

RGO L/S Initiates Short Amazon Position in First Month

Stockholm (HedgeNordic) – The newly launched Rhenman Global Opportunities L/S recorded a net gain of 0,1 per cent in its first month of trading since launching the fund on August 31.

In a comment, portfolio manager Staffan Knafve (*pictured*) writes that the fund benefited from its exposure to industrial and commodity companies while suffering from exposures to banks and automotive manufacturers.

The banking sector came under pressure during the month following two consecutive months of gains, the main reason being the problems surrounding Deutsche Bank, Knafve writes.

“After two months of rising share prices the banking sector in September once again was the weakest. In Europe, the major German bank Deutsche Bank, already under considerable pressure, was hit by a claim for USD 14 bn from the American Department of Justice for its involvement in the mortgage market in the United States ten years ago. This amount corresponds to nearly the Bank’s market capitalization. As one of the world’s 30 so-called ‘systemically important’ banks this created turmoil in the banking sector and thereby stock markets as a whole.”

The fund’s long positions had a net positive contribution during the month adding 0.3% to overall performance, short positions weighed on performance detracting 0.2%.

The fund’s best contributors were commodity conglomerate Glencore, the telecommunications company Qualcomm and Japanese beverage producer Asahi.

The worst contributors over the month were Wells Fargo & Co, Amazon and Volkswagen. In the case of Amazon, the fund has initiated a short position.