

Lynx “down but not out”

Stockholm (HedgeNordic) – In a recent article in Swedish business magazine Dagens Industri (DI), Svante Bergström (*pictured*), founder and CEO of Swedish systematic trend following hedge fund Lynx, was asked whether there is a risk that the fund will be closed by Brummer & Partners. The reasoning being that Brummer is keen on closing non-performing funds, highlighted by the closure of Zenit last year, and that Lynx currently is on track for a third consecutive year of negative performance numbers.

“Is there a risk that Brummer will close Lynx? Definitely not”, Bergström says continuing:

“Even though we have experienced an extended period of negative performance, we remain trusted by our institutional clients”.

At the same time Bergström is self critical:

“We are of course disappointed with our performance during the last couple of years”, he was quoted as saying.

Lynx was down around 11 percent on the year going into July but has since recovered as July numbers point to a positive month with the fund gaining 3.7 percent to bring the year-to-date number to -7.9 percent. Although improved, Lynx could well be on track for its worst performance in a single year since its inception in May 2000.

“The main reasons for the recent weak performance numbers is that volatility has hovered around record low levels while few markets have moved in a way that you can profit from them using a trend following strategy”, Svante Bergström told DI while at the same time reassuring that a large group of quant analysts are working hard to turn the development around.

“All our big competitors around the world has also struggled during this period”, Bergström highlighted referring to the weak performance numbers for the industry since 2015.