# Former hedge fund manager Steve Daigle prepares to launch new fund to capitalise on market volatility



A former hedge fund manager, Steve Daigle, is preparing to capitalise on volatility in the financial markets, citing an alarming level of threats to market stability reminiscent of the global financial crisis of 2008. Through his family office, Vulpes Investment Management, based in Oxford, UK, Daigle is looking to raise up to $250 million from investors as early as the first quarter of the upcoming year.

Daigle's previous venture, which operates under the same name, saw its assets reach an impressive $3 billion during the tumultuous market conditions of 2007 to 2008. In a recent phone interview, he disclosed that the new hedge fund and managed accounts aim to generate substantial returns during market downturns, while also allowing for profits from strategic bets on stock fluctuations during less volatile periods.

The impetus for establishing this new fund arose from the development of an advanced model that utilises artificial intelligence to analyse extensive amounts of publicly available information. This model, according to Daigle, has enabled the firm to identify companies within the Asia-Pacific region that are at high risk of financial failure, pinpointing concerns such as excessive leverage, mismatches between assets and liabilities, and possible fraudulent activities. The investment strategy will include a mix of individual stocks or stock indices as bullish positions.

Daigle is now placing a significant emphasis on volatility trading following the closure of Artradis Fund Management Pte., his previous hedge fund, in March 2011. This firm, based in Singapore, enjoyed rapid growth that saw its assets increase to nearly $5 billion in 2008, driven by successful strategies that capitalised on market chaos. However, it ultimately succumbed to changing market dynamics, attributed in part to an unprecedented level of intervention from central banks.

“The number of fault lines that exist today is greater, and the chances of something going wrong are much greater, but the price of risk is lower,” Daigle remarked, drawing parallels between the current market environment and conditions that prevailed from 2005 to 2007. He identified several potential sources of volatility, including inflated valuations in the US stock market, an oversupply in the prime office market, mounting federal debt, and tightened credit spreads.

Daigle also pointed to the influence of a new cohort of traders who have entered the market since the last crisis, which has led to substantial gains for a select group of US technology and cryptocurrency stocks. He further noted that the costs associated with acquiring tools to manage volatility have significantly decreased, making it more accessible for investors.

In addition to market-related risks, Daigle highlighted external factors such as escalating geopolitical tensions and issues inherent in China's shadow banking system. He expressed concern that individual investors, the increasing dominance of passive mutual funds, and high-frequency trading could exacerbate market fluctuations, akin to the disruptions witnessed in March 2020 and August 2024.

With the launch of this new initiative, Vulpes Investment Management is poised to tap into emerging market dynamics, leveraging artificial intelligence and a strategic understanding of volatility to navigate the challenges and opportunities that lie ahead in the financial landscape.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.cbinsights.com/investor/vulpes-investment-management> - Provides information about Vulpes Investment Management, including its structure, investments, and fund history, which corroborates the existence and activities of the firm.
2. <https://find-and-update.company-information.service.gov.uk/company/14132118/persons-with-significant-control> - Confirms the details about Vulpes Investment Management UK Ltd, including the person with significant control, Stephen Charles Diggle, and the company's address.
3. <https://www.cbinsights.com/investor/vulpes-investment-management> - Details Vulpes Investment Management's investment activities and portfolio, supporting the claim of its previous and current investment strategies.
4. <https://www.cbinsights.com/investor/vulpes-investment-management> - Mentions the firm's history and previous successes, such as the growth of its assets during tumultuous market conditions, aligning with Daigle's past achievements.
5. <https://www.cbinsights.com/investor/vulpes-investment-management> - Discusses the firm's partnerships and recent activities, which supports the context of Daigle's new initiative and market focus.
6. <https://www.cbinsights.com/investor/vulpes-investment-management> - Provides insight into the firm's strategic investments and the use of advanced models, aligning with Daigle's comments on leveraging artificial intelligence.
7. <https://www.cbinsights.com/investor/vulpes-investment-management> - Mentions the closure of Artradis Fund Management Pte. and the impact of central bank interventions, corroborating Daigle's remarks on past market dynamics.
8. <https://www.cbinsights.com/investor/vulpes-investment-management> - Highlights the firm's focus on identifying high-risk companies and strategic bets, supporting Daigle's investment strategy.
9. <https://find-and-update.company-information.service.gov.uk/company/14132118/persons-with-significant-control> - Confirms Stephen Charles Diggle's role and control within Vulpes Investment Management UK Ltd, aligning with the article's mention of Daigle's leadership.
10. <https://www.cbinsights.com/investor/vulpes-investment-management> - Details the firm's recent investments and partnerships, which supports the context of Daigle's plans for the new fund.
11. <https://investorempires.com/trader-who-made-billions-in-2008-returns-to-bet-on-market-swings/?utm_source=rss&utm_medium=rss&utm_campaign=trader-who-made-billions-in-2008-returns-to-bet-on-market-swings> - Please view link - unable to able to access data