

FUMBI

CLOSER TO CRYPTO

EVALUATION OF FUMBI PRODUCT PERFORMANCE FOR 2021

AUTHOR

Bc. Daniel Mitrovský

For the cryptocurrency market, 2021 was a year like no other, as the interest in cryptocurrencies has increased on all fronts. It was no longer just households and small retail investors interested in cryptocurrencies but also globally known institutions, banks, or pension funds. Furthermore, governments and international institutions have suddenly begun to talk about cryptocurrencies and actively look for ways of optimal regulation to protect the end consumer.

The fact that cryptocurrencies became mainstream in 2021 cannot be denied. At Fumbi, we've worked hard all year to bring you the safest and most convenient crypto investing possible. By constant optimisation, improvements, and innovation of our products, we've been able to deliver exceptional profits to our users. Thanks to this, we've protected our users' funds against the ever-increasing threat of inflation. Let's take a look at our product performance overview.

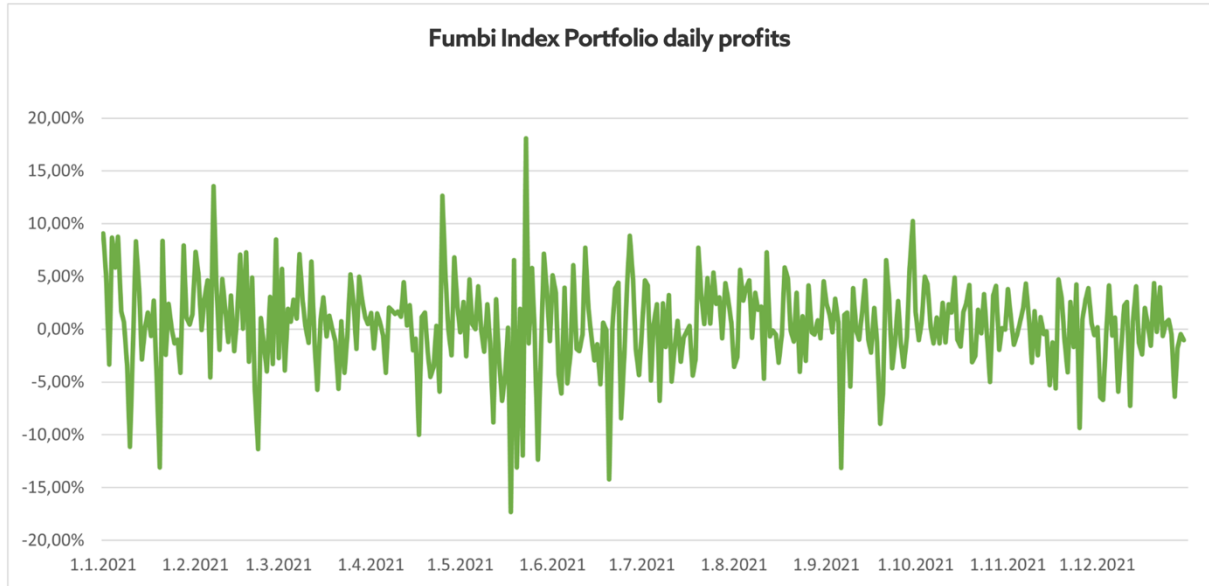
Fumbi Index Portfolio

Our users' favourite product is our dynamic Fumbi Index Portfolio. This algorithm administered portfolio provides an easy way of investing in the crypto market for everybody.

With the Fumbi Index Portfolio updates in 2021, in order to comply with our investment philosophy and criteria, we have eliminated a total of 16 cryptocurrencies that have been replaced by 13 new cryptocurrencies with higher technological and growth potential. You can find an overview of individual updates on our blog.

