

Peer Insights

R E P O R T

Q&A with Anthony Capone CEO of Fundbase

Principle Series:

Family Office Insights sits down with Anthony Capone, CEO of Fundbase to talk about his latest venture and how its disrupting the way people invest in hedge funds and alternative investments.



Family Office Insights is a voluntary, “opt-in” collaborative peer-to-peer community of single family offices, qualified investors and institutional investors.

Learn more at:
FamilyOfficeInsights.com

Q: Who are you and what is Fundbase?

A: I come from the world of computer science, specifically trained in computational learning theory. Finance is relatively new to me. I've primarily spent my career building technology at start-ups, Fundbase being the fifth one. Seeing each company through to either an acquisition or IPO. Most recently I worked for Constant Contact, the world's largest email marketer, which recently sold publicly for \$1bn.

Shortly thereafter, I was introduced to the three other Swiss founders of Fundbase, Michael Appenzeller, Pius Stucki and Pascal Rode. A combination of financiers and engineers with a unique view on the hedge fund industry, formed from their deep investment careers. They saw inherent problems in the system and knew technology was the solution. I came in to manifest their innovative ideas into a technical reality.

Today, Fundbase is the world's largest marketplace for hedge funds, with over 8,000 hedge funds being connected to by more than 3,000 accredited investors. Fundbase facilitates the end to end hedge fund investment cycle, entirely online and backed by a world class investment team, lead by Steven Kaufman the former CIO at AXA. Our only goal is to make investors perform significantly better by consistently outperforming the market. We grant easy access to investors who aren't already in this asset class and unique access to those who already are.

No matter how sophisticated one's investment team is, they are still not powerful enough to understand the entire universe of fund managers, which is currently over 15,000, as it changes at all times. Fundbase democratizes the alternatives asset class and that distribution translates into significantly greater deal flow. Locating quality managers early, getting in before they close and getting out before they lose their edge is where Fundbase offers the most value.

Q: Why are many investors not seeing exceptional returns from their hedge fund portfolios?

A: That's simply because the funds they go into are the ones everyone else is already in. Once this happens, there's a highly likelihood that the fund stops performing. The incentive isn't there for the manager to sacrifice everything for this high return. When we first look at the portfolios of investors coming into Fundbase, they are almost entirely composed of large multi-billion-dollar hedge funds. Fundamentally, it's a flawed investment philosophy and it's significantly less likely to perform over the full length of their investment. It's also crucial to understand that alpha is not a fixed characteristic. You as a hedge fund manager, develop an edge. Some managers are incredible and can develop new edges but eventually each strategy runs its course. You as an investor want to be able to get out before the manager loses that edge. Some managers will close the fund promptly, once they realize their strategy is no longer viable. Most will not. And that's where big losses occur.

Q: Can pervasive data, integrated communities and sophisticated technology maximize investment returns?

A: Fundbase has access in aggregate to more data than anyone else in the space. We have the portfolio data and accounting records similar to the largest wealth management banks, because we monitor investment level positions for thousands of portfolios. We have new manager deal flow greater than the largest advisors, as it's democratically sourced from our 3,000 active qualified investors. And our database contains over 300 data points, with supporting documents, for each Fund in the system, often including underlying exposures. Investors can easily gain 3-5% a year because of improved manager selection, discounted fees and dramatically improved operational efficiency. Many investors still pay 2 and 20, plus 50 basis points per subscription, and another 90bps for advisement all to achieve marginal performance from lackluster managers. Then there is a question of knowing when to redeem. Our community driven data computed by advanced machine learning algorithms enables our investors to make decisions that they couldn't have otherwise made consistently at scale.

Q: Why do Fundbase investors consistently outperform the industry by 3-5%?

A: We monitor most of our investor's portfolios as they grow and most importantly, as they begin performing poorly. That's when we step in to help by improving their portfolios with our highly trained advisement tools. We help them to find better managers and construct a more sustainable portfolio which can consistently outperform the market in both good times and bad. This is not just portfolio theory combined with trending analysis and social statistics, we also highly leverage the feedback and fund ratings provided from our 3,000 accredited investors. This is fed into a well-trained machine that continually improves its decision at each interaction. Because of the immense sophistication of each computational model inside of Fundbase, our investors can make decisions far superior to their peers.

Q: How can new investors learn to capture superior returns through Fundbase?

A: We have a webinar coming up on November 1st where attendees get a full detailed explanation of everything we just discussed, as well as witness the launch of the **world's first Hedge Fund RoboAdvisor**. They'll also be able to bring in their current list of "interesting" funds, feed that into Fundbase and immediately see what we think of them. In less than 15 seconds, investors will learn if these are good investments or not. As a one-time offer, we are giving away accounts with a 2-month free trial, a \$6k value, to those who attend this webinar. Easy decision for those interested in maximizing their returns through alternative investments.

