

Flat Performance for Sector Polaris in March

Stockholm (HedgeNordic) – Sector Polaris, the Norwegian global multi-strategy fund managed by Sector Fund Services AS, an investment firm supervised by the Financial Supervisory Authority of Norway, posted a flat performance of -0.03% (Class A-USD) for March.

Of its open-ended alternative investment funds, three out of six strategies made positive contributions, with the Sector Zen L/S Japan strategy taking the lead rising 6.0%, driven by its long book, which contributed 6.5%, alongside a broad-based recovery in the Japanese equity market in March. Outstanding performance contributors were Pocket Card and Tosho Printing, alongside several real estate and housing stocks.

The Asymmetric Global Macro strategy also performed well in March, with a gain of 2.7% mainly due to long Norwegian fixed income positions and long SEK FX positions. U.S. equities in particular performed well, as did global fixed income, suggesting macro risks may be apparent to fixed income investors.

Sector Healthcare, Polaris' equity market neutral healthcare strategy, gained 1.1% in March, with all subsectors with the exception of healthcare services contributing to the result. Top performing long holdings were Medivation, Boston Scientific and Ironwood. Top performing short holdings were Valeant, Allergan and Medtronic. Healthcare stocks rose 2.4% in March, but significantly underperformed the broader equity market's gain of 6.9%.

Of Sector Polaris' negative contributions in March, Sector EuroPower, its power trading strategy, ended down -4.76% (EUR-Class), with its short-term strategy contributing -4.69%, its curve strategy -0.46% and its long-term strategies +0.39%. Drier weather forecasts, less precipitation than normal and high power production gave hydropower producers improved control over reservoirs and support to prices. German spot prices rose, as did coal prices, with a weaker U.S. dollar supportive of prices over the course of the month.

Sector Global Investments took a defensive posture in March that did not pay off well, losing -2%. The best performers in its long book were Taiwan Semiconductor Manufacturing Company, Public Service Enterprise Group and Lerøy Seafood, with the worst being BT Group, Northern Star Resources and Central Japan Railway Company. The best contributors in the short book were Allergan, Twitter and Sonic Automotive, with the worst being XPO Logistics, Dufry and Hudson Pacific Properties.

Finally, Sector Sigma Nordic fell by -0.35% in March. Amid a rise in the Nordic equity market of +1.44% in March (as measured by the VINX Benchmark Index (NOK)), the strategy's net long position averaged 24.91% in March, with a net long exposure of 29.3% at month's end. The strategy's long book gained +1.54% and the short book fell -1.53% for March.

Sector Polaris' gross exposure at the end of March was 108.1%. Its net exposure was 17.7% at month's end, with the Fund maintaining 288 positions.

Picture: (c) cosma—shutterstock.com

