Syz partners with Willy Woo and CMCC to launch first bank-backed crypto hedge fund

Lunedì, 05/15/2023

Zurich, May 15, 2023. Syz Group has partnered with CMCC Global to launch SyzCrest Digital Uncorrelated – a fund of crypto hedge funds. SyzCrest brings together some of the most renowned experts in the traditional hedge fund world and the crypto and digital asset ecosystem. The strategy will be available to investors from July 1st.

The strategy for fund raising has been designed for the fund to scale quickly to $300mn with capacity options provided to early investors.

The pioneering proposition is a partnership between Syz Group – one of Switzerland's most reputed names in hedge fund selection, and Crest, the hedge fund selection arm of Hong Kong crypto manager CMCC Global. Syz Capital, Syz Group's alternatives business will be the investment manager of the strategy with CMCC Global acting as sub adviser.

SyzCrest is the industry's first alpha-focused crypto portfolio to be managed by a banking group, and as an additional first, is a monthly liquidity product. Syz was among the first banks to bring Wall Street hedge funds to Swiss private banking clients back in the 1990s and has since built a world-class track record selecting hedge funds.

The launch is the latest milestone in SYZ Group's pursuit to deliver ground-breaking innovation to its growing global client base. In December last year, the group offered highly secure cryptocurrency custody and trading services to its Swiss and international clients. The landmark announcements underline SYZ's commitment to unlock the value in creating a bridge between traditional and decentralised finance.

Navigating bull and bear markets

The 'all weather' strategy is designed to produce positive returns in both bull and bear markets, throughout the cycle. The strategy leverages the volatility, fragmentation, and inefficiencies of this nascent asset class to target returns between 5 - 10% in a bear market and 35%+ in a bull market primarily via market neutral strategies. Directionality will be added to the portfolio via trend following (CTA/momentum) strategies.

The directional allocation will leverage SyzCrest's proprietary tools for cycle stage and strength assessment. The portfolio will be reviewed to rebalance monthly using quantitative simulations to optimize specifically for Calmar ratio.

Syz brings over 25 years of leading hedge fund selection and research, with a solid track record of avoiding all the major failures of the hedge fund industry over that period. CMCC Global was founded in 2016, as one of the world's first institutional crypto asset managers.

The Woo Factor

The fund harnesses some of the most influential minds in the traditional hedge fund world and the digital asset ecosystem.

The strategy's investment committee team includes Richard Byworth, managing partner at Syz Capital who oversees hedge funds. He was previously co-founder and CEO of Eqonex, parent of Bletchley Park AM Fund of Crypto Hedge Funds. He has over 18 years working with traditional hedge funds in investment banking, and five years with crypto hedge funds.

Cédric Vuignier, portfolio manager at Syz Capital, is also a member of the investment committee. He has been a hedge fund portfolio manager at Syz since 2016 and has focused on hedge fund selection for two decades. Previously, as HSBC head of discretionary, he managed up to $3.2bln.

The portfolio team also draws on the expertise of Willy Woo, managing partner of CMCC Global & Crest Fund. He is advisor to the Ama

fund and general partner at the S2F Fund. He is widely considered the pioneer of on-chain analysis. The investment committee also includes Martin Baumann, managing partner and co-founder of CMCC Global. He has served on multiple boards of leading fintech companies, and Mathieu Woifflard deputy PM at Syz Capital.

Commenting on the launch, Richard Byworth, managing partner at Syz Capital, said:

"The collaboration brings together Syz's decades of experience applying due diligence on funds and CMCC Global's deep roots in crypto; we believe this to be a truly unique partnership in the market."

"We also believe a fund of hedge funds providing oversight and governance is the best way to invest in the huge opportunity presented by crypto, protect against the multiple unseen risks in the industry, and diversify across managers and strategies."

Willy Woo, managing partner of CMCC Global & Crest added:

"Digital assets are a new frontier. Presently 23,000 crypto assets exist with thousands of liquid markets added per year. Each addition brings extremes of volatility and pricing inefficiencies from which algorithmic strategies can capture exceptional returns.

Despite being nascent, these markets are liquid - the top 30 digital assets enjoy the same liquidity as that we see on the SP500."