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SYSTEMATIC STRATEGIES & QUANT TRADING 2026

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INTRODUCTION

HedgeNordic is the leading media covering the Nordic alternative investment and hedge fund universe. The website brings daily news, research, analysis and background that is relevant to Nordic hedge fund professionals from the sell and buy side from all tiers.

HedgeNordic publishes monthly, quarterly and annual reports on recent developments in her core market as well as special, in-depth reports on "hot topics".

HedgeNordic also calculates and publishes the Nordic Hedge Index (NHX) and is host to the Nordic Hedge Award and organizes round tables and seminars.

CONTACT:

Kamran George Ghalitschi
Nordic Business Media AB
Kungsgatan 8
SE-103 89 Stockholm, Sweden
Corporate Number: 556838-6170
VAT Number: SE-556838617001

Direct: +46 (0) 8 5333 8688
Mobile: +46 (0) 706566688
Email: kamran@hedgenordic.com
www.hedgenordic.com

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Editor´s Note…

The Checklist

In October 1935, the United States Army Air Corps held a flight competition to determine the future of long-range military aviation. Boeing entered the race with what at the time was described as a "flying fortress," a revolutionary aircraft called the Model 299. It could fly faster than previous bombers, carry more payload, travel farther and featured technology considered extraordinary for its time. The airplane was so advanced that many believed the competition had already been decided before it even began.

Then, during a demonstration flight at Wright Field in Ohio, the aircraft climbed only a few hundred feet before stalling, turning sharply and crashing into the ground in flames, killing two crew members.

Investigators would later conclude there had been nothing fundamentally wrong with the airplane itself. The crash occurred because the aircraft had become too technologically sophisticated for the pilot to reliably manage. A critical control lock had simply been left engaged before takeoff.

The solution that followed was almost laughably simple. Pilots began using checklists; they implemented a system. Not because they lacked intelligence, training or experience, but the complexity of the environment had surpassed the reliability of instinct alone. The airplane had become too advanced to "just wing it," if you excuse the expression.

Despite losing the original competition, the Army ultimately ordered the aircraft, and the refined production version became the B-17 Flying Fortress, one of the most successful and iconic bombers of the Second World War. More than 12,000 were built.

Ironically, the airplane that was initially considered "too much aircraft for one man to fly" became indispensable precisely because pilots stopped relying solely on memory, instinct and improvisation. The checklist did not diminish the role of the pilot. It allowed both pilot and machine to operate at their full potential.

Financial markets increasingly feel much the same.

There remains, particularly in popular culture, a strangely romantic image of investing as an exercise in intuition and gut feeling. The lone trader staring at flickering screens, sensing opportunity before everyone else, making split-second decisions under pressure with little more than experience, conviction and courage. We still celebrate stories of legendary investors who appear almost mythical in their ability to navigate chaos through instinct alone.

And admittedly, there is something deeply appealing about that narrative. The problem, however, is that modern markets are not built for improvisation.

Today's investment landscape is shaped by overwhelming amounts of information, algorithmic execution, geopolitical volatility, macroeconomic uncertainty and decision cycles measured in milliseconds rather than days. News travels globally before most people have had time to formulate an opinion about it. Entire market narratives emerge, collapse and reverse before you unpack your pre-prepped lunch.

Against that backdrop, systematic investing starts to look less like a technological curiosity and more like a practical necessity.

At its core, a systematic strategy is simply a structured decision-making framework. It is an attempt to define behavior before emotion enters the equation. What should be bought, what should be avoided, how much risk should be taken and under what circumstances exposure should be reduced are questions answered in advance rather than in the heat of the moment.

Importantly, this does not mean systematic managers believe they can predict the future with scientific precision. Quite the opposite. Most systematic approaches are built around the assumption that uncertainty is permanent and that markets will continue to surprise us in new and creative ways. The purpose of the system is therefore not to eliminate uncertainty, but to determine how one intends to behave when uncertainty inevitably arrives.

Because eventually, every investor gets tested. Not during calm periods when trends are orderly, volatility subdued and confidence abundant, but during moments when markets become uncomfortable, narratives collapse and instinct begins whispering that abandoning discipline suddenly feels reasonable.

That, perhaps, is where systematic investing reveals its true purpose. The real value of a process is rarely visible when everything works. It becomes visible when emotion attempts to take control.

Ironically, many people hear the word "systematic" and immediately imagine cold machines replacing human judgment. Reality is considerably more nuanced. Behind every systematic strategy sits an entirely human process of deciding which risks matter, which assumptions deserve trust, which markets to trade and how models should evolve as environments change. Human judgment remains everywhere. It simply operates earlier in the process, within a system.

In many ways, systematic investing is not the removal of discretion, but the relocation of it.

The pilot still flies the aircraft. The checklist merely exists to ensure that critical decisions are not forgotten when pressure rises. And perhaps that is the central question surrounding systematic strategies today. In a world growing increasingly complex, can investors compete without some form of structured framework guiding decision-making?

In this edition of Systematic Strategies and Quant Trading, we explore how managers across the systematic landscape attempt to answer that question. From trend-following and quantitative macro models to machine learning, portfolio construction and execution design, the common thread running through these approaches is not necessarily prediction, but preparation.

Kamran Ghalitschi

PUBLISHER, HEDGENORDIC

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Bjarne Graven Larsen, Qblue Balanced – Founder and CEO

Beyond 60/40: The Case for Liquid, Systematic Diversification

By Bjarne Graven Larsen - Qblue Balanced

For decades during the great moderation, the 60/40 portfolio was the institutional investor's Swiss army knife. Equities grew wealth; bonds benefitted from the secular decline in rates and cushioned the blows. The two assets moved in opposite directions when it mattered most. Investors slept soundly.

That sleep has become more restless.

WHEN THE SAFETY NET FRAYS

Since approximately 2021, the reliable negative correlation between equities and government bonds has been eroding. In the 2022 rate hiking cycle it disappeared entirely. Bonds and equities fell in unison, delivering a simultaneous blow to traditionally balanced portfolios. The two-legged stool wobbled. The question every institutional investor now faces is simple: where do you find the third leg?

THE LIQUIDITY TRAP

Many investors responded to the correlation problem by increasing allocations to private markets such as private equity, private credit, infrastructure. These can offer genuine return opportunities. But they come at a cost that is easy to overlook in calm conditions and impossible to ignore in turbulent ones: illiquidity.

During the COVID selloff of March 2020 and again during the Liberation Day tariff shock of early 2025, investors who needed to rebalance or reduce risk found themselves holding illiquid assets they simply could not sell. Simultaneously, the distributions from illiquid holdings slowed down significantly. Liquidity is like oxygen: you don't notice it until it isn't there.

This is the case for liquid, market-neutral alternative risk premia (ARP) strategies. An ARP strategy that is genuinely uncorrelated to equities and bonds, and redeemable monthly, offers something rare: diversification that actually works when you need it most[1].

SYSTEMATIC INVESTING: FUNDAMENTALS, WITHOUT THE FLAWS

The word "systematic" can conjure images of black boxes. In reality, it is simply the disciplined, rules-based implementation of fundamental investment ideas that are rigorously tested, academically validated, and robust across market regimes.

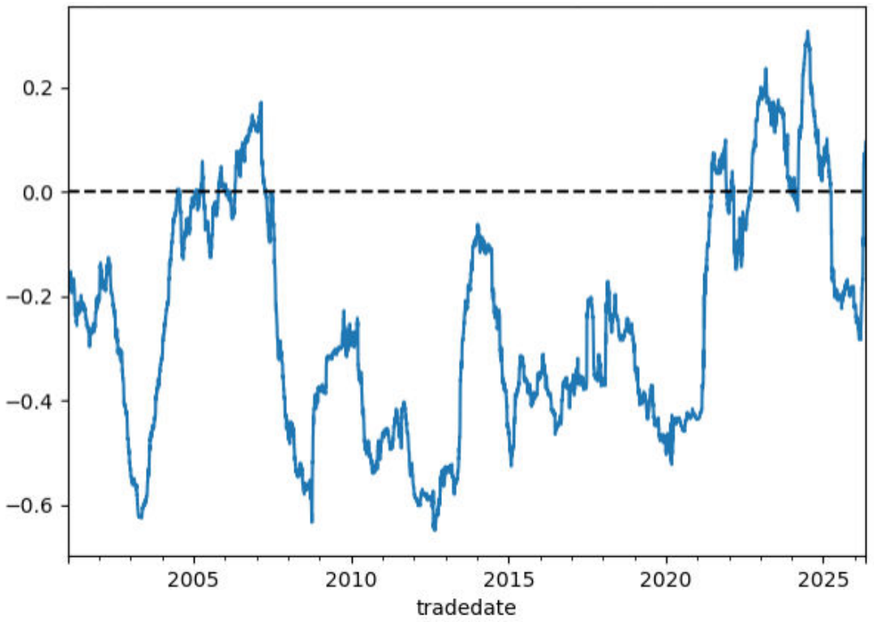
The intellectual foundations are well-established. Fama and French documented the **Value** and **Size** effects. Jegadeesh and Titman demonstrated that **Momentum** persists. Novy-Marx identified the power of **Profitability**. These are structural features of markets, underpinned by behavioural explanations that have survived decades of scrutiny. But in recent decades it has become increasingly clear that you need continuous improvements and innovation on how to harvest such premia as well as efficient trading to be successful.

The argument for harvesting these premia systematically rather than discretionarily is

> “We put significant effort into how we source, standardize, and normalize data, and how we deliver it across a global universe.”

ROLLING CORRELATION BETWEEN US BONDS AND EQUITIES (12-MONTHS WINDOW)

Chart 1: Rolling 12 monthr equity-bond correlation, 2000–2026]



straightforward: humans are flawed. We extrapolate trends, anchor to recent experience, and become overconfident in bull markets. A systematic process removes those biases. It executes the same disciplined logic in February 2020 as it does in February 2021, regardless of what the headlines say.

Institutions like ATP, Denmark's largest pension fund, understood this after the global financial crisis and rebuilt their investment approach around systematic, factor-based frameworks. This is not a new idea. It is a recipe that has been tested in real life.

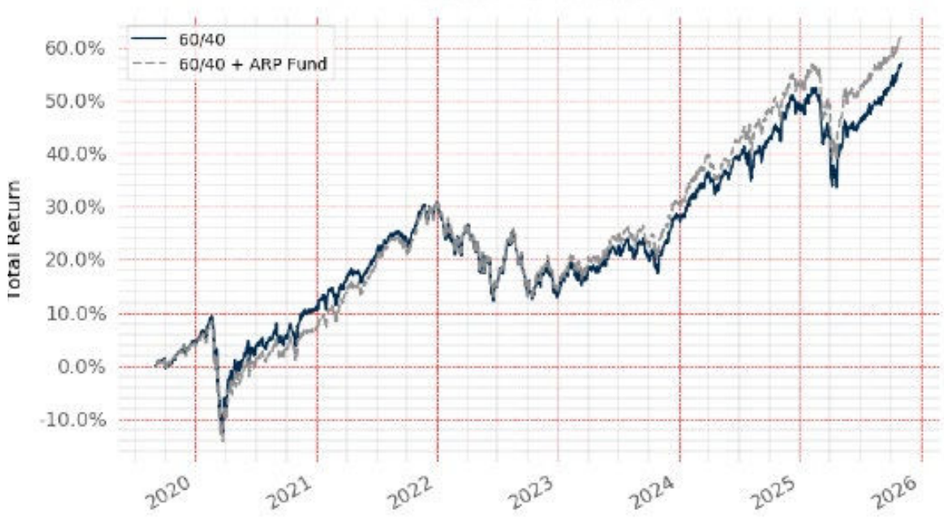
THE TRANSPARENCY ADVANTAGE

There is an underappreciated argument for systematic strategies: transparency. Most discretionary managers will not tell you exactly what they own, why they own it, or what the portfolio's true risk exposures are. A well-designed systematic strategy can and should do the opposite. When markets are stressed and your board is asking difficult questions, that transparency is not just reassuring. It is fiduciary.

> “The more interesting opportunities lie in premia that require genuine expertise to design and implement.“

PORTFOLIO PERFORMANCE

[Chart 2: Portfolio performance — 60/40 vs 60/40 with 20% ARP overlay, 2019–2026]



PORTFOLIO DRAWDOWN

[Chart 3: Drawdown — 60/40 vs ARP, 2019–2026]

WHAT ARP DOES TO THE PORTFOLIO MATHS

A standard 60/40 portfolio over the past three decades has delivered a Sharpe ratio (return per unit of risk) of approximately 0.54, which is quite good compared to long term historical standards. Introduce a 20% allocation to a well-constructed market neutral multi strategy fund and the Sharpe ratio improves to approximately 0.71. That is a 33% improvement in risk-adjusted returns, of which 25% is pure diversification benefit, with no increase in total portfolio risk.

The drawdown profile is equally compelling. In the COVID crisis, the 2022 rate hiking cycle, and the Liberation Day shock, a systematic ARP fund with genuine market neutrality, such as the strategy we

manage, either held its value or appreciated while equities fell sharply. In the Liberation Day event alone, global equities fell 20.3%. The fund was up 6.8%.