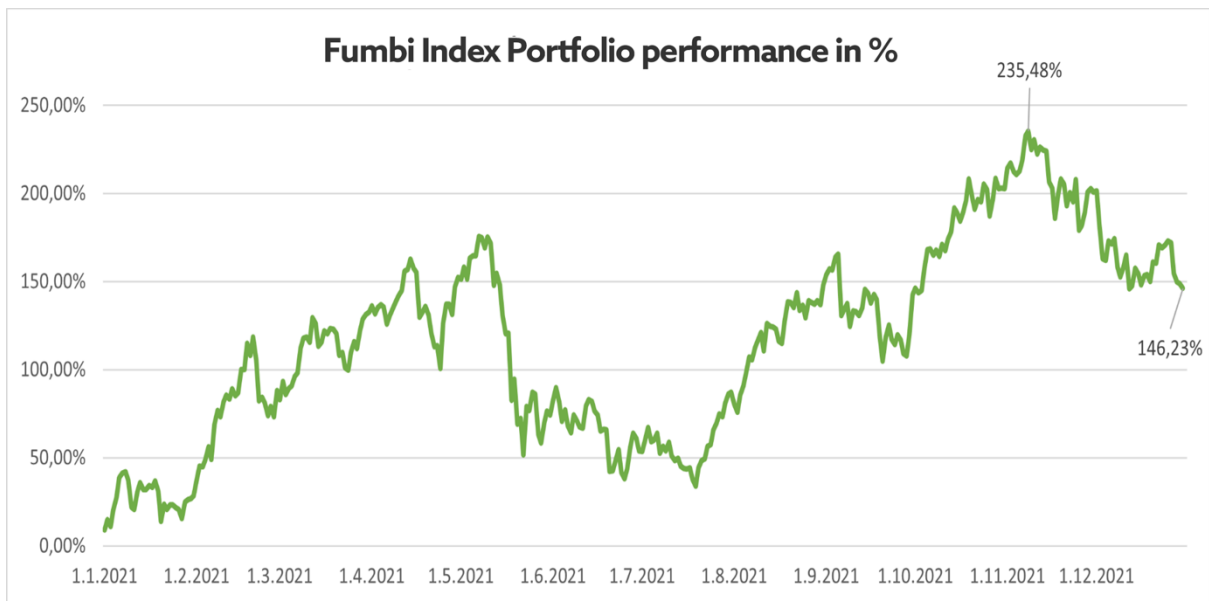
Since the cryptocurrencies get traded worldwide and practically nonstop, 24 hours a day, 7 days a week, the structure of Fumbi Index Portfolio's daily profits has been truly colourful. In 2021, out of the 365 cryptocurrency market trade days, 195 (54% of days) had a positive daily evaluation and 169 (46% of days) negative.

The highest daily return was recorded on 24.5.2021 at 18.09%, and the highest loss took place on 19.5.2021 at -17.21% after China banned financial institutions and payment processors from providing transactions with cryptocurrencies.



Source: Fumbi Research

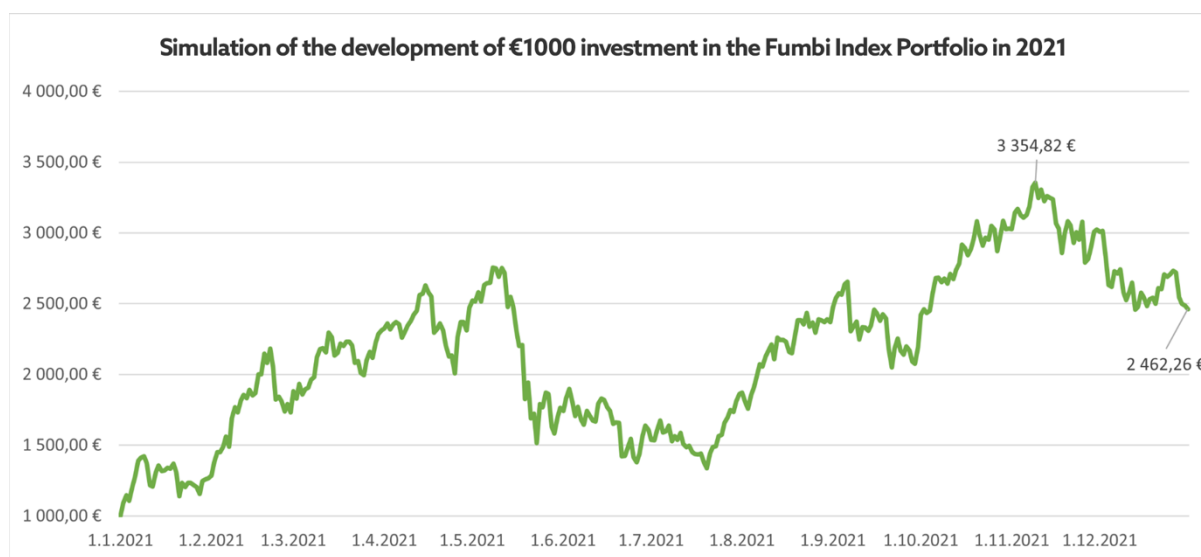
In 2021, the Fumbi Index Portfolio achieved an average appreciation of 146.23%. The peak portfolio appreciation in 2021 was recorded on 9.11.2021, just a day before Bitcoin reached its highest All-Time High to date. On that date, our portfolio reached an appreciation of 235.48%.



