aenaon ™

AENAON ASSET MANAGEMENT

Systematic Investment Programs

Investing Outside the Box

aénaon
perpetual - eternal

continuing or continued without intermission
or interruption; ceaseless.

"Science is the great antidote to the poison of enthusiasm and superstition"

**Adam Smith, economist, philosopher,
father of Modern Economics**

About us

AENAON Asset Management is a technology-driven asset management company. For the past 10 years, we have been committed to disciplined systematic trading, investment research and system development. Our investment methodology has been designed and developed in-house from end to end: from our proprietary Machine Learning research algorithms to our automated risk management modules and our custom-built execution technology.

AENAON Asset Management operates as a Commodity Trading Advisor running a variety of Managed Futures programs. Our investment programs offer a portfolio management solution suitable to the key investment themes of our time: **non-correlation, consistency and superior riskadjusted returns.**

Prior to trade execution, our alpha discovery models utilize a variety of supervised and unsupervised **Machine Learning** algorithms to produce the most accurate forecasts possible. Central to this approach is the use of Artificial Neural Networks, which mimic the way the human brain functions.

Our portfolio management service focuses exclusively on the creation and execution of Grade A strategies and the absolute integrity and accurate representation of our performance. To that extent, our investment returns are verified by **Deloitte Cyprus** in accordance with the International Standard on Assurance Engagements (ISAE) 3000.
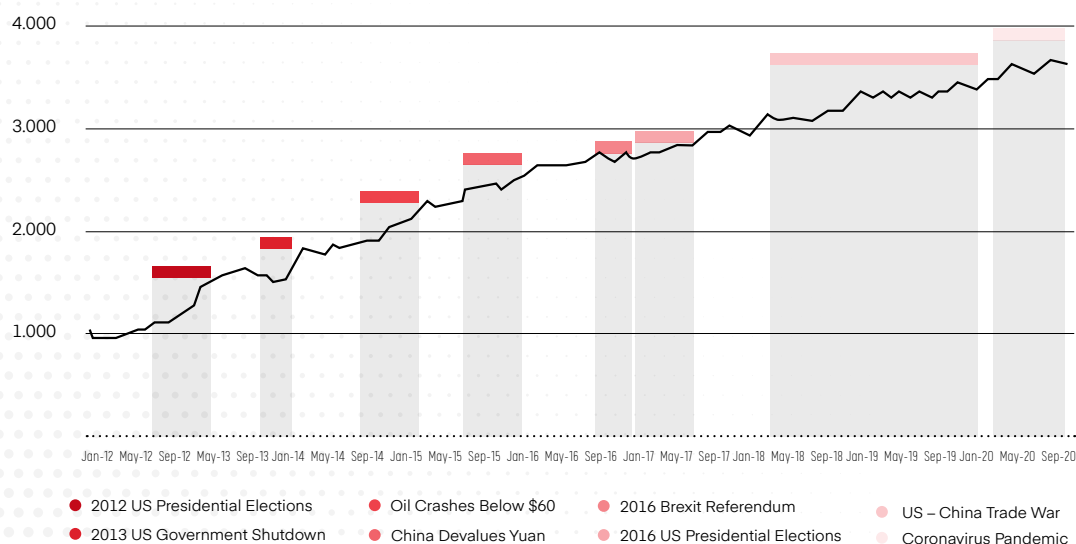
Our philosophy

Systematic approach: Our investment programs implement a systematic trading process aiming to achieve exceptional risk-adjusted returns. We employ a purely quantitative and data-driven approach, stripped from any human subjectivity or bias, resulting in a performance **uncorrelated to any major markets, asset classes, investment styles or strategies.**

All weather outlook: Our investment objective is to profit from the global macroeconomic and geopolitical trends while remaining protected against adverse developments. Our programs are designed to perform as a **stable profit generator** during calm market conditions and a **safe haven option** during times of uncertainty, high volatility or crisis.

Multi-asset allocation: Our strategies involve a multi-asset allocation that combines different types of asset classes, such as currencies, equities, bonds and commodities to create **a more flexible and broadly diversified portfolio**. Multi-asset strategies understand that global markets are interconnected, and that new information can impact more than one asset class at once.