This is not a tail-risk hedge. It is designed to be genuinely uncorrelated, day in, day out; a stabiliser rather than a second falling weight.

WHERE THE REAL OPPORTUNITY LIES

The well-known risk premia Value, Momentum, Low Risk, Carry are well-researched and intensely competed over. The more interesting opportunities lie in premia that require genuine expertise to design and implement.

Fixed Income Monetary Policy: Investors consistently underestimate the magnitude of rate movements during central bank intervention cycles, a persistent behavioural bias rooted in anchoring. A systematic monetary policy premium positions around the direction and pace of policy change, implemented across money market and bond futures. This strategy delivered a live Sharpe ratio of 0.69 since inception and was a material contributor during the 2022 hiking cycle.

Commodity Seasonality: Agricultural commodity prices follow predictable seasonal patterns driven by planting, growing, and harvest cycles. The opportunity is persistent, but implementation is everything. An outright short during the growing season carries catastrophic skewness when weather events strike. Trading calendar spreads instead of outright positions transforms the risk profile dramatically, delivering a live Sharpe ratio of 0.78 since 2019. Both strategies are proprietary risk premia developed and refined over a number of years of live trading.

EXPERIENCE IS NOT OPTIONAL

The difference between a robust implementation and a fragile one lies in the details: how you define each premium, how you control for unintended factor exposures, how you manage tail risk, how you execute efficiently at scale. These are not problems solved by reading papers. They require years of practice and the scar tissue that comes from managing real portfolios through real crises.

The team behind the strategy we manage has done exactly that: building and running large-scale systematic portfolios at leading pension institutions through the global financial crisis, the European sovereign debt crisis, COVID, and the most aggressive rate hiking cycle in a generation.

THE BOTTOM LINE

The 60/40 portfolio is not dead. But it is no longer sufficient on its own for an institutional investor who is serious about long-term, risk-adjusted returns and fiduciary responsibility.

Liquid, systematic, multi-strategy alternative risk premia offer what the traditional framework is missing: a third leg: uncorrelated, transparent, and accessible. The maths are compelling. The live track record is there. The only question is whether investors are willing to look beyond the familiar.

1) The fourth building block, the liquid dynamic inflation strategy, is another important addition, which not covert in this article.

About the Author

Bjarne Graven Larsen is CEO & Founder at Qblue Balanced A/S, a Copenhagen-based systematic and sustainable asset manager founded in 2018. He was the, former CIO of ATP and Ontario Teachers' Pension Plan. Qblue Balanced manages over USD 2 billion in assets for institutional investors globally.

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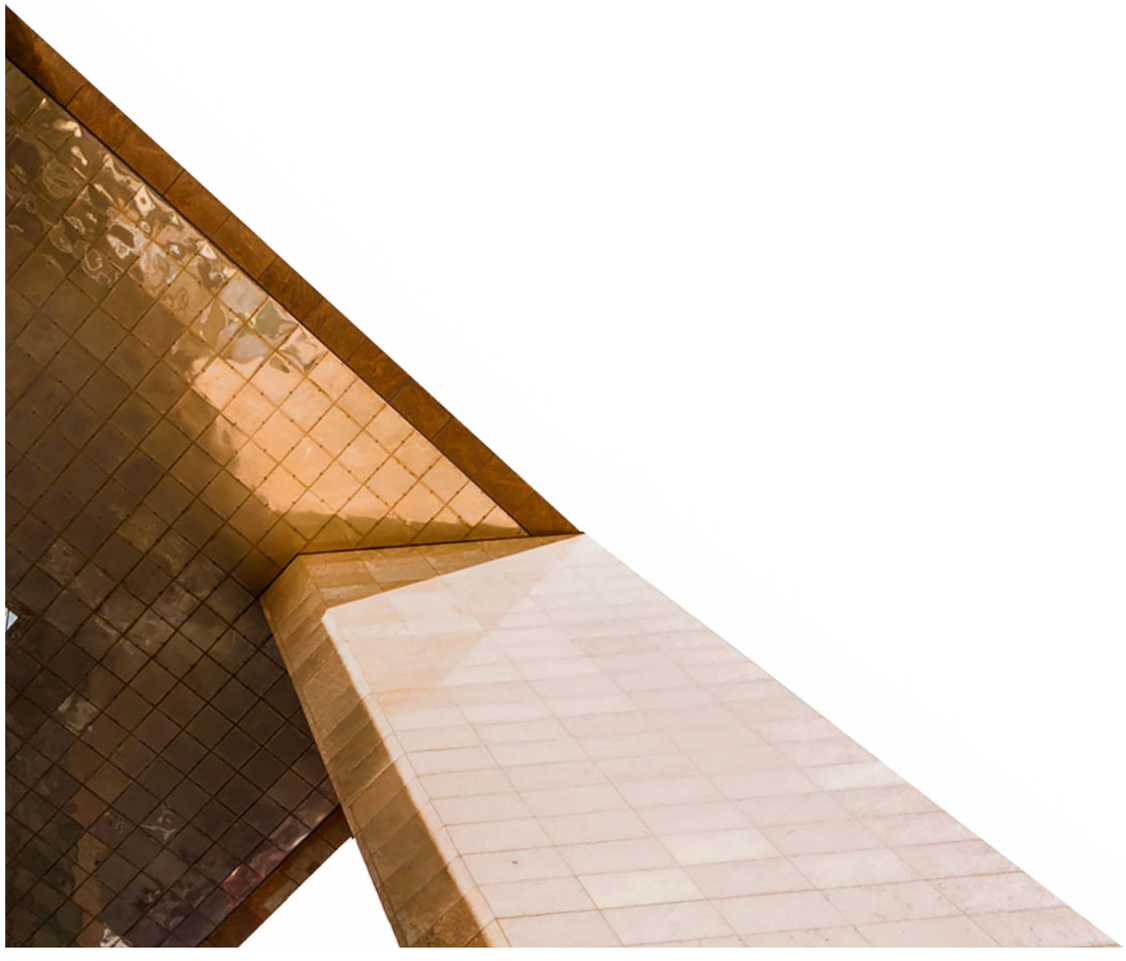

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Christopher Reeve, Chief Investment Officer - Aspect Capital

Aspect Capital's Evolving Approach to Chinese Futures

An Innovative, Differentiated Multi-Strategy Programme Tailored to Local Markets

By Hamlin Lovell – HedgeNordic

Chinese futures in general add substantial diversification benefits to global futures - and the Chinese commodity futures that dominate certain Aspect Capital strategies also provide diversification versus financial futures within China. Aspect China Absolute Return Programme has shown long term average correlations to conventional asset classes globally or in China - and to a variety of hedge fund strategies including trend following - inside the +/- 0.20 range generally deemed to be statistically insignificant.

Aspect Capital has been active in China's growing futures markets since 2016, but their approach has adapted and evolved by optimising models and access routes while establishing a local presence.

Timeframes are a key differentiator in Chinese markets, where speculative retail activity represents a significant share of trading volumes – unlike in Western futures markets. As a result, Aspect's models operate at relatively higher speeds in China, with shorter average holding periods, (that still remain well above high-frequency strategies, which are constrained by regulation).

The strategy mix has also decoupled from Aspect's flagship programme that is approximately 80% trend following. "When we launched the offshore China vehicle in 2021, it was predominantly trend following. It has now adopted a more balanced multi-strategy approach that we have traded onshore in China for several years", says Aspect Capital's Christopher Reeve, who became Chief Investment Officer in January 2026, having previously been Chief Risk Officer. He joined the firm in 2005, some 7 years after it was founded in 1997.

The Aspect China Absolute Return Programme trades four broad themes. The momentum theme is conceptually similar to Aspect's flagship trend following programme but its nine trend speeds are tailored to the shorter-term price action in the Chinese markets. The other three themes – technical, term structure and value – have been present in various Aspect strategies over the years but are also modelled to match the unique features of Chinese futures.

"The four themes are broadly equal-weighted and so are the underlying models within each theme. This

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strategy is not timing or dynamically reweighting themes or models," confirms Reeve.

ACCESS ROUTES

Back in 2021, Aspect needed to access most of the Chinese futures markets using cross border swaps with Chinese banks in Hong Kong, which were relatively expensive. "Now costs have come down because we can invest directly in both the growing number of internationalised futures and via our QFI license to trade onshore. We only use swaps where we cannot access markets through either of these direct routes," says Reeve. The programme trades 15 internationalised futures, 27 accessible via a QFI license, and another 20 that can be traded via total return swaps.

Aspect now has a subsidiary and office in Shanghai with six people and its own PFM (Private Fund Manager) license. This enables Aspect to run onshore Chinese private vehicles trading the same programme, and raise assets from the onshore Chinese market as well.

The strategy is more operationally intensive because the three routes involve different brokers and Aspect needs to comply with a variety of rules and regulations. Margin to equity ratios however are only modestly higher than in Aspect's traditional markets CTAs.

INVESTMENT UNIVERSE

The programme trades over 60 markets of which 90% are commodities, split into agriculturals, industrials, energies, metals and freight, with smaller sleeves in stock indices and bonds.

Chinese bonds have been a useful diversifier: they often moved differently to western bond markets in recent years as China dealt with deflation rather than inflation and cut rates to all time lows.

COMMODITY DIVERSIFICATION

Nearly all of China's futures markets are commodity-focused. The exchange landscape comprises a single financial futures exchange – the China Financial Futures Exchange (CFFEX), located in Shanghai – and five commodity exchanges: the Shanghai Futures Exchange (SHFE) and its international subsidiary, the International Energy Exchange (INE), alongside the Dalian Commodity Exchange (DCE), the Zhengzhou Commodity Exchange (ZCE), and the more recently established Guangzhou Futures Exchange (GFEX).

China's biggest commodity futures rank within the top 10 and 20 most active commodity contracts globally. China continues to add new futures - both local and internationalized - for commodity markets, some of which are globally unique while others offer diversification benefits versus similar Western markets: "Wheat, sugar, soybeans and cotton in onshore China behave very differently to equivalent western contracts due to local weather, supply and demand factors as well as transport and storage costs," points out Reeve. "And in April 2026, after the Strait of Hormuz disruptions, China's containerized freight contract went up a lot while global bulk shipping contracts declined," he adds.

The Jujube, or red date, used to make warming winter teas, is unique to China futures as are eggs and PTA (Purified Terephthalic Acid) used in polyester and plastics.

Portfolio diversification has been further enhanced using Aspect Capital's proprietary techniques.

Incidentally, Aspect's onshore and offshore China vehicles' investment universe are now almost identical though the offshore does not trade two coal contracts - coke and coking/metallurgical coal and the Chinese 2-year bond contract.

ALTERNATIVE MARKETS AND CAPACITY TARGETS

Aspect's Alternative Markets strategy sub-allocates to the offshore China vehicle. Both Aspect's Alternative Markets and its China programmes also run lower levels of assets than some other alternative markets CTAs. For instance, current assets are around $550 million across both onshore and offshore China programme vehicles. Reeve estimates capacity for the China strategy at USD 1 to 1.5 billion, which sounds like a relatively conservative target in relation to the market size.

Aspect has seen interest in the China Absolute Programme grow as investors look for independent drivers of returns - and as a way to diversify existing Chinese equity exposure.

Systematic Merger Arbitrage in 2026:

Why a Rules-based Approach Matters More Than Ever

By Scott Schefrin – AB Hedge Fund Solutions

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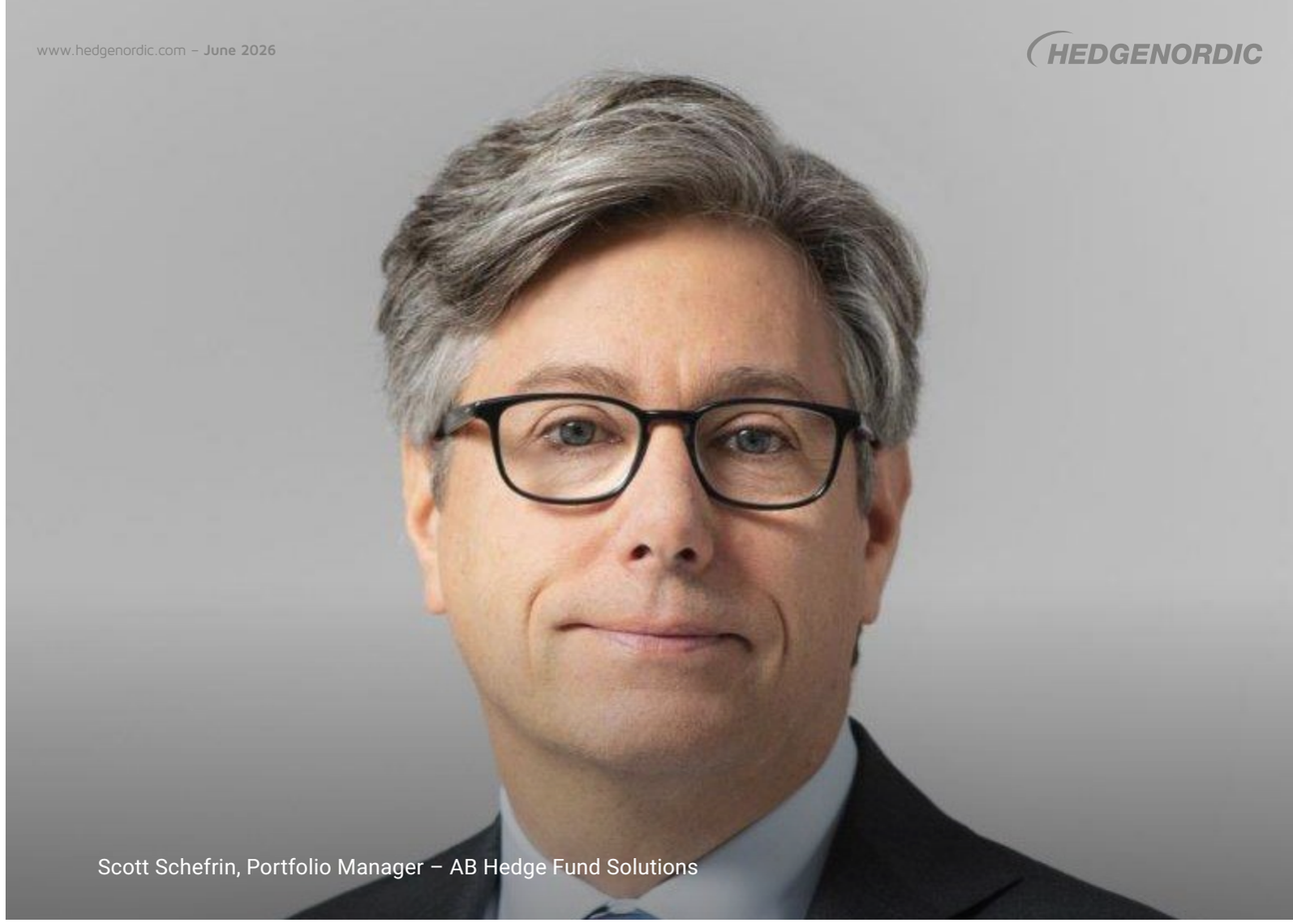