Source: Fumbi Research

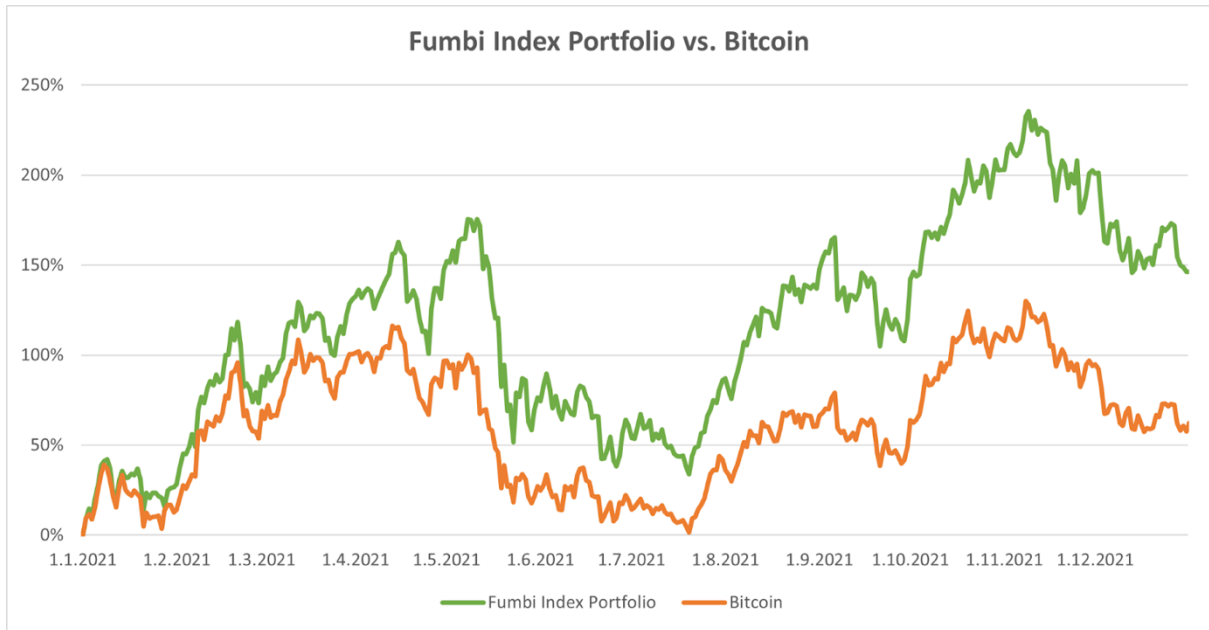
If an investor had invested €1,000 in the Fumbi Index Portfolio on 1.1.2021, they would have gained €1,462.26 in one calendar year, with a cumulative investment value of €2,462.26 on 31.12.2021. We do not consider the transaction and brokerage fees in this model situation.

If investors had decided to realise their profits from the Fumbi Index Portfolio at the peak of the market cycle, namely on 9.11.2021, they would be able to generate €2,254.81 of net profit with a cumulative investment value of €3,354.81 at the withdrawal date. We again omitted the transaction and brokerage fees for absolute value calculations.



Source: Fumbi Research

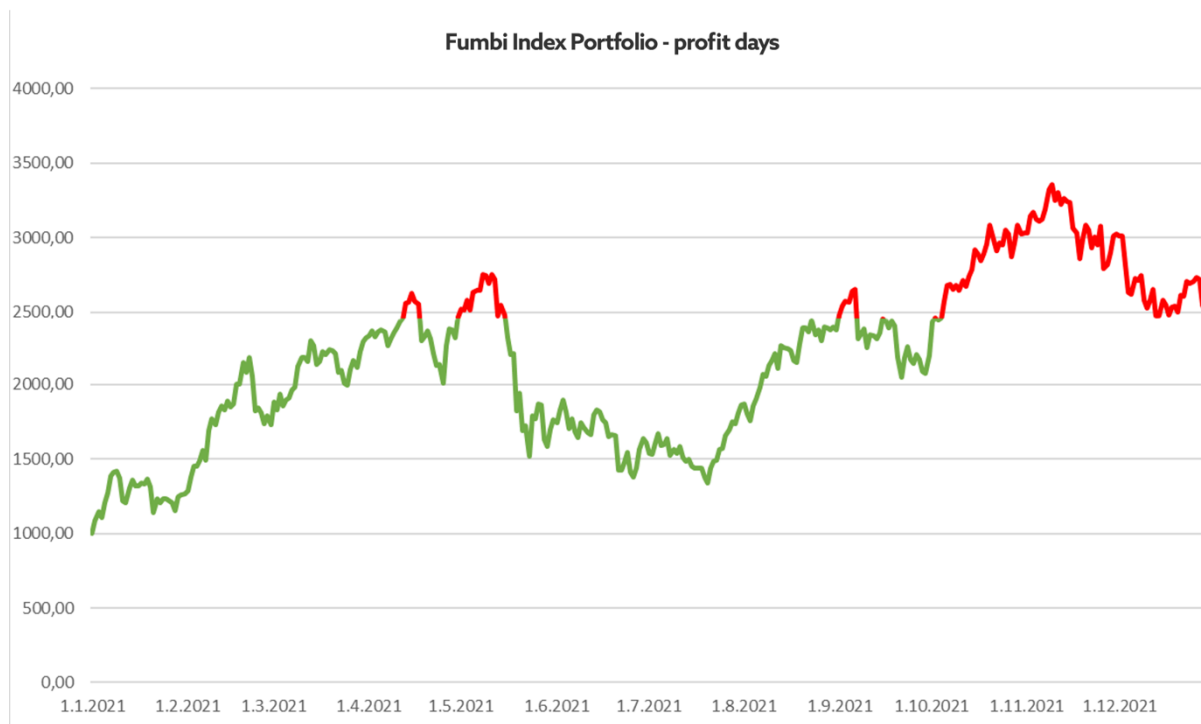
Compared to an investment directly in Bitcoin, our dynamic portfolio has generated significantly higher profits thanks to regular rebalancing. In 2021, investing exclusively in Bitcoin could yield a return of 62.34, while an investment in the diversified Fumbi Index Portfolio could generate a total return of 146.23%.



