

Hedge Fund Alert

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Former Staffers at Munich Equity Manager Paradigm Poised to Market Own Value Strategy

A team of former employees at Munich-based **Paradigm Capital** is laying the groundwork for an initial fundraising push at a Europe-focused value manager that launched earlier this year.

The firm, **Maat Investment**, began running separate accounts for early investors in March while it awaits formal licensing from Germany's finance regulator, **BaFin**. At that point, Maat can begin soliciting outside capital – likely in the fourth quarter – and the firm expects its assets to begin scaling rapidly via separate accounts.

Current assets under management, a few million euros primarily contributed by former colleagues and professional contacts, arrived via inbound inquiries to the firm. Maat, which is also based in Munich, is additionally in talks with a European family office to potentially seed a commingled fund that would adhere to its flagship concentrated value strategy.

Much of Maat's leadership – including chief investment officer **Shaun Heelan**, director of research **Rahul Dcunha**, chief operating officer **Patrick Moosmann** and head of trading **Dino Mortl** – previously worked at Paradigm, which takes value equity positions in European companies.

Maat applies what it describes as private equity-style due diligence to public markets as it makes investments in European small- and mid-cap companies. For the moment, the strategy is focused on Austria, Germany, Switzerland, Denmark, Finland, Norway, Sweden, Ireland and the U.K., as well as on small European nations including Malta and Luxembourg. Cumulatively, those countries contain 2,148 companies in Maat's universe of investible companies.

It hopes over time to expand its geographic reach to additional markets – including those outside of Europe – that have similar characteristics and where it believes its extensive due diligence will be a differentiator.

The firm employs deep fundamental research to evaluate prospective investments across all sectors. It then marries that research with algorithmic portfolio management, risk management and capital allocation strategies designed to optimize position sizing and eliminate biases.

Principally, Maat makes concentrated bets in its highest conviction ideas. While it typically targets 15 to 25 names, just

a handful can account for 85% or more of its book. It will, on occasion, hold 30% to 40% of its portfolio in a single name, provided the firm believes there is an extraordinarily low risk of material loss over a two-to-three-year period and little chance of a near-term drawdown.

While the firm focuses most of its attention on long investments in public equities, it will opportunistically look across the capital structure, including long and short credit positions.

The operation is targeting annualized returns of 15% or greater over long stretches. Its initial separate accounts generated 10% from Feb. 26 through June. The Stoxx Europe 600 was virtually flat over the same period.

Mortl, the firm's head of trading, has been managing the fundamental portion of the strategy on his own since 2019. On an annualized basis, his portfolio returned 20.5% from its inception in 2019 through June 2025. Maat's backtests suggest that incorporating the firm's risk management and capital-allocation strategies would have boosted annual returns by two to three percentage points.

In a June investor letter, the firm described the second quarter as “one of the most paradoxical we have experienced over the past quarter century.”

“In our case, we remain close to fully invested,” the firm wrote. “Not because we are ignorant or dismissive of the risks, but rather because we have a portfolio we believe to be incredibly cheap that should deliver outstanding returns over the coming 2-4 years, regardless of what transpires with markets in the coming 6-18 months.”

Heelan, Maat's CIO, had been at Paradigm since 2017, departing in March 2024 as a partner and analyst. He also spent time at **DW Partners**, **BlueCrest Capital**, **Brevan Howard Asset Management** and **Merrill Lynch**, where he was head of U.S. mortgage correlation and commercial real estate derivatives. Heelan began his career at **Goldman Sachs**.

The firm's director of research, Dcunha, spent a combined six years at Paradigm as an analyst and senior analyst, sandwiched around a four-year stretch at **Temasek**, Singapore's sovereign wealth fund.

Moosmann previously was a senior operations manager at Paradigm for about four years following stops at **Deloitte** and **PwC**.

Mortl was a research analyst at Paradigm for two years prior to his exit in 2019. More recently, he worked as an investment director at **Blackster Capital**.

Also on board is **Jenny Yin Ngan**, Maat's head of business development, marketing and investor relations. ■