

# GAM Systematic to Launch 2 New UCITS strategies

Stockholm (HedgeNordic) – GAM announced in a Press Release yesterday the completion of the acquisition of Cantab Capital Partners LLP on 3 October, first announced on 29 June this year and now completed following regulatory approval.

“Cantab,” as it is known henceforth, is an industry leading, multi-strategy systemic manager based in Cambridge, UK, with USD 4.1b in AUM on behalf of institutional clients worldwide, and will form the cornerstone of GAM’s newly launched Systematic Platform. The objective of GAM Systematic is to develop and run quantitative products and solutions across liquid alternatives and long-only strategies in multiple asset classes from futures and forwards to equities, debt and credit. Systematic strategies use sophisticated computer algorithms to make investment decisions and manage risk based on a wide range of information, including technical and trading analytics alongside fundamental and macroeconomic data.

Cantab, which is renowned for its rigorous scientific research and multi-strategy approach to systematic investment, employs 55 people (all of who will continue to work out of Cambridge), and was founded by Dr Ewan Kirk. The firm’s existing investment philosophy and processes will remain intact and driven by Cantab’s investment team. The firm’s state-of-the-art infrastructure and proprietary technology allow Cantab to run a suite of models across more than 150 macro markets and a universe of over 2,500 equities. The strength of the firm’s systems and data analytics is bolstered by best-of-breed training and execution systems.

## **First Order: 2 New GAM Systematic UCITS strategies**

The first product development milestone following the acquisition will be the launch of two new GAM Systematic UCITS strategies.

The two new UCITS funds will be based on Cantab’s proven methodology and tested investment strategies. These new funds will offer daily liquidity under the GAM Systematic name, subject to regulatory approval. Both funds are designed to deliver attractive risk-adjusted returns, as well as offering diversification to equity and bond investments over the cycle. They will also both be structured to be cost-effective.

The **systematic global equity market neutral strategy** will contain Cantab’s established equity-focused models, which have delivered a successful return track record as part of Cantab’s flagship Quantitative Fund launched in 2007. It will invest in liquid equities globally using Cantab’s proprietary research and trading systems, without taking equity market beta. Over a three-year cycle, the strategy will aim to deliver attractive returns with negligible correlation to traditional markets and annualised volatility of 6-8%.

The **systematic diversified macro strategy** will be a multi-strategy, multi-asset product based on Cantab’s established Core Macro fund launched in 2013. It will seek to generate returns uncorrelated to traditional asset classes by identifying persistent and recurring sources of return across over 100 markets in currencies, fixed income, equity indices and commodities. Over the cycle, it is expected to deliver attractive returns with negligible correlation to traditional markets and annualised volatility of 10-12%.

## **Over the Mountain**

Cantab's technology and team of over 30 scientists are led by Dr Kirk and the new investment platform is co-headed by Adam Glinsman, CEO of Cantab, and Anthony Lawler, Head of Portfolio Management at GAM's Alternative Investment Solutions (AIS) Group.

The acquisition is expected to be accretive to GAM's underlying earnings per share in the first full year of ownership. It will expand and diversify GAM's active investment capabilities into systematic investing – a segment with growing investor demand, where returns show low correlation to traditional asset classes.

In addition to the existing Cantab fund range, the GAM Systematic platform will also include GAM's existing Alternative Risk Premia strategy, managed by Dr Lars Jaeger, a pioneer in the field of alternative beta.

GAM Systematic will serve as the Group's innovation hub for the development of new technologies and approaches in systematic strategies. The GAM Systematic range will encompass products applying systematic investing to alternative as well as long-only investment strategies over time.

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