

Robo-Advisor

Your smart
and affordable
investment
manager



Contents

04 Introduction

05 What is robo-advisory?

06 How it works

08 What are the benefits of our Robo-Advisor?

10 FAQs

12 How to get started

14 Contact

Introduction

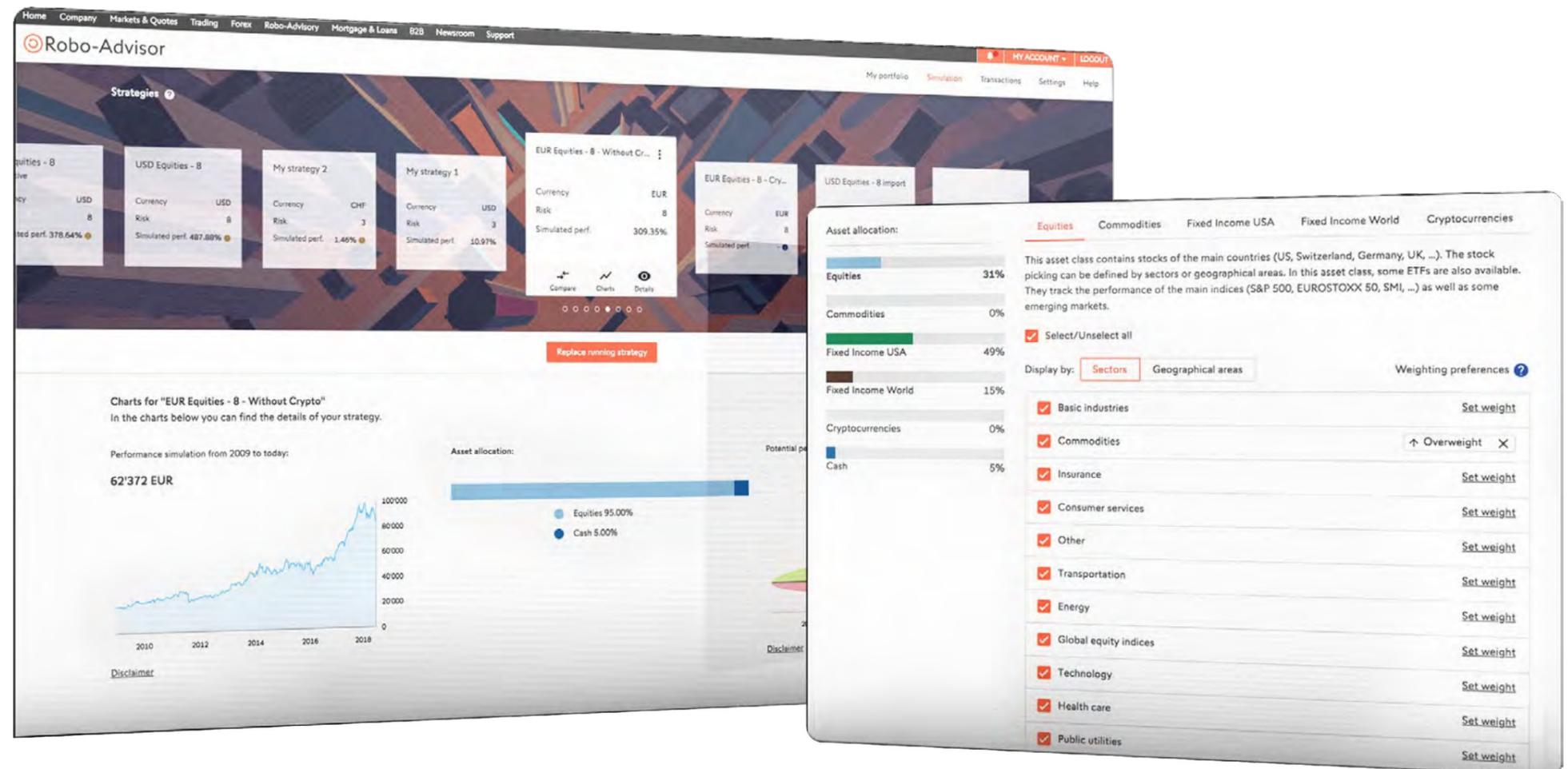
At Freimann & Co, our focus is on the one activity that we excel at - wealth advisory for private and institutional clients. Our energy and resources are dedicated to constantly expanding our expertise in this field. We are proud to attract and foster outstanding talent among our teams & through our partners, in order to offer a service of the highest caliber.