Flagship portfolio performance vs. global risk events

- ● 2012 US Presidential Elections
- ● 2013 US Government Shutdown
- ● Oil Crashes Below $60
- ● China Devalues Yuan
- ● 2016 Brexit Referendum
- ● 2016 US Presidential Elections
- ● US – China Trade War
- ● Coronavirus Pandemic

Our unique edge

Our investment strategies are fundamentally based on the theoretical framework of the **Fractal Market Hypothesis**, as described by the Polish-born French and American mathematician Benoit Mandelbrot, in order to describe the way financial markets behave. The Fractal Market Hypothesis is an alternative investment theory to the widely utilized Efficient Market Hypothesis, which fails however to explain why markets experience bubbles and crashes.

The **Fractal Market Hypothesis** regards each market fragmented in different investor groups, with each group having a different investment horizon. According to this, investors share similar risk and reward levels – once an adjustment is made for the scale of the investment horizon – and these similar ratios explain why the frequency distributions of returns look the same across different investment horizons. In this context, markets exist to provide a stable, liquid environment for trading and they remain stable when many investors participate and have many different investment horizons.

However, the **Fractal Market Hypothesis** seeks to explain investors' behavior in all, even volatile, market conditions, something the popular Efficient Market Hypothesis fails to do. According to the it, during stable economic times information does not affect investment horizons and market prices. There are various numbers of long-term investors who balance the numbers of short-term investors, ensuring securities can easily be traded without dramatically impacting valuations.

Albeit, this assumption changes dramatically during volatile market conditions, caused by any kind of external shock, when liquidity becomes less available and non-uniform. Suddenly, all investors trend towards short-term horizons, reacting rapidly to price movements and incoming information. This shift causes markets to become **even less liquid and more inefficient**, triggering crashes and crises but still following cyclical and repeatable patterns that can be identified.

FACTS & FIGURES

3
Our algorithms scan across 3 different timeframes to identify all the statistically favorable trading opportunities.

500
Our trading universe includes more than 500 different financial instruments across all our systematic strategies.

1,000
We have more than 1,000 unique price patterns classified according to their statistical data in our database.

Investment programs

We offer a selection of investment programs that trade the most liquid financial instruments across major exchanges and money markets around the globe: we trade **currencies, equities, government bonds and commodities in the spot and derivatives markets**. Our strategies trade around the clock and our investment horizon is short to medium-term, allowing from maximized portfolio liquidity and dynamic risk mitigation.

AENAON Syncro Currencies

Description:

AENAON Syncro Currencies, our flagship investment program, implements a systematic trading process on a diversified basket of major currency pairs in the spot FX market. Prior to trade execution, our alpha discovery models utilize a variety of supervised and unsupervised Machine Learning algorithms to produce the most accurate forecasts possible.

Program Details

Asset Classes	Currencies
Risk Classification	Medium to High
Annual. Rate of Return	**16.47%**
Annualized Volatility	10.06%
Maxim. Drawdown	**8.10%**
Correlation to S&P 500	-0.05

EUR/USD: 15%

USD/JPY: 25%

Rest of G10: 15%

GBP/USD: 15%

USD/CHF: 20%
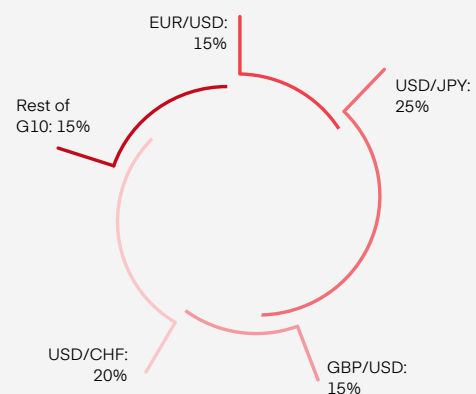
AENAON Syncro Equities

Description:
AENAON Syncro Equities uses a speculative investment strategy that looks for pairs of assets that historically have moved together and tries to exploit cases of relative mispricing. More specifically, it assumes that a long-term pricing relationship exists between the two stocks and that the time series of their price spread is stationary.

Return Statistics

Asset Classes	Equities
Risk Classification	Medium to High
Annual. Rate of Return	**23.30%**
Annualized Volatility	15.83%
Maxim. Drawdown	**8.37%**
Correlation to S&P 500	-0.07

