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Colosseum Hit by Extreme Single-Stock Moves in April

The performance of Colosseum Global Alpha has zig-zagged since the fund's launch in the summer of 2025. Following two strong months after a more difficult start to the year, the long /short equity fund managed by Oleg Sutjagin and Eric Andersson experienced a sharp setback in April, driven primarily by extreme moves in two individual stocks.

Colosseum Global Alpha declined 19.9 percent in April, pushing year-to-date performance back into negative territory at around 16 percent. According to the managers, the result was heavily influenced by what they describe as "tail risk" in two positions: U.S.-listed Avis Budget Group and Sweden's Sivers Semiconductors. "April was a highly challenging month for the fund's strategy, with two individual securities accounting for a disproportionately large share of the loss," explain the portfolio managers.

Both stocks experienced extraordinary price swings that moved far beyond the assumptions embedded in the team's models. Avis Budget Group surged more than 400 percent intramonth before ending April up 24 percent, while Sivers Semiconductors finished the month approximately 255 percent higher. "It is unusual for two positions in the portfolio to deviate so sharply during the same month," says the team.

Colosseum Global Alpha was launched by Oleg Sutjagin, a long-time professional trader, and Eric Andersson, formerly a portfolio manager at a hedge fund. Built on a systematic framework designed to identify price anomalies and statistical mispricings, the fund employs a discretionary long/short equity approach to capture short-term price dislocations across individual equities. Rather than taking broad market direction risk, the fund seeks to generate returns from relative price movements across individual equities.

Despite the weak overall result in April, the broader portfolio statistics remained relatively constructive. The fund traded 123 different stocks during the month across both long and short positions, and nearly 68 percent of all positions contributed positively to returns, a higher hit rate than in March. However, the performance dispersion within the portfolio was unusually large.

The five worst-performing positions together detracted 23.9 percent from performance, while the five best-performing positions contributed 4.5 percent. "This clearly illustrates how isolated extreme moves can outweigh the breadth of the portfolio during a single month," the managers explain.

In response to the April drawdown, the team has launched a comprehensive review of position sizing and risk limits across both long and short exposures, with particular emphasis on managing extreme single-stock movements. The managers also intend to place greater focus on shorter-term positioning during selected periods in order to reduce overnight exposure in individual names. “The risk framework introduced earlier this year is now being further developed in the same direction,” says the team. At the same time, the managers stress that the April result was driven largely by two highly idiosyncratic events rather than a broader deterioration in the underlying strategy.