Source: Fumbi Research

The indicator of profitable days shows the number of days in 2021 when holding on to the Fumbi Index Portfolio investment of €1000 (model situation) was profitable compared to the closing value on 31.12.2021. In 2021 Fumbi Index Portfolio had a total of 251 profitable days - meaning that if you've invested in Fumbi Index Portfolio on any of these days, the return on your investment on the last calendar day was positive.

The green line on the graph indicates the days when the purchase of the Fumbi Index Portfolio was profitable relative to the closing value at the end of the calendar year (a total of 251 days). The red line indicates days when investing in Fumbi Index Portfolio would result in a loss at the end of 2021 (a total of 114 days).

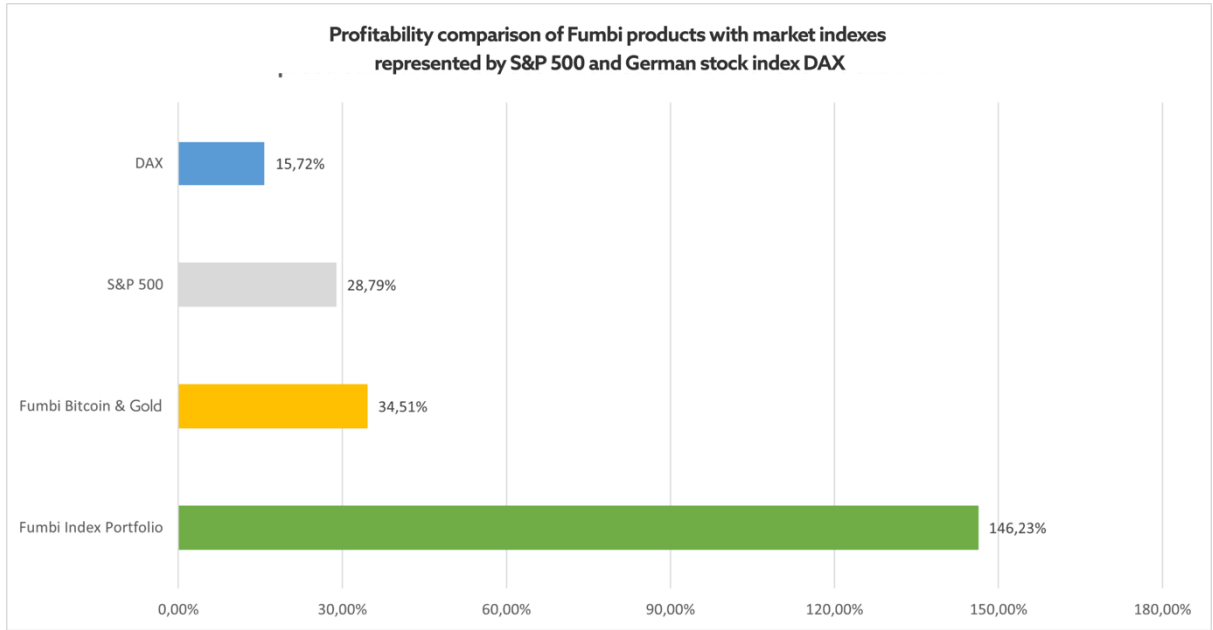


Source: Fumbi Research

We've also decided to compare the performance of our portfolio with benchmarks of traditional investing. We've chosen the two most popular indexes from the US and European markets:

- **S&P 500** - a stock index that includes shares of the 500 largest companies listed on US stock exchanges. Many investors see this as the best indicator of the US fund market. The index includes 500 leading companies and covers about 80% of available market capitalisation.
- **DAX** - the German stock index of the Frankfurt Stock Exchange. DAX consists of the 30 most important German companies in the blue-chip sector. This index has been running since 30 December 1987, when its initial value was set at 1,000 points.

In 2021, the Fumbi Index Portfolio outperformed the conventional investment global stock indexes several times over. However, it should be noted that the cryptocurrency market capitalisation is significantly lower than the stock market. Therefore, the cryptocurrency market is considered riskier and more volatile than the stock market. Traditionally, higher risk leads to higher rewards.

