



## AENAON ALGORITHMIC MODELS

Systematic Investment Strategies

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

Our systematic strategies support a variety of portfolio management solutions and are suitable to the key investment themes of our time: **non-correlation, consistency and superior risk-adjusted 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 investment solutions focus exclusively on the design and deployment of Grade A strategies and the absolute integrity and accurate representation of our performance. To that extent, our strategies' performance is verified by **Deloitte Cyprus** in accordance with the International Standard on Assurance Engagements (ISAE) 3000.



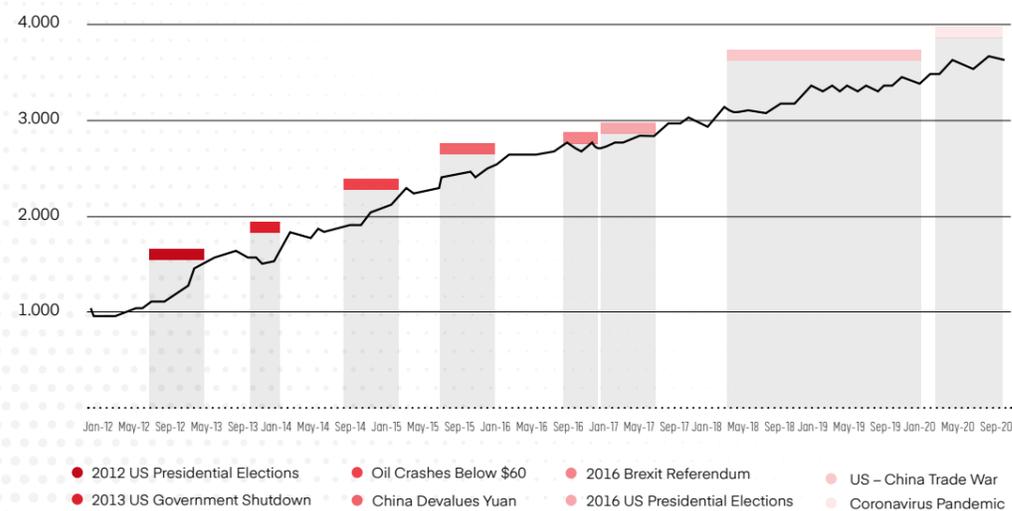
## Our philosophy

**Systematic approach:** Our investment strategies implement a systematic trading process aiming to achieve exceptional risk-adjusted returns. They 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 objective is to profit from the global macroeconomic and geopolitical trends and events while remaining protected against adverse developments. Our strategies are designed to perform as a **stable profit generator** during calm market conditions and a **safe haven option** during times of uncertainty or increased volatility.

**Multi-asset allocation:** Our strategies involve a multi-asset allocation that combines different types of asset classes, such as currencies, equities, commodities and ETFs 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



## 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 strategies

We have designed a selection of investment strategies that trade the most liquid financial instruments across major exchanges and money markets around the globe: we trade **currencies, equities, and other financial products 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.

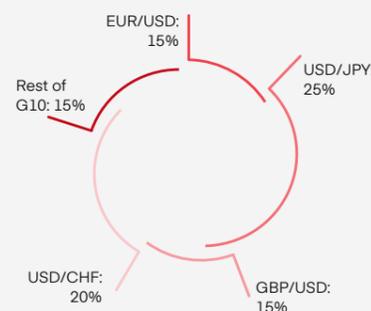
They are deployed in two different "versions": the **Absolute Return** and **Vanilla** return profiles. Quite simply, the difference between these profiles is that the Absolute Return version applies a simple, yearly reinvestment of profits at the end of each 12-month period while the Vanilla version never reinvests any yearly profits, which are available to be withdrawn or reallocated elsewhere.

## AENAON Syncro Currencies

### Description:

AENAON Syncro Currencies, our flagship investment strategy, 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.

