

STRATEGY LAUNCH: Q4 2014
FOUNDER: JAN-ERIK SKOGLUND
HQ: ZÜRICH

Set up to act as an engineer of systematic strategies suitable for replication, QLAB Invest is best known for its low-cost strategy indices, which it licenses to institutional investors and fund managers.

With a presence now in both London and Zurich, the idea of QLAB was initiated in 2007 by Jan-Erik Skoglund as a research activity focusing on advanced systematic portfolio construction techniques.

CEO Steven Bates is a particle physics PhD and asset management veteran who has held senior investment management positions at UBS and trading risk management at Merrill Lynch. The company is backed by a strong group of entrepreneur partners.

QLAB expanded its product offering in 2014 to enter the space between hedge funds and ETFs by launching two Luxembourg funds with Swedish FoF IFM Risk & Portfolio Management.

Based on two of its multi-asset long-only indices, they offer exposure to US equity sectors, individual commodities, US treasuries, and G10 FX.

The funds, called Coevesty and Coevesty Dynamic Leverage, have attracted \$30m in assets with strong interest from institutions and wealth managers, according to sources.

The 1x fund has a return target of one month Libor plus 4%, with a 60bps management fee and no performance fee.

QLAB is currently building seed for a fund version of its Quadrant Commodity L/S Index, which takes long and short positions in 14 liquid commodities, and has been outperforming leading commodity benchmarks.

It represents a "third generation commodity index solution that seeks to offer high absolute returns compared to the commodity and CTA hedge fund space," according to QLAB.

DOMEVARD LP
FUND LAUNCH: 2016

FOUNDERS: LIAN LI, CHRISTINA QI, JONATHAN WANG
HQ: BOSTON

Domeyard is a quantitative high frequency start-up hedge fund based in the heart of Boston's financial district.

The firm claims to be backed by the CEO of one of the largest quant funds in the world, the pioneer of China's internet industry, and one of the world's biggest tech investors.

It deploys data driven models to trade broad range of asset classes including equities, futures, fixed income instruments, energy products and

Class of 2015: where are they now?

London-based **Pigment**, set up by ex-Winton/Aspect duo James Holloway and Iain Buchanan, is understood to have raised over \$100m in the past 12 months. Its Pegasus strategy completed its first full calendar year in 2014, returning 20%, and was beating CTA benchmarks this year. The strategy, which launched in September 2013, has grown from \$5m to around \$150m, with a 'very strong operating', according to sources.

Former RG Niederhoffer Capital duo Kapil Rastogi and Murali Unnikrishnan's **PlusPlus Capital Management**, which was incubated inside New York-based Madison Quant Labs, completed its two-year track record with an annualised return of 15% and Sorting of 1.8. The firm has grown assets to \$25m.

KPI Capital Management, a Canadian CTA deploying machine learning techniques through an AI machine, dubbed Krystal, returned 31% last year. 2015 has proved trickier. While performance remains positive, it had slumped to -13% YTD by the end of August. A perpetual fund launched in December 2013 has yet to gain traction with investors, currently at \$5m in AUM.

Stockholm-based **Roarback Capital**, co-founded at the end of 2012 by Nordic hedge fund veterans Torsten Lindeman and Julia Harjo, an ex-Lynn Asset Management senior quant, has been trading an adaptive learning, fundamentally driven, systematic commodities program. They have since added a second ex-Lynn quant to develop a 3rd generation all asset class, short-term CTA.

Chicago-based **EMC's Alpha Plus** program, which came out of a reorganisation of the firm to strengthen and expand its product range, completed its first 12 months in April with strong performance, up 4%, and has raised \$20m in assets.

Red Rock's systematic Commodity Long-Short program has been an outstanding performer in its class. It reached its second anniversary in August with an annualised return of 36%.

The short-term pattern recognition program, which has a very low correlation to trend-followers, was inspired by a strategy PM Thomas Rollinger developed with quant hedge fund pioneer Edward D Thorp.

London-based **Quantitative Strategies Investments (QSI)**, which was set up by former Graham Capital and APL managers in November last year offering a systematic diversified approach, is to embark on asset raising as it nears its one year mark. Fellow London-based shop, **Sagitt Capital** which fuses global macro/WFA methods with systematic short-term futures trading, has suffered from poor performance so far this year and struggled to raise client assets.

Robert Vellera's re-launched **Valley Advisors** short-term systematic strategy has had lackluster performance since the summer of last year and has lost much of its assets.

London-based **Finex** has generated strong performance across its Navigator UCITS fund and EU managed accounts, growing AUM to \$60m. It made its strategy available to US investors with the launch of Chicago-based Finex CTA in Q1.

commodities.

The firm says on any given day it processes more order messages than Google searches and Twitter messages combined.

The firm started hiring quant researchers, developers and programmers last autumn.

It registered with the CFTC as a CTA and CPO in July and is in the midst of fund-raising for a launch next year.

Its principals are Lihai Lin, Christina Qi and Jonathan Wang, who have backgrounds in both financial and tech sectors.

The firm claims to have a flat organisation, in which the founders sit next to the interns, and traditional titles don't exist. Its name comes from MIT's Dome and Harvard's Yard.

While a number of so-called 'big data' launches have failed to gain traction with investors, Domeyard is seen as a strong prospect for 2016, with a super smart team.

SOLHARBOR MANAGEMENT
STRATEGY LAUNCH: Q4 2014

FOUNDER: SIDHARTH KAIL
HQ: LONDON

London-based SolHarbor Management describes itself as risk management company specialising in quantitative strategies and analytics.

Incorporated four years ago by Sidharth Kail, the firm received its first external investment twelve months ago from Crabtree's emerging manager FoF vehicle AlphaTerra, which was set up to find the world's most promising early stage hedge fund talent.

While performance has been muted to date, its short-term systematic strategy approach, which has an average hold period of 30 minutes, has made a number of emerging manager watch lists as a differentiated strategy.

Kail was previously chief risk officer of Cairn Capital, senior risk manager at GAM and led the pricing and modelling team at UBS Investment Bank. He is joined by James Lee, an ex-senior developer at Barclays, Mizuho and UBS, who has led development of SolHarbor's technology platform. **Q**