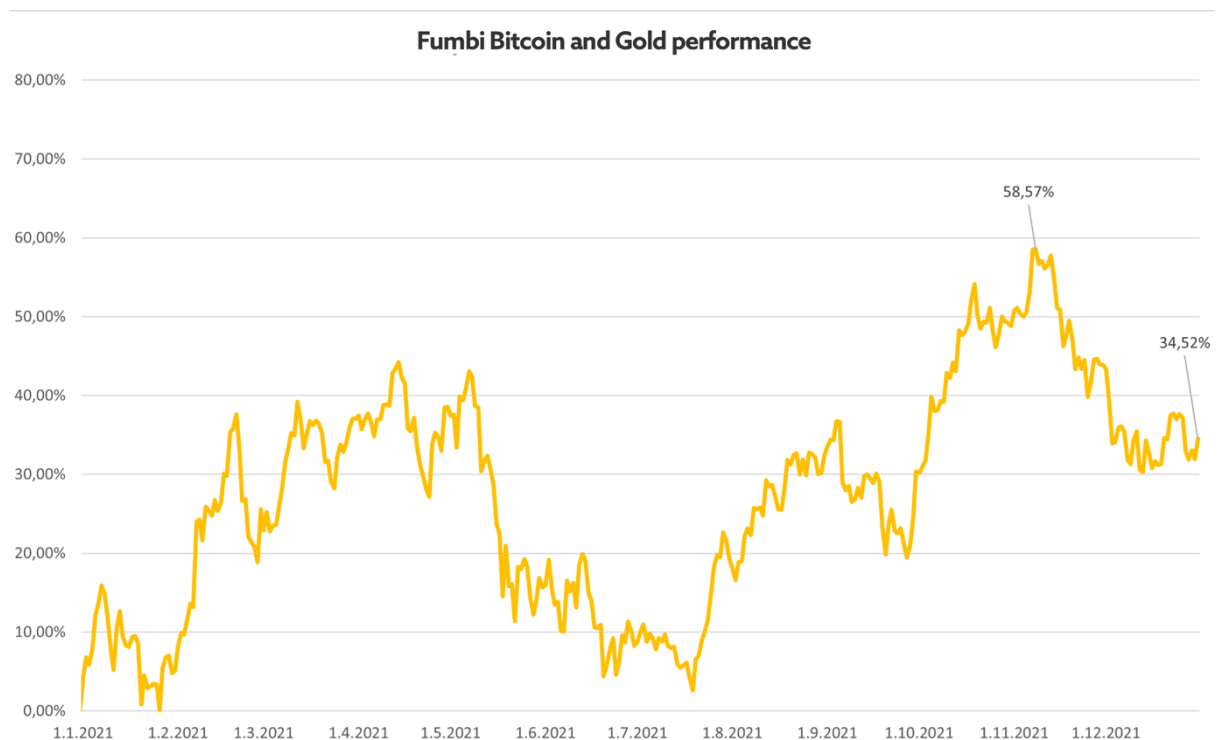


Source: Fumbi Research

Fumbi Bitcoin and Gold

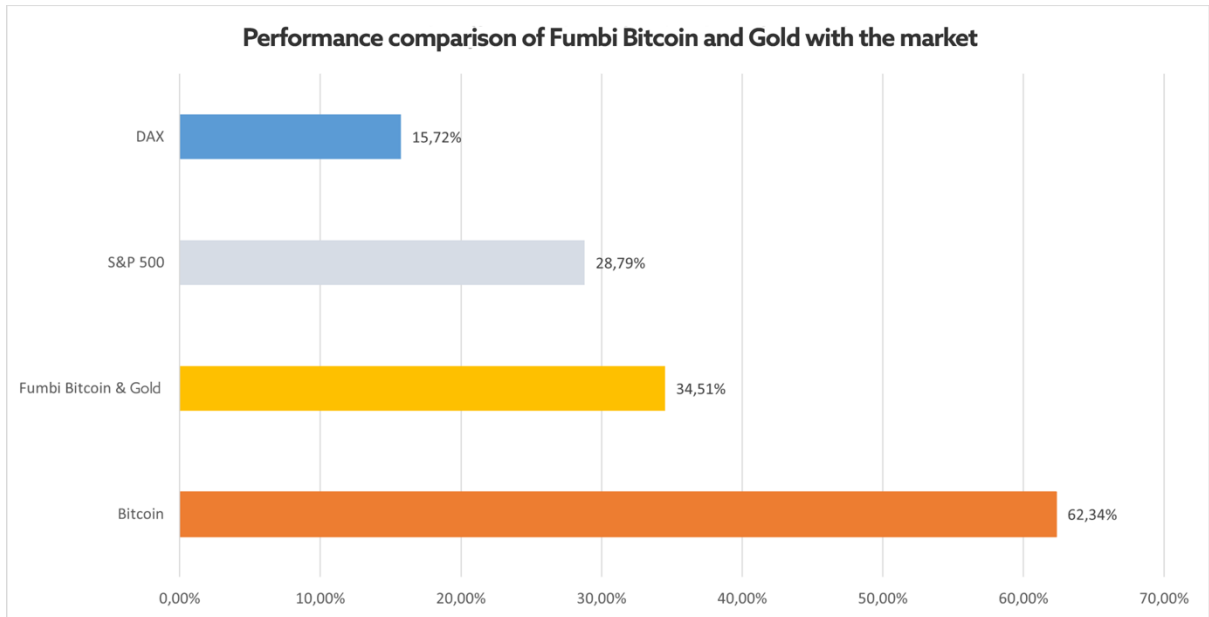
Last year, Fumbi added the Fumbi Bitcoin and Gold to its product portfolio, offering an option to invest in cryptocurrencies much more conservatively. The unique product combines Bitcoin's high growth and technological potential with the stability of gold in the form of PAX Gold, backed by physical gold reserves stored by Paxos. Therefore, owning a Pax Gold token is like owning physical gold.

