



## **Normative document on relationship with investors in Alpha Centauri**

*Updated: 2. February 2025*

### **Description of the Fund**

Alpha Centauri is a private investment fund that trades and invests mostly in precious metals. The Fund was named after the star system closest to Earth. The preparations for establishing the Fund started in 2021, the fund started its operations at the end of 2022, and by the end of 2023 the Fund became consistently profitable.

The scope of the Fund includes trading and investing in precious metals, but it is not firmly set, and may be modified depending on changing macroeconomic conditions.

Since the Fund is relatively small, there is no corporate structure. The Fund comprises the General management, the Capital allocation and Risk management departments. Investing in this Fund is hence based on personal integrity and mutual trust between the Investors and the Manager.

### **Fund mission**

The Fund aims to secure a comfortable financial position for its investors. A

modest growth rate is aimed at of 5% monthly profits relative to the trading account size. Investors are generously compensated for their trust with a 12% annual interest rate.

### **The Fund Manager**

The Manager is dr. Fran Nekvapil. He graduated the doctoral study of physics, and worked at a research institute. The Manager also intends to apply for the CAIA exam and certification (Chartered Alternative Investments Analyst) in autumn of 2025.

### **Investitors**

The investors are natural persons who have spare cash which they would like to invest in this actively managed fund.

New Investors enter the Fund by the invitation from the Manager or by a strong recommendation from an existing Investor.

### **Structure of the Fund**



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The Fund's capital has four components: the Fund's own money, the credit, the investors' money and the reserves of physical gold (Figure 1).

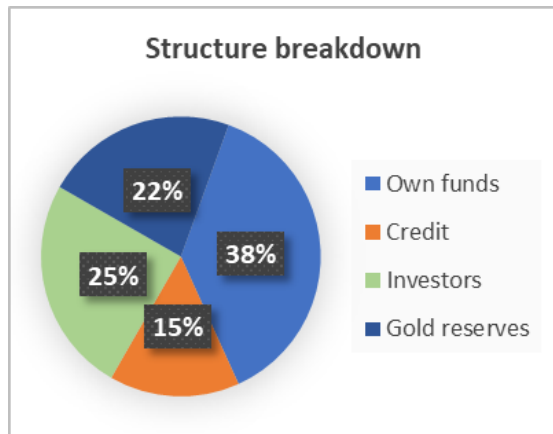


Figure 1. Structure of the fund Alpha Centauri (as of 17. December 2024).

Fund's own money, Investors and credit represent liquid component (trading account). The sum of Investor's money and credit will be counter-balanced with approximately equal sum of Fund's own cash and value of gold reserves.

Gold reserves (Figure 2) are kept around 20 % of the total capital. The Manager periodically buys physical gold from trusted sources, when the availability of free cash in the Fund permits it.



Figure 2. Examples of physical gold reserves held by the Fund. Left: 5 g fold

*bar from the Austrian mint; right: 1 oz chinese gold panda.*

### Cash deposition and the interest rate

The Fund offers the compounding interest arrangement, whereby the value of the accumulated interest at the end of a period is added to the principal, which in turn becomes the new principal for the next period. Refer to the Table 1. for an example.

The nominal interest rate offered by the Fund is 12 % annually, with 3 % quartal compounding (every 3 months). Investors may choose if they wish to withdraw earned interest amounts or add them to the principal (Table 1).

The currency in which the Fund trades is US Dollar. The collecting accounts of the Fund are opened at Banca Comerciala Romana (Erste group) and Revolut Bank UAB. The Manager has both USD and EUR accounts. Investors are recommended to study the terms and commissions of their own bank regarding transfers in foreign currencies. The Manager will inform the Investors about the received amount and first currency conversion (if needed), and this sum will be used as the principal.

The Manager may award one-time bonuses to the interest rate from 1 to 3 % following events of extraordinary performance of the Fund.

Alpha Centauri does not charge its Investors any fees (no subscription, administration, withdrawal fees etc.). Comissions charged by Investors' bank still apply with no ties to the Fund.



Table 1. An example of compounding interest calculation  
for an Investor who deposited 1000 USD at the beginning of 2024:

Period start date	Period end date	Principal (USD)	Interest rate (%)	Interest amount (USD)	New principal to be used in the next period (USD)
10.1.2024.	10.4.2024	1000	3	30	1030
10.4.2024.	10.7.2024	1025	3	30.0	1060.9
10.7.2024.	10.10.2024		3	31.83	1092.73
10.10.2024.	10.1.2025	1076.9	3	32.78	1125.51
10.1.2025.	10.4.2025	1103.82	3	33.77	1159.28
10.4.2025.	10.7.2024	1131.42	3	34.78	1194.06

And so on until termination of the investment.

### Business method of the Fund

Alpha Centauri conducts the bulk of its trading activity through the broker XTB Romania. XTB is a brokerage chain headquartered in Poland, with branches in over 10 European countries. Hence XTB Romania, and implicitly the Fund operate under Romanian laws.

#### Alpha Centauri is not a Ponzi scheme

A Ponzi scheme is a fraudulent structure that relies on paying interest to older investors directly with money from fresh investors. The scheme does not have real profits nor activities, and it relies on attracting ever bigger number of investors in each step. Eventually new investors become hard to find, and the entire scheme falls apart, with investors losing their money.

