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Building Value to Last: A new Approach to Investing

A new lens for an age old industry: Introducing the Efficient Portfolio and Reordering Valuation

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Abstract

This paper will be talking about a new approach to investment management, one where the playing field is level. This paper will outline the complexity of the financial world and the fallacies that come with it and how the changing world has shifted the way the game is played. This paper will challenge the theory of the efficient market and provide the outline of the efficient portfolio. The objective of this paper is to provide a simple structure to a complex world and pull back the curtain on finance and the unnecessary complexity involved in it.

This paper is the result of intense research of the history of the stock market and the industry of investment management, with both theoretical and practical applications.

Herein it will outline the changes that have taken place over the course of the industry as well as point out the missing gaps that have been formed by the dynamically moving and changing times. Furthermore, it will provide insight into the current state of the market and how the market and the world of investing is due for a disruptive change in course as well as in application to the world.

Simplicity is the answer to complexity not more complexity, that is handled by mechanical processes, in this case, quite literally. I will use the concepts of economics, psychology, physics and mathematics to provide a new perspective to elicit a paradigm shift in your thought process and the way you see this part of the world.

A little disclaimer before we begin: I/We do not push for one to buy stocks now or later, but if you do, do so in a safe and secure manner rather than one of speculative and half understood nature (such is the intended aim of this paper), for that, there are casinos all over the world, where you would have better odds of faring than in this game of dynamic value.

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Introduction

The stock market is not the same, it has changed drastically. What was a simple, clear cut system where firms list themselves on the market, selling shares to the public were valued by the earnings they produce and over time the growth of the stock reflects the growth of the earnings that the firm produces. This has changed completely.

Firms trade at grossly overvalued levels regardless of growth of the firm's inner financials and others trade at extremely undervalued levels once again with no regard for the growth of their fundamentals. Volatility in the market in general as well as individual firms has risen significantly with overreactions to news and information causing the above scenarios.

There is so much information and so many eyeballs on information and misinformation propagated by "gurus" of the trade alike that it is hard for them to discern the truth and respond to it, the only choice left is to react to whatever they deem fit, this opens the door to subjectivity, creating market inefficiencies. When someone's view is pitted against another's and they lose sight of facts, it becomes a subjective war of opinion, rather than an exploration of truth. This volatility causes most people to turn to speculation rather than investing because only very few people have the temperament and the stomach to take the risk of their capital potentially dropping 8%-50% at a time in the short run depending on the risk one takes and the time to understand the fundamental drivers for long term growth and the concept of compound growth. While they would rather trade smaller positions both upwards and downwards, and lose small amounts over time trying to predict the deviation in the price action of individual securities and in some cases indices. Usually this takes place using technical indicators such as chart patterns and various other indicators, ratios and trend lines and applying them to any security regardless of its fundamentals. Most speculative investors or as we correctly term them as traders lose against the market and even more still lose initial capital, by most I mean 85%-90% of those participating in the activity and especially so in the long run.

This creates situations like the meme stock rally that took place in 2021 and the subsequent demise of the same and situations where earnings reports and information provided by firms are misunderstood and covered with a layer of mist to what they actually mean, causing investors to lose out on capital in most cases, additionally, deterring more investors away from the market. Due to its perceived gambling like nature. How does one navigate such an extremely complex system, with such randomised irrational participants and variables to account for and still come out on top? The answer is simplicity and fundamental logic backed by a scientific approach to understanding intrinsic value and executing the application correctly.

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The Market

The stock market has several components, but the main overarching components that I have found that make up the stock market are the following:

- Capital
- Countries
- Companies
- People

The components have been listed here in a particular order.

Capital flows through all and capital is the cornerstone of the stock market since it is the market of capital allocation. The stock market uses capital as the fulcrum between firms and investors, making a market, a way for them to interact. There is a finite amount of capital in the world and there are only a few avenues for it to go, these are the various asset classes available for it to be distributed to, of which one is equities. This is the first time in a very long time through the history of financial markets where we have had both the emergence of two new technologies due to the exponential growth of information and advancement in development and the subsequent creation of a new asset class, distributing the capital further and making it even thinner.

Capital flows in and out of countries where these equities are listed, with the NYSE in the USA as the largest market, with almost 25 Trillion USD flowing in and out of it. These countries are built through the companies within them and vice versa, since the GDP is determined by the total production of goods and services within a country.

