

CASE STUDY

Accern Assists Next Alpha in Becoming one of the Best-Performing Hedge Funds.

The Challenge:

Next Alpha, a top-performing hedge fund, *needed to validate its AI trading system* could work as intended.

A few years ago, Next Alpha, which is now one of the best-performing hedge funds, was in the idea and development stage. The company was working with a skilled data scientist and business leader at the helm, with a goal of building an automated Artificial Intelligence (AI) trading system that not only uses AI to inform trading, but to perform trades itself.

While working on their solution, the company faced a critical and persistent challenge familiar to many companies trying to implement AI; validation. Validation of accuracy, recency, resilience and authority are key in trusting AI to automate financial applications.

“Validation cannot be underestimated. It’s critical to ensure your AI can be trusted - that it does what it’s intending to do,” as Kanen Flowers, Chief Investment Officer and Chief Executive at Next Alpha explained. *“To build a tool that uses AI to inform and perform trading, validating that your solution works as intended is absolutely critical. So many organizations have an immensely hard time determining if their own AI is valid.”*

Flowers is no stranger to AI. Among other impressive credentials, Flowers was the Founder and principle inventor of a natural-language question and answering system for voice and mobile, alongside the co-founder of Ask.com, which was acquired in 2007. The patents and core technology are in use by voice-based question-answering systems across major companies today.

The Solution:

Accern's data science platform acts as a powerful litmus test *to validate Next Alpha's AI.*

Accern's no-code data science platform powered by adaptive machine learning, provides constant input to the Next Alpha tool, which delivers continuous updates and assisted learning and is generating new Alpha every minute – vital in an industry like finance.

“Accern's data science platform acts like a powerful litmus test. It validates sentiment of what we already have, and supplements our data with additional useful information,” continued Flowers.

As an example, through Accern's powerful Natural Language Processing (NLP) feature, Next Alpha might see that both Accern and Next Alpha's sentiment about a particular piece of data is positive or negative. That validation of sentiment connected to a particular piece of company or industry data, enables Next Alpha's tool to take the most appropriate step, such as activating a trade.

Accern's data science platform may also provide additional information about a company that Next Alpha's tool is not exploring. This insight could provide additional information that triggers a new investment.

The Result:

The Next Alpha team believes it could have easily doubled its investment in time and money if it did not have Accern.

Next Alpha is now one of the best performing hedge funds in the world. From April 2019-April 2020, Next Alpha brought a 42% net to investors.

“The Next Alpha team put \$10 Million and four years into the Next Alpha AI technology. It could have easily been double that without validation of our own AI from Accern,” said Flowers. He added, ***“The team from Accern has been fantastic to work with; we attribute a good measure of our success to Accern.”***

Contact us

 Email us:
info@accern.com

 Our Location:
55 Broadway, New York, NY 10006

 Call us:
+1 (347) 745 6649