Rest of World: 15%

US Large Cap: 25%

Europe - Rest: 20%

Europe Large Cap: 20%

US - Rest: 15%
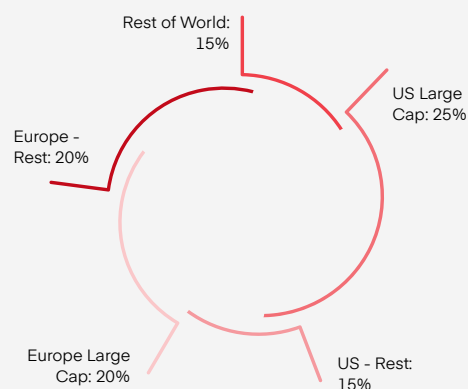
Our performance is audited and verified by **Deloitte Cyprus** in accordance with the International Standard on Assurance Engagements (ISAE) 3000. Furthermore, our factsheets are produced by **Fundpeak**, a renowned provider of secure fund marketing tools.
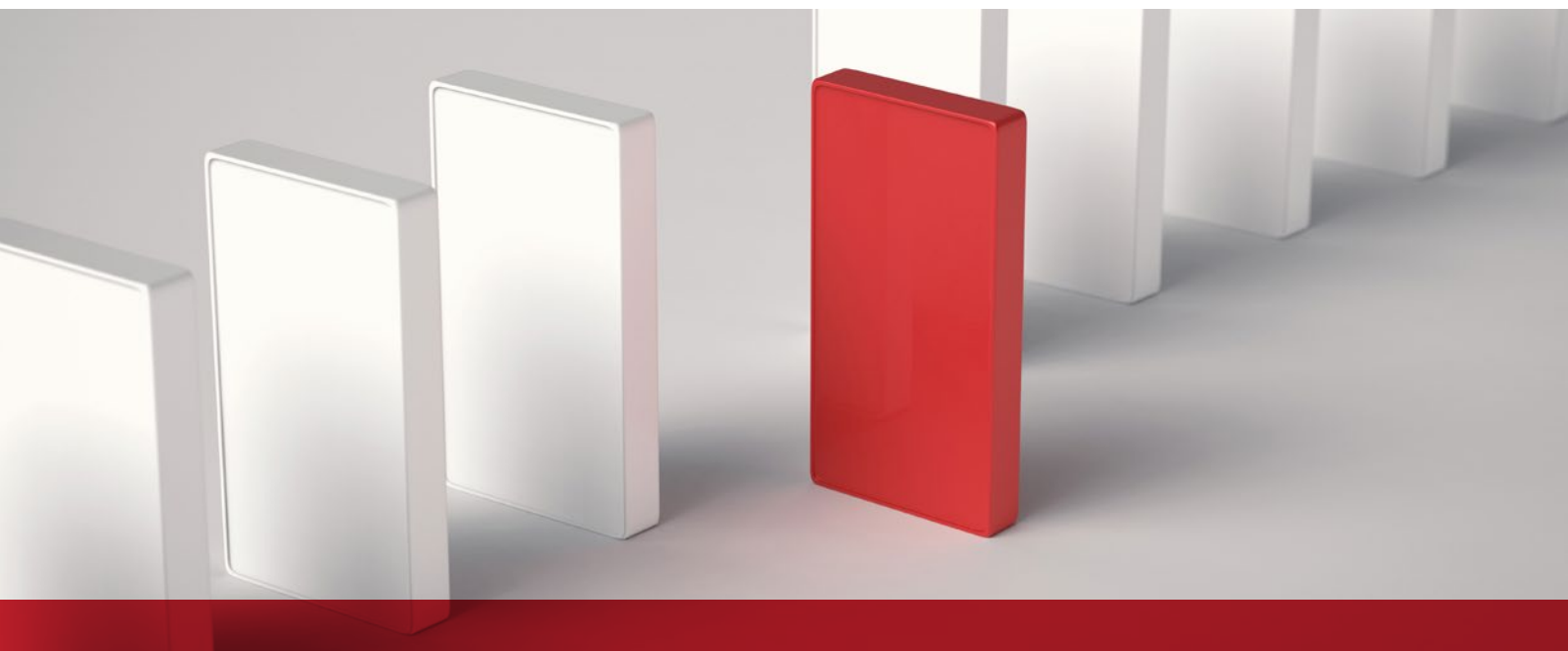
Investment solutions

We offer our clients the flexibility to handle their investments the way they see fit. More specifically, we provide various different avenues of working with us depending on the investor's type, needs, and preferences: we can either take care of both the investment strategy and execution or just focus on idea generation and allow the client to execute in their own trade environment.

■ Segregated Managed Accounts

For investors that prefer hassle-free account handling, we offer the option of managing their accounts on their behalf. Our investors can open an individual account under their own name at one of our partnered brokers and we register as Investment Managers in order to execute our strategies with their permission.

Suitable for high net-worth individuals, corporate entities, boutique funds of funds, and small family offices.