In 2021, the Fumbi Bitcoin and Gold achieved a total appreciation of 34.52%. The peak appreciation was 58.57%, reached on 8.11.2021.



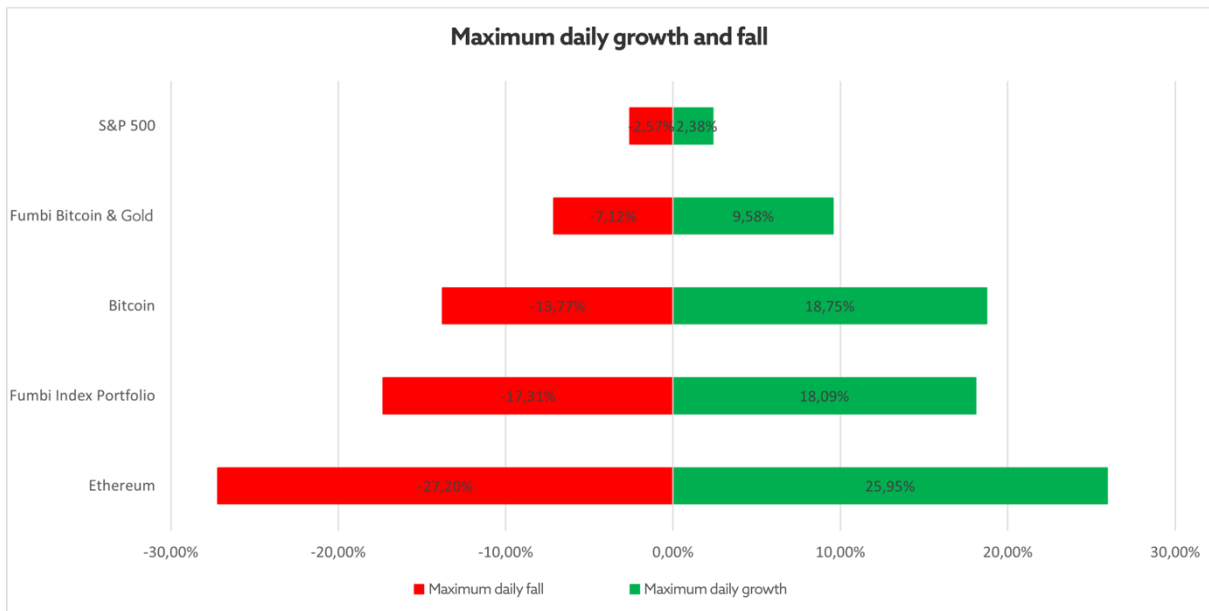
Source: Fumbi Research

This is considered our most conservative product, and taking a lower risk is naturally related to accepting a lower return. The algorithm regularly rebalances your investment to remain 50:50 – when the value of bitcoin increases, part of it is sold for gold, and vice versa. Nevertheless, Fumbi Bitcoin and Gold has outperformed the traditional stock indexes S&P 500 and DAX despite the significantly more conservative approach.