Our technologies and banking partner has been at the forefront of new technologies development since it's founding in 1996, rapidly becoming the No. 1 financial and online trading services provider in Switzerland.

A pioneer in digital wealth management, the Robo-Advisory service launched in 2010, a revolutionary solution to help individuals and professionals construct highly-customized portfolios.

What is robo-advisory?

A robo-advisor is an automated money manager that is able to build you a personalised portfolio and monitor it around the clock. Our Robo-Advisor offers not only ETFs but a multi-asset universe, including equities, bonds, commodities, real estate, cryptocurrencies and cash.



1

Understanding the client's risk profile

Based on responses to a series of questions, the Robo-Advisor is able to map out a client's financial situation and risk aversion against a maximum tolerable level of portfolio risk. This creates an upper limit on the risk level of the client's portfolio. The portfolio is then constructed with a risk level below this upper limit, potentially by a significant margin, depending on market conditions and the client's overall strategy.

2

Building an asset-class allocation

Based on the client's risk level, the reference currency and the asset classes selected, the Robo-Advisor allocates across asset classes in two steps. Firstly, a dynamic allocation is created to maximize diversification while keeping the volatility of the portfolio at a reasonable level, as per the client's requirements. This volatility value depends on the risk level, with dependency between asset classes. Secondly, this process is enhanced by a tactical allocation, whereby the Robo-Advisor will over- or under-weight asset classes to take advantage of current market conditions extrapolated from automatic quantitative macroeconomic analyses. This technique uses machine learning alongside key economic variables. Our partnered associates is continuously working to improve the machine learning and other technologies that underpin our Robo-Advisory services. Our partnership of the Swissquote Chair in Quantitative Finance at the Ecole Polytechnique Fédérale de Lausanne (EPFL) gives us access to some of the world's leading experts on these topics.

3

Measuring portfolio risk

The Robo-Advisor estimates a portfolio risk, using the Conditional Value at Risk (CVaR) or Expected Shortfall method. This measures the expected portfolio loss at a given horizon, conditional on experiencing a worst-casescenario. By default, our Robo-Advisor uses a horizon of one week and considers the worst 5% portfolio scenarios to calculate the CVaR.

4

Constructing a portfolio

The Robo-Advisor constructs tailor-made portfolios by selecting securities with the highest score to ensure the portfolio meets both the client's risk profile and any other allocation restraints defined by the client. This could include, for example, limits on exposure to certain sectors or the specification of certain percentages of stock holding. The Robo-Advisor assigns scores to each security based on an estimate of its future expected return over a specified time period. These scores are modified based on client preferences and potentially refined views from analysts. Once the parameters have been set, the Robo-Advisor computes the optimal allocation and transactions are then automatically sent to the exchanges.

5

Monitoring and rebalancing the portfolio

The Robo-Advisor constantly monitors the portfolios, computing the CVaR on a weekly basis and re-allocating the portfolio if necessary. Periodically, the portfolio is also rebalanced to the new optimal allocation. In addition, a team of professionals constantly monitors both the Robo-Advisor and the portfolios. It is possible at any time to change the Robo-Advisor's strategy and start the reallocation manually.

6

Optimizing order execution

The Robo-Advisor automatically sends buy and sell limit orders for liquid assets. Orders for illiquid assets are manually executed by traders at Swissquote. All transactions are optimised to take advantage of intraday volatility and liquidity. Transaction processing is given by a volume weighted average price.

What are the benefits of our Robo-Advisor?

Availability

Robo-Advisory services are available 24/7, providing clients with around the clock monitoring of their portfolio and automatic rebalancing where necessary.

Ease of use

Our Robo-Advisory service is simple and straightforward to operate. Just define your risk profile and, if any, allocation preferences and let the Robo-Advisor construct your optimal portfolio.

