

Unlocking investment potential with Actively Managed Certificates

By Vincent Anthonyrajah, CEO of Differential Capital

Actively Managed Certificates (AMCs) have transformed the investment landscape, offering flexibility, cost-effectiveness, and transparency. At Differential Capital, a boutique asset manager, we provide investors with access to our proven investment strategies through listed AMCs on the Johannesburg Stock Exchange (JSE), including Gradient Hedge Fund (AMC015) and the Kyrios Global Flexible Fund (AMC016).

Why Actively Managed Certificates?

AMCs serve as structured financial instruments that allow investors to gain exposure to professionally managed portfolios in a simple and cost-efficient way. Unlike traditional investment vehicles, such as unit trusts or ETFs, AMCs offer increased agility, enabling fund managers to respond swiftly to market conditions. Individual investors are able to draw their money out at any time, offering an agility not available in many other investment products.

Differential Capital leverages a data-driven approach, combining fundamental analysis with artificial intelligence to uncover high-value opportunities. We identify opportunities that traditional hedge funds might overlook, and our AMCs provide investors with access to these strategies without the burdens of segregated mandates or complex administrative requirements.

Proven Investment Strategies

The Differential Capital Gradient Hedge Fund has navigated all market conditions since its inception during the pandemic, and has consistently demonstrated resilience and success to be named as the winner of the HedgeNews Award for best multi-strategy fund in 2024. The ability to short stocks and structure derivatives ensures protection against market downturns.

The Differential Capital Kyrios Global Flexible Fund has a global stock selection strategy. It is focused on a diverse universe of entrepreneurial-led companies with strong alignment between management teams and shareholders. Unlike hedge funds, Kyrios does not short stocks, offering investors a long-term growth strategy. Investing in companies where leadership has significant personal stakes, such as NVIDIA and the family-owned Lundin Mining, translates into a culture of long-term value creation.

Tailored to Both Individual and Institutional Investors

For pension funds, particularly smaller ones, AMCs simplify administration, allowing for greater flexibility in portfolio allocation and easier switching between investment strategies. AMCs cater to individual investors seeking an uncomplicated, transparent and accessible way to grow their wealth.

Risk Considerations

As with all equity investments, AMCs are subject to market volatility. Investors in Kyrios should adopt a long-term savings horizon, while those in the Gradient Hedge Fund should consider a medium-term approach.

Our risk management approach is rooted in data science, leveraging AI to assess macroeconomic environments and adjust portfolios. Unlike traditional correlation models, which assume static relationships between stocks, our AI-driven models continuously refine investment choices to enhance returns and diversify risk.

Future Focused Investment

Differential Capital is dedicated to providing investors with innovative, AI-enhanced investment solutions. Our AMCs offer an alternative to conventional investment products, combining the best of hedge fund strategies with the accessibility of listed instruments.

With proven track records and a commitment to transparency, we empower investors to take control of their financial futures. Whether you are an individual investor seeking an easy-to-manage portfolio or a pension fund looking for flexible asset allocation, our AMCs provide a compelling investment opportunity.