Fundbase Launches World's First Hedge Fund RoboAdvisor ~ Live From Dubai ~

Click Here to Watch the Launch



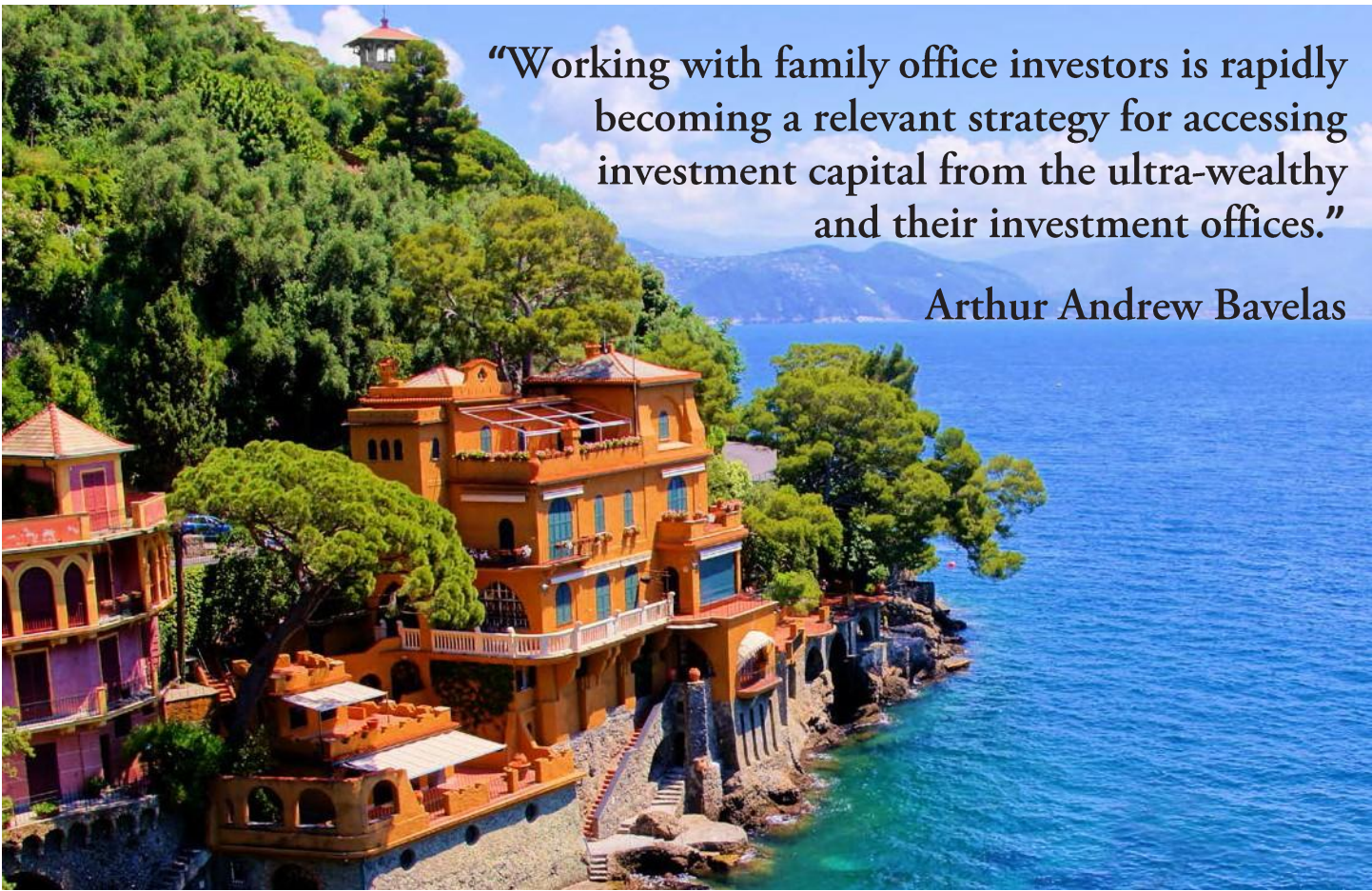
Anthony Capone

Anthony Capone is an entrepreneur and computer scientist who specializes in the area of computational learning theory. He's led software development at four companies, taking each from inception to either acquisition or an IPO. Latest being the world's largest email marketer, Constant Contact based in Waltham, MA.

Capone started programming at age 13 and began at his first startup three years later. Since then, he has spent countless hours building efficient and effective technical solutions to complex industrial grade problems. Each startup was in a completely different sector, moving from global manufacturing to insurance appraising into high education classroom management then global marketing and currently working in finance at Fundbase.

Fundbase.com is the world's largest online marketplace of Hedge Funds. Since its launch in September 2014, Capone and his team of experts have built an online marketplace used by thousands of institutional investors and hedge fund managers. Capone focuses on building software that provides immediate value.

For more information, please visit www.fundbase.com or email Anthony Capone at anthony.capone@fundbase.com.



“Working with family office investors is rapidly becoming a relevant strategy for accessing investment capital from the ultra-wealthy and their investment offices.”

Arthur Andrew Bavelas