

Runestone Capital Fund Enters NHX

Stockholm (HedgeNordic) – Runestone Capital Fund, an absolute return fund started by two Nordic-born managers, was added to the Nordic Hedge Index (NHX). The fund, managed out of London, was launched in May 2015 and trades VIX-related volatility instruments such as VIX futures, exchange-traded notes, and options.

The fund falls under the umbrella of Runestone Capital, co-founded by Norwegian national Rune Madsen and Danish national Rasmus Andersen. Madsen, who has extensive experience in the financial world after working at several major investment banks, is the lead Portfolio Manager of Runestone Capital Fund. The fund is long and short U.S. equity index volatility based on proprietary models, developed around the portfolio managers' trading experience.

While Runestone Capital Fund suffered a loss of 8.9% in its rookie year, the fund's investors enjoyed an outstanding return of 30.4% in the following year. The fund aims to generate net-of-fees annualized returns in excess of 20% over a cycle, regardless of market conditions. More interestingly, not only has Runestone Capital Fund been able to deliver positive results in equity markets that traded up or down, but the fund has also performed well in erratic markets without any clear direction.

It is no news that trend-chasing quant funds have been hit by choppy trends in 2017, with global CTAs, as measured by the Eurekahedge CTA/Managed Futures Hedge Index, returning a negative 0.8% year-to-date. The average Nordic CTA recorded an even wider loss this year, with the NHX CTA index falling 4.2% year-to-date. Meanwhile, Runestone Capital Fund's B share class gained 3.4% this year through the end of September. Runestone Capital Fund charges a management fee of 1% and a performance fee of 20% on its B share class.