Innolab Rolls Out New Strategy

Stockholm (HedgeNordic) – Danish artificial intelligence firm **Innolab** is introducing a new AI-powered equity arbitrage investment strategy. Focusing on an investment universe of more than 50 European sector equity indices and global country indices, the futures-based strategy is designed to exploit deviations from a long-run equilibrium relationship between pairs of indices.

The equity arbitrage strategy is based on Innolab's proprietary artificial intelligence capabilities that seek to find non-linear hierarchical relationships in global equity markets. According to an announcement by Innolab, the strategy seeks to generate stable single-digit returns by holding a portfolio of about 130 arbitrage pairs on average, with each pair having a three-month investment horizon.

"The strategy is independent of equity market movements and Innolab is pleased to see positive returns and a year-to-date Sharpe ratio of 0.93 during the 2020 Corona market turmoil," Innolab's founder, Peter Smedegaard *(pictured)*, tells HedgeNordic. The strategy fits in all portfolios as a supplement or replacement to fixed income.

Founded by Peter Smedegaard in 2015, Innolab operates as an advisor to mutual funds and asset management firms relying on deep learning research. The Danish firm partners with asset managers to enhance existing strategies or developed customized artificial intelligence-powered investment products. "Innolab will launch the strategy with a partner in 2020," says Smedegaard. "Innolab is constantly looking for opportunities to utilize our proprietary artificial intelligence-based research capabilities."