These companies list on these markets through an IPO (Initial Public Offering), where they sell part of their firms to the public, allowing the public to invest in their company by buying their outstanding shares.

These companies are made up of people and people make up the market. People run and build the companies and people outside as well as inside the companies buy and sell the shares in various ways, whether they be through funds such as hedge funds or other asset and wealth management firms which we call institutional investors, through large endowments, through large family offices, through personal funds, those we call retail investors.

All of these components interact with each other and are interdependent on each other to exist. The net reaction from them creates the stock market and its fluctuations.

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The Efficient Market Theory

The efficient market theory is the most common theory used by most investors in the world and is taught in classes all over the world as the basis of investing and the traditional view of the market.

The efficient market theory argues that markets are highly efficient, where all information is freely available and accounted for and current prices of assets are fairly and accurately priced leaving no room for excess profits to be derived from the system. Which means there is no hope of beating the market and the only way to match it is through index investing.

Additionally, the formulas and theories that are based on this view use normal distribution as their basis of probabilistic calculation, while in the real world we are far from behaving normally distributed. We live in a logarithmic and a weighted world where certain actions and information hold higher weightage and therefore have a larger impact on our actions. Which means that there are certain metrics which trump other metrics when asset prices are concerned and particular information matters more than others.

Moreover, since there is so much excess information, both reliable and unreliable available to those who understand how to see through the information and reach the real meaning and those who don’t understand it at all, reactions are overstated, both positively and negatively. Especially negative reactions due to the way the human psychology is set up. We have a greater reaction to negative news and information, markedly twice as much as we have a reaction to positive news and information.

Over the last few decades the efficient market theory has somewhat been able to model the market since there were less people taking part and less information readily available. This is because the information that was available was available by those who had the most impact on the market since they were the ones who had the most access to it. The few retail investors that partook in the market were insignificant. Therefore, the markets were technically efficient as the information was somewhat equally distributed and freely available.

Today, however, that is not the case and hasn’t been since the emergence of the internet. Access to the market is everywhere and capital flows are available to all, especially after the stimulus checks that entered the market over the last few years. However, the ability to understand and truly grasp what that information means isn’t, that is what is lacking creating a rather inefficient market. In theory it shouldn’t be the case but practically it unfortunately is. The lag and lack thereof of the dispersion of information here is what creates the inefficiency rendering the theory redundant in today’s market.

On top of that the pioneering and widespread usage of computer models and algorithm trading has affected this by thinning out traditional alpha generation since most formulas inputted into the computerized models are the same and if everyone trades or rather everyone with significant amounts of capital trades using these algo traders, they are making the same calls on the markets, reducing the outperformance they once had.

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This technology disruption will be disrupted once again as this is reaching a point of consolidation in terms of alpha generation, where algo based hedge funds are losing out with the most number of hedge funds being shuttered due to losses in 2021 (the year of free money, when everything went up). This begs the question, if you can't make money in a bull market, where can you make money? Additionally, most hedge funds being flat or slightly positive in 2023, with the largest funds being up between 2%-5%, while the S&P500, which represents the broader market is up 19.11% at the time of writing.

Now you see how this theory of the efficient market has been made redundant due to the highly theoretical assumptions taken into account as well as the changing times, where the theory hasn't changed since it was first formed causing misplaced asset allocation and the misplaced distinction between investing and trading.

The Modern Portfolio Theory

The modern portfolio theory is one which has used this theory as its core. It centralises risk and return in an efficient market world, once again using assumptions that the market and information is normally distributed. Yes, the modern portfolio theory is a useful and practical application of the efficient market hypothesis where it allows investors to construct portfolios using a predefined curve which takes into account the following assumptions:

- Asset returns will follow a normal distribution
- Investors will act rationally
- Riskier investments always give higher returns

In summary, the more one allocates capital to a higher risk portfolio, the higher their return and vice versa.

This as you have seen above and over the course of history is far from reality.

On the contrary, the real, dynamic and changing market has these following components:

- Asset returns follow a non-gaussian distribution
- Investors will and do act irrationally
- Riskier investments don't necessarily give higher returns, more often than not, lead to complete wipe outs or much lower returns

How does this view form? The time horizon matters and the difference between theory and practice is what makes the difference in applicability. Yes, in theory all investors should be rational, thereby acting in accordance with perfect allocation between risk and return, leading to a normal distribution of higher returns due to higher risk taken since an investor will be rewarded for the risk they take.