Scott Schefrin, Portfolio Manager – AB Hedge Fund Solutions

"After a series of slower years for deal activity, merger arbitrage has re-emerged as a compelling strategy within alternatives."

After a series of slower years for deal activity, merger arbitrage has re-emerged as a compelling strategy within alternatives. A combination of improving deal flow, supportive regulatory conditions and favorable deal outcomes has created an attractive backdrop for investors. But while the opportunity set has broadened, the way investors access it is becoming increasingly important. In our view, the current environment is particularly well suited not just to merger arbitrage—but to systematic merger arbitrage.

A MORE FAVORABLE BACKDROP FOR M&A

The M&A environment has shifted meaningfully over the past 12–18 months. After a period marked by elevated regulatory scrutiny, rising rates and subdued corporate confidence, conditions have improved across these and other key dimensions. Deal activity has accelerated, supported by improved financing conditions and renewed strategic urgency for gaining scale and efficiencies among corporates and private equity sponsors.

At the same time, the more accommodative regulatory posture has created conditions that favor merger arbitrage performance.

- Deal break rates have dropped, removing the largest drag on returns
- Completion timelines have shortened, allowing the portfolio to monetize positions and recycle capital more quickly
- Competitive bid dynamics have re-emerged, creating significant upside potential

Today, four of the five key strategy return drivers—deal flow, completion rates, timelines and competing bids—are broadly supportive, creating a favorable setup for the strategy.

WHY THIS ENVIRONMENT FAVORS SYSTEMATIC IMPLEMENTATION

While the opportunity set has improved, the nature of that opportunity has evolved. In particular, the low break rate environment reduces dispersion across deal outcomes and compresses the scope for traditional, discretionary alpha: with fewer controversies, there are fewer opportunities to express directional views.

It should be expected that the dispersion between merger arbitrage funds declines as performance becomes more "average". In such an environment, the optimal approach is not to concentrate risk, but to diversify it as broadly as possible. A systematic implementation is specifically designed to do this by holding a large number of transactions simultaneously.

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When outcomes become more predictable and homogeneous, breadth becomes more valuable than selectivity.

THE EFFICIENCY OF MERGER SPREADS

Another defining feature of merger arbitrage is the relative transparency of the underlying trade. Every trade needs to answer four core questions:

- What is the upside to be gained if this trade works?
- What is the downside if we're wrong?
- What is the probability we'll be right (or wrong)?
- How long until we see the return?

In merger arbitrage, unlike most other strategies, these answers are often much clearer:

- The terminal value is defined in a contract – arbitrageurs know exactly what they will earn if the deal completes.
- Downside scenarios can be reasonably approximated using information about where the stocks were trading pre-deal and monitoring how peers have performed since.
- The market implied probability of deal completion is a natural and easily observable byproduct of the current price relative to the expected upside and downside.
- The expected timeline is also reasonably estimated because regulatory approvals are governed by mandated review periods and there is usually a long history of similar deals that can act as a guide.

Of course, unexpected events can derail these estimates, but relative to most other strategies, the forecasting error in merger arbitrage is materially lower. As a result, the deal spread – the difference between the deal payout value and the current price of the target company stock – embeds significant pricing efficiencies.

This has important implications for active management. As tools such as machine learning and AI become more widely adopted, we should expect greater information processing power to lead to faster and more complete pricing of deal risk. If markets become more efficient, the ability to generate outsized alpha through discretionary analysis diminishes. In that context, a systematic approach—designed to consistently harvest the embedded risk premium in spreads—becomes increasingly compelling.

UNDERSTANDING THE ASYMMETRY IN MERGER ARBITRAGE

At its core, merger arbitrage is a strategy defined by an asymmetric return distribution – a small minority of deals break at high cost to the portfolio while most deals (up to 95% depending on the deal universe) complete, each with a small positive contribution which is defined by the contractual terms of the merger.

In this structure, the opportunity to outperform on the upside is inherently limited. As a result, a significant portion of "alpha" in merger arbitrage comes from mitigating losses from broken deals.

Deal breaks are an idiosyncratic event – the vast majority of breaks are for a specific reason related to that deal alone. A systematic approach is well suited to the management of this kind of risk. By applying consistent rules across all transactions, it reduces the risk of concentrated exposure to any single adverse outcome and improves the reliability of risk management over time.

THE ROLE OF DIVERSIFICATION – AND THE LIMITS OF FUND SELECTION

The asymmetry of returns also has important implications for fund selection. Because only a small number of deals break in a given year, performance differences across funds can be driven disproportionately by exposure to a handful of transactions.

Consider that the investible universe for most large merger arbitrage strategies contains roughly 100 to 150 deals per year. At a break rate of 5%, that's 5 to 7 deals that might be expected to break on an annual basis. A manager's relative performance will depend heavily on whether (and to what extent) they were exposed to those few idiosyncratic outcomes.

This creates a structural challenge for allocators: the distinction between skill and luck becomes harder to observe. A manager who avoided a small number of adverse deals may outperform meaningfully, even if that outcome reflects randomness rather than process. In practical terms, this means that allocators should require a longer time horizon to confidently assess skill, have a measure of expected manager variance based on the recent environment and be more wary of overpaying for performance.

Here again a systematic implementation can help. By reducing concentration risk and minimizing the impact of any single deal outcome, a systematic approach ensures that performance is driven by repeatable exposure to the merger risk premium—not by isolated successes or failures. Added to this, the efficiencies of running a strategy systematically can help lower fees.

> "While the opportunity set has improved, the nature of that opportunity has evolved. In particular, the low break rate environment reduces dispersion across deal outcomes and compresses the scope for traditional, discretionary alpha."

CONCLUSION: A STRATEGY DEFINED BY SCALE AND DISCIPLINE

Merger arbitrage in 2026 offers a compelling combination of supportive fundamentals and attractive structural characteristics. Deal activity is rising, completion outcomes remain favorable, and the overall opportunity set is expanding.

At the same time, the nature of the strategy suggests that how investors access it matters just as much as whether they allocate to it. In an environment characterized by high deal completion rates, increasing market efficiency, and skewed payoff distributions, the case for a systematic, low cost, diversified and rules-based implementation becomes particularly strong.

Liam Hynes, PhD, Head of New Product Development – Public Markets, Quantitative Research & Solutions – S&P Global Market Intelligence.

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Not So Lazy Prices

By Liam Hynes, PhD – S&P Global Market Intelligence

Systematic investing has always been a story of expanding information sets. Prices, then fundamentals, then alternative data. At each stage, investors sought to gain an edge by finding new information, organising it, and transforming it into repeatable signals. Today, a meaningful step change is underway. Not a new chapter, but a material advancement of one already in progress.

ALPHA HAS ALWAYS MIGRATED TO BETA. NOW HOWEVER, THE SPEED HAS CHANGED.

Factor investing offers the clearest precedent. Value, momentum, quality, historical growth: each began as genuine alpha. Over time they became beta factors, characteristics companies are simply penalised for lacking rather than rewarded for possessing. Alternative data followed the same path. Satellite imagery, credit card transactions, web traffic: each quickly competed away. The alpha has existed in harder to find places, buried in earnings call transcripts, regulatory filings, and corporate disclosures.

"We have been working on unstructured data for well over a decade," says Drew Bowers, Senior Quantitative Analyst of S&P Global Market Intelligence's Quantitative Research & Solutions (QRS) team. "The signals were always there. What has changed is the quality of the tools available to extract them and the compute power to do it at a scale that genuinely moves the needle."

"We have been working on unstructured data for well over a decade. The signals were always there. What has changed is the quality of the tools available to extract them and the compute power to do it at a scale that genuinely moves the needle."

Drew Bowers

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That democratisation comes with a familiar consequence. Alpha turns to beta as adoption spreads. It always has. What is different this time is the speed. As these processes are operationalised at scale, that early alpha simply becomes market beta. The firms that win will be those early on the alpha to beta curve. But as with every technological revolution, the greatest beneficiaries will not necessarily be the first movers. They will be the ones who adopt the technology, learn it deeply, and embed it into how they work.

FROM ANALOG TO DIGITAL

Natural language processing tools existed for years, but they were the analog era of text analysis. The dominant approach, bag of words sentiment, counted positive words, subtracted negative ones, and divided by total words to produce a net positivity score: a method as blunt as it sounds. Where that approach reads a document like a tally sheet, a large language model reads it like an analyst. It moves through each sentence, self-identifies the topic being discussed, assesses how material that topic is to the company, and determines the polarity of the language around it. The shift is not incremental. It is the difference between analog and digital.

What is also changing is the ability to deploy these models deterministically. By ringfencing a large language model to carry out a specific task against auditable data, the outputs become consistent, repeatable, and governable. As proprietary investment management IP is embedded into agentic systems, firms can encode years of research insight directly into their processes, producing outputs that are not merely useful but institutionally defensible.

"The core insight, that language carries investable signal, is not new to us," says James Olejniczak, Quantitative Operations Director on the QRS team. What is new is the step change in compute and model quality that lets us act on that insight systematically, across thousands of S&P Global machine-readable documents, in a way that wasn't feasible even a few years ago. "Markets are slow to process information that requires reading and interpretation, that creates an advantage for those who cannot only read faster, but interpret at scale."

"The academic work known as Lazy Prices (Cohen et al. 2020) illustrates the opportunity precisely," says Henry Chiang, Quantitative Researcher on the QRS team. The paper systematically examined year-on-year changes in the risk sections of corporate filings. It did not assess whether a risk had been added or removed, only just that the language had changed at all. Even that proved to carry meaningful signal. Now firms have the tools to actually analyse what that change means, and to do so at scale. "You could say 'Lazy Prices' is starting to be not so lazy anymore, the framework was always right. Now we have the tools to take it much further."

DISCRETIONARY ANALYSIS AT SCALE

The most significant consequence is not analytical but economic. The bottleneck has always been implementation. A research paper that once required months of engineering effort can now be translated into a working workflow in days.

"The efficiency gains are significant," says Henry Chiang. "You are building discretionary analysis at scale. That is a fundamentally different proposition to anything systematic investing has been able to offer before."

Today, AI can identify whether a company added a new regulatory concern, removed a supply chain risk, or introduced litigation exposure. Qualitative observations become measurable features. Human interpretation becomes scalable.

THE PRIVATE MARKETS FRONTIER

If the implications for public markets are significant, those for private markets are considerable. Private company analysis has long been the domain of fundamental investors, not by preference but by necessity. Sparse financials, fragmented filings, inconsistent disclosures: the data landscape was simply too difficult to navigate for systematic strategies. The edge belonged to those willing to do the deep, time-intensive work of qualitative assessment.

"Private markets have always been the last frontier for systematic approaches, not because the signals weren't there, but because accessing them required a level of manual effort that didn't scale," says Ilja Hauerhof, Director, New Product Development – Private Markets on the QRS team. "What changes now is that you can deploy the same agentic frameworks across private company data that you would apply to public markets. The information was always there. The infrastructure to interpret it wasn't."

> "Markets are slow to process information that requires reading and interpretation, that creates an advantage for those who cannot only read faster, but interpret at scale."
>
> James Olejniczak

The deeper opportunity is not confined to any asset class. Any investment house that believes it has an edge, whether in identifying management quality, assessing operational risk, or reading competitive dynamics, has historically only been able to apply that edge to the companies its analysts could physically cover. These tools change that constraint. Proprietary investment judgment, the kind built over decades of sector expertise and pattern recognition, can now be encoded into agentic systems and deployed consistently across entire universes of companies, public or private.

