

Quaesta Capital AG

Best Discretionary CTA

Quaesta Capital AG is an independent Swiss financial services provider with a primary focus on currency management. Based in Pfäeffikon, Switzerland, Quaesta Capital AG was founded in 2005 and currently manages approximately USD3bn in currency volatility and global macro strategies and bespoke currency overlay mandates.

It is regulated both by the Swiss Financial Market Supervisory Authority (FINMA) and the US Securities and Exchange Commission (SEC).

Quaesta Capital's FX long/short volatility programme is called v-Pro & v-Pro Dynamic. It has a nine-year track record, a Sharpe ratio of 0.88 (through 31st Jan 2016), and is market neutral in its trading style. The v-Pro strategy returned 20.06 per cent in 2015, whilst v-Pro Dynamic generated 43.35 per cent positive performance.

It is currently available as a Luxembourg-domiciled SICAV-SIF and as managed account. The UCITS-version of the strategy will go live soon.

The main difference between the two versions is that v-Pro Dynamic uses around twice the leverage of v-Pro, although the underlying investment strategy remains the same.

"Since our inception we always have been focused on currency management as the main pillar of our business activities. For us, the world's most liquid market with USD5.3tn daily turnover offers a host of opportunities and we feel investors want to speak with specialists offering this dedicated and in-depth expertise," says Thomas Suter, CEO of Quaesta Capital AG.

2015 has seen the v-Pro volatility strategy start on a positive note due to the removal of the EURCHF floor by the Swiss National Bank in January, "for which we were positioned nicely", confirms Suter. "As volatilities stayed elevated in major currency pairs we were able to continue the positive performance with



Thomas Suter, CEO of Quaesta Capital AG

skew and curve trades in the g-10 currency throughout the whole 2015."

Quaesta sees numerous opportunities over the next few months. Not only is the number of clients asking for tailored currency risk management solutions growing, but also, as market volatility is likely to remain high the need for specialised advice will remain elevated.

"As a discretionary currency volatility manager we like the volatile environment that has arisen from Central Bank divergence, shaky equity markets and other uncertainty at present. This allows for good trading opportunities. In addition more people will be willing to look into proper currency risk management solutions, which we have on offer too," confirms Suter.

Quaesta Capital also sees good interest from family offices in its structuring capabilities, where it comes up with securitised currency solutions for its clients. Due to the wrapping into an ISIN-bearing instrument, clients can get easier and more competitive market access to currency option trades and benefit from Quaesta Capital's expertise.

"Next to our longstanding passive currency overlay services, clients are once again asking for more active overlays in the currency space. Given our market expectations we're confident that our discretionary v-Pro relative value strategy will continue its positive run as we note a lot of good trading opportunities," comments Suter. "Our clients can draw on a number of seasoned currency specialists to achieve an optimal and transparent currency risk management setup for their firm, be it as passive or active overlay. For us the topic of FX Best Execution goes beyond just executing on best price, but also to have a robust and regulatory compliant risk management setup that is built for the future." ■