

Elementa Builds on Momentum from Q2

Stockholm (HedgeNordic) - Elementa, the Swedish long/short equity fund managed by Marcus Wahlberg, added 1.6% in July building on a 2.5% gain from the second quarter.

According to the fund's quarterly investment letter, positive contributions during the second quarter came from long positions in BB Tools, a position that has now been reduced significantly. Another strong contribution was a long position in the Norwegian mobile phone solutions company Link Mobility, a company that Wahlberg sees as facing strong growth tailwinds in the coming years.

"The company is growing extremely fast through a combination of organic growth and acquisitions - 124% in 2015 and an estimated growth for 2016 of 51%", Wahlberg writes.

In the short book, the fund took profit in Swedish kitchen solutions provider Nobia, following a steep decline in the price of the stock as a result of the Brexit vote. Wahlberg sees fundamentals for the company weakening given a significant exposure to the UK economy but at the same time judge the downside potential to be limited given the correction in the company's valuation.

Going into the third quarter, Elementa's gross exposure was 83 per cent and net exposure was 20 per cent.

The fund has added 5.7% in 2016 as of July and show gains of 19.7% since inception in March 2015.