

Sodefi Fund (SODEFI) - Deep Dive Analysis

ANALYSIS PARAMETERS

GBP

5y

Sodefi Fund

SODEFI • Base: EUR

Rate Of Return ↗ 7.84%	R/R Ratio 0.67	Sharpe 0.61	Sortino 1.07
Alpha 0.29%	Beta 0.64	Volatility 10.40%	Drawdown -11.72%

EXECUTIVE SUMMARY

Investment Thesis

Sodefi Fund pursues above-average returns by investing primarily in mid and large cap European and US equities complemented with trend-following managed futures, while emphasizing the mitigation of large drawdowns to protect capital. Its alternative investment approach aims to balance growth with risk control, as evidenced by a modest annualized return and controlled volatility over five years in GBP.

Key Strength

The fund's most compelling advantage is its risk management focus, delivering a controlled maximum drawdown of around 10% over the 5-year horizon, demonstrating resilience in turbulent markets.

Primary Concern

The main concern for investors is the relatively low annualized return and modest risk-adjusted performance in GBP over five years, potentially limiting its appeal for growth-focused investors.

ANALYSIS

Competitive Advantages

- Maintains a maximum drawdown of about -10% which indicates strong downside risk mitigation (-11.7%).:
- Volatility is relatively moderate at about 10%, reflecting a conservative risk profile for an alternative fund (10.4%).:
- Positive Sharpe ratio of approximately 0.36 and a Sortino ratio near 0.73 indicate efficient risk-adjusted returns in the GBP base over 5 years (0.61, 1.07).:

Relative Weaknesses

- The annualized return of roughly 6% in GBP terms is modest and may underperform equity benchmarks during strong bull markets (7.8%).:
- Sharpe ratio, while positive, is moderate, reflecting that excess returns are not very high relative to risk.:
- Lower returns over shorter periods (3 years and 1 year) including negative or near-zero Sharpe ratios could indicate periods of underperformance or volatility in the fund's performance.:

Best Use Case

Ideal as a tactical alternative allocation within a diversified portfolio for investors prioritizing capital preservation and downside protection over high growth. Sodefi Fund suits investors seeking a smoother equity exposure with a risk management overlay, especially those wary of sharp market downturns but willing to accept more modest returns.

All metrics standardized to EUR base currency over a 5 year period