Strategy Details	Absolute Return	Vanilla
Asset Classes	Currencies	Currencies
Risk Classification	Medium to High	Medium
<b>Annual. Rate of Return</b>	<b>18.78%</b>	<b>13.85%</b>
Annualized Volatility	13.46%	9.76%
<b>Maxim. Drawdown</b>	<b>12.08%</b>	<b>8.10%</b>
Correlation to S&P 500	-0.05	-0.10

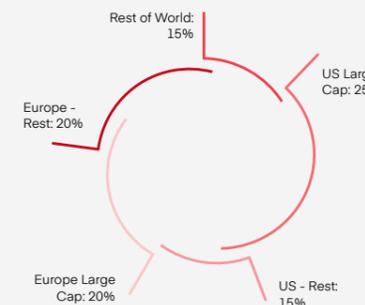


## AENAON Syncro Equities

### 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.

Strategy Details	Absolute Return	Vanilla
Asset Classes	Equities	Equities
Risk Classification	Medium to High	Medium
<b>Annual. Rate of Return</b>	<b>34.71%</b>	<b>22.78%</b>
Annualized Volatility	22.26%	14.62%
<b>Maxim. Drawdown</b>	<b>14.22%</b>	<b>8.37%</b>
Correlation to S&P 500	-0.04	-0.06

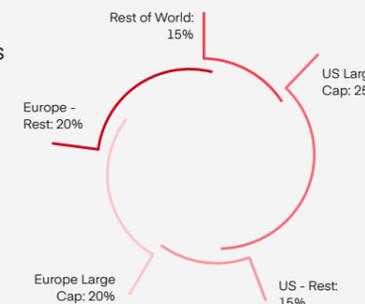


## AENAON Syncro Diversified

### Description:

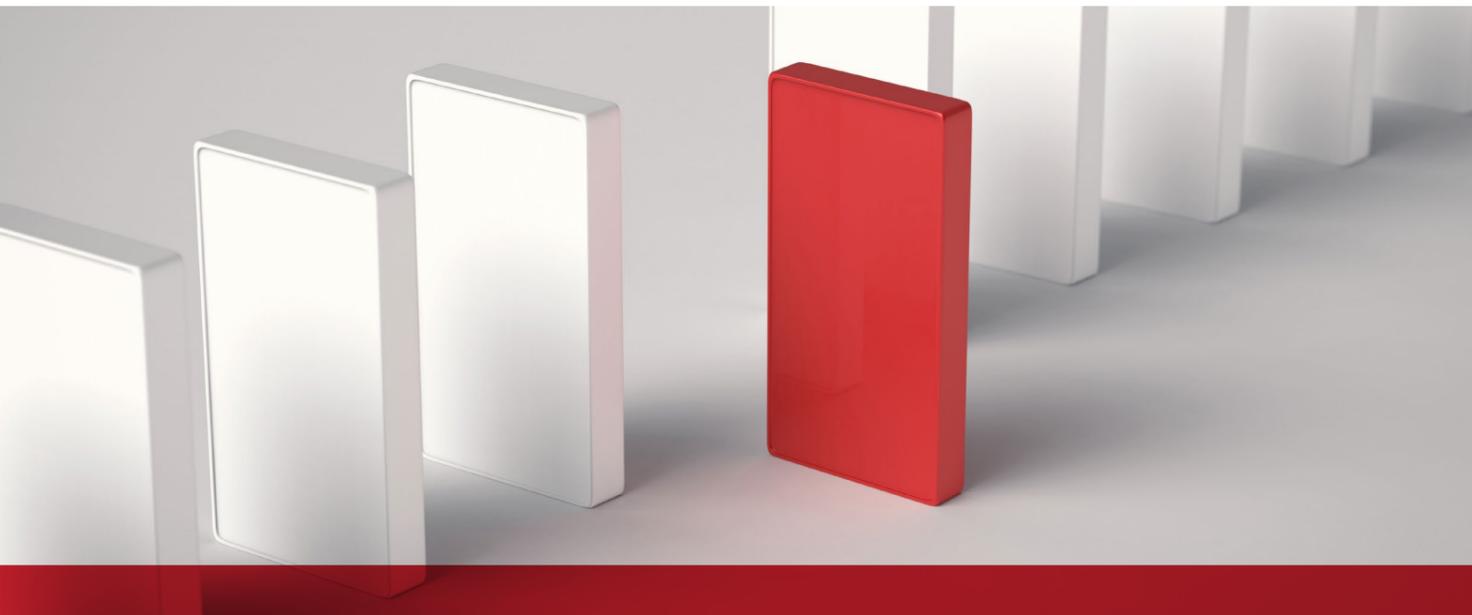
AENAON Syncro Diversified uses a systematic approach trading a multi-asset portfolio of equities and major currency pairs. The model is a short-term volatility break-out driven strategy with multiple filters that apply strict risk management principles, all tied together under a quantitative, data-dependent methodology.