"If any investment house can encode its IP into an agentic system and deploy it at scale, that edge becomes systematic," says Ilja Hauerhof. "That is what investing becomes, regardless of where you are deploying capital."

WHAT COMES NEXT

Prices created technical analysis. Fundamentals created quantitative equity investing. Alternative data expanded the investable information set. AI represents not a departure from that progression, but its next step, one that quantitative research houses have been building toward for some time.

"Better tools raise the bar for what rigour looks like," says Drew Bowers. "The firms that benefit most will be those that combine genuine investment insight with the infrastructure to act on it at scale. The technology is only as valuable as the process it serves."

The firms that succeed will not be those that replace judgment with AI. They will be the ones that use AI to expand the range of information their investment processes can understand, and who have spent the last decade building the foundations to do exactly that.

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The Hidden Beta in LLM Recommendations

Why a Prompt Is Not a Neutral Container for Evidence

By Victor Brassart and Dan Edelstein – Hafnium

As LLMs become useful in coding, copywriting, and even mathematics, it is natural to ask whether they can also produce useful market recommendations. In this article, we take a step back, briefly go into what an LLM does, and see if market recommendations are consistent under small perturbations of the prompt. Some of the results are surprising and shed light on some of the current challenges of LLM applications in finance.

Changing one word in a prompt or swapping the order in which two assets are presented might seem to be trivial changes that should not affect the outputs of a frontier LLM. In practice, we show these can have drastic outcomes through a small synthetic experiment using a matched-pair design that crosses numerical and narrative signals.

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We go through why an LLM output is conditional - not only on its inputs - but on the geometry of how those inputs are presented.

THE THREE BETAS OF LLMS

With careful prompting and data ingestion it is the expectation of many that LLMs are able to provide stock recommendations, or function in a feature pipeline to improve Sharpe. We wanted to test this assumption using synthetic data as to better understand the variance and possible biases of the recommendations.

The way we think about LLMs is that they act on three main sensitivities and therefore we should consider any response of the LLM as conditional on those:

$$R_{LLM} = f(E; \beta_L; \beta_P; \beta_C)$$

Where β_L is language beta, β_P is prompt beta, and β_C is context beta.

The way we define them is as follows:

- Language beta describes learned associations from the training set of the LLM. Depending on the training set, some associations will be considered more likely.
- Prompt beta describes sensitivity to wording, order, task frame and answer vocabulary. Depending on your prompt, you won't access the same parts of the LLM.
- Context beta describes sensitivity to retrieved or supplied text.

To uncover sensitivities to the abovementioned betas, we propose then to compare a set of assets (SPX, TY, USD, Copper, MSCI EM): two at a time.

By modifying the prompt, we will mostly be able to perturb the prompt beta. It is clear however that these perturbations uncover some qualitative truths of the training sets and built-in biases of the model. Prompting an LLM to increase the weight of prior knowledge does seem to have an effect on how the model weighs its prior training dataset conditioned on the new prompt data.

THE SYNTHETIC PANEL

The goal is to get the LLM to generate recommendations between two assets, each provided with separate numerical evidence and narrative parts. The cell below shows the prompt structure; only the bracketed parts were switched with a total of 480 possible combinations.

The perturbations moved the output in ways that are hard to reconcile with the model reading the evidence.

- **Order mattered.** Prompting with "SPX or Copper" vs. "Copper or SPX", the model favored the first asset in 15% of the cases. Signal was stronger for GPT 5.5 and drops to 5% with Opus 4.7; all asset pairings replicate this finding.
- **Frame mattered.** With the same inputs, if you write a committee-note or risk-memo frame. The weighting between narrative and numeric completely changes. In the committee-note, Sharpe was followed in 90% of the cases, whereas the risk-memo narrative was favored 63.5% of the cases, giving a ~30% delta. Signal was equivalent across providers and all asset pairings replicate this finding with similar strength.
- **Prior permission mattered.** The model anchors SPX when asked to use previous experience. If you flip the narrative and Sharpe [+2.0 and -1.0] between the two assets the LLM will still pick SPX in 1/4 of the cases. The bias is directional: the popular asset wins even when supplied evidence says otherwise. This directional anchoring is not idiosyncratic to our setup. Chon, et al. (2025) report LLMs consistently favoring specific tickers across unrelated scenarios. Stronger for Opus 4.7 by 5%, with one exception: this prompting strategy does not provide a delta between SPX and MSCI EM recommendations, which may point to similar weighting of these markets in the β_C prior.

The instinct is to treat this as a prompt-engineering problem: use a better template, fix the wording, and the issue is contained. But these results suggest something harder. The problem is not only that one prompt was poorly written; it is that nearby prompts can behave as if they are not nearby at all. A committee note, a risk memo, an order swap, and a prior-knowledge sentence are small changes to a human reader. To the model, they can activate different regions of its learned representation space.

We are not claiming to recover the model's internal geometry. The point is operational. If two prompts are economically equivalent to a human reader but produce different recommendations, then the recommendation function is locally irregular in the space that matters to an investor. Whether the source is token geometry, learned priors, instruction-following heuristics, or decoding dynamics, the portfolio implication is the same: the prompt carries exposure.

That is the constructive point. The prompt's hidden beta is not obvious, but it is testable. A prompt is not a neutral container for information; it is part of the model specification. Before the output becomes a feature, the local prompt response surface has to be explored, to gain at least an intuition on its expected behavior, and therefore be "hedged" on a posteriori trading decisions.

At Hafnium, this is exactly the reason we go beyond the surface output of models and study the internal sensitivities that drive them: prompt dependence, contextual bias, latent factor exposures, and the stability of recommendations across architectures and regimes.

PROMPT STRUCTURE

Write a	[Committee-note/Risk-memo]	:
Choose between Asset_A / Asset_B		: [SPX / Copper, TY/USD, SPX/MSCI EM]
Numeric		: [Asset_A] Sharpe [+2.0 / -1.0]; [Asset_B] Sharpe [-1.0 / +2.0]
Narrative		: [Asset_A] [bullish / bearish]; [Asset_B] [bullish / bearish]
Prior Knowledge		: Appended to system prompt, "Use all available knowledge..."
Output		: return JSON with preferred asset.
Models		: • gpt-5.5-2026-04-23, params: {reasoning: low, temp: 1.0, top-p: .98} • opus-4-7, params: {extended_thinking: off, temp: 1.0, top-p: default (deprecated for Opus 4.7)}
Pairing		: Half A Sharpe -> [Asset_A], narrative -> [Asset_B]; Half B, swap [Asset_A] / [Asset_B]
Perturbations		: frame, order, action labels, prior-knowledge permission.

SAMPLE PROMPT (with prior-knowledge, Half B of SPX/+MSCI EM, committee-note frame)

System:	You are evaluating synthetic market recommendation prompts. Return only valid JSON. Use all available knowledge — your prior experience with these assets, what you know about their behavior, and any general financial intuition you have.
User:	A portfolio committee asks which of two assets deserves the higher allocation: SPX or MSCI EM. Numeric evidence: SPX has a trailing Sharpe ratio of –1.0; MSCI EM has a trailing Sharpe ratio of +2.0. Narrative evidence: the SPX narrative is bullish (earnings resilient, liquidity supportive, risk appetite improving); the MSCI EM narrative is bearish (dollar strength, China growth uncertainty, earnings pressure, policy risk). Return JSON with the preferred asset.

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Systematic Multi-Strategy as a Portfolio Diversifier

By Fredrik Langenskiöld – Union Bancaire Privée

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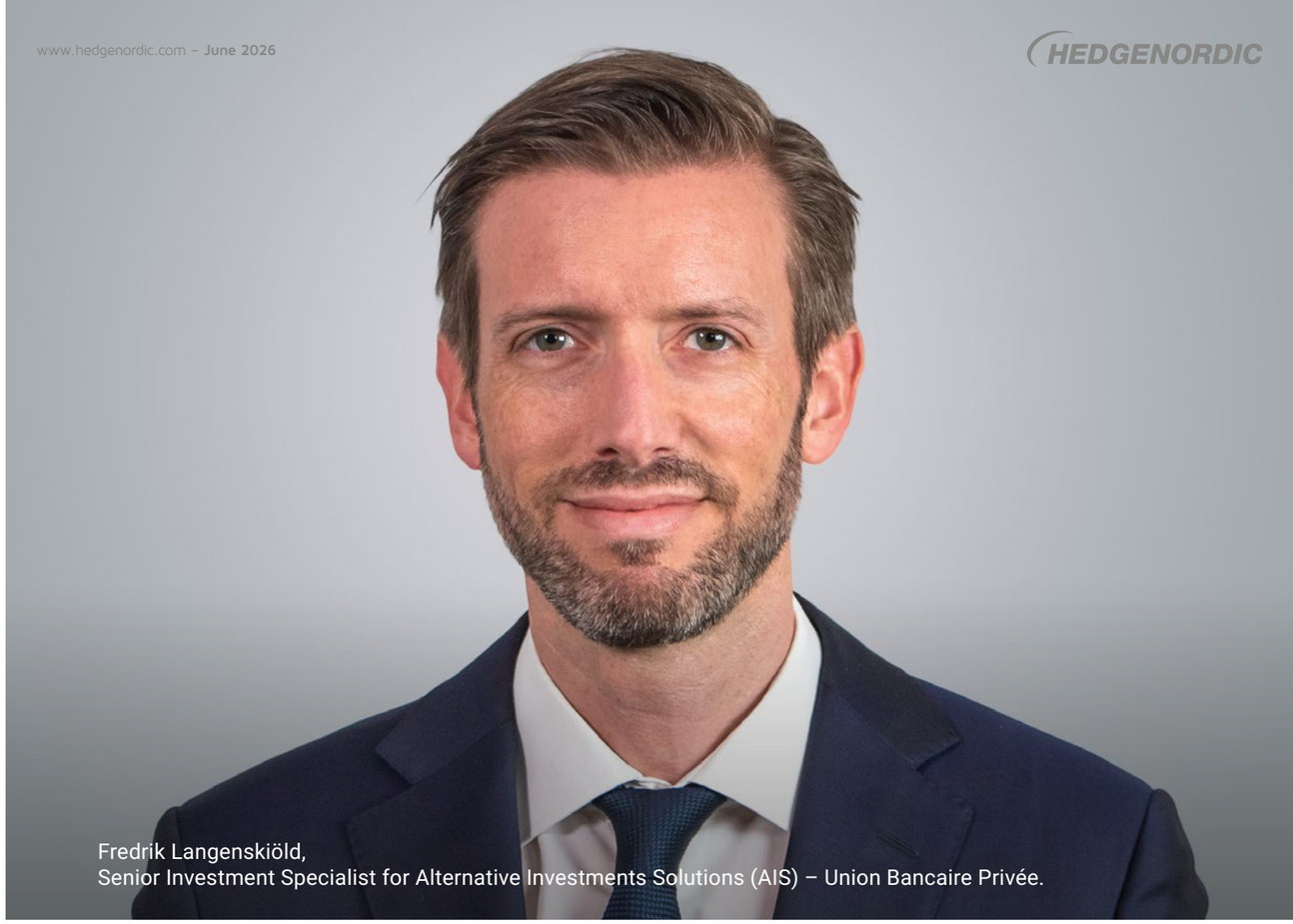

Fredrik Langenskiöld,
Senior Investment Specialist for Alternative Investments Solutions (AIS) – Union Bancaire Privée.

"SMS managers share a fundamental commitment to systematic processes: data-driven research, disciplined implementation, and robust risk management."

Multi-strategy funds are those that allocate to more than one alternative strategy or portfolio manager (PM) in a single vehicle. There are multiple models, but we can split them into two main categories. First, there are traditional multi-strategy funds, which use a combination of discretionary trades and quantitative signals. These are set up either as platform structures with multiple independent risk takers ('multi-PM'), or a single CIO or risk taker ('single-PM') model, which use ideas generated internally from investment staff across a firm. Then comes systematic multi-strategy funds, which are purely systematic, using a combination of uncorrelated models and strategies across highly liquid markets across multiple asset-classes.

While multi-PM funds have historically seen the highest level of interest from investors, systematic multi-strategy funds have recently seen a strong pick-up in demand, particularly since 2022, a year in which they delivered, as a group, attractive positive returns in difficult equity and fixed income markets.

In this paper, we will focus on this model which provides, in our view, the higher level of diversification to traditional assets.

THE BACKGROUND TO SYSTEMATIC MULTI-STRATEGY FUNDS

The systematic multi-strategy (SMS) segment emerged from decades of progress in systematic trading, driven by market efficiencies, fierce competition, and major technological and operational advances. Quantitative researchers broadened their methods and scope, leveraging machine learning, large-scale simulations, and an explosion in available datasets. This enabled expansion into new, liquid instruments such as non-deliverable forwards (NDFs) and swaps, as well as into global markets across developed and many emerging economies, constrained mainly by liquidity and regulation.

The industry shifted from specialist managers – i.e. those focused on long-term momentum, carry, or short-term inefficiencies – to diversified, technologically advanced firms building multi-strategy portfolios designed to perform across varied market regimes and reduce single-strategy drawdowns.

