

# Gramont Equity Opportunities tops tables YTD

Stockholm (HedgeNordic) - Helsinki based Gramont Equity Opportunities tops the list of net performers among the 55 funds in the equity subcategory of the Nordic Hedge Index (NHX). The fund benefitted from the continued volatility with the posting returns of +2.6% in February, ending +7.4% year to date. NHX equities for February is flat (71% of managers having reported thus far) and down by 2,9% for the year.

Gramont builds on three investment strategy buckets; macro thematic, single stock strategies and special situations. The allocation between the three strategy groups has varied significantly since the launch, driven by the opportunity set perceived by the managers.

For Gramont Equity Opportunities the Thematic strategy generated most of the performance. The Single Stock strategy contributed positively too while the Special Situations strategy had a slight negative contribution.

In terms of the Fund's overall positioning, Gramont Equity Opportunities reduced exposure to energy, mining and industrial stocks during the rebound from an oversold condition. As a result, gross exposure dropped substantially. "While the sell-off created short term opportunities in these sectors, which the Fund capitalized on, we still have concerns about global growth and weak commodity prices. In our view, greater visibility around the China slowdown is required for the sentiment to recover further. Looking ahead, we anticipate the high market volatility to continue. We have reinitiated a net short position in the beginning of March, as we remain negative on the outlook for equities", the manager writes in the monthly letter to investors.

In terms of performance attribution, the Thematic strategy performed strongly driven by directional trading. Gramont Equity Opportunities closed long positions in a number of materials companies and in European industrial companies. In the Single Stock strategy, the manager took profits in long position in Michael Kors and re-initiated short positions in Under Armour and Nike.

In the Special Situations strategy, Gramont added to an existing position in Italcementi and bought shares in Opera, as the M&A spreads widened across the board during the first two weeks of the month. NextRadioTV and Precision Castparts Corp M&A deals closed. Long positions in Oi SA and Stockmann contributed negatively.

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