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SilverDome One: Building Resilience in a Correlated World

In early 2023, two Swedes who had spent six years working together at one of the world's largest sovereign wealth funds, the Abu Dhabi Investment Authority (ADIA), set out on their own to launch a true absolute return fund with a pronounced aversion to downside risk. Since launch, SilverDome One has steadily strengthened its track record and proven itself an effective diversifier in investor portfolios. "Building resilient portfolios in a correlated world — it really goes to the heart of what SilverDome is about and what we see as our core value proposition," say co-founders Robin Thörn and Jens Olsson, supported by an experienced four-member Advisory Board that guides the firm's strategic direction.

The SilverDome One framework was established well before the official launch of its main C-class in March 2023. The duo began managing capital under this approach as early as 2021, a period that turned out to be an intense and valuable testing ground. "Those early years were quite the test," recalls Thörn. "2021 and 2022 were unusual environments — few managers handled both well." Despite the market turbulence, the strategy delivered strongly, gaining nearly 26 percent in 2021 and remaining modestly positive in 2022, producing an annualized return of about 10.7 percent from the start of 2021.

The official fund launch on March 1, 2023, produced results aligned with expectations. SilverDome One delivered close to 9.4 percent annualized returns with volatility below 7.0 percent. "Very much in line with our expectations and long-term simulations," confirms Thörn. "It's been reassuring to see those results play out in real time." From inception, SilverDome One has continued to move from strength to strength, delivering 7.7 percent the first full calendar year in 2024, and 11.4 percent so far in 2025. This steady progression does not reflect a market turning more supportive of the strategy, but rather the maturation of its multi-model design, which captures a broader and deeper set of opportunities.

A Design That Adapts Rather Than Predicts

"From day one, we were determined not to design a strategy that depends on any specific market environment," explains Olsson, Managing Partner and Portfolio Manager. "Having managed capital for decades, we've learned that fully relying on macro calls or trying to consistently predict the future is rarely a sustainable edge — markets have a way of surprising you." Instead, the pair built a strategy designed to generate positive returns across regimes, one that adapts rather than predicts.

Diversification plays a central role. "A big part of that is diversification, not just in holdings but across signals and sources of return," says Olsson. "We never want performance to hinge on a few concentrated positions or techniques." Although this means the strategy may occasionally appear less exciting compared to narrow markets driven by only a few assets, the consistency is precisely the point. "The consistency we've seen is a direct reflection of the design philosophy working as intended," Olsson adds.

A Broad Investment Universe, Grouped by Drivers

The pair's long experience managing capital across markets, assets, and institutions shaped their decision to avoid traditional asset-class buckets. "We aim to maintain as broad an investment universe as technically possible — within the constraints of liquidity and positive expected returns," says Thörn. "The more opportunities we can evaluate, the greater our ability to assemble complementary building blocks."

Rather than categorizing exposures as equities, bonds, or commodities, they group strategies by their fundamental drivers. "We group investments into sub-portfolios defined by their underlying drivers of risk and return — not by historical correlations," explains Olsson. The team is critical of the industry's dependence on historical correlations, which they view as unstable in periods of market stress. "Assuming that yesterday's relationships will hold tomorrow is a common mistake," Olsson notes.

"By focusing on drivers rather than data-fitting, we've built something much more durable." This approach also explains why their 20-year simulations have lined up closely with live results. "If we don't understand what drives a performance pattern, we simply don't include it."

Steady Returns and Opportunistic Signals

Within that structure, SilverDome One relies on seven main groups of sub-strategies. One group, for instance, is what the team calls "Steady Returns," representing return streams that are largely independent of typical market cycles. Another sub-strategy group that is not tied to a particular market environment is "Opportunistic" strategies, where the team identifies mispriced or overlooked return sources with asymmetric payoffs and meaningful upside potential even at small weights. "Even small allocations can make a difference," says Olsson. These opportunities are identified through a systematic screening engine evaluating more than 250 investment strategies.

"To do true alpha well over time, meaning excess return that can't simply be explained by the level of risk, you must be systematic," notes Thörn. The engine focuses particularly on parts of the market that are neglected or unloved, where inefficiencies tend to persist. "It complements our other models and broadens the investment universe," further elaborates Olsson. Since signals indicating attractive opportunities in these strategies may only appear once every five to ten years, the process is selective, but historically the hit rate has been high. Although these opportunistic exposures are not meant to dominate the fund's risk budget, they remain an important contributor to returns.

Portfolio construction under SilverDome One is dynamic. When the engine identifies a compelling opportunity, the team adjusts exposures accordingly. "In practice, the model is both independent and integrated," Olsson explains. "It functions autonomously, yet its output plays an active role in shaping how the portfolio evolves over time." This ability to shift exposures while preserving the overall driver-based architecture is a key reason the strategy has delivered consistent results across varied environments.

A Framework Built Around the Left Tail

Risk management is foundational to the strategy. Although the strategy has delivered close to 11 percent annualized returns since launch (and nine percent for the fund's C-class), the team remains equally committed to capital protection. "To achieve equity-like returns, you have to accept a certain amount of volatility — that's part of the deal," acknowledges Olsson. "But avoiding deep drawdowns is absolutely critical." Deep losses are often the moments when investors abandon their long-term plans, locking in losses and re-entering markets too late. "Many investors fail to capture their strategy's full long-term potential simply because they react at the wrong times," Olsson explains. The SilverDome framework is designed specifically to counter those behavioral tendencies, maintaining stability in periods of stress.

"Stability comes from our approach to first group strategies and assets, then allocating to them based on their fundamental drivers, and simultaneusly avoiding concentration risk," emphasizes Thörn. Because historical correlations can shift abruptly, the fund measures risk through the lens of potential left-tail outcomes rather than backward-looking volatility. Olsson reiterates that the team is cautious of traditional optimization techniques that depend on unstable inputs. "We combine strategies based on their drivers, not on statistical correlations measured over arbitrary time windows," he explains. "This makes the relationships inherently more stable."

A central tool in managing this risk is the Risk Calibrator, which dynamically adjusts the overall risk level of the fund. "Over the years, the Risk Calibrator has played a significant role in improving both our absolute returns and, even more importantly, our risk-adjusted results," says Olsson. "That ability to stay composed and consistent through turbulence — that's what we mean by resilience."

A Role That Adapts to Different Allocators

Every allocator structures their portfolio differently, which means SilverDome One can play distinct roles depending on the investor. "Some might categorize us under 'Alternatives,' while others carve out a portion from an existing portfolio, matching the volatility and placing us alongside other differentiated return sources," concludes Thörn. For a family office, the fund can even serve as a core holding aiming to deliver equity-like returns over time, but with a different return pattern, especially when traditional portfolios come under pressure.

A simple lens for understanding SilverDome's proposition is to examine contrasting market regimes. Think of years such as 2008 and 2009, or more recently, 2021 and 2022. "Very few managers managed to stay positive in both types of environments," he adds. "That's our own litmus test for what a true absolute return strategy should be."