SMS growth reflects convergence from different origins: quantitative equity specialists extending into derivatives and macro managers, and traditional multi-strategy hedge funds evolving towards systematic approaches. While a firm's heritage influences nuances like strategy and market mix, SMS managers share a fundamental commitment to systematic processes: data-driven research, disciplined implementation, and robust risk management.

Collectively, they seek broad, liquid exposures and adaptive, multi-style portfolios that harness diverse signals and instruments to improve resilience and

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consistency. The common features and practices across SMS managers rooted in this shared philosophy are outlined in the next section.

WHAT DEFINES AN SMS FUND?

SMS programmes are absolute return vehicles trading a highly liquid market set that spans multiple instruments, asset classes, and regions. They typically cover developed and emerging market financials – including equity, fixed income, and currencies –commodities, and credit. Futures contracts and FX forwards tend to be the primary instruments, complemented by cash equities, options and swaps, amongst others, and nearly all instruments traded are centrally cleared, minimising counterparty risk.

Diversification across alpha strategies is fundamental to SMS, with portfolios including a balanced mix of synergistic investment styles. These may include reversion, volatility trading, multi-asset carry, short-term trading, trend following, fundamental, and various macro styles. Trades are expressed through a combination of relative value (RV) and directional implementations. Portfolios are managed with minimal discretionary input using a rigorous research protocol to develop, validate, and maintain investment models. Strategies may take long or short positions, seeking returns in both rising and falling markets, and performance tends to have little long-term correlation to traditional assets or many types of alternative investments.

WHAT DISTINGUISHES A SYSTEMATIC MULTI-STRATEGY FROM A TRADITIONAL MULTI-STRATEGY HEDGE FUND?

Systematic multi-strategy and traditional multi-strategy hedge funds share the use of quantitative signals, but they differ in discretion, allocation, liquidity, and performance profiles. Traditional multi-strategy funds frequently incorporate discretionary decision-making – especially in macro, equity long-short, and event-driven strategies – where portfolio managers size and select exposures based on views and perceived opportunity. This can cause large, cycle-driven shifts in composition (e.g. distressed assets waxing and waning). In contrast, SMS allocates and measures risk predominantly via systematic processes. While 'conviction' influences sizing, it is quantified and bounded, allowing risk to vary within defined ranges.

Liquidity is a central differentiator: SMS programmes prioritise highly-liquid instruments and avoid assets such as convertible bonds or real estate, enabling more frequent investor liquidity (often weekly or daily). Traditional multi-strategy funds can hold less liquid positions and may impose longer lock-ups.

Traditional multi-strategy funds typically embed broader diversity across instruments and styles, often resulting in lower volatility. However, they are generally more correlated to global equities, aiming to outperform in upward markets and draw down less in downward markets on a risk-adjusted basis. SMS strategies, by design, have historically exhibited low or near-zero equity correlation.

PORTFOLIO UTILITY FOR INSTITUTIONAL INVESTORS

With a pure absolute return mandate, diversified alpha strategies, liquid market coverage, and minimal correlation to traditional assets, SMS offers strong potential utility for institutional investors. The ability to take both long and short positions across multiple asset classes and instruments, coupled with rigorous, systematic research and limited discretionary input, positions SMS to seek returns in varying market conditions while reducing reliance on traditional risk premia. Over the last few years, SMS funds have delivered strong and uncorrelated returns in both upward and downward markets. These attributes can enhance portfolio resilience and diversification for institutions seeking differentiated return streams.

"Traditional multi-strategy funds frequently incorporate discretionary decision-making – especially in macro, equity long-short, and event-driven strategies – where portfolio managers size and select exposures based on views and perceived opportunity."

John Twomey, Director of Research – Abbey Capital

The Benefits of Multi-Manager Portfolios in CTA Investing

By Eugeniu Guzun – HedgeNordic

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At first glance, CTA investing can appear deceptively homogeneous. Many managers trade the same liquid futures markets and rely on systematic, trendfollowing models that can look highly similar from the outside. Yet beneath the surface, the dispersion across managers can be substantial, driven by differences in signal design, trading horizons, execution, portfolio construction, and risk management. This dispersion is one of the key reasons why multi-manager portfolios have remained relevant within managed futures investing, an area where Abbey Capital has specialized for more than two decades.

A defining feature of Abbey Capital's approach is its long-standing managed account infrastructure, which underpins all the firm's $7.8 billion portfolio allocations. Instead of investing through commingled fund vehicles, Abbey Capital allocates capital through managed accounts, allowing for greater flexibility in portfolio construction, transparency, and operational oversight. "Every investment we've made since the firm was founded has been implemented through managed accounts, which is somewhat unique," explains John Twomey, Director of Research at Abbey Capital.

LOOKING BEYOND PURE TRENDFOLLOWING

At its core, Abbey Capital seeks to build portfolios that provide diversified exposure to the broader managed futures universe. While the asset class is often associated primarily with trendfollowing, Twomey argues that managed futures should instead be viewed as a broader palette of liquid, largely uncorrelated strategies capable of serving as a meaningful diversifier alongside traditional equity exposures. "One of the first things to recognize is that the space is much broader than simply trendfollowing," says Twomey. "That's often the initial simplification investors make when they first approach managed futures, but the opportunity set is far more diverse than that."

According to Twomey, this is also where the implementation challenge begins for allocators entering the CTA space. "Many investors initially assume that one managed futures manager looks broadly similar to another, and that trendfollowers

> "Once you begin analyzing the underlying data and return drivers in more detail, the degree of dispersion across managers and strategies becomes very significant."

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are all highly correlated and essentially pursuing the same trades," says Twomey. "But once you begin analyzing the underlying data and return drivers in more detail, the degree of dispersion across managers and strategies becomes very significant."

Pure trendfollowing strategies, for example, have what Twomey describes as a well-known "Achilles heel," particularly during periods of sharp V-shaped reversals and highly correlated market moves. According to him, shorter-term trading strategies can help navigate some of these environments. "Shorter-term strategies are by no means a definitive protection against those environments, but historically they have often proved quite helpful, particularly during periods of elevated volatility or in the early stages of equity market corrections," he explains.

Abbey Capital also allocates to other sub-strategies within managed futures, including macro and value-oriented approaches. "There are directional macro strategies, both systematic and discretionary, that approach markets from a very different modeling and data perspective," says Twomey. "Typically, the key distinction versus trendfollowing is that the timing profile of the trades is different."

For Twomey, the value of these complementary approaches lies not only in their lower correlation to traditional trendfollowing strategies, but also in their ability to behave differently across changing market regimes. "There's utility in the fact that these strategies are not only decorrelated, but also somewhat orthogonal to traditional trendfollowing," explains Twomey. "When we think about the degrees of freedom within the CTA space, we think about a much broader opportunity set than simply trendfollowing alone."

THE CASE FOR MULTI-MANAGER PORTFOLIOS

Abbey Capital views multi-manager portfolio construction as an effective way to capture the broad dispersion that exists within the CTA universe. "If managed futures is being used as a portfolio asset, then it also benefits from a portfolio-based approach to implementation," argues Twomey. "The broader the opportunity set and the greater the number of independent strategies within a portfolio, the more diversification benefits and manager dispersion you are ultimately able to harvest."

"The broader the opportunity set and the greater the number of independent strategies within a portfolio, the more diversification benefits and manager dispersion you are ultimately able to harvest."

Even within trendfollowing alone, Twomey believes investors generally need exposure to a relatively broad group of managers before meaningful diversification benefits begin to emerge. According to him, portfolios often require exposure to eight to ten trendfollowing managers before allocators start capturing the diversification available within the strategy set. "At a certain point, you begin to encounter diminishing returns and marginal inefficiencies from having too many managers in the portfolio," says Twomey.

While Abbey Capital considers its more than 25 years of experience evaluating CTA managers to be a key strength, the firm believes the value of its platform extends beyond manager selection alone. "An equally important part of the platform is how efficiently we can implement and manage these exposures within a portfolio framework."

MANAGED ACCOUNTS, LIQUIDITY, AND CAPITAL EFFICIENCY

An important component underpinning Abbey's approach is its managed account infrastructure. According to Twomey, the advantages begin with portfolio construction and risk allocation. Equal capital allocations across CTA managers rarely translate into equal portfolio risks, given that managers often operate with materially different volatility targets and portfolio characteristics. "An equal nominal allocation across managers rarely results in an equal allocation of risk," explains Twomey.

Beyond portfolio construction, the managed account framework also gives Abbey Capital centralized oversight of collateral management, counterparty exposure, and operational risks across the platform. "Because we centrally manage collateral across the platform, we're able to optimize the yield on those balances while still operating within very tight credit parameters," says Twomey. In today's higher-rate environment, this has become increasingly important, particularly because futures-based investing leaves a meaningful portion of portfolio assets invested in cash or cash-like instruments. "You can think about it as effectively earning the cash yield alongside the CTA strategy itself," notes Twomey.

Transparency is another advantage of the managed account structure. Because Abbey Capital maintains direct visibility into portfolio positions and manager activity, the firm can monitor exposures and identify potential issues significantly faster than would typically be possible through standard fund reporting. "If there are issues or problems we have with a manager or group of managers in a portfolio, we should be able to know about them very quickly," explains Twomey.

Capital efficiency is one of the structural characteristics Abbey Capital believes managed futures offer particularly well. Because futures require only a fraction of the underlying notional exposure as margin, investors retain significant liquidity and flexibility within the broader portfolio. "Capital efficiency is essentially embedded in the structure of the strategy itself," says Twomey. This efficiency becomes especially valuable when combined with the liquidity profile of the asset class, which he believes remains one of the more underappreciated advantages of CTAs, particularly during periods of market stress.

Liquidity becomes particularly valuable during broader market dislocations, when other investment opportunities may emerge across public or private markets. "What we've seen from many institutional investors is that CTAs can serve as an alternative source of portfolio liquidity during periods of market stress," says Twomey.

AN EVOLVING INDUSTRY

The managed futures industry has also continued to evolve steadily over the years, both in terms of research sophistication and the breadth of strategies operating within the space, a trend Twomey expects to continue going forward. "The CTA space is continuously evolving and constantly trying to improve itself," says Twomey. "Managers are always searching for better ways to implement strategies, improve portfolio construction, and refine their research processes. Nobody is leaving stones unturned in trying to become incrementally better over time." In Twomey's view, this ongoing process of innovation and adaptation should ultimately remain a long-term benefit for investors allocating to the managed futures space.

CTAs and Alpha Generation: Is Efficient Implementation the Answer?

Andrew Beer, Managing Partner – DBi

By Andrew Beer – DBi

After a decade of studying CTAs, we have drawn three conclusions about the nature of their alpha generation. At the strategy level we believe:

1. CTA alpha is generated by early, contrarian bets on big price moves across commodities, rates, currencies and equities.

2. CTA alpha is lumpy, because these types of "regime shifts" are rare.

3. CTA alpha is concentrated in major liquid markets simply because regime shifts play out in, and more money is made in, those markets.

The obvious question for allocators is how best to access this alpha generation. The standard institutional playbook has been to diversify risk by investing in multiple managers (or QIS models), which is sensible given wide dispersion and no evidence of persistence of alpha. Further, many allocators have successfully driven down fees, which shifts alpha from managers (banks) to investors.

The framework above, though, raises a third issue: whether CTAs should focus more on implementation efficiency. Why should allocators care? Because despite constant model evolution and expansion into more esoteric instruments, strategy alpha has been in decline. The SG CTA and BarclayHedge BTOP50 indices have delivered Sharpe ratios of 0.2-0.3 over the past decade, roughly half that generated during the 2000s. One theory is that implementation costs have risen faster than incremental alpha generation, and hence model and portfolio "evolution" is partly responsible for the decline in strategy-wide alpha.

To take a step back, implementation efficiency can be thought of as the difference between the theoretical "signal" and the actual realized performance (after transaction costs but before fees). Some managers refer to this as "slippage." Generally, implementation costs are broken down between explicit and implicit trading costs. The former are straightforward: effectively, the commissions and fees incurred in trading. More complicated are implicit costs: the market impact of buying and selling a given instrument. Simplistically, if buying drives up the price

"Regardless of the precise calculation methodology, it is axiomatic that, relative to many types of investing, the trading costs of a typical CTA are very, very high."

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of a future by 10 bps over an hour or two, this is a real economic cost of implementation. Industry experts estimate these latter costs at 3-5x the former.

A fair calculation of implicit implementation costs is admittedly tricky. The analysis requires numerous assumptions and a tick-by-tick analysis of price moves for each contract over an extended period. But several parameters are beyond dispute. Relative to most strategies, CTA turnover is remarkably high: due to leverage, false positives and constant readjustment, a dollar invested today might turn over twenty times during the coming year. Trading costs rise nonlinearly from the most liquid to least liquid futures markets; plus, gap risk in the latter is nearly unquantifiable when multiple CTAs simultaneously sell (or cover). Lastly, short term models and risk management tools tend to increase turnover, often when liquidity is scarce.

