

## Capturing the whole continuum

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**Continuum Capital Management entered Australia's funds management arena in late 2007. Specialising in quantitative investing, Continuum's value proposition to its clients is based on innovation and experience.**



Continuum's three founders: Max Cappetta, Anthony Corr and Brett McElwee (in photo - left to right), worked together in the 1990's at global investment management firm, GMO. It was after that time they hatched idea for Continuum and set out to take funds management to the next level.

"At a time when the quantitative funds management sector was stagnating, we could see a real opportunity in harnessing emerging technology and computer power," said Brett.

"We wanted to build a continuous funds management process and advancements in technology allowed us to do that."

### **Building from the ground-up**

The team started from scratch and built the infrastructure that allowed them to take a more dynamic and real-time approach to investment management.

"While we were establishing Continuum, other quantitative investment managers were using legacy systems that operated in a daily framework. We found a way to offer something different: an investment process that modelled the whole continuum and delivered outcomes that were more event-driven," said Max.

Unlike a more traditional quantitative approach, the team aligns portfolio activity with news and events in the market as they happen. It's this way of working that sets Continuum apart.

### **A unified approach**

As the name suggests, Continuum's investment approach is holistic and integrated. Its philosophy even extends to the way in which its investment professionals work together and take part in all aspects of the investment process. This more nimble approach to investment management allows the team to keep across the traditionally used 'hard' data as well as 'soft' data that includes the unrelenting flow of news.

"It would be an enormous task for one person to handle the vast amounts of data out there, so we've developed tools that help us process and analyse the information," said Anthony.

By automating data capturing and processing, the team is free to do what it loves to do: spend time thinking about investing and evolving its approach.

### **In partnership with Ascalon**

Ascalon – one of BTFG's three investment management arms – has a 45% stake in Continuum. As an incubator, Ascalon works in partnership with Continuum to help it grow

and realise its full potential. It does this by investing in the business, taking on some of 'back office' tasks and helping to manage business administration, legal and governance tasks.

"Not everything we do can be automated, so it's great having Ascalon's support. It means that we can spend more time investing," said Brett.

### **Stand-out performance**

Continuum has set the bar high. Its Aggressive Fund performed strongly in the March quarter and was up 16.7 per cent for twelve months ending 31 March 2011 according to Mercer's latest figures.

When asked about this level of performance, the three founders said that with an investment approach that is based on deep and extensive research, the result wasn't unexpected.

"There's a growing re-appreciation of what quantitative funds can produce in terms of diversified returns and performance like this is a good proof of concept," said Max.

So what's next for the Continuum team? As well as continuing to generate great returns for their clients, the focus for Anthony, Max and Brett is on growing Continuum and potentially developing an investment offer for the retail market. Stay tuned.

### **More information**

- Continuum website: [www.continuumcapital.com.au](http://www.continuumcapital.com.au)