

Best Nordic Multi-Strategy Hedge Fund 2018

Stockholm (HedgeNordic) – The NHX Multi-Strategy category is the most diverse and inclusive strategy category within the Nordic Hedge Index (NHX). This category encompasses numerous strategies that cannot be assigned to any of the other four strategy sub-categories within the Nordic Hedge Index, generally containing Nordic hedge funds that invest across a range of asset classes, financial instruments, and strategies.

Given the diversity of strategies employed by the members of the NHX Multi-Strategy, guessing the three funds that would take next year's podium seats is a tricky feat. This year was a case in point. The three prize-takers in the "Best Nordic Multi-Strategy Hedge Fund 2018" award category are celebrating their first-ever podium spots at the Nordic Hedge Award. And the strategies employed by these three vehicles are all very different from one another.

The winner of the category is **Ress Life Investments**, a life settlement hedge fund that invests in the secondary market for U.S. life insurance policies. In second place came Danish special situations fund **Formue Nord Markedsneutral**, which just like Ress Life Investments, is a rather unique breed in the Nordics. **Atlant Opportunity**, a market-neutral fund that can take positions in all asset classes, took the third spot on the podium.

Best Year Yet Lands Ress Life Investments Top Prize

In 2018, **Ress Life Investments** achieved its best annual performance since launching in the first half of 2011, booking a 9.9 percent gain for the year. Perhaps more important, the vehicle offers returns with no correlation to financial markets, this is what prudent investments in the secondary market of American life settlements can offer. Ress Life Investments earned an annualized return of six percent in the past five years and exhibited a correlation with the S&P 500 of (you guessed it right) exactly zero since inception.

Commenting on winning the main prize in the "Best Nordic Multi-Strategy Hedge Fund" category, Gustaf Hagerud, the managing director of Resscapital, says "we are delighted that our fund has received the award. It is a strong recognition that our portfolio management strategy is able to deliver a high uncorrelated return to our investors." Since 2011, alternative investment firm Resscapital has been building a diversified portfolio of U.S. life policies for Ress Life Investments by buying policies at a discount to face value. The fund then continues to pay premiums until the fund receives the insurance payout (upon the insured's death).

Resscapital's founder, Jonas Mårtenson, says the team "is grateful and pleased to have been nominated and win at the Nordic Hedge Award," adding that "our life insurance strategy has really delivered what it should deliver, namely highly uncorrelated returns in a year when many other strategies failed to deliver." Mårtenson hopes the title of the Best Nordic Multi-Strategy Hedge Fund "makes Ress Life Investments more visible." "Hopefully it will also attract more interest to the asset class itself," he concludes.

A Very Special Situations Fund Takes Second Prize to Denmark

Formue Nord Markedsneutral uses an opportunistic investment approach focusing on special situations in an attempt to deliver uncorrelated returns to all asset classes by capitalizing on complex, misunderstood opportunities. So far, the fund managed by a team of three out of the Danish city of Aalborg has achieved just that. Formue Nord Markedsneutral, whose flagship strategy

involves participating in rights issues and other related deals, gained an impressive 13.6 percent last year, following an 8.9 percent gain in 2017.

"We work hard to create returns that are uncorrelated to common asset classes, and in 2018 the fruits of our labor were very visible due to the challenging year across the classic asset classes," says the founder and chief investment officer Rasmus Viggers. Following the strong performance in the recent past and a massive increase in demand for a piece of investment in Formue Nord Markedsneutral, the team decided to pause new subscriptions to ensure investors continue to receive high and uncorrelated returns from the fund's niche focus.

"We are of course very pleased to be nominated for the Nordic Hedge Award," says Viggers' partner, Mikkel Hagel, which in and of itself is a great achievement for any Nordic fund. "Though we were never in doubt of the quality we offer investors to take part in, it is nice to receive professional recognition," says Viggers on receiving a prize at the Nordic Hedge Award. "This motivates us to keep doing what we do best and strive to optimize where to can," he concludes.

Atlant Fonder's Big Family Got One Prize Too

Atlant Opportunity, one of the three market-neutral funds managed by Stockholm-based asset manager Atlant Fonder, came in third place in the "Best Nordic Multi-Strategy Hedge Fund 2018" category. Atlant Opportunity aims to generate an annual return of five percent above the risk-free rate, and the fund successfully achieved its target in each of the three years since launching in early 2016. The market turmoil in the latter part of 2018 did not stop the team running the market-neutral fund from achieving its objective, as the fund gained 5.2 percent for the year.

"We are very proud of our management results for 2018, not just for the nominated fund, but overall the entire fund company went great," Atlant Fonder's CEO, Michael Ekelund, tells HedgeNordic. "2018 was a dissimilar year during which almost all risk-assets traded down. This was a rare opportunity for market-neutral funds to shine and show why they deserve to be part of an investor's portfolio."

Just like Atlant Fonder's entire range of market-neutral funds, Atlant Opportunity invests the main bulk of its capital in fixed-income instruments, mainly corporate bonds tilting towards higher quality investment grade. Portfolio managers Taner Pikköken and Nikos Georgelis also employ derivatives strategies within both equity and fixed-income markets to hedge the corporate bond portfolio, lower volatility, as well as create additional returns.

"Being nominated and winning at the Nordic Hedge Award after this difficult year shows that we have succeeded in our portfolio management, but above all, we have thrived in making our investors happy as they otherwise had a very hard time gaining positive returns in their portfolios," Pikköken comments on the achievement. "In general, the promise of a hedge fund is to deliver uncorrelated and market neutral returns that will help diversify a broader investor portfolio and being among the winners shows that we were among the best in the Nordics in doing just that," says Georgelis.

With his final thoughts on the annually-held event organized by HedgeNordic, Ekelund says "the Nordic Hedge Award highlights the Nordic players who have succeeded in their management and to highpoint them and increase their exposure to investors is a fantastic initiative that benefits the