The implementation cost question has never been a secret. A decade ago, several brand name managers claimed that heavy investments in trading technology had reduced "slippage" from 400 bps to 200 bps per annum. In our deep dive into the space back then, numerous sophisticated allocators shared their own calculations of 200-300 bps per annum. And yet in recent years, the industry-wide push to roll out more complex models and push into "alternative" markets arguably has reversed those efficiency gains. Regardless of the precise calculation methodology, it is axiomatic that, relative to many types of investing, the trading costs of a typical CTA are very, very high.

The next and obvious question is whether these costs can (or should) be reduced. Many strategies separate signal generation from implementation. A macro trader, for instance, might develop a view from dozens of esoteric markets and data points but then implement in the most liquid and efficient way possible. By contrast, a CTA manager might evaluate two hundred markets, then reflexively buy or sell instruments in two hundred markets. Of course, positions generally will be sized to reflect market liquidity or accessibility (e.g. swaps not futures). Still, complex implementation can sometimes seem like a badge of honor, like when a mutual fund holdings report stretches to two dozen pages.

"The evidence today is strong that the efficiency gains in a well designed replication model can translate into a meaningfully higher Sharpe ratio for investors."

To detect the CTA "signal", as described above, some complexity is necessary. We know this because the Sharpe ratios of trend following models rise with more instruments (at least up to a point). And, of course, the model will identify some truly idiosyncratic opportunities. Most of the time, though, the models appear to identify "clusters" of positions that are driven by deeper, seismic factors. This raises the question as to whether CTAs should "compress" the majority of the portfolio into a smaller number of more liquid, more efficient exposures.

A decade ago, this discussion would have been entirely theoretical. Since then, factor-based replication of CTA returns has been a real-world test of the efficiency question. For the uninitiated, factor replication models seek to infer the broad positioning of the CTA space using only reported daily returns of a diversified portfolio of funds – whether hedge fund, mutual fund, UCITS or, now, ETFs. Replication in effect seeks to compress a highly complex portfolio into one of a dozen or fewer major markets -- detecting not just directional positions but, importantly, more subtle cross asset relationships. Controlled rebalancing in the most liquid markets has the potential to drive down implementation costs by 90% or more. The evidence today is strong that the efficiency gains in a well designed replication model can translate into a meaningfully higher Sharpe ratio for investors. This suggests that efficiency gains may be more important than any theoretical "lost alpha" from esoteric instruments, risk controls and other features.

Managers understandably express frustration about the lack of AUM growth across the space. Perhaps the unspoken reason is the recent low Sharpe ratio of the strategy. The statistically inclined tend to overlook this issue: after all, there are few strategies with low correlation to both stocks and bonds, a tendency to perform best during market crises, modest drawdowns relative to other diversifiers, and accessibility with relatively low fees and liquidity. Those statistical features mean that, even with a lower Sharpe ratio, alpha generation is more than respectable. That said, for most allocators, "at the end of the day, you can't eat alpha." Perhaps an industry wide focus on efficiency will bring Sharpe ratios back in line with other asset classes and, finally, open the floodgates.

Edge Hunting Across Eras

Jørgen Jordfald – HedgeNordic

“The more predictable you were, the more of a liability it became, as pit traders front-ran orders all the time.”

“I have always looked for an advantage or an edge in markets, and I still do,” says Peter Warren.

Over more than four decades in markets, that search has taken him from early technology-driven arbitrage in metals to options market-making, hedge fund management and systematic trading. Along the way, he has seen market edge shift from trading floors and manual calculations to data, models and computing power.

One of Warren’s first market edges came with a handheld calculator. In 1980, while trading metals, he programmed a Texas Instruments calculator to calculate the cost of carry on LME-warehoused copper against the forward price. The program gave him a small but profitable speed advantage over traders doing the same calculations on paper.

BEFORE DATA WAS ABUNDANT

Before systematic trading became associated with large datasets, advanced algorithms and infrastructure, Warren recalls that obtaining usable data required “great difficulty and loads of labour.” At the time, datasets were not readily available, meaning traders had to collect, structure and analyse information themselves. “But that said, if you got compute in any form, you were a bit quicker than people around you. So, you were rewarded for the effort,” Warren notes. This readiness to build the data and tools he needed would remain a recurring theme in Warren’s search for market edge.

Two years later, in 1982, Warren created what he describes as the first database of stock prices in Norway, allowing him to conduct time-series analysis on the local market. That approach later carried

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Peter Warren – Investor, Podcaster, Former Hedge Fund Manager…and more

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into options. In 1987, Warren built the first options market in Norway, including a functioning clearing system. With insight from leading firms in the U.S. options market, including Timber Hill, Susquehanna, CRT and O'Connor, Warren acted as a market maker for 12 years while continuously improving systems designed to identify arbitrage opportunities.

The early use of data and technology did not remove the human element from markets. While these tools gave Warren a way to analyse markets more systematically, execution still took place in an environment shaped by brokers, pit traders, reputation and psychology, as well as the flow of information.

FROM TESTOSTERONE TO DATA

Warren describes the markets of that era as more "testosterone-driven than data-driven." Data and analysis were gaining ground, but trading still took place in a physical and often noisy environment where reputation and psychology could influence short-term market behaviour.

Execution itself could become a source of information leakage, as orders often had to pass through multiple people before being filled, exposing information to pit traders and other market participants. "The more predictable you were, the more of a liability it became, as pit traders front-ran orders all the time," Warren explains. As a result, managing how orders were executed became a key component of protecting the edge itself.

Warren argues that one of the misunderstood aspects of that era was the role of reputation. In the short term, reputation could move markets more than capital, as certain traders were able to shape behaviour simply because others knew their names, trading styles and willingness to take risk. Being right on the underlying market was not always enough. "It did not matter if you were right in the long run, they would kill you in the short run because they had that power," Warren recalls.

The shift toward a more data-driven market became increasingly visible to Warren in the 1980s, particularly when he first walked into the Chicago trading room of O'Connor, one of the U.S. options firms that had influenced his approach to technology and market-making. Used to noisy dealing rooms and trading floors, he recalls being struck by the silence of a room dominated by screens and computers. The contrast captured how markets were beginning to move away from trading-floor culture and reputation, and toward data, models and technology. Warren does not describe himself as a quant or developer. Instead, his role was often to work with people who had those skills and could challenge and improve his ideas. One of them was Øyvind Tvilde, a quant and former colleague, who recently said on a conference call: "I am a better quant when I work with Peter." Warren adds, "I was genuinely touched by those words."

THE SHORTER LIFE OF A MARKET EDGE

Across Warren's career, the search for a market edge has remained constant, but the time available to exploit it has narrowed. The half-life of a market edge has generally shortened over time, he argues, as compute and speed have made it easier for others to identify the same opportunities. "Whenever you think you found the holy grail, you will enjoy that for shorter and shorter periods of time before somebody else is onto it," Warren explains.

At the same time, the opportunity set has broadened. Warren recalls being struck by the number of markets that firms such as Renaissance Technologies, a quantitative investment firm, were able to analyse and trade, a sign of how compute and data were expanding the scope of systematic strategies. As data became cheaper and market coverage widened, the industry moved further away from what Warren describes as "the world of testosterone-driven traders" and toward what he fondly calls "the world of the nerds," where mathematics, statistics and technology increasingly became the primary drivers of market edge.

Whether in earlier market eras or today, Warren sees curiosity as the most important trait of any trader. "Everything changes, so you need to be curious. That's the only way to stay ahead of the game," he explains. Curiosity alone, however, is not enough. As edges fade and market conditions change, Warren also stresses the importance of humility, particularly in a field where conviction can turn into overconfidence. "If you think you are going to be right every time, you're going to have a very short career," Warren notes.

„Everything changes, so you need to be curious. That's the only way to stay ahead of the game."

EXECUTION STILL DEFINES THE EDGE

Since Warren's early years in markets, execution has shaped whether an edge could actually be captured. In earlier markets, execution itself could give away information to pit traders and other market participants. Today, the mechanics have changed, but predictable behaviour can still be detected and exploited. Warren points to high-frequency and medium-frequency traders analysing order books for patterns, making execution a continuing part of protecting market edge.

This makes liquidity and timing central to implementation. For Warren, this typically translates into activity around the opening of the U.S. market, when liquidity and order flow can create more favourable conditions. If analysis shows that the vast majority of profits are generated within a narrow time window, Warren argues that traders should question the need to remain active outside that period and instead focus on the window where the edge is strongest.

The challenge of protecting and developing an edge begins in the research process. Warren points to overfitting as one of the most common pitfalls in systematic trading. "There's an old saying: I've never seen a backtest that's lost money," he notes. The risk of overfitting does not weaken the case for data, but rather raises the bar for how data is used. Warren points to a remark by Leda Braga, CEO of the systematic investment firm Systematica Investments, asking, "How can you make decisions without data?" Warren adds that "we did this on gut feeling in the old days, but you would be in peril if you tried this today."

For Warren, the lesson from decades in markets is clear: systematic does not mean static. Models, data and computing power should help traders adapt faster as markets change. "Charles Darwin said it was not the strongest or fastest that survived. It was the one that had the ability to adapt," Warren notes. The same applies in markets, where edges fade, conditions shift and assumptions must constantly be tested.

Alexander Mende, PhD, CIO - RPM Risk & Portfolio Management

www.hedgenordic.com – June 2026
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Finding Alpha: Strategy vs. Manager Selection. What Actually Drives Returns?

By Alexander Mende, Per Ivarsson – RPM Risk & Portfolio Management AB

For many investors, manager selection ultimately comes down to intuition, whether inspired by personal preferences for a particular trading strategy or in-person meetings with the portfolio manager. While intuition may have value, it is difficult to demonstrate that it consistently identifies sustainable alpha generation.

The alternative is systematic analysis of historical performance. However, this approach has its own limitations: it practically excludes discretionary managers, whose results are inherently difficult to repeat, and places excessive emphasis on past returns. The familiar disclaimer "past performance is not indicative of future results" exists for good reason.

We propose a different approach: prioritize strategy selection over manager selection. Once you have identified a strategy you believe in, choose the manager, or managers, that best embody its defining characteristics.

For full disclosure, we are non-believers in consistent alpha of individual managers, at least with regards to Managed Futures, which is our area of expertise. There might be long-lasting outperformance of single managers, for example, in the L/S equity space. We just wouldn't know about it…

First, let us show once again that past outperformance is a weak indicator for future returns, at least in the long-run. Figure 1 shows the distributions of 36-month rolling Sharpe ratios of all reporting managers to the Barclay Hedge database vs. the five "best" out of the ten largest CTAs (ex-ante) and the performance of the same managers after a potential investment (ex-post). As you can see, the previously identified outperformance vanishes after the point of observation. Managers still deliver benchmark performance, which is okay, but any alpha you thought you had identified disappears. This unsustainability of past (out)performance is especially true for systematic strategies as market environments change over time. What works well during one market regime does not work at all during another. Market regimes will reappear, in some shape, but the cycle is usually longer than most investment horizons. One can also note that investing in the ex-ante "worst" managers would also provide benchmark

"Stop searching for the 'best' manager and start building the best portfolio."

DISTRIBUTION OF 36-MONTH EX-ANTE AND EX-POST SHARPE RATIOS OF 5 BEST MANAGERS OF LARGEST 10 CTAS VS. ALL REPORTING MANAGERS

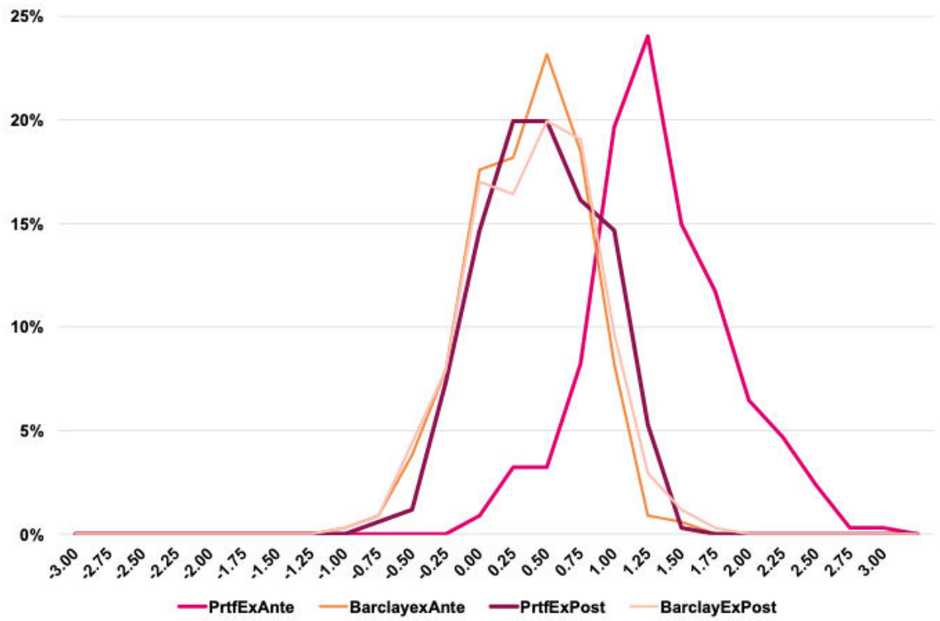


Figure 1 Distribution of 36-month ex-ante and ex-post Sharpe ratios of 5 best managers of largest 10 CTAs vs. all reporting managers, monthly data, 1994 to 2025. Source: Barclay Hedge

performance ex-post (however the survivorship bias is obviously strong in such analysis).

