

# HedgeInar - the value of hedge funds in times of uncertainty

Stockholm (HedgeNordic) - On April 6, 2016, HedgeNordic together with the Stockholm House of Finance and financial communications consultant Laika Consulting organized HedgeInar for the second year running. The event, aimed at delivering insights into hedge fund strategies to investment advisors, private bankers and institutional allocators in Sweden, took place at financial information provider Thomson Reuters' Stockholm office.

Four hedge fund companies were presenting at the event; Lombard Odier Asset Management, Merrant Capital, Excalibur Asset Management and Kames Capital. As an introduction, Michael Halling, Associate Professor at the Stockholm School of Economics, gave an overview of hedge funds as an asset class.

Among the subjects that were discussed were: Hedge Funds in a world of unprecedented low interest rates and extreme central bank policies, the diversification benefits of holding hedge funds in a multi asset portfolio, how to capture market trends in an environment of increased volatility. Thomson Reuters' Rikard Rosberg also introduced the powerful capacities of their Eikon system (*pictured*).

The event was moderated by former professional football player Rami Shaaban, partner and head of marketing and distribution of Stockholm based hedge fund manager Accum Kapital.

A brief summary of the presentations held are to be found below.

## **Michael Halling, Stockholm School of Economics - Hedge Funds, the good, the bad and the ugly**

An introduction of what hedge funds do and what is good and bad about what is described as a heterogenous group of funds. The good thing being described as an expanded opportunity set, creation of alpha and collection of non-standard risk premiums. The bad thing described as high fees, difficulties in assessing performance and fat tail risks. Finally, ugly being the relatively high degree of frauds.

## **Jan Szilagyi, Lombard Odier Asset Management - Why global macro?**

Suisse asset manager Lombard Odier described how their global macro approach relying on powerful data analytics and cross country analysis, while at the same time ensuring portfolio convexity through the use of derivatives, captures the broad market trends in a world of great macroeconomic imbalances.

## **Ulf Sedig, Merrant Capital - Hedge Funds as an asset class**

Ulf Sedig, portfolio manager at Swedish market neutral Fund of Hedge Fund Merrant Capital, described how adding hedge funds to a multi asset portfolio improves the efficient frontier and why market neutral hedge funds add value in a hedge fund allocation.

## **Anders Nordborg & Mikael Friberg, Excalibur Asset Management - Why invest in a credit hedge fund?**

Anders Nordborg and Mikael Friberg of Swedish hedge fund Excalibur discussed diversification benefits within hedge funds and what role fixed income and credit hedge funds play in this context. The presentation also included an introduction to Excalibur's newly launched credit hedge fund Trude.

### **Nicholas Chatters, Kames Capital - Delivering absolute returns from global bond markets**

Nicholas Chatters, Investment Manager at Edinburgh-based Kames Capital explained how their absolute return funds focused on fixed income markets can deliver uncorrelated returns to low volatility.