Source: Fumbi Research

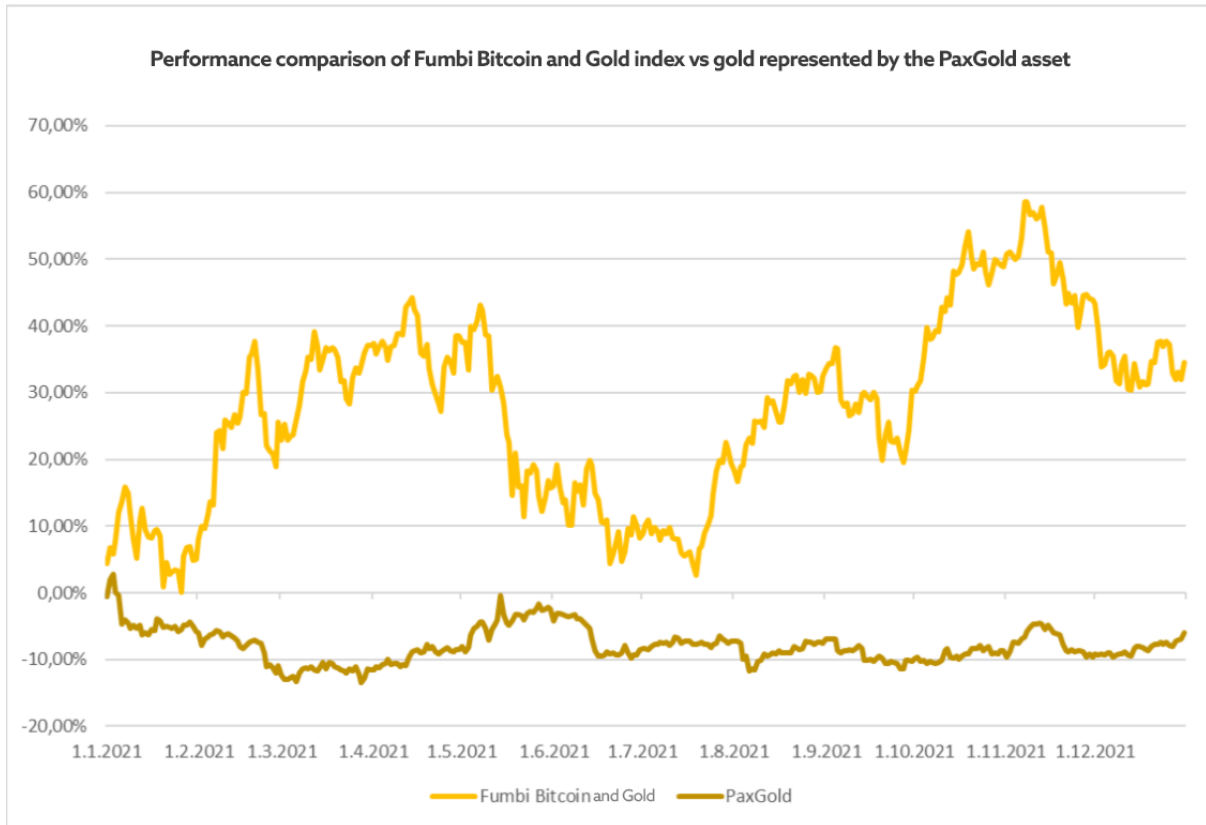
The following graph confirms the perfect stabilisation of the index by real gold to eliminate the adverse impact of cryptocurrency volatility. It compares the maximum daily fall and daily growth of selected assets and portfolios. Compared to individual assets, Bitcoin and Ethereum, and the Fumbi Index Portfolio, our Fumbi Bitcoin and Gold index shows significantly lower maximum drops.



Source: Fumbi Research

This makes this product a suitable investment tool even for risk-averse investors who prefer lower investment risk.

The following graph shows that Fumbi Bitcoin and Gold has brought investors a much better tool for protection against ever-increasing inflation than gold itself. The performance of gold on the chart is represented by the PAX Gold asset, backed by real gold, and its price means the price of one troy ounce of gold.



Source: Fumbi Research

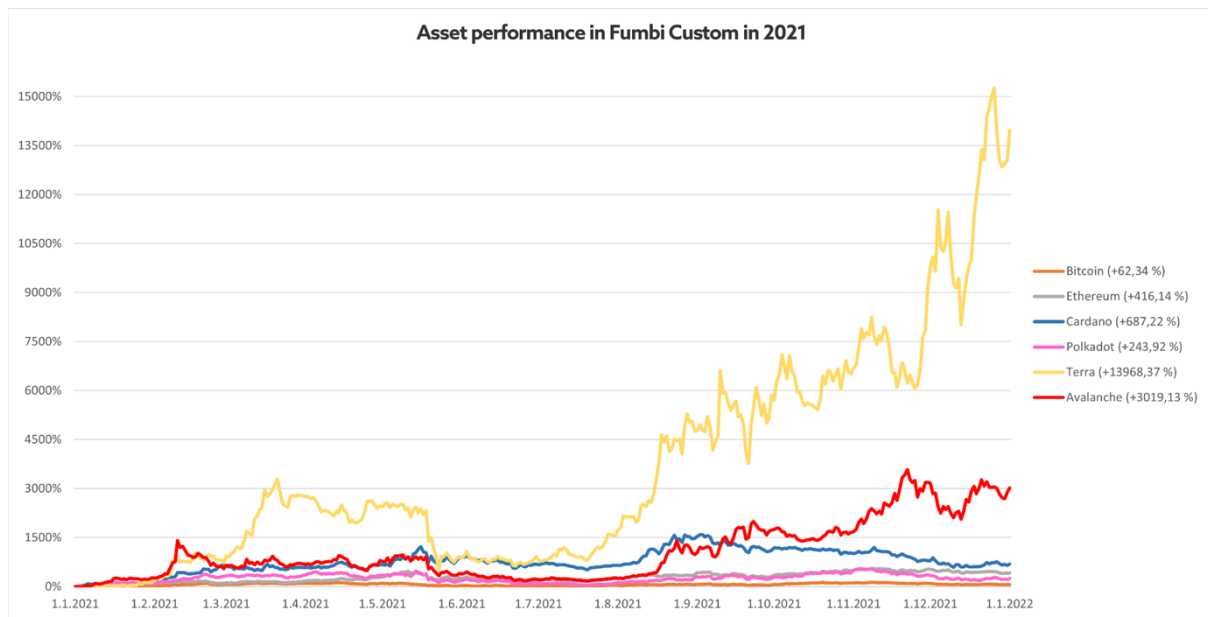
Fumbi Custom

In the first quarter of 2021, we launched Fumbi Custom, which allows our clients to invest in cryptocurrencies of their choice. The cryptocurrencies you invest in through Fumbi Custom are safely stored via the Ledger Vault platform.