However, in practice, that is seldom the case. Investors and people alike are irrational due to the usually overlooked emotional component which usually takes over the logical

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processing of the brain, causing anxiety and reactions rather than calm and responses. Especially when dealing with something that can improve or harm their living and more importantly something as addictive and necessary in our world as money. Wars have been fought over money, families have been destroyed and lives have been lost all due to money. So why did we think that we would act rationally when this market is all about the conversion of money?

In theory and in a short span of time, the efficient market hypothesis and efficient frontier may hold up in a very controlled environment. However, in the long run and an unconstrained environment, the biggest being life, there are numerous more indicators and data points to take into account, where information is not freely and evenly distributed at all. It is more equitably distributed and the equity here is in the knowledge one has about the system. The more knowledge, the more you can grasp relevant information and analyse it in ways others can't and hence make better decisions and respond appropriately to market changes rather than react unnecessarily. Less is more in the case of data analysis. You want more distilled and crystallized data, rather than random unrelated points to the central problem, especially when you have a relative infinite amount of data, relative to our processing ability. Relevance of which data points to take a look at, at particular points in the market and the right cautionary tales of history to use as context is the most important skill, which is yet to be automated. Automation can do repetitive tasks indefinitely and produce hundreds and thousands of statistics and analyses using millions and billions of data points, but so far, it can't simplify and choose the right data points for a long term application.

Investing at its Core and The Efficient Portfolio

Investing is designed to be a roadmap to freedom through building value. The central theory for investing is compound interest. This has a clear distinction from trading the pseudo investing. Anyone involved in buying and selling of an asset calls themselves an investor when in reality looking for price action is speculating and looking for value is investing in the business, that is the distinction.

Compound interest is the concept that value grows over time, exponentially, with value being a function of time. When the portfolio is allocated in an efficient manner, to protect capital as well as build value through time, the longer one holds it, the less risky it becomes and greater the value it extracts from the market.

Welcome the efficient portfolio which dynamically changes and adapts to volatile market situations and the varying market environments such as the one we have had, are in and will have going forward.

To address the above we must address its central theories. Of them, the first being value.

What is value ?

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There are two types of value, one is extrinsic and one is intrinsic value.

Extrinsic value here is defined as value seen and given to the asset by the market, which is described as the price of the underlying in regards to the stock market.

Intrinsic value on the other hand is the true value of the underlying, the value it holds through the products and services it produces, the product line, revenue streams and assets it holds and the value it derives from these goods.

We know the price of most items in life, that being extrinsic value but we rarely know what it is truly worth, that being intrinsic value.

Extrinsic value can get frothy due to the lack of knowledge as well as irrational reactions by the investor base that overvalue and undervalue underlying firms based on news and information they may have seen or heard rather than the fundamental intrinsic properties of the firm. Much like cold coffee, the popular drink made in family homes across the world, which is milk and coffee, at times with sweeteners or additives blended in a blender creating froth in the glass as it is poured. Most of the glass is filled with froth while the rest of the glass is filled with the actual drink. Identifying value comes from knowing where the drink stops and the froth begins, in other words what the actual value is versus the market value today, whether it is above the current value, hence making it undervalued and if under the current market price, it is undervalued. Lucky for us, most firms listed on the market are bad coffee, more froth than the drink. The idea to the efficient portfolio is one which finds where true value lies and an investor invests in companies which at minimum hold value and grow it rather than most, which, just as froth, their valuations evaporate when enough time passes.

<u>Methods of Valuation</u>

How does one find this value?

There are various methods previously used to find and assign a fair value to firms, most of them just like the previous theories on the market are now redundant in the new era of investing and have been so for quite some time, riddled with flaws but still very widely used.

The first being the most widely used discounted cash flow method (DCF). This method estimates an assets value by using their expected future cash flow to forecast and model the assets current price today. This much like many of the methods and models you will see in this paper and models in general are only as good as the assumptions those using the methods are taking when analysing the asset.

The DCF, finds the estimated present value of expected cash flow using an estimated discount rate to account for the potential assumed interest it could have gotten if not put into the asset being valued.

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As you can see above, the most common word in the description of the DCF method is "estimated". The result being an estimated price for the underlying company's listed stock in other words value it at a certain market capitalisation. If the current price of the firm in the market is lower than this estimate, it is considered to be undervalued and if it is higher it is overvalued. An investor can only trust this model as good as they can trust the analyst that used it and their assumptions or their own assumptions. As you know analysts and investors alike are humans too and we are all irrational, and suffer from biases, which can mislead us in making objective decisions. Therefore the assumptions taken are often wrong, if not, always.

