

Robust August for Kreditfonden

Stockholm (HedgeNordic) – Stockholm based Kreditfonden newly joined the Nordic Hedge Index (NHX) in September 2016. The fund, Scandinavian Credit Fund I, which provides small and medium-sized enterprises with short-term direct equity loans, reported a 0.8% NAV increase in August.

Investors qualifying for these profit-sharing loans can be individuals, companies or professional investors. As most investment options in the market are adapted to the needs of the average saver, several interesting investment opportunities tend to be excluded from the market for private investors, in part due to high demands on minimum investment and its lock-in effects. The objective of the fund is therefore to create availability by noting profit-sharing loans on a regulated market index, the NGM-NDX.

Scandinavian Credit Fund I provides direct lending to achieve its target, high risk-adjusted returns with low or no correlation to equities, obligations and commodities markets. It uses derivatives to manage unwanted market risks that may arise when investing in various instruments, thereby enhancing the fund's returns. The fund hedges investments made in currencies other than the Swedish Krona. Its overall objective is to create long-term value growth for investors equivalent to, or better than, 6-10% per annum with low volatility.

In a comment to the month's performance, Fredrik Sjöstrand, the fund's Portfolio Manager, suggested Scandinavian Credit Fund I began August with lots of cash on hand following an unseasonably high influx in July, which it has mostly committed during the month. Sjöstrand expects lending activity to take off in September, emphasizing that the fund is not stressed by non-borrowed funds, working instead on the basis of its credit models to ensure a good diversification of the portfolio in relation to the credit risk it takes.

Picture: (c) everything-possible—shutterstock.com