
**AFM-managed accounts remain at all times  
the exclusive property of the investor.**

The procedure is explained in the [afmsa.ch](http://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	
<b>Total</b>	<b>\$ 6,491,744</b>	<b>\$657,951 n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$48,360</b>	
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%

## AFM particularities

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

Mathematics, algorithms and safety nets replace traditional research.

### 1. General

AFM does not take facts or even company performance 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 based on assumption.

Instead AFM concentrates on 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.

Once the procedure is launched, no further assistance is required.  
R&A costs and fund management fees are eliminated.

### 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 (> 400) at all times, thereby sharply reducing volatility.

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.

A standard deviation of only **+0.115%** 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.

The historical Average Daily Spread (difference between AFM-managed accounts and the S&P500 index) is **+0.019%**. It is the average amount accounts outperform the market index every day and indicates an annual outperformance of **4.8%** (253 trading days).

### Using AFM

AFM requires an account at a brokerage firm providing an API link (see Note)  
Apart from funding the account, AFM takes care of the next steps.

#### Standard setup

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

1. A Master Account used to receive funds which remains under control of the owner. AFM has no access to the MA.
2. The MA receives cash and distributes the required amounts to the sub-accounts. AFM configures the sub-accounts and launches the program.
3. Any number of sub Accounts (usually 5-6) are used for trading.
4. Sub-Accounts use varying configurations, algorithms and parameters.

Master account
sub-account 1
2
3
4
etc.

The purpose of using different configurations is to share risk and stabilize long-term performance.

#### Account holder constraints

An account holder can access his account and sub-accounts through the broker website.

He can also view (but not access) the sub-accounts through the AFM website using username and password.

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

- Interference by the account holder using the broker platform to access sub-accounts under AFM control is prohibited 24/7. Such action may cause the procedure to dysfunction.
- The same applies to transferring funds and/or securities in/out of a sub-account.
- the Master Account is not involved and may be accessed at any time

#### .... to remember

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

- AFM acts in the decision-making process, account oversight and order execution.
- The AFM website is purely consultative and does not allow access to any of the accounts.
- 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.

#### Contact

For further information please [contact](#).