

# Month in Review - December 2018

Stockholm (HedgeNordic) - Nordic hedge funds, as measured by the Nordic Hedge Index (NHX), recorded their worst quarter in the post financial crisis era after slipping 1.6 percent on average in December (88 percent reported). The Nordic hedge fund industry lost 4.4 percent in the fourth quarter and ended the year at down 3.6 percent.

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Four of the five categories within the NHX were down in December, with the NHX CTA index being the only group posting gains for the month. Despite gaining 1.2 percent last month, Nordic CTA funds incurred the largest annual decline as a group on record. Equity hedge funds registered their worst month in seven years, with last month's decline of 2.9 percent taking the performance for the year further into negative territory at down 3.6 percent. Multi-strategy and fixed-income hedge funds were down 2.5 percent and 0.8 percent in December, respectively. Funds of hedge funds lost 0.3 percent on average last month.

Dispersion between the best and worst performing funds in the Nordic Hedge Index (NHX) was quite wide in December, as the top 20 percent of hedge funds gained 2.0 percent on average while the bottom 20 percent lost 7.0 percent. In November, the top 20 percent were up 2.1 percent on average and the bottom 20 percent lost 4.7 percent on average. One in every four members of the hedge funds with reported December figures in our database posted gains last month.

Trend-following CTAs were last month's best performing members of the NHX. Estlander & Partners Freedom gained the most in December, with the 6.7 percent increase for the month cutting the fund's loss for the year to down 9.2 percent. SEB Asset Selection Opportunistic and Nordea 1 - Heracles Long/Short MI Fund were up 4.8 percent and 4.2 percent, correspondingly.

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