Strategy Details	Absolute Return	Vanilla
Asset Classes	Currencies/Equities	Currencies/Equities
Risk Classification	Medium to High	Medium
<b>Annual. Rate of Return</b>	<b>26.82%</b>	<b>18.98%</b>
Annualized Volatility	13.28%	9.23%
<b>Maxim. Drawdown</b>	<b>7.34%</b>	<b>4.35%</b>
Correlation to S&P 500	-0.09	-0.09



From our experience, the **Absolute Return** profile is ideal for those looking to achieve the maximum total return on their capital, while the **Vanilla** profile will best suit those looking for a source of passive income on a yearly basis.

Finally, our performance is audited and verified by **Deloitte Cyprus** in accordance with the International Standard on Assurance Engagements (ISAE) 3000 and 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 facilitate 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 hands-off account handling, we partner with certified and regulated Investment Managers that execute our strategies on the investors' capital with their permission. Prospective investors open an individual account at a brokerage of their choice and then, we work with professional managers that trade their funds on their behalf.

**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 strategies 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 trade. This approach ensures that there is no "open risk" involved with our strategies. Moreover, each stop level is derived directly from the range and real-time 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 strategies' money management rules. Their 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 trading opportunities are standardized to include initially fixed exit levels. 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 research 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 strategies and to explore further improvements to our modules.



**Mr. Anastasios Skordakis**  
Chief Executive Officer,  
Head of Business Strategy



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



**Mr. Apostolos Mantos**  
Head of Market Analysis and  
Strategic Investments

## Why choose us?



### Global investment outlook

Our investment philosophy takes a global outlook to benefit from economic and geopolitical developments around the globe. This ensures that their performance has no reliance on any regional markets' performance while at the same time face limited risks from isolated local events.



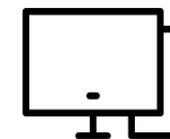
### Superior risk-adjusted returns

Our investment strategies have generated exceptional returns since inception, beating various benchmark indices by a wide margin, while keeping the risk assumed down to a minimum and resulting in outstanding risk-adjusted performance.



### No correlation to traditional markets

Our multi-asset investment approach ensures that our returns have low-to-zero correlation to any major markets, asset classes, traditional investment styles or strategies. This makes our strategies an ideal addition to any portfolio in order to increase both returns and diversification.