For example, take Apple, the DCF calculations out there will give you wild conclusions to Apple's current price. Some will say it should be valued at $92 a share, some will say at most $106, some may even give it a negative valuation. This is a behemoth of a company which has ushered a generation of innovation and change and continues to dominate the marketplace nationally at over a 90% penetration and internationally at over 30% and increasing with its plethora of goods and now their most recent massive sector of services. They regularly produce close to $100 billion of revenue every three months and their overall revenue growth is still around 20% per year, making records as of their last quarter, just not to the "analysts' estimates" liking. This DCF calculation would value the company at 47% of its current worth, which means a devaluation of 63%. This makes no sense at all for a performing asset, giving it such an illogical valuation based solely on estimates and assumptions which in this case are plain wrong.

Rather than estimates, why not take a look at what the company is actually doing and how it is actually fairing against the fundamental metrics used to understand a business. Why should a company be valued at what it is today and if it shouldn't why not? These are questions that need to be answered and not by pointing to a model and saying, "Oh this model says so".

Analysts use this form of analysis to provide their quarterly estimates of earnings per share and revenue growth as well as their 12 month, yearly price target. However, if you are a prudent investor, you will question which analysts are saying what and why they are saying it. On second thought, if you are prudent and logical, you will question that whenever anyone estimates or gives their opinion on anything. Most analysts work for large banks, most of these banks have financing relationships with the firms they are analysing and hence cannot give them a negative estimate or downgrade them too far. So they do the classic, hike and dip, where at times they will give them such frothy estimates and valuations that when the stock underperforms, regardless of the company's performance, they will just adjust the forecast and estimate lower from that point. This is the classical form of anchoring, they anchor an extremely frothy valuation and then when they downgrade it seems as though it has been downgraded a lot and seems to be more "fair". We aren't looking for a negative bias on firms and their stock, we are looking for a true valuation, regardless of upgrades or downgrades, there should be reason and merit. You can clearly see this when you plot the analyst estimate against the underlying firm on the Bloomberg terminal analyst forecast and estimate plot. The spread between actual prices and the estimates and targets is 20%, regardless of the upgrade and downgrade, its 20%. That's a staggering amount!

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When firms fail to live up to these expectations even if it is by an insignificant amount, the irrational investor causes a heap of panic selling and the stock of the firm usually nosedives, regardless of its actual performance. This is the dislocation between the market and a company. A firm can continue to beat its earnings, improve on revenue, improve on profits, gain customers and add to equity while balancing their liabilities but if the investor base isn't convinced, the stock can trade on the opposite end of the story and wipe out large chunks of value from firms all across the board and vice versa, where no matter how terrible the performance of the firm, its stock can trade at such ridiculous multiples, creating such frothy valuations that at some point when the froth disappears it erodes value for so many individuals and institutions. This is where the fallacy of riskier firms always produce higher returns is broken. There are so few of those who understand how to really value a company that the law of large numbers plays its hand and a reaction is presented on the screen. However, these are moments where the ones in the know can take advantage, the more logical and rational investor can find undervalued firms and begin building positions and find overvalued firms and stay clear, cutting down the investment universe they need to sort through.

Take Netflix for example, the most recent devaluation of Netflix was a complete overreaction on the basis of numbers which don't even affect the business as much as the stock reflected it as. In March 2022, Netflix released their fourth quarter results which showed that they had lost 200,000 subscribers. This was after the general market decline due to the rates being hiked up to such high levels, bringing valuations of all firms and most severely technology firms into question. Bill Ackman famously bought $1 Billion worth of shares at this point and he wrote a letter explaining how firms like Netflix are heavily oversold and they have a lot in their pipelines which will change and help the firm recover from its losses due to short term lower spending on entertainment as inflation was extremely high. This loss of 200,000 subscribers spooked the larger investor base and led to a 40% loss in value from an already 50% discounted firm. Here Bill Ackman sold his stake at a 40% loss, he lost 40% of value for his investors and wrote a formal apology to them for making such a mistake and that Netflix is not the firm he thought it was. After that point, the following quarter, Q3 results of Netflix showed that the new changes to password sharing and the new ad supported platform improved their numbers as well as adding 4 million subscribers to their already robust subscriber base. I would like to highlight here that the 200,000 loss of subscribers was on the back of the existing 260 million subscribers paying a higher price as they increased prices slightly due to inflationary pressures. This took their overall numbers to 264 million, keeping the crown of streaming and leading it by a far majority. The stock subsequently from that point has risen north of 150%, recovering all its 2022 losses and heading to reach 2021 levels. The models price Netflix between $230 per share and $446 per share, such a wide margin as well as with no fundamental understanding or backing since they are still producing a 20% CAGR increase in revenue every year, with profits almost doubling over the last 3 years and earnings being beat consecutively for the last four quarters. However it is still modelled at almost half its current value. I fail to see the logic behind this.