Now, let us illustrate how strategy selection can be done. The Managed Futures universe is dominated by diversified systematic medium-term trend following managers exploiting Time Series Momentum (TSMOM). In other words, most CTAs are trend followers generating profits in a trending market environment, i.e., when asset prices move substantially and sustainably in several different markets at the same time. Any trend following CTA should be able to capture TSMOM, by definition! That is what we would be looking for in a manager representing that strategy. Figure 2 shows the monthly performance of the SocGen Trend Index, of all trend following managers that have been part of the RPM Evolving CTA Fund (asset-weighted), and of two sample managers A and B for different MDI regimes (the Market Divergence Indicator MDI is RPM's measure of TSMOM). As expected, the trend benchmark does best when MDI readings are in the fourth quartile; it generates (slightly) negative returns on average when there is very little to none TSMOM in financial markets. In contrast, the RPM trend index captures more TSMOM while not giving up more during choppy market periods, thus outperforming. This is achieved by dynamically allocating between managers that capture less trends but are able generate positive performance in non-trending market environments (Manager A) and managers that basically only capture TSMOM but underperform when there are no trends to be found (Manager B).

Once you have built your "perfect" trend portfolio, you can start working on overcoming the drawbacks of systematic medium-term trend following, i.e., give-back losses during major market reversals, which often occur when the VIX spikes. Similar to Figure 2, Figure 3 shows VIX regimes and the according performance of different CTA substrategy indices. Regarding monthly VIX levels, trend following CTAs perform poorly when market volatility spikes. Short-term trading managers, although they have, over

AVERAGE RETURN (EQUAL VOLATILITY)

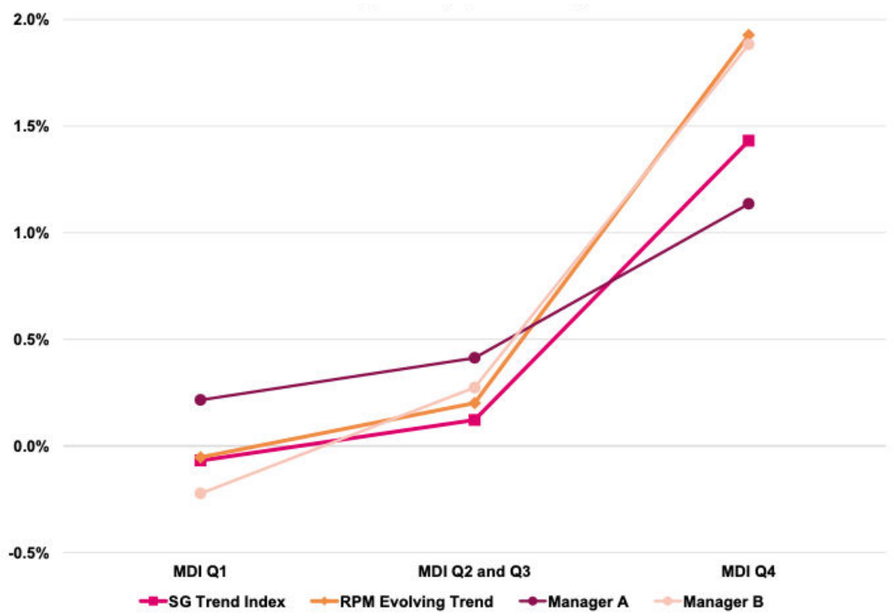


Figure 2 SocGen Trend Index, RPM Evolving Trend Composite, and selected trend following managers average return per MDI quartile since Jan-00 or respective inception, monthly data. Sources: SocGen, RPM, Bloomberg

AVERAGE RETURN (EQUAL VOLATILITY)

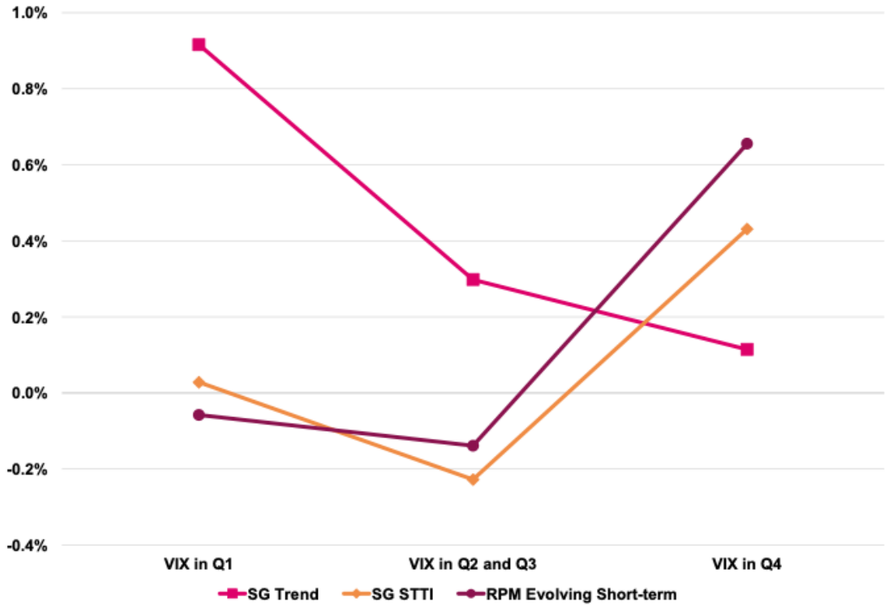


Figure 3 SocGen Trend and Short-term Trading Index and RPM Evolving Short-term Composite average return per VIX quartile since Jan-00 or respective inception, monthly data. Sources: SocGen, RPM, Bloomberg

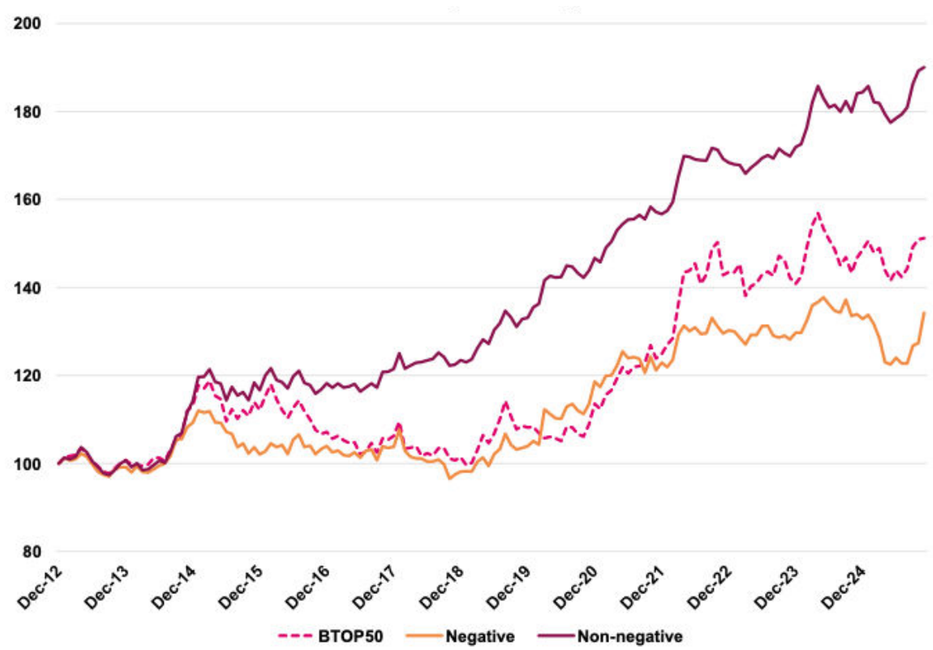


Figure 4 Ex-post performance of managers after the initial meeting with RPM based on meeting impression vs. Bar-clay BTOP50 Index, monthly data. Sources: RPM, Barclay Hedge.

time, underperformed slower systems, add value to a multi-manager portfolio during times of initial market distress. So, you want managers that perform best during high volatility market environments. No sooner said than done, RPM's choice of short-term managers provides more protection during VIX spikes but performs slightly worse when everything is calm.

Hopefully, by now, we have been able to show the value of selecting strategies first before choosing which managers to pick. If this procedure generates sustainable outperformance is not a given, but it will at least provide the portfolio characteristics you have deemed necessary under certain market circumstances.

Now, let's get back to the intuition decision making factor mentioned above. While we do not believe it is possible to identify manager alpha just by talking to a manager, it is possible to separate the wheat from the chaff, nevertheless. Figure 4 shows the

"Sustainable returns are less likely to come from identifying rare managerial genius than from combining complementary strategies that behave differently across market regimes."

(post meeting) performance of managers we met throughout the years after the initial meeting based on our subjective impressions. Apparently, it doesn't matter if we intuitively like a manager or a certain strategy. However, once something smells fishy or doesn't add up, this is a good warning sign to stay away. So, we not only crunch numbers but also listen to our collective "corporate gut".

The lesson is simple: stop searching for the "best" manager and start building the best portfolio. Sustainable returns are less likely to come from identifying rare managerial genius than from combining complementary strategies that behave differently across market regimes. Manager selection should serve strategy selection, not the other way around.

And what about intuition? Use it as a filter, not as an investment thesis. Numbers tell you what a manager has done; strategy tells you what a manager is likely to do; intuition can help you avoid what neither reveals.

In the end, successful investing is not about finding stars – it is about assembling the right constellation.

Linus Nilsson – NilssonHedge

“Given that trend followers are often viewed as a largely homogeneous group exhibiting similar characteristics (long-term orientation, momentum-based signals, long skew, crisis alpha, etc.), it is remarkable that divergence can appear either very large or very small, depending on how it is measured.”

Dispersion matters. If dispersion is high, there are two strategies for a fund selector. The first is to try to identify and allocate to the best-performing funds if you possess strong manager selection skills. The second is to allocate capital across as many managers as possible to diversify manager-specific risk. If dispersion is low, manager selection matters less, as all managers effectively become similar by broadly executing the same strategy. In that case, capital can be allocated to a single manager without taking on significant career risk.

Throughout 2025, we saw several CTAs point out that a small selection of large managers has exhibited an unusually wide range between the worst- and best-performing programs. A thoughtful analysis of the reasons behind this divergence was published by Quantica[1], while others, such as CFM[2], concluded that dispersion was no greater than average. Both articles present valid arguments.

Further attempts to explain divergence between managers was done by MAN Group that dived deeper into the subject[3] highlighting how exposure to certain factors, sector tilts, and trading speed affects the outcome. Similarly, Bank of America has argued that specific design decisions largely determine the ex-post realized divergence from peers.

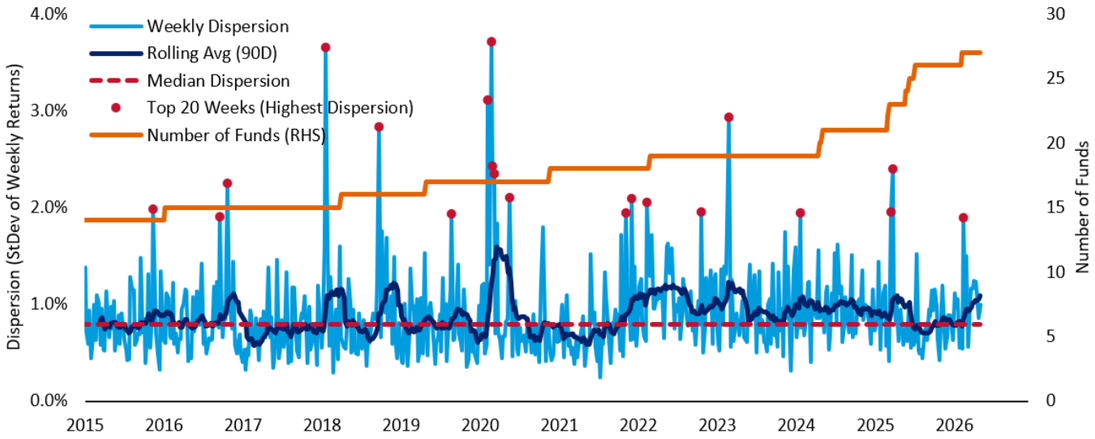
Given that trend followers are often viewed as a largely homogeneous group exhibiting similar characteristics (long-term orientation, momentum-based signals, long skew, crisis alpha, etc.), it is remarkable that divergence can appear either very large or very small, depending on how it is measured. We also frequently observe managers experiencing temporary underperformance citing elevated dispersion as a partial explanation for larger drawdowns.

As seen in Figure 1, almost all the large divergences occur during weeks with large macro events. The highest weekly dispersion readings tend to coincide with periods of market stress. While dispersion is currently above its long-term average, it appears relatively stable when viewed over a longer horizon.

Dispersion – High or Low?

