

# Nordic Hedge Fund Industry Keeps on Expanding

Stockholm (HedgeNordic) – Five new hedge funds joined the Nordic Hedge Index (NHX) in September and October, bringing the total number of index constituents to 175. 26 hedge funds were added to the NHX year-to-date through October. A strong pipeline of hedge fund launches will likely contribute to the expansion of the NHX universe going into 2019.

Othania Ethical Wealth Growth, which employs a systematic model to invest in ESG-screened exchange-traded funds, will have its first day of trading on November 1. Stockholm-based energy specialist Proxy P Management plans to launch two long/short funds by the end of the year, while Danske Bank Asset Management plans to launch two hedge fund vehicles in 2019.

Several vehicles were delisted from the NHX in the past two months, one of which was Swedish macro hedge fund Ambrosia, which closed its doors at the end of the summer. Nordea 1 – Stable Equity Long/Short Fund, a hedge fund that used to employ a range of strategies within equity markets, was delisted from the index after merging into multi-asset hedge fund Nordea 1 – 10 MA Fund at the end of September.

Brief introductions to the new members of the NHX can be found below:

## **Formue Nord Markedsneutral A/S**

Formue Nord Markedsneutral employs a beta-neutral long/short strategy with a focus on 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 mispriced small- and medium-sized companies, simultaneously getting short exposure to a basket of futures on stock market indices to neutralize the beta exposure. Formue Nord Markedsneutral is based in the city of Aalborg in Denmark and was launched in December of 2015. [Read more.](#)

## **Northern Star MG Relative Value**

Northern Star MG Relative Value is a Luxembourg-domiciled fund that seeks to take advantage of price differentials between commodity-linked option instruments stemming from the time value of options. The fund focuses on the “time decay” characteristics of options and does not attempt to forecast market directions. The fund employs the original strategy of commodity fund MG Commodity with an increased return target. NS MG Relative Value Fund, launched under the umbrella of Finnish asset manager Northern Star Partners, is managed by Karri Lehtinen, founder and portfolio manager of MG Commodity, and Northern Star’s chief investment officer, Markku Malkamäki. [Read more.](#)

## **Alfa Aktiv**

Alfa Aktiv, one of the vehicles managed by Swedish quant-focused hedge fund shop Alfakraft Fonder AB, mainly trades futures on the OMX Stockholm 30 Index (OMXS30) or similar index-linked securities, aiming to achieve risk-adjusted outperformance versus OMXS30. The fund’s investment research process combines technical and fundamental analysis (mostly broader macroeconomic analysis), with the fund using a risk on and risk off approach to investing. Bengt Lindblad, a co-founder of Alfakraft Fonder, has been in charge of Alfa Aktiv since its inception in August 2015.

[Read more.](#)

### **Calculo Evolution Fund**

Calculo Evolution Fund is a trend-following commodity fund based out of Charlottenlund in Denmark. The fund's strategy is based on a set of algorithms that automates the investment process and allocation. The fund operates with a pre-defined algorithm that identifies trading signals in commodity markets and uses a set of rules to filter those signals. In addition to this systematic and static investment process, Calculo Evolution Fund uses artificial intelligence to optimize the process of exiting positions. This machine learning process evaluates the portfolio on a daily basis and adjusts the exposure to various commodities according to historical observations. The fund was launched in August of this year. [Read more.](#)

### **Chelonia Market Neutral**

Chelonia Market Neutral is an equity market-neutral 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. As part of the security selection process, Chelonia Market Neutral analyzes evolutionary trends that may have a more profound 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. The fund was launched in December of last year and is managed by seasoned fund manager Magnus Angenfelt. [Read more.](#)

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