

BEWARE POTESMKN VILLAGES!

What is a Potemkin village? In the mid-1300s, Catherine the Great of Russia invited foreign dignitaries to visit Russia, but she did not want them to see the real poverty of her people. So, she instructed her field marshal Gregori Potemkin to construct a village that looked prosperous. So the term “Potemkin Village” signifies any pretty construct designed to deceive.



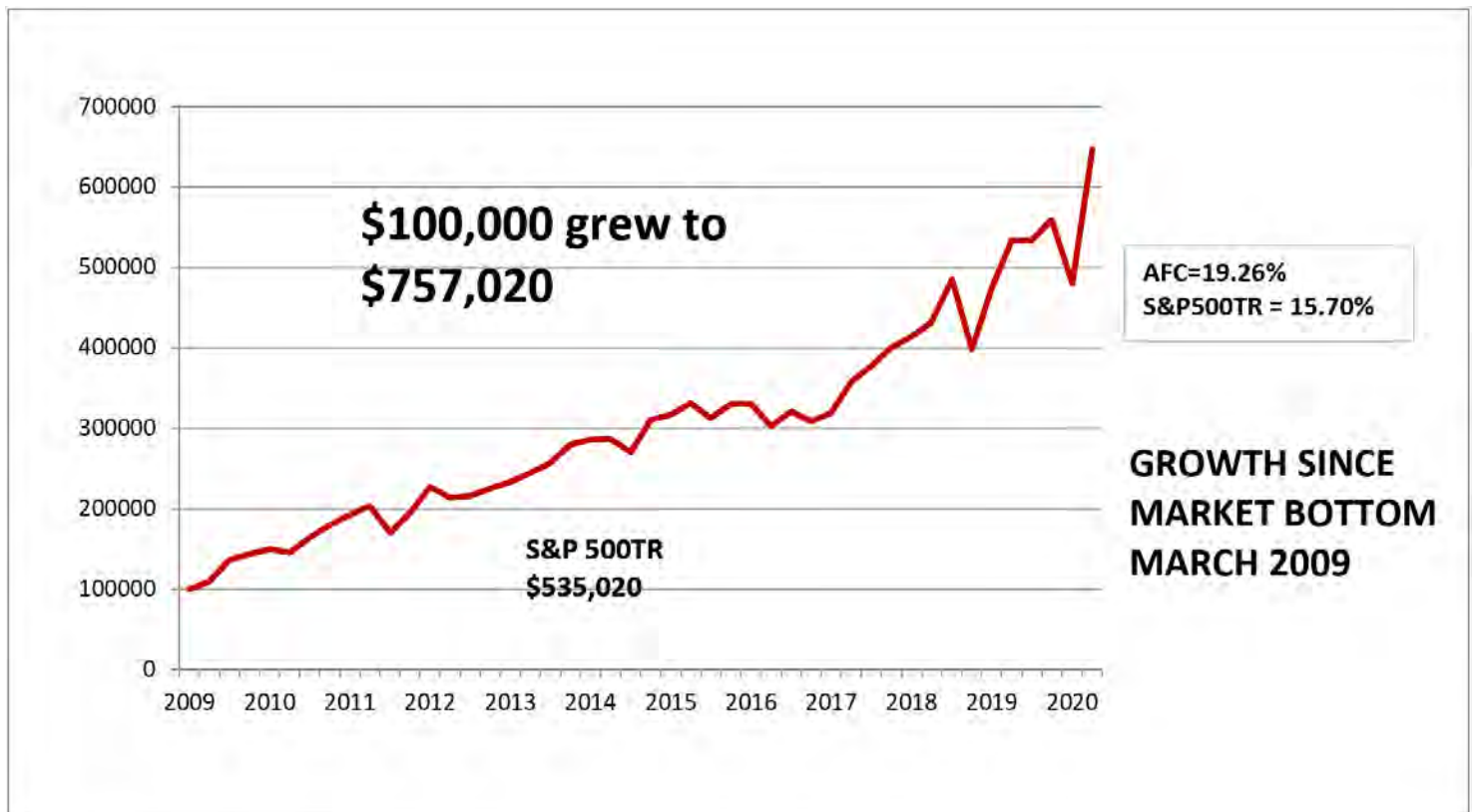
Image courtesy of CCN at <https://www.cnn.com/style/article/potemkin-village-gregor-sailer/index.html>

What does that mean for your portfolio?

- You should want to see real client results.
- It is not hard or that expensive for a money manager to provide real client returns.
- AFC hires Morningstar to daily take the data from each individual client account.
- On a quarterly basis Morningstar produces a performance report for each client
- AFC Quarterly reports are compiled into a composite
- AFC's composite is each account equally weighted
- That means small accounts are weighted equally with large ones
- The composite includes all accounts from new accounts to longer-term accounts

- Morningstar is only one of several services that provide this service
- AFC Reports are net, net, net of all fees, costs, expenses
- AFC includes some conservative, mostly moderate and a few aggressive accounts
- AFC builds each portfolio customized to the individual client's reward/risk profile

Mike Adams has been in the money management business for over three decades. He has never seen a model or quantitative algorithm that has actually done better than the S&P 500 total return over the longer-term for actual client accounts. Even top firms like AQR Capital (\$143 billion under management), considered one of the best algorithm trading firms has not beaten the S&P 500 TR over the longer-term. They do publish their results.



Past performance is no guarantee of future results.

Show Me the Money!!