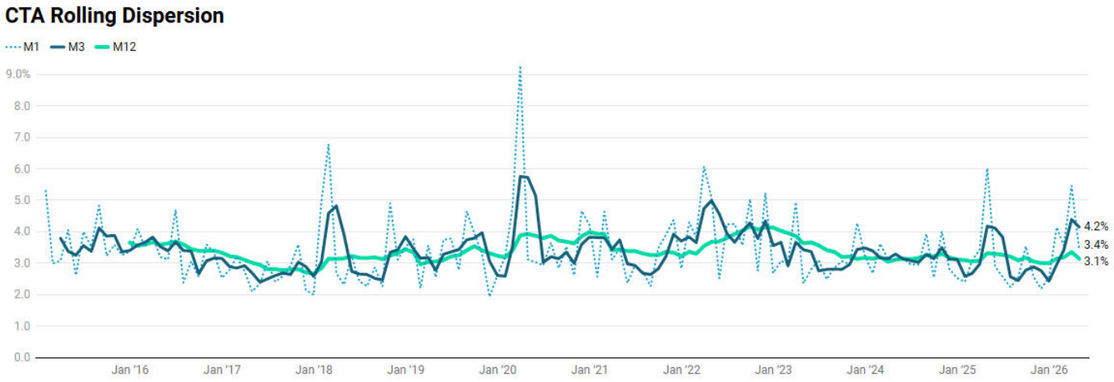
It Depends

FIGURE 1. WEEKLY DISPERSION ACROSS LISTED US MUTUAL FUNDS AND ETFS.



Source: BoA CTA Dispersion Impact Monitor Choice matters as CTA leadership shifts and dispersion persists. Reprinted by permission. Copyright © 2026 Bank of America Corporation ("BAC"). The use of the above in no way implies that BAC or any of its affiliates endorses the views or interpretation or the use of such information or acts as any endorsement of the use of such information. The information is provided "as is" and none of BAC or any of its affiliates warrants the accuracy or completeness of the information.

FIGURE 2. ROLLING MONTHLY DISPERSION FOR TREND FOLLOWING MANAGERS.



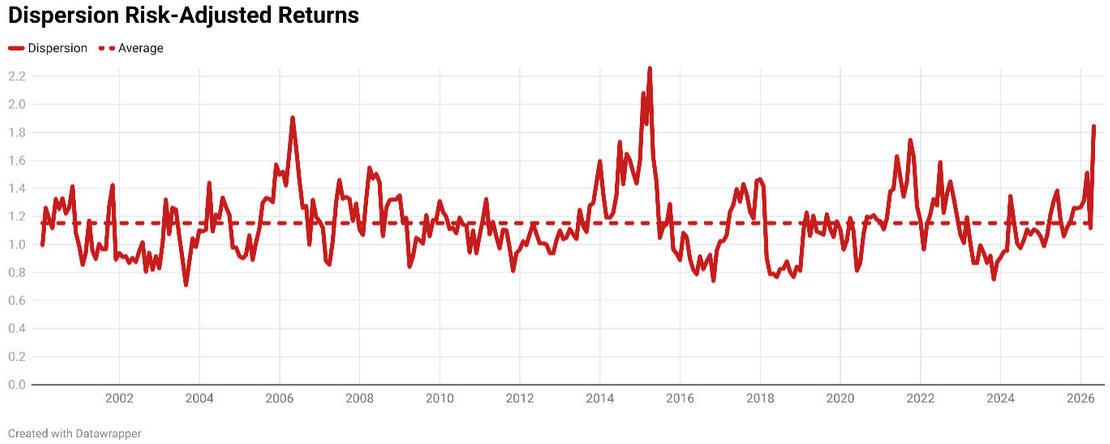
Using one of the largest databases available for CTAs (NilssonHedge). We calculate several dispersion-related measures across managers. Since the early 2000s, we have collected return data on more than 600 trend-based managers. We believe the sample is reasonably free from pre-production strategies (i.e., simulated returns) and is not affected by survivorship bias.

We ignore size and focus purely on the realized returns. Given the scalability of trend following (due to the exposure to large liquid markets and relatively slow changes in positions) size is a less relevant sorting variable, at least from this perspective. Small and large managers use the same strategy, and similar markets. Otherwise, they would not be correlated. Thus, we find it reasonable not to condition the sample on size herein.

LOW DISPERSION?

There are multiple ways to define dispersion. A reasonable definition is to use the "interquartile range", i.e. the distance between the 25th and 75th percentile. We track this measure back to 2015 using monthly data.

FIGURE 3. SHARPE RATIO DISPERSION MEASURED AS THE DIFFERENCE BETWEEN THE 1ST AND 3RD QUARTILES



As noted above, dispersion is often driven by large divergences in the top and bottom quartile around major market event, such as the Feb 18 equity market correction, Covid, the Ukrainian invasion, Liberation, and the Iran war. Unexpected market events.

Short-term dispersion is almost always due to luck, with a manager having the right or wrong position going into a particular event. Post an event, reactions can be evaluated, how the signals changed and if risk management forced positions to be reduced. This can relate to subtle differences in parameter configuration, having a particular market, or a sector tilt.

To visually identify any trends in dispersion, we plot rolling averages over different time horizons. The results are presented in Figure 2. Monthly dispersion occasionally spikes but reverts in subsequent months. High dispersion predicts low dispersion in the next period. That said, it is hard to see any sustained trend in the data. Overall, nothing appears elevated, and if anything, rolling dispersion on a yearly horizon is low relative to its own history.

HIGH DISPERSION?

We move away from the noise that month-to-month returns represent and focus on the rolling risk-adjusted annual performance to reduce the influence of a few highly volatile managers.

As before, we divide the sample into quartiles. The realized rolling Sharpe ratios are highly correlated, suggesting that managers are exposed to many of the same underlying return drivers.

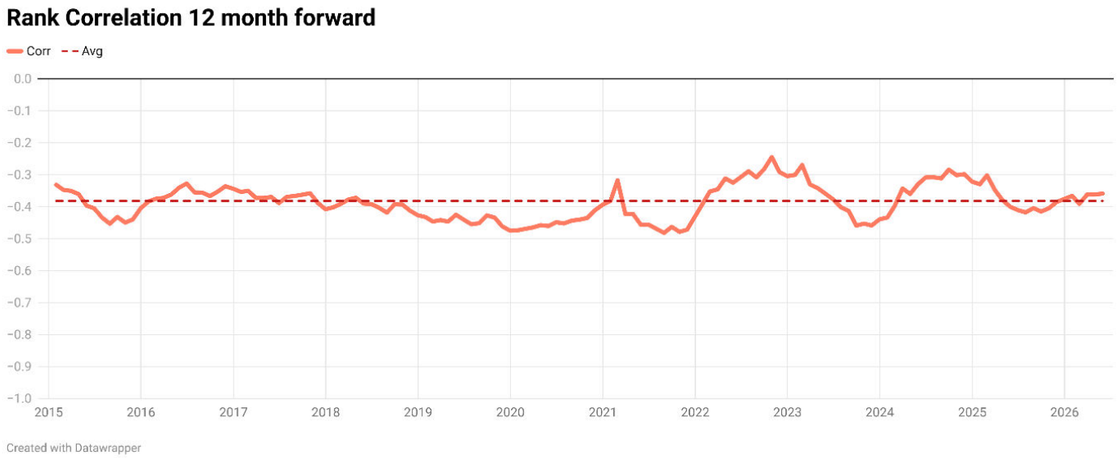
When examining rolling risk-adjusted performance dispersion, a somewhat different picture emerges. Dispersion is close to all-time highs. This finding supports the views of industry participants who have observed elevated realized dispersion.

READING THE TEA LEAVES

While we found that monthly dispersion is roughly in line with historical averages, we noted that annual dispersion was much higher than normal. Does this indicate something meaningful, or are we simply torturing the data?

As it turns out, when comparing a manager's current ranking with its ranking in a subsequent period, we

FIGURE 4. RANK CORRELATION (CURRENT RANKING VS FUTURE RANKING)



find that the correlation is persistently negative. In other words, managers with high risk-adjusted performance generally performed less well in the following period, relative to peers.

In conclusion, monthly dispersion has remained stable and well contained over the past 10 years, while annual risk-adjusted performance exhibits clearly elevated levels of dispersion. As a result, manager selection has mattered, and concentrating capital among too few managers has carried a high risk of underperforming a benchmark However, if you happen to have invested with a trend strategy that has performed exceptionally well, you should not expect that outperformance to persist in the next period.

The best cure for low performance is low performance.

1) https://quantica-capital.com/en/publication/qi-2025Q4

2) Steady Trends: The Reality of CTA Return Dispersion - CFM

3) https://www.man.com/insights/deep-dive-trend-following

Linus Nilsson wrote this article in his capacity as founder for NilssonHedge, a hedge fund database. The article does not necessarily reflect the views and opinions of current, future, or past employers.

“Managers with high risk-adjusted performance generally performed less well in the following period, relative to peers.”

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Horse Racing and *Mare*tocracy

By Thomas Babbedge – GreshamQuant

> “Diversity matters for both horse genetics and also market portfolios so that starting stable needed both breadth and quality.”

I first went to the Exeter Racecourse when I was thirteen years old with the girl next-door. I don't remember where from, but we picked up a tip that a horse called Microlite could apparently just fly over the hedges, a surefire winner etc. So, we got very excited and I put on a big bet (fifty-pence - go big or go home!).

Well, it turned out that Microlite, like most horses, didn’t really know how to fly, and came nowhere near winning.

I really felt that loss! I'd had that real thrill of feeling there was this hidden information, a signal that could tell me something about, in this case, predicting who would win the race. But I had also felt the gambler's pain of making a bet and losing it. I think that day was quite influential in shaping my future interest in markets and prediction but also in right-sizing allocations. For 50p that was probably a worthwhile lesson.

When we launched our commodity strategy nine years ago, we necessarily had a fairly small stable in terms of the horses, or the markets, that we were trading. With $50M of seed capital there was a limit to the number of markets the strategy could allocate to – a single lot position in some of our calendar strips is valued in the millions. Diversity matters for both horse genetics and also market portfolios so that starting stable needed both breadth and quality, resulting in just under fifty markets at launch.

In many ways, market selection defines the space within which skill can matter.

Over time, much of our research process has been about selecting and developing new markets and diversifying commodity themes. That's included LNG markets, Chinese agriculturals, biofuels, the green transition, and expressions of datacenters and AI demand via variegated power markets, nuclear fuels and grid infrastructure materials. This distinction - between breadth and effective diversification - is why more exposure does not automatically imply more opportunity.

Just as new blood has been judiciously added, on occasion some horses have been put out to pasture – their contribution to diversity having reduced or if they were no longer achieving the required quality for the herd. But overall, the stable has grown in size in a fairly monotonic manner.

That growth has slowed in the past few years, not due to a change in our view of what makes a great racehorse, but because the stable has reached a sufficient population (the strategy has had 150 +/-10 or so markets since 2023).

If you have too large a stable, you’re no longer just selecting the finest thoroughbreds - you just have a large herd of increasingly generic looking horses. There's a vast difference between allocating between 100 markets and 1,000 markets. And if you're allocating to a thousand markets that is less about idiosyncratic bets and more about looking like an index.

For allocators, universe discipline is not about having more opportunities - it’s about having fewer, better-constrained ones.

We’re in the business of racehorses, not horses - and that means applying continuous, capacity-aware selection to what qualifies to run under the GQ banner.


Thomas Babbedge, PhD, FRSS, FRAS,
Co-Head & Chief Scientist, GreshamQuant

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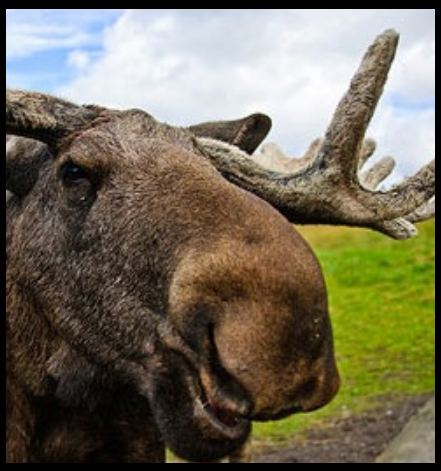

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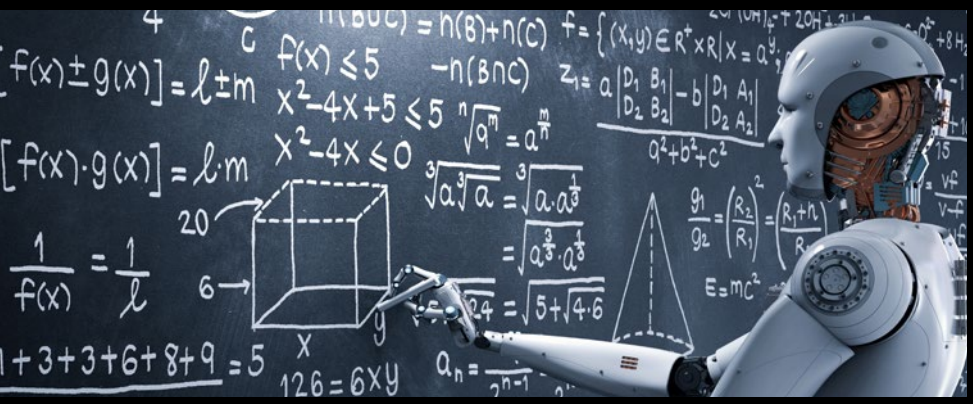

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