Alpha Centauri actually has profits, and interest is paid to Investors exclusively from the profits. Money from new Investors is used to grow total Fund size, but has no relationship with the money of existing Investors.

At the moment (winter 2024), the bulk of Fund's trading activities concern short-term trading of CFDs on silver prices. The Manager expects positions to deliver profit in up to 2 weeks time (*swing trading*). The Risk management department informs the Manager on proper position sizes and drawdown boundaries.

The Fund does not engage in risky positions (e.g. crypto or meme stocks).

The aim of the Fund is to be consistently profitable, have a good track record of success, and in this way attract progressively bigger Investors. Eventual losing positions will be liquidated in a controlled manner so as not to negatively affect Fund's overall performance.

#### Why do we have inflation?

Virtually all governments run a budget deficit, which means that they spend more money than they bring in through taxes. Governments patch up these deficits in two main ways: partly through issuing governmental bonds, and partly through „printing“ of new money. The second option causes increase in total money supply in the system, and if not matched by production of goods, through simple law of supply and demand the prices will rise (because now there is more money chasing the same amount of goods).

Thus, the definition of inflation is not rising prices (as politicians would like us to believe), but rather, the real definition is increase in total money supply (caused by the governments themselves). So, rising prices are not the cause of inflation, but rather its consequence.

### Performance / capital allocation

The Manager keeps statistical account of the Fund's performance on weekly and monthly basis.

Running performance is charted on monthly basis, and realized profit is displayed as percentage of the total trading account size (Figure 3). The



bars in the graph below represent relative realized profit, while the line shows the moving average.

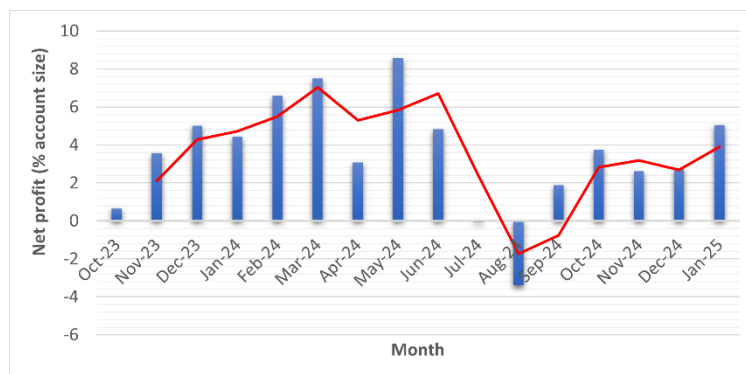


Figure 3. Running performance of Alpha Centauri trading account indicated as percentage of total trading account size.

The current capital allocation, after completing the summer 2024 revision, is as follows:

Category	Amount
Solid gold	\$4500
Ultra-short US treasuries	\$8000
Drawdown buffer	\$3500
Volatile positions	\$300

*The allocation is somewhat flexible and may vary according to current market conditions.*

## Withdrawals and protection of Investors

Money of all Investors is pooled in the trading account. Hence, the Investors' money participates in the same trades as Manager's money, thereby avoiding any conflict of interests.

The Fund keeps at all times certain amount of un-engaged cash which is accessible for Investors withdrawals, even the full amount if they wish.

Investors should take into account that withdrawals may take three to four business days, due to interbank processes that cannot be sped up.

Inflation is a hidden tax through which governments patch up their own budget deficits. The Fund will do everything in its power to protect the Investors from negative real rates of return. This may also include rising the nominal annual interest rate if necessary.

Essentially, the Investors cannot lose money invested in this Fund. In the case the Manager evaluates that the Fund cannot function profitably anymore, all Investors will be returned their full principal and any interest accumulated thus far. Investors will be notified in advance about the intention to terminate the Investor programme.

## Cybersecurity

All devices used to access the Fund's resources have full versions of antivirus and VPN software installed. Subscriptions to this software are considered as a running cost and are covered by the Fund's own money.



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The fund guarantees anonymity to its Investors. If it is necessary to display the structure of Fund's resources, all Investors funds will be cumulated and shown as a fraction of total resources, similarly to Figure 1.

#### How conventional banks are getting rich off your money?

Banks typically offer interest rates between 0.1 and 2.5% annually, depending on currency and country. When you make a deposit, the bank turns around and buys governmental bonds, which usually yield 4 to 8% annually. The bank still gives you your rate, but pockets the difference. This is a simplified picture how banks make insane quantities of money with negligible risk.

Alpha Centauri offers its investors a fair interest rate currently at 12% annually, which puts them in an advantageous position. Money is an abundant resource in the World, and large returns can be attracted with proper knowledge and tools, both to the benefit of the Manager and the Investors.

## Final provisions

The official communication channels with the Manager are, in written form, Whatsapp at the number 0040 743 054 850, na email at [neki.fran@gmail.com](mailto:neki.fran@gmail.com). Investors may converse with the Manager about any issues not explicitly addressed here.

This is a live document, and it is a subsubject to change. The Manager will nevertheless maintain the terms as stable as possible. If modifications were to occur, the Manager will notify all Investors without delay. If the changes directly influence the nominal interest rate, the investors will have a right to negotiate with the Manager.



Do not forget: the best thing money can buy is financial freedom!