



What is Seasonality and How Can You Benefit from it?

Seasonalities are regular and predictable patterns that recur every calendar year.

Every industry exhibits unique seasonal trends, based on solid fundamental drivers that we are able to benefit from.

The best-known seasonal drivers include harvest periods, the timing of interest

payments, the weather, investor sentiment at certain times of the year, tax and balance sheet deadlines, annual or quarterly financial reports, as well as traditional patterns, such as the year-end rally in the stock market. Seasonal strategies generate large gains based on statistical information; emotions play no role in trading decisions.

After many years of intensive research, Seasonax Capital has developed an equity trading strategy that captures seasonal trends in specific stocks and profits from their recurring nature over the course of the entire calendar year.

Challenge

In order to **benefit** from seasonal patterns in the course of an entire year, a sufficient number of statistically profitable **investment opportunities** has to present itself at any given time. The most widely known **seasonal trends** occur only over a limited number of time periods in the course of a year. In order to broaden the number of **investable signals** to the degree needed to be able to **invest at all times**, it is necessary to:

- Evaluate a large amount of historical data on every single stock
- Create algorithms to identify seasonal patterns

Not only stock indices display seasonal patterns, but also individual stocks – and in many cases they occur in different time periods in the course of the year (**highlighted** in charts below).

Single stocks exhibit distinct seasonal trends



Novo Nordisk, Seasonal Average over the last 15 years
Source: seasonax

By shifting funds between different stocks based on the timing of their strongest seasonal trends, it is possible to generate very large cumulative gains.



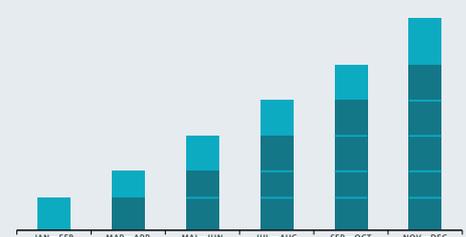
Adidas, Seasonal Average over the last 15 years
Source: seasonax

Strategic Approach

Individual stocks exhibit distinct seasonal patterns, either due to **internal business reasons**, or due to a variety of **external factors** which **affect their prices**.

By screening different stock indices, we are able to identify and evaluate these single stock **patterns**. This enables us to switch from one stock to the next, exploiting the timing of the respective **favorable seasonal trends** and reap the benefits from the associated outperformance.

Focusing on the **strongest seasonal periods** in specific stocks in the course of the year will result in compounding **profits**.



Visualization of rolling from one stock to the next. This method will tend to compound returns in the course of the year.
Source: seasonax

BACKTESTING: THE SELECTION APPROACH

For a universe such as the constituents of the **STOXX Europe 600 Index**, the seasonality of each stock with a history of **10 years or more** has been calculated. Over the test period of up to 20 years and more, an examination of the seasonal patterns is carried out every month. Stocks displaying favorable trends and returns from a seasonal perspective are included in the portfolio, all others are excluded.

Backtesting is affected by additional factors, such as **selection bias**, **rebalancing** and **equal weighting**.

BACKTESTING METHODOLOGY

In the field of seasonality, the unique combination of:

- **walk forward testing** and
- **completely out-of-sample data sets**

generates extremely robust results. Moreover, the large number of signals reduces the probability that the results are achieved by chance.

The approach works in **different market environments** (bull markets, sideways trending markets, bear markets), **regions** (from west to east), **sectors** (standard stocks, sector-specific stocks) and **eras** (even before internet and news-feeds became available).

Strategy Introduction

Investment objective: The goal of the investment strategy of the Seasonax Market Neutral Fund is to create **a stable and positive increase in value**, independent of the market environment.

We aim for an **annual average performance of + 5%** with an **annualized volatility of less than 10%**.

Key Data

Fund Name	Seasonax Market Neutral
Fund Category	Absolute Return
Currency	EUR
Domicile	Germany
Legal Form	UCITS
Fund Advisor	Seasonax Capital GmbH
Liability Umbrella	BN & Partners Capital AG
Portfolio Manager	Baader Bank AG
Managing Company	HANSAINVEST
Custodian	Kreissparkasse Köln
Public Distribution	Germany and Austria
Recommended Holding Period	5 years
Dealing	Daily

Seasonax Market Neutral - I -

Share Class	I - Institutional
Distribution Policy	distributed
Front End Fee	0%
All-in Fee	0,85%
Performance Fee	20% per annum of the positive performance over the reference value 2% p.a. (absolute positive performance) is calculated as a performance fee
High-Water Mark	Yes
TER* estimated	1,13%

Investment Policy

The Seasonax Market Neutral pursues an **Absolute Return Strategy** and invests in a **global selection of stocks**, while simultaneously hedging the investments through stock index futures or similar instruments.

The selection follows **innovative trading logics** and is based on **seasonal and cyclical patterns**. The parameters are based on empirical studies and fundamental data analysis. These are constantly validated and improved. The goal is a **market neutral return as an alternative to classic bonds**.

OUR COMPANY AND EXPERTISE

Seasonax Capital is an innovative investment boutique for empirically backed investment decisions of institutional investors and wealthy private investors and families. The focus is to **identify market anomalies** that have been hardly exploited thus far, and the statistically robust implementation of these anomalies into investment strategies.

The founders have extensive experience in the field of quantitative analysis, the development of trading systems and have received several awards.

Awards of the managing partners

UCITS HEDGE AWARD 2013 for the best performing commodity fund
€uro Fund Award 2013
Wing Sculpture at the precious metal fair 2017
Scope Award 2019 for the most innovative fund
Goldener Bulle 2019 third place for the most innovative fund.

“As a trade signal developer for the last 25 years, I have to say that the strength and stability of seasonal patterns allowed me to develop a strategy which outperforms all my past achievements”

Dimitri Speck

MANAGEMENT



DIMITRI SPECK

Founder / Managing Director

- Professional in the field of pattern recognition
- Expert in the development of trading systems
- Exceptional track record in managing large volume funds
- More than 25y of experience in seasonal analysis



TEA MURATOVIC

Founder / Managing Director

- Worked for many years in Capital Markets
- Strong financial background in international market environment
- Close cooperation with blue chip companies providing them with tailor made derivative solutions within different asset classes



CHRISTOPH ZENK

Founder / Managing Director

- Serial entrepreneur with focus on marketing and business development
- Technical background
- Contributes with more than 15y of experience
- Expert in data driven models & advertising

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