

Ray Dalio-Inspired Fund in the Nordics

Stockholm (HedgeNordic) - After starting a long/short equity fund under the umbrella of his family office at the beginning of 2018, Linköping-based fund manager Alexander Hyll (*pictured*) can now welcome external investors into **Adaptive Paradigm Alpha** after receiving an AIF license from Finansinspektionen earlier this year. The fund has enjoyed only positive months this year and gained 4.5 percent year-to-date through the end of May.

Inspired by Ray Dalio of Bridgewater Associates, Alexander Hyll seeks to position Adaptive Paradigm Alpha's portfolio to capitalize on global paradigm shifts, which represent specific market dynamics that tend to persist for more extended periods of time. "We believe that the economy works like a machine, in so far that a certain stimulus or contraction has a given foreseeable effect," explains Hyll. "By taking our understanding of the economy and putting it into numbers, we identify these cause-effect relationships, which we call paradigms, in order to find investment opportunities on which we build a portfolio with stable, reliable returns," he describes Adaptive Paradigm Alpha's investment philosophy.

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The efforts by governments and central banks to revive the global economy from the financial crisis of 2008, for instance, marked the beginning of a paradigm shift towards expansionary monetary policies. Adaptive Paradigm Alpha seeks to identify and tactically navigate such paradigm shifts. The fund, however, may not maintain exposure of more than 20 percent to a particular paradigm. Hyll's investment strategy relies on a combination of fundamental quantitative analysis of global paradigms, which utilizes statistical models and artificial intelligence, and fundamental qualitative analysis.

Adaptive Paradigm Alpha predominantly invests in equity markets, but can also invest in derivative instruments for positioning and hedging purposes, in credits and funds. Alexander Hyll has been running the same strategy since starting his family office at the beginning of 2018, delivering an annualized return of 17.5 percent through the end of May this year. Commenting on the decision to start Adaptive, Hyll tells HedgeNordic that "hedge funds that are set up to fill their purpose in a portfolio construction are few and far between."

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