

# Danish Market-Neutral Fund Joins the NHX

Stockholm (HedgeNordic) - Beta-neutral long/short fund Formue Nord Markedsneutral has joined the Nordic Hedge Index (NHX). The new addition, managed by asset management firm Formue Nord A/S based in the city of Aalborg in Denmark, brings the number of Danish hedge funds in the NHX to a total of 33.

Formue Nord Markedsneutral predominantly focuses on investing in special situations (e.g. initial public offerings, secondary public offerings, or mergers and acquisitions) with an asymmetric return payoff. The market-neutral fund also invests in small- and medium-sized companies that are believed to be mispriced, simultaneously getting short exposure to a basket of futures on stock market indices to neutralize the beta exposure. By hedging the market risk, the value and complexity premia are isolated, resulting in an uncorrelated return profile for the fund's portfolio. The complexity premium is typically harvested by capitalizing on wide and steep spreads on complex deals.

"Our main focus is to provide capital to listed small- and midcap companies on flexible terms that accommodate the relevant company's needs. Since inception we have primarily focused on the Nordics, but as our fund grows we plan to expand to others countries. During our beta-neutral period, starting in February 2016, we have netted 10.7% annually thus providing significant value to our investors both in terms of returns and risk-diversification," Rasmus Viggers, portfolio manager of Formue Nord Markedsneutral, tells HedgeNordic.

Formue Nord A/S, registered with the Danish Financial Services Authority (FSA) as a manager of alternative investment funds, was founded by Rasmus Viggers and Thøger Dam Johansen (*pictured*) in September 2015. The asset manager also manages a long-only fund called Formue Nord Globale Aktier, which employs a Warren Buffett-inspired strategy of buying high-quality companies for the long term. Formue Nord Markedsneutral, meanwhile, was launched in December 2015 and generated a cumulative return of 14.9 percent since inception through the end of August of this year. The fund is up 7.6 percent year-to-date, after having returned 8.9 percent last year. The beta-neutral fund had full market exposure during the first two months of operations, with the fund being fully hedged starting with February 2016.

Welcome to the Nordic Hedge Index (NHX).