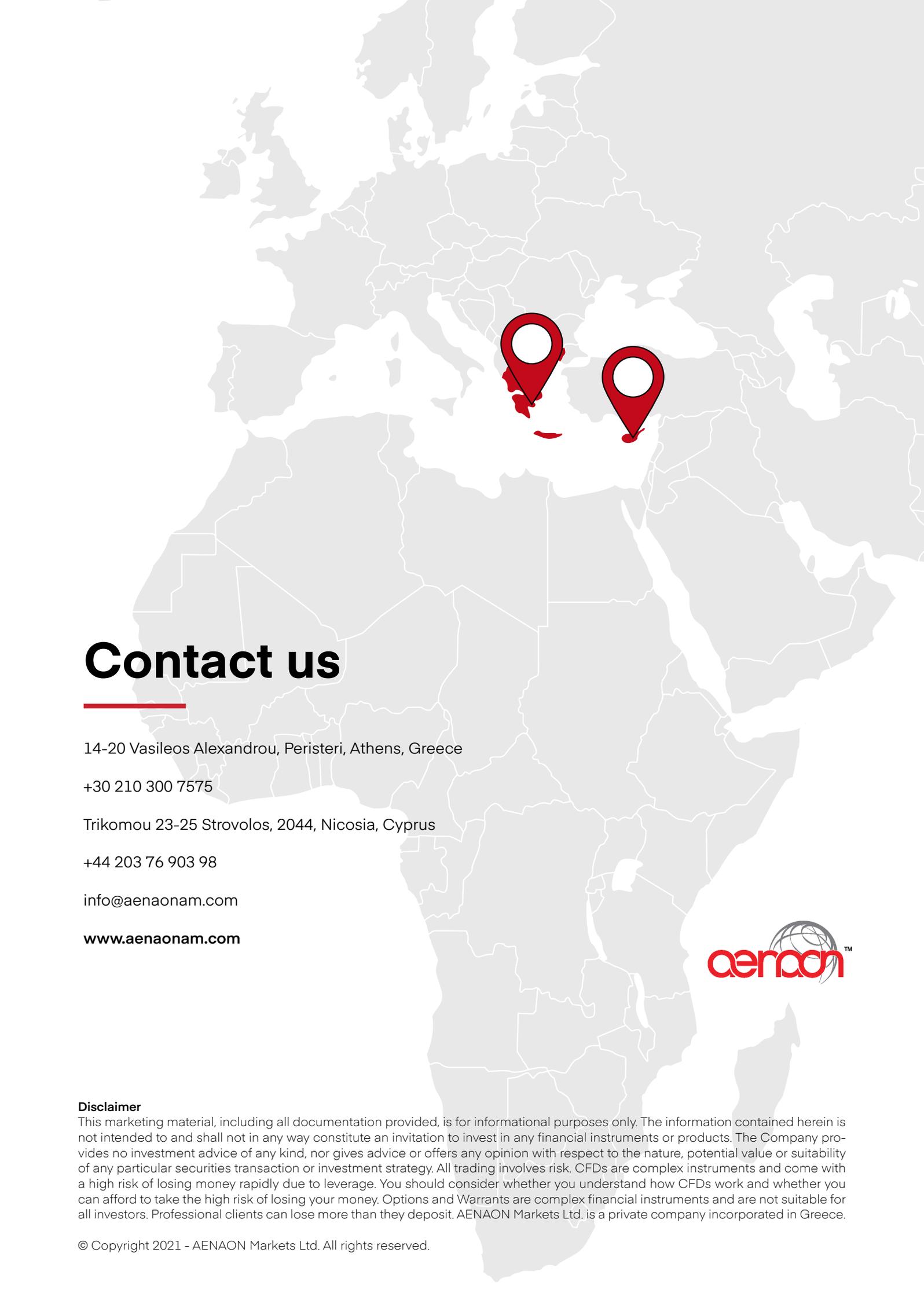
### Systematic investment strategies

We employ a purely algorithmic and data-driven approach, stripped from any human subjectivity or bias, resulting in a completely sterile research and development process. This way we eliminate any reliance on a single factor's presence or human skill as performance is derived in a strictly quantitative fashion.



### Bi-directional market bias

Our investment strategies have an all-weather outlook: by deploying modules that invest in currency pairs, managed futures, indices and commodities' derivatives and ETFs they are in a position to profit from both bull and bear markets – or even in the absence of a clear direction.



# Contact us

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