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PRESS RELEASE

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Lombard Odier Investment Managers launches DataEdge Market Neutral Strategy

Strategy uses big data on consumer trends to identify earnings surprises and capture alpha potential

Lombard Odier Investment Managers (“LOIM”) today announces the launch of its DataEdge strategy. The market-neutral alternatives strategy combines big data analysis and systematic investment expertise to identify trends in consumer behaviour and their impact on company earnings forecasts, in order to capture alpha opportunities for investors.

LOIM’s DataEdge is an Equity Market Neutral strategy with a differentiated investment framework that uncovers alpha potential by applying an ‘information edge’ to stock picking.

The strategy launched three years ago and is now opening for the first time to external investors and in a UCITS format.

The strategy relies on the analysis of alternative data points across multiple geographies, sectors and sources, including credit card transactions, digital receipts, web traffic, activity on apps and geolocation services. This data is structured and filtered to identify consumer behaviour trends in real time.

Systematic and quantitative analysis methods are then applied to predict how patterns could impact the key performance indicators (KPIs) of listed companies, such as sales, revenues and new customers, as well as to track inflection points in the trends of KPIs over several quarters. This ‘information edge’ improves the forecasting of company results, to better predict earnings surprises and capture alpha potential.

The investment universe is currently US centric, and predominantly focuses on small to mid-cap companies across consumer, technology, industrial and healthcare sectors. The strategy monitors almost 700 companies daily to create a contrarian and diversified portfolio of 200-250 active stocks, where we see strong potential for divergence between company results and market expectations, therefore generating alpha potential.

The DataEdge strategy is managed by Co-Lead Portfolio Managers, Laurent Joué and Marc Pellaud, who have a combined 36 years of experience in systematic alternatives strategies. Laurent and Marc work closely with LOIM’s quantitative investment team of 21 professionals, which together manages more than USD 10bn.



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Jean-Pascal Porcherot, Co-Head of LOIM and Managing Partner at Lombard Odier commented:
“The DataEdge strategy is an important addition to LOIM’s range of hedge fund strategies. It highlights the depth of skill and expertise across our systematic offering, as we continue to seek to new ways to generate alpha across asset classes. With the DataEdge strategy, we are combining tested, disciplined investment processes with new data sources to offer investors a differentiated market-neutral strategy and compelling potential returns.”



About Lombard Odier IM

Lombard Odier Investment Managers (LOIM) is the institutional asset management business of the Lombard Odier Group, wholly owned and funded by its partners since its establishment in 1796.

We provide a range of investment solutions to a diverse group of long-term oriented clients. Our heritage, and our combination of the best of conservatism and innovation, keeps us well positioned to create lasting value for our clients. Our investment capabilities span fixed income, convertible bonds, equities, multi-asset, and alternatives. Sustainability is central to our investment philosophy; we believe it is the founding principle of long-term economic and investment outcomes and will drive returns over the long term.

With 209 investment professionals, we are a global business with a network of 13 offices across Europe, Asia and North America and have assets under management of USD 70 billion (as at 31 December 2023).

For more information: www.am.lombardodier.com

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