

Accendo: “2016 was a Good Year for us”

Stockholm (HedgeNordic) – Activist hedge fund Accendo had another stellar year in 2016 posting net gains of over 30 percent, which adds to an even better 2015 when the fund added 49 percent. In a comment to HedgeNordic, lead portfolio manager Henri Österlund (*pictured*) explains the underlying drivers for performance in 2016.

HedgeNordic: What transactions were the most profitable during the year?

In 2016 we were able to capitalize work we did over many years with Okmetic, a leading specialty silicon wafer manufacturer based in Finland. Okmetic was sold to a Chinese industrially oriented financial buyer in June and we generated with the investment an annual IRR of 24% over a period of 8+ years.

Other successful transactions included the sale of our position in the Finnish media company Alma Media. The position in Alma Media was a result of an industry consolidation initiative where we as the second largest owner of Talentum actively worked towards and completed the merger between Talentum and Alma Media in 2015.

HedgeNordic: What new investments did you enter into?

New investments included Hexatronic where we built our position as the largest shareholder over multiple block transactions during the year. We also strengthened our position in Doro in 2016 where we are today the largest shareholder. Share performance in Doro was unsatisfactory during 2016, but with the changes on the board of directors and to the top management we look confident on the future.

HedgeNordic: How do you explain the success of the fund recently?

I consider the major source of returns to be a result of the improvements achieved at our portfolio companies and to a lesser extent overall market performance. Our strategy is not based on stock picking, but to invest in a very limited number of companies and then support those realise their full potential.

HedgeNordic: What is your outlook for 2017?

We don't have a market view for 2017, but focus solely on individual companies where we are invested or consider making an investment into.