■ Alternative Investments Fund

For institutional allocators looking to add alternative investment exposure to their existing portfolio, we offer various subscription options to our Registered Alternative Investments Fund. The fund offers a number of different share classes to accommodate the allocators' investment profile and risk appetite.

Suitable for institutional allocators, sovereign, pension and endowment funds, large funds of funds, and family offices.

■ Institutional Signal Generation

For institutional asset managers that prefer to execute our strategies on their own infrastructure, we can provide access to our proprietary execution signals via our custom-built API technology. We can register as external Investment Advisors, transmit our live feed of execution signals and allow our partners to add our strategies to their arsenal.

Suitable for institutional asset managers, established funds of funds, and large family offices.

Risk management

Our investment programs have produced consistent results year after year, made possible by the three pillars of our risk management modules:

1

Religious use of stop loss: an initially fixed and then progressive trailing stop loss is used with every position. This approach ensures that there is no "open risk" involved in our trading. Moreover, each stop level is derived directly from the range and realtime volatility of each instrument, resulting in the appropriate stop loss distance depending on the current market conditions.

2

Letting profits run to their maximum extent: this is an essential part of our money management rules. Our performance comes not only from a number of small and medium-sized wins but is also amplified to a great extent by capturing a handful of large, "home run" moves.

3

Conservative fractional exposure per trade: all our trades are standardized to include an initially fixed stop loss and take profit threshold. Upon reaching a breakeven point, our initially fixed stop loss is replaced with a trailing stop loss level, allowing us to capture the majority of the developing move.

Our standardized stop loss and take profit approach prohibits any strategy relevance to leverage. Therefore, leverage only relates to margin. Regardless of what happens in the world and the markets, our profit-to-risk profile always remains the same.

Finally, a key principle of our risk management approach is that, regardless of our performance, **we never compound our gains**. It is our decision to miss out on some extra profits by not compounding our gains, but we prefer to exchange them for a smoother equity curve and significantly smaller drawdowns.

FACTS & FIGURES

2 We have 2 different and independent trade & risk management systems deployed in parallel at all times to maximize risk mitigation.

10 We have been developing our proprietary quantitative strategies and machine learning algorithms for more than 10 years.

10,000 We have spent more than 10,000 man hours developing and testing our strategies, execution systems and risk modules.

Our people

Our investment team consists of seasoned professionals with decades of combined experience across both fundamental and technical principles. Their expertise spans across 4 distinct areas of investment research: **macroeconomic environment, technical analysis, quantitative strategies and algorithmic execution**.

Even though our programs are completely quantitative in nature and operate in a fully automated manner, the Investment Committee meets on a weekly basis to ensure that our quantitative process runs as expected, to evaluate the performance of our programs and to explore further improvements to our modules.

Mr. Anastastios Skordakis
Chief Executive Officer,
Head of Business Strategy

Mr. Konstantinos Anthis
Chief Investment Officer,
Head of Investment Strategy

Mr. Panagiotis Kourtesis
Chief Technology Officer,
Head of Quantitative Research

Mr. Apostolos Manthos
Head of Market Analysis and
Strategic Investments

Our awards

Over the recent years, our investment programs have achieved multiple top rankings and received several awards from renowned industry sources.

During 2020, AENAON Markets has been awarded as "Alternative Investment Manager of the Year" in Europe and "Asset Management Firm of the Year" in Greece for 2020 at the prestigious **AI Worlwide Finance Awards.**

During 2019, our flagship AENAON Syncro Algo portfolio has ranked #1 by Net Return by BarclayHedge in the **"Currency Traders Managing Less Than $10M"** category for the whole year.

During the same year, we have been featured in multiple Monthly Performance rankings: we ranked #1 in the "Currency Traders Managing Less Than $10M" category for July and September and consistently within the top 10 during June, August, October and December while we achieved the 12th best Sharpe Ratio of 1.87.

In 2020, AENAON Syncro Algo continues to rank within the top 10 portfolios by Net Return in the "Currency Traders Managing Less Than $10M" category during January, February and March.

Furthermore, our flagship program consistently features in the first rankings on Fundpeak's watchlists:

· #1 in the Sharpe ratio below $10 million in AUM list.
· #5 in the Sharpe ratio regardless of AUM list.
· #5 in the 3-year Rate of Return list.
· #6 in the 1-year Rate of Return below $10 million in AUM list.
· #7 in the Average Rate of Return list.
· #9 in the Total Return since inception list.

Finally, in 2018 the AENAON Syncro Algo portfolio was featured in Fundpeak's Top 10 CTAs overall list thanks to its impressive 27.92% yearly return.

Contact us

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