Initially, only two basic and most popular cryptocurrencies were available - Bitcoin and Ethereum. However, over the year, we expanded this product with four other cryptocurrencies that you - our clients - have decided on through a vote.

As a result, it is possible to invest in the following cryptocurrencies through Fumbi Custom:

- Bitcoin
- Ethereum
- Cardano
- Polkadot
- Terra
- Avalanche

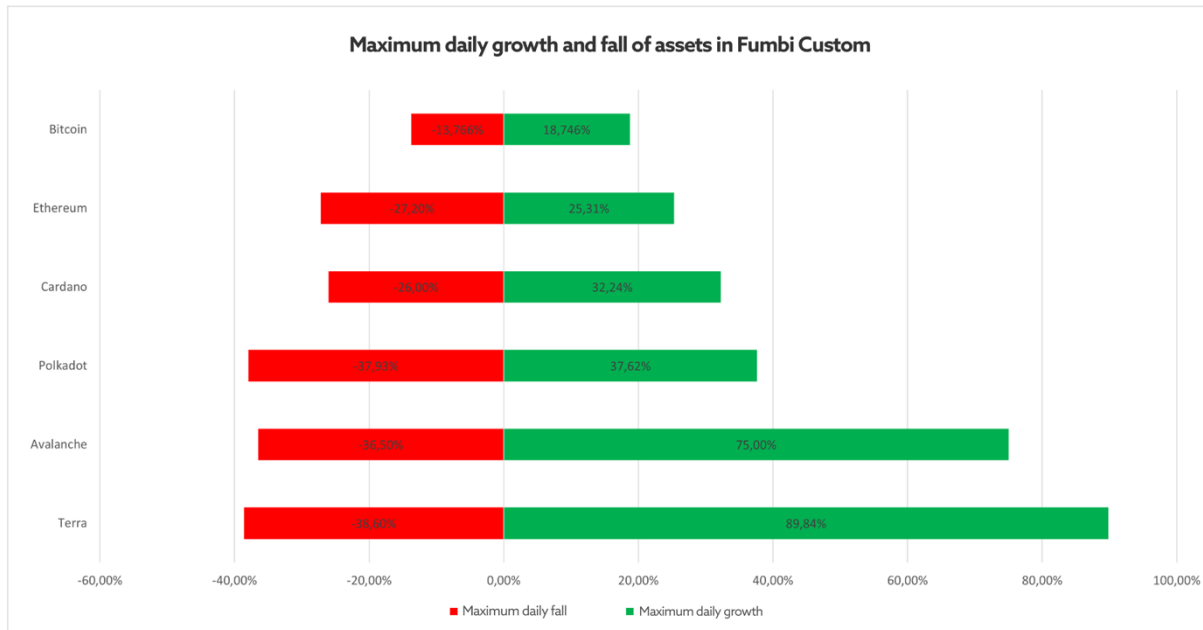


Source: Fumbi Research

Of all the Fumbi Custom assets, Terra was the clear winner in overall performance, with the price rising by a whopping 13,968.37% in one calendar year. On 1 January 2021, Terra (LUNA) could be purchased for just \$0.65. However, at the end of the year, the asset was trading at a whopping \$91.36.

In 2021, the top two cryptocurrencies on the market, Bitcoin and Ethereum, also performed remarkably. The strongest and most stable cryptocurrency, Bitcoin, grew by 62.34%, while its biggest competitor Ethereum increased by 416.14%.

The following graph shows the maximum daily growth and fall of individual assets available in Fumbi Custom.



Source: Fumbi Research

Capitalise on the Potential of Cryptocurrencies With Fumbi

If you want to capitalise on the potential of cryptocurrencies for your future, start investing with our product Fumbi Index Portfolio. Every three months, we update the composition of cryptocurrencies in the portfolio - we add cryptocurrencies with growth potential and remove those that no longer meet our criteria. Furthermore, your investment is regularly administered by the sophisticated Fumbi Algorithm that tracks the growth of the entire market and doesn't rely on individual cryptoassets.

If you are one of the more conservative investors, then the Fumbi Bitcoin and Gold is the perfect solution for you as it combines the potential of Bitcoin with the stability of real gold.

At Fumbi you can invest in the dynamic portfolio or selected cryptocurrencies with a deposit from just €50.

www.fumbi.network