Security

Safeguarding your data is important. Our secure online platform and rigorous account protocols ensure your information is safe at all times.

Rationality

Decisions taken by our Robo-Advisor are based on rationality and algorithms rather than clouded by emotional judgments.

Cost-effective

Using our Robo-Advisory service to optimize your portfolio performance can help deliver efficiencies in both transaction and management fees.

Transparency

Using our Robo-Advisor means that your portfolio position is available to view whenever you wish, from wherever you are in the world.

Flexibility

With Robo-Advisor, you can select your own investment preferences and adapt your choices whenever you choose.

Support

Our support team is there for you whenever you need us, for account or technical queries or just to share your thoughts.

FAQs

Q. How does the Robo-Advisor understand my attitude to risk?

A. The Robo-Advisor uses a series of 10 questions to work out each client's financial situation and their attitude to risk, and then sets this as an upper limit of risk level. However, the portfolio is usually built with a significant margin below this upper level.

Q. What if my preferences change over time?

A. Being able to access the Robo-Advisor whenever you need to means that you can change your investment preferences and the algorithm will automatically adjust your portfolio to match your new preferences.

Q. Do I have to be technically minded to use Robo-Advisory?

A. Not at all. Our Robo-Advisory service is easy to use, intuitive and our online support team is available to help you get started or to answer any questions you have.

Q. Can I save on fees by using an automated service?

A. The frequency at which your portfolio is realigned with your strategy can be adapted to reduce transaction fees to a minimum. Management fees are also low due to the inbuilt efficiency of the system.

Q. Are there minimum system requirements in order to use or optimize use of Robot-Advisory?

A. There are no specific system requirements since the Robo-Advisor can be accessed via a simple web-based interface.

Q. How secure is my Information?

A. We take safeguarding your information very seriously. The Robo-Advisor platform is operated under strict Swiss regulated and facilitated by a partnered bank in Switzerland.

Q. How reliable is Robo-Advisory technology?

A. The technology has been under development since the 2000's and has been designed to be more secure than many traditional advisory solutions.

Q. How often do I have to interact with the Robo-Advisory tool?

A. The Robo-Advisory tool allows you to make specific changes and modify the investment strategy how you see fit, however, it runs autonomously without the need for active engagement.

Q. What are the future prospects for the Robo-Advisory?

A. Analysts forecast Robo-Advisory tools to have US\$ 1.2 Trillion under management, showing acceptance by the general population as well as the value that it provides.



How to get started



Sign up

Open your account with a minimum of \$10 000 by clicking on the sign up button and fill in the form. The first step towards account creation is to open an account. This is done by filling in the requisite information on the Freimann & Co website underneath the Robo-Advisory tab. This information will be used to create a Robo-Advisory profile which you can log in to manage your preferences, desired risk level, etc.



Receive confirmation email

Once your information has been processed, you will be contacted by a member of the Friemann & Co team confirming the creation of your account. In order to open adhere to regulatory requirements, we require the following documents in order to open an account (as clarified in the confirmation email):

- A photocopy of your passport that is signed 3 times anywhere on the page (not on the passport).
- A bank statement that is no older than 3 months.
- A tax document that clearly displays your tax number.
- Proof of residence such as a municipal bill (or similar).

Upon receiving the requisite information, you will be sent an account opening contract & documentation, which will need to be physically signed in order to comply with Swiss regulations.

Note: Your privacy and data security is of the utmost importance to Freimann & Co and we are in adherence to the relevant confidentiality and protection laws as well as additional regulatory bodies mandating that your information be kept secure. Feel free to contact us for further deliberation.



Courier the documents

The documentation mentioned above will be collected by courier and delivered to the Freimann & Co offices. Once received by the Freimann & Co team, final document processing and delivery will happen as soon as possible, and your account will be activated.



Account activation confirmation

Once the account is activated, you will receive an email confirming the activation status. Additionally, you will be required to follow the steps detailing how to create a password & L3 security card (a 2nd factor authentication card that is required in order to log-in). At this point, all that is left is for you to do is to transfer funds and tailor your investment profile, if you wish to do so.



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