Press Release

TRYCON: AI-powered fund celebrates 8th anniversary Positive returns even in difficult market periods

Artificial intelligence (AI) is a major trend. One of the first UCITS-compliant funds to rely on the power of AI-technology in its investment strategy now turns eight years old: Tungsten TRYCON AI Global Markets.

Frankfurt/Germany, September 02, 2021 – The TRYCON fund (LU0451958309), managed by Frankfurt-based asset management company **Tungsten Capital Management**, has been successfully using AI in its investment strategy since 2013 – one of the longest such track records in the UCITS space. On August 31, the fund celebrates its eighth anniversary.

Advantage for investors: Long and short positions

In the past eight years, Tungsten TRYCON has carried out around **40,000 trading transactions** on the AI system and has received numerous international awards, for example for its **risk-adjusted performance**. "*We use a dynamic asset allocation model based on artificial intelligence,*" explains portfolio manager Michael Günther. The investment strategy has an exceptionally powerful toolbox: It can invest both in **rising** and **falling equity** and **bond markets** and benefit from market trends as well as mean reversion. Machine intelligence provides the basis for **identifying trading opportunities** in 60 global markets.

Diversification in bull and bear markets

Even in periods of severe market distress, the self-learning algorithms react **without emotional bias**. An example: At the time of the **outbreak of the corona-virus pandemic** (March 2020), when financial markets around the world suffered considerable losses, the fund generated profits of more than 5 percent at its peak. In February of the current year, when **global government bonds** saw their sharpest monthly drop (more than 2.3 percent) since 2016, the TRYCON fund also gained. "*The strategy exhibits almost zero correlation to stocks, bonds and commodities",* adds Michael Günther. In a recent report, the team analyzed the diversification effects of different asset classes. In contrast to the AI strategy, alternative asset classes such as **private equity** and **European real estate**, which are often sought for diversification, each

exhibited a comparatively high correlation of around 0.8 to **the Stoxx Europe 600 index**. **Liquid alternatives** showed an even higher correlation of around 0.9 in the period from September 2013 up to now.

Current market environment: Outlook

The greatest danger is that stocks and bonds will fall in parallel. As Norway's state pension fund recently warned, this could occur if rising prices and inflation put an end to the bull market and countermeasures such as tightening monetary policy (tapering) and higher interest rates put pressure on bond markets. "*We feel that the TRYCON strategy is very well positioned to offer investors a valuable alternative to government bonds as well as a promising portfolio component even in a scenario of falling markets*", comments Pablo Hess, who manages the TRYCON fund together with Michael Günther.

More details on the TRYCON AI strategy

While artificial intelligence is currently gaining more and more importance in the investment industry, there is likely to be **just a few dozen fully AI-controlled mutual funds** so far. The evaluation of **millions of data points** is crucial to the TRYCON fund's investment process. It invests in around 60 global markets without regional or industry restrictions and offers daily liquidity. The fund's assets have grown to around €100 million amid increasing interest from institutional and semi-institutional investors, including funds of funds, corporate and pension investors, private banks, asset managers and family offices.

About Tungsten TRYCON

Tungsten Capital Management GmbH, based in Frankfurt am Main, is an independent asset management company regulated by BaFin with assets under management in excess of 500 million euros. With the Tungsten TRYCON AI Global Markets, the company offers a highly diversified absolute return fund that gives investors access to new data analysis technologies and artificial intelligence (AI). The fund has received several international awards. The two portfolio managers Pablo Hess and Michael Günther have been researching the field of artificial intelligence and its application to the financial markets since the year 2000. Both are among the pioneers in the integration of artificial intelligence for investment decisions.

Contact TRYCON Team

Michael Günther
Developer and portfolio manager
E: mg@tungsten-funds.com
T: +49 69 710 426 622

Contact Press Office

Patrick Racky (R-Communications)
E: p.racky@r-communications.de
T: +49 176 20574125