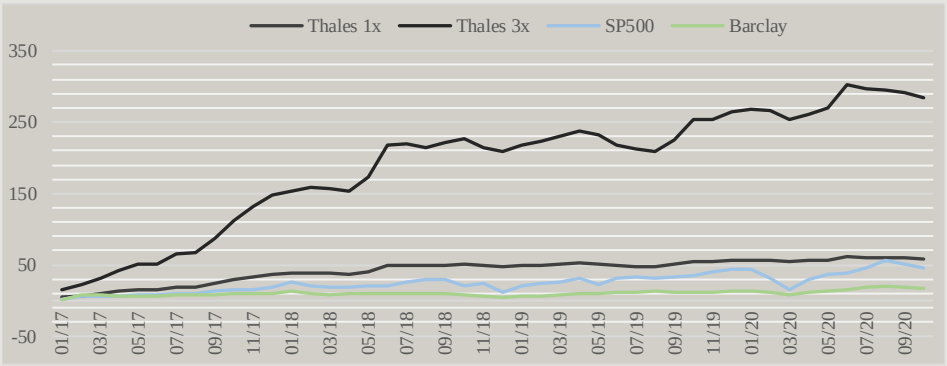
Finbou Thales

3 November 2020

Investment strategy

The strategy is focused on trading news events, in particular, central bank monetary policy decisions. The strategy seeks to capitalize mispricings in the currency market, in relation to unexpected policy shifts or reactions to as expected outcomes. Trades are always initiated after information, such as interest rate decisions, is made public. The entry timing is determined by an in-depth scenario analysis conducted before the event. Each scenario is assigned a pre-defined risk in terms of percentage and stop loss depending on conviction levels and the historical probability of winning. The strategy is in cash most of the time as it is only deployed after events. The objective of the strategy is to produce positive returns under any market conditions, while also outperforming relevant benchmarks in risk-adjusted terms.

Performance since inception (net of fees)



*Barclay stands for the Global Macro Index as published on www.barclayhedge.com.
SP500 stands for the Standard & Poor's 500 Index as published on https://us.spindices.com/indices/equity/sp-500.

Performance ratios (net of fees)

Net performance statistics of Thales 1x and 3x are based on the reference account "Thales main" applying a 19% performance fee and a 1% management fee. All statistics are indicative in nature and can vary on managed accounts due to variable fee structures and diverse trading conditions caused by broker commissions, execution, spreads, and swaps.

Thales 1x:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	5.1%	2.0%	2.5%	2.6%	2.5%	0.0%	2.9%	0.5%	3.7%	4.7%	3.0%	2.3%	36.6%
2018	0.8%	0.6%	-0.1%	-0.6%	2.6%	5.6%	0.2%	-0.6%	0.6%	0.6%	-1.2%	-0.5%	8.2%
2019	0.9%	0.5%	0.7%	0.8%	-0.6%	-1.4%	-0.6%	-0.4%	1.9%	2.8%	0.1%	1.0%	5.8%
2020	0.4%	-0.2%	-1.2%	0.7%	0.8%	3.0%	-0.5%	-0.2%	0.1%	-0.6%			2.3%

	1M	3M	6M	1Y	2Y	3Y	Inception
Performance	-0.6%	-0.7%	2.6%	3.3%	6.3%	23.2%	59.8%
Volatility	5.7%	8.2%	8.0%	7.2%	7.1%	8.5%	11.5%
Max drawdown	0.6%	1.8%	2.3%	2.3%	4.3%	4.3%	4.3%

Thales 3x:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	15.2%	5.9%	7.6%	7.7%	7.5%	-0.1%	8.8%	1.5%	11.2%	14.0%	8.9%	6.9%	147.4%
2018	2.5%	1.8%	-0.3%	-1.8%	7.8%	16.8%	0.6%	-1.7%	1.9%	1.7%	-3.7%	-1.5%	25.1%
2019	2.8%	1.5%	2.1%	2.5%	-1.9%	-4.1%	-1.9%	-1.1%	5.6%	8.5%	0.2%	3.0%	17.7%
2020	1.2%	-0.6%	-3.5%	2.0%	2.3%	9.1%	-1.6%	-0.5%	0.2%	-1.8%			6.5%

	1M	3M	6M	1Y	2Y	3Y	Inception
Performance	-1.8%	-2.0%	7.6%	9.9%	19.0%	82.7%	288.2%
Volatility	17.0%	24.7%	23.9%	21.5%	21.2%	25.4%	34.6%
Max drawdown	1.8%	5.3%	6.9%	6.9%	12.8%	12.8%	12.8%

Monthly comment - October

Markets have become rangebound during the past months, as investors counterweight re-imposition of quarantines against the massive monetary stimulus that is underpinning the economy. There have been fewer opportunities for the strategy, as event-based volatility has remained low, resulting in minor losses for the half.

Most G10 central banks decide on key policy adjustments in November and December. The decisions had been postponed earlier due to uncertainty over the virus. In addition, the US Presidential Election is likely to result in more volatile market conditions. Therefore, we see the final two months as most action-packed for the year.

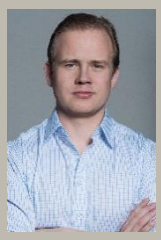
Finbou AG

We are a Swiss asset manager specializing in news trading. We have been operating our proprietary Thales strategy along with third-party systems since 2017. Thales and the other strategies are executed on managed accounts, with different Switzerland and UK based brokers. We use managed accounts since they are the most liquid and transparent way of structuring an investment.

Team

Finbou was founded by Gianluca Carolo, who is responsible for fundraising and structuring the managed accounts. Aatu Kokkila is the investment manager of the Thales strategy, which he has continuously been spearheading since 2015.

Gianluca Carolo



Aatu Kokkila

Contact details

Gianluca Carolo
Finbou AG
Freiestrasse 34, 8800 Thalwil, Switzerland
Phone: +41 79 418 37 03
Email: g.carolo@finbou.com
Skype: finbou

Investment options

The strategy is executed on managed accounts with different Switzerland and UK regulated brokers as 1x, 2x, and 3x risk variants to satisfy different risk profiles. We offer different MAMs and PAMMs in CHF, EUR, USD and GBP.

Fee structure

Allocation in USD or equivalent	Management fee per annum*	Performance fee**
50'000 - 99'999	1.2%	20%
100'000 - 249'999	1.0%	19%
250'000 - 499'999	0.8%	18%
500'000 - 749'999	0.7%	17%
750'000 - 999'999	0.6%	16%
1'000'000+	0.5%	15%

* Deducted monthly regardless of performance (e.g., 1%/12).
** Deducted monthly and subject to high water mark (HWM).

Disclaimer

This document is for informational purposes only, and its content is not intended as an offer to sell, or as a solicitation of an offer to buy any investment strategy offered by Finbou AG. This document does not provide investment or other advice, and nothing on the document is to be deemed to be a recommendation to invest in any strategy offered by Finbou AG. While we have compiled this document in good faith, we do not warrant that the information is accurate, correct, reliable or up to date. Performance data represents past performance, and past performance does not guarantee future results. Current performance may be lower or higher than the performance data presented.