

Closures Offset Strong Pipeline of Nordic HF Launches

Stockholm (HedgeNordic) – The increase in the number of hedge funds part of the Nordic Hedge Index (NHX) is showing signs of abating, as a growing number of shops are closing their doors. The strong pipeline of at least six hedge fund launches planned for the remainder of the year and 2019, however, will deter the Nordic hedge fund industry from shrinking.

Three new hedge funds joined the NHX since the beginning of November, two of which were launched earlier this year. In contrast, four members of the index were delisted during this period. Trient Dynamic Multi-Asset Fund, a fund investing in a broad mix of equity and fixed-income markets and instruments, was closed on October 26. Solidar Smart Beta Trend, which used a systematic-based model to capitalise on upturns in equity markets and protect capital in market downturns, was closed on October 3.

Shepherd Power Series, a managed futures fund focused on the Nordic power market, was merged into strong-performing Shepherd Energy Portfolio at the end of September. Aktie-Ansvar Multistrategi 2xL, the leveraged version of fund of funds Aktie-Ansvar Multistrategi, was closed in late November due to a relatively small capital base and limited investor demand. In addition to the funds that already shut their doors, several more funds are scheduled to close in the upcoming months.

Market-neutral equity fund Zmart Alfa will merge into asset allocation fund Cicero World 0-100 in late February next year as part of a multi-fund merger triggered by new rules imposed by the Swedish Pensions Agency for funds seeking distribution via the Swedish premium pension system (PPM). For the same reason, Atlant Sharp Europe, the smallest vehicle among the eight hedge funds managed by Stockholm-based asset manager Atlant Fonder AB, will merge into equity fund Viking Fonder Sverige on December 20.

Brief introductions to the three new members of the Nordic Hedge Index (NHX) can be found below:

Nordea 1 - Alpha 7 MA Fund

Nordea 1 – Alpha 7 MA Fund is the newest member of Nordea’s Alpha product family, which uses a multi-asset approach to harvest different risk premia. Alpha 7 MA uses the same investment approach and philosophy implemented by the Alpha 10 MA and Alpha 15 MA funds but exhibits a more conservative risk-return profile. Nordea 1 – Alpha 7 MA Fund allocates capital across six independent underlying strategies, four of which combine both beta and anti-beta risk premia to deliver more balanced and less volatile returns with a market-neutral approach. The last two strategies are directional strategies aiming to provide absolute returns over time. Read more details.

Handelsbanken Hållbarhet Hedge Criteria

Handelsbanken Hållbarhet Hedge Criteria is an equity market-neutral fund launched in early 2018 to exploit opportunities arising due to the fundamental shift in business models caused by sustainability transitions in our economies and societies. The fund uses four main building blocks to form the foundation of its market-neutral strategy: core, case, pairs, and quantamental. The first

building block consists of quality companies that compound capital owing to their high-returning, sustainable business models. The second block, meanwhile, houses higher-risk higher-potential investment opportunities. Handelsbanken Hållbarhet Hedge Criteria also runs a quantamental strategy and employs a pair-trading strategy. The quantamental strategy is a balanced long/short quantitative multi-factor strategy with a strong momentum component. Read the interview with the fund's lead portfolio manager.

SEB Alternative Fixed Income

SEB Alternative Fixed Income is a macro and relative-value hedge fund launched in December 2011. The fund predominantly invests in the European investment-grade credit market, investing in corporate debt, bank and insurance debt using cash instruments and derivatives such as credit default swaps on single names or indices. The alternative fixed-income vehicle, managed by a three-member team comprised of Jonas Molin, Peter Tram and Örjan Pettersson, employs several strategies in credit, fixed-income and foreign exchange markets in Scandinavia and other G10 countries. The multi-strategy approach to credit investing allows SEB Alternative Fixed Income to exploit investment opportunities during all phases of the economic cycle. Read more details.

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