In the irrational and knee-jerk reactionary movements of the larger investor base, even such rational investors and pioneers of the space such as Bill Ackman are forced into making mistakes as the ones shown above. He then later apologised for the mistake he did by selling his Netflix position and has subsequently rebuilt a position.

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This is an example of how the market has changed that even heavy hitters such as Ackman are drawn down into the spiral of unnecessary overreaction.

On the other side we have examples such as Nikola, which in the era of "free" money once again was victim to the irrationalisation of the market and the froth that forms when looking for good ol' coffee. Nikola wasn't making any profit, their revenue numbers were bleak but their stock was the hottest anyone had seen since the dot-com bubble, with a 492% increase in one year. This is where investors pile onto the "next best thing" where they hear it from the grapevine and the news and the analysts and all the models are used as proof for a company's "true" value and once everyone has piled in and as the legendary investor Warren Buffet says, "when the tide goes out, you really see whose being standing there naked" and the moment the truth about the firm was out where they didn't own any of the trucks, they were outfitting them with Nikola logos and "selling" them as theirs. The stock went from $65.90 a share with a market cap of $65 Billion to a share price of just about $1 and a market cap of $1 Billion, within the next 3 years. However, the company didn't change, the business proceedings were exactly the same as when it was worth $65 billion to when it was worth $10 billion to when it is now worth $1 billion, with no real change.

Once again this is where several investors, institutional and retail alike lost immense amounts of value since they weren't looking at the right places and believed the fallacy of estimated models such as the one described above and analyst estimates, which even today price the company at $2 for a median valuation and $4 for a high estimate. This shows a 100% and a 300% increase in worth of the firm, when their revenue, profits and income continue to decline heavily and so does the production of their product. There is simply no logic to the estimation, it is just that an estimation.

What forms the movements of the market which creates the rise and fall cycles as you have seen above?

Cycles are present everywhere, these are the repeated ups and downs of life forming the flow of life. Everything including the capital markets has their own unique rises and falls. Here, as you have seen above there is a distinction to be made between what moves the markets and what actually moves firms. The components which matter to companies and show us their health are often very different from what brings inflows and outflows of capital to the market.

The stock prices of companies and their wild swings happen due to the demand and supply of the stock listed on the market, hence it is concerned with those that increase and decrease such supplies and demand. While, on the other hand, the rise and falls of businesses are due to the demand and supply of their products and services and how those revenue streams are translated into consistent value.

However, what the market sees as markers for companies is very different than what they are hence the swings that we see in the market. The markers the market looks for are as follows:

- Earnings Reports/Revisions
- Popularity with Institutions/13F filings

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- Target Prices
- Current Trends
- P/E ratio
- Good will
- News
- Insiders (Whales)

What really makes companies grow and change are the following:

There are two broad components :

- Fundamental
- Technical

Each of which is equally important, as I say, when you go to the doctor, you can ask them to just look at a chart and fix you. They need to see your physical self, do their physical checks, rule everything out then begin tests and look to the charts to confirm what they think.

Here on the more metaphysical Wall Street, it's quite the opposite. Oftentimes the fundamental aspect is denied and it's all charts. The fundamental analysis is the physical check up and the technical analysis is the tests, not the other way around.

For fundamental analysis here are some of the components:

- Business Idea
- Road Map
- Sector
  - Impact of sector
  - Impact of firm within sector
- Historical Movement
- Business Product
- Revenue Strems
- Product Pipeline/Development Pipeline and its effects
- Current Market Cap
- Balance Sheet
  - Assets
  - Liabilities
  - What they are, and used for?
- Income Statement
  - Revenue
  - Revenue Growth
  - Profit
  - Profit Growth
  - Cost of Revenue
  - Net Income
  - Net Income Growth
- Earnings
  - Earnings Growth
  - EPS
- Stickiness of Product

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- Customers
    - Type

For technical analysis the following components and ratios as well as others matter:

- P/E
- MACD
- 200 and 50 day moving average
- VIX
- VXN
- EBITDAx
- P/B
- Shares Outstanding
- RSI
- ATH
- Support Line
- Resistance Line

The above components to find a company's true intrinsic value are used together as filters to reduce the investment universe down from all of the companies to a handful that can be monitored and further analysed to an even smaller number that can sit in your portfolio.

Diversification is another fallacy. A prudent and rational investor doesn't need to diversify extensively since they would know that all that does is spreads returns wider and thinner. Diversification is for the unknowing investor, those who this part of the world has been closed off due to perceived complexity, the image of gambling associated with it and the uncharacteristic short cut to the rich and famous propagated by media and those who just don't have the time to understand it. For them diversification is the best way to invest since they are taking a view on the economy as a whole not individual firms or the way they see it unfurling, rather either way they want to benefit and that makes it the safest option to choose the index. However for a prudent investor, the investor in the know, who wants better returns and a truly safe portfolio that is a concentrated yet diverse selection of companies that they hold for a long term time horizon, that is what the efficient portfolio brings, longevity and value through growth. Here then core target isn't price targets and speculative guesses on where the economy is going. Rather the target is more of a fluid nature, it is that of time, the time horizon. Portfolios that are built to last and outlast the rest, not make returns over 3 years and after that they are wiped out. Its more about consistent growth of capital in firms that unlock their intrinsic value as time moves on which builds the holder wealth, not riches but wealth, which is a sophisticated richness.

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Bringing it All Together

How to manage the temperament and identify value in the right firms at the right time?

The game of investing is not of speculation and prediction, it is of understanding the business you are buying. This entails broadly knowing how they will turn out over the next 5-10 years and longer and understanding if that is adding value, then buying the company before it realises that value. It is not of price action, rather value addition.

This requires temperament to balance the emotional rollercoaster that you get from the market, discipline to make sure you cross check and re-check that you truly understand the business you are in and why you are in it at the level of valuation that it is currently at and patience to wait for the right time to buy the right firm and hold that stake since you as an investor acts as an owner not a trader, otherwise ask yourself why did you buy it in the first place?

When constructing your portfolio you must think like a long term owner of a business or several of them, where you need to answer this one question to yourself, can you walk in the rain? When it rains, it pours, so have you designed your portfolio to withstand the shocks of the market and capture the upside over a long time horizon, without having a large turnover of names? Have you identified the right names and the right industries which will lead the market over the next decade or so? Since the capital markets have one beautiful process and that is the process of consolidation.

Treat your portfolio as a collection of the future you want to see and the best way to capitalise on the formation of it before it arrives. We have done deep bottom up research and using that to apply a synergy of bottom up backed top down decisions, breaking down the world of investing into its components and building it back up to reproduce it as it is, not as we would like it to be. This helps us understand the gears that make the machine churn, so when something goes wrong or when something is out of order, we identify it quickly and can apply and appropriate response and I will be putting down the valuation methods to use and how to correctly apply them to the market, in the book that I am currently in the process of writing.

We have used our practical experience of running separately managed accounts for several clients over the years and producing market beating returns with lower than market losses as is what we see being the goal of investment management. Making consistent returns over the long run builds value that lasts.

The examples above are just a few to highlight the issues in yesterday's view of today's market and concepts of a much larger problem and a much deeper analysis and explanation which I will be tackling in our **Komodo Cerebral Series** which will be releasing a series of papers in the end of **March 2024**.

Take a look at the future of investing which uses all of the concepts and analysis, both fundamental and technical shown here and in the upcoming book to build efficient portfolios for you. We mentioned technology hasn't reached the construction of portfolios for the long term yet. However, we have developed a Rule-Based AI powered platform, EPARCS (The Efficient Portfolio Allocator and Risk Control System) which

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uses the above concepts and more in conjunction with our proprietary valuation methods to be able to do just that. The **PortfolioBuilder** by our internal research arm, Curieosity Tech is the manager for all, take a look at the link below(don't worry it's free, a tool to help you build the future you want):

https://ceparcs.com/

We will be having a beta-2 launch in **April 2024** to second the soft beta launch we had earlier this year. The **PortfolioBuilder** is automating long term investments and democratizing personal finance for all those who are in the know and those who have no idea but need a pathway to a future full of freedom!

Do you dare to step in to the future?

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