

Chelonia Market Neutral Joins the NHX

Stockholm (HedgeNordic) – Chelonia Market Neutral, an equity market-neutral hedge fund managed by seasoned fund manager Magnus Angenfelt, has joined the Nordic Hedge Index (NHX). The fund was launched in December of last year under the umbrella of Stockholm-based asset manager Nordic Archipelago Investments AB.

Chelonia Market Neutral is a hedge fund that seeks to achieve a positive return regardless of market direction. The fund uses fundamentals-based investing to maintain a market-neutral equity exposure but can have a net long or net short exposure that reaches a maximum 30 percent of the fund's value. The gross exposure must not exceed 300 percent of its value.

As part of the security selection process, Chelonia Market Neutral analyzes evolutionary trends that may have a deeper impact, either positive or negative, on groups of companies or industries. For the basket of long positions, the fund selects companies with lower valuations, lower leverage, higher market shares in their respective sectors, higher returns on equity, and reasonable moats. Technology, media, telecom, business services, and retail are several sectors that have historically accounted for a substantial portion of the fund's exposure. Although Chelonia has no investment restrictions regarding geographic regions, the fund mainly focuses on the Nordic region. The fund can also invest in bonds and other interest-related instruments.



Magnus Angenfelt.

The market-neutral fund is managed by head portfolio manager Magnus Angenfelt, who previously was in charge of market-neutral long/short equity fund Zmart Alfa from the fund's inception in March 2015 to May 2017. Angenfelt co-founded TMT-focused market-neutral hedge fund Manticore, part of the Brummer and Partners family of funds. He served as the CEO, CIO and portfolio manager of Manticore from 2000 until 2011. Before co-founding Manticore, he had worked for two years as a financial analyst at another Brummer-backed hedge fund vehicle, Zenit, and as a sell-side analyst at leading Nordic broker Alfred Berg from 1992 to 1998. There is an advisory board consisting of four senior advisors that assist Magnus Angenfelt with strategic advice and wise counsel on various issues he raises.

"We focus on the losers," says Magnus Angenfelt. "There is a paradigm shift in terms of evolutionary trends and speed that impact many corporates, resulting in both winners and losers. We short the losers," adds the portfolio manager. "In addition, valuation anomalies are increasing, and ETFs are making stock markets dumber, as highlighted in a recent academic paper – Is there a dark side to ETFs?" This creates both long and short opportunities for Chelonia Market Neutral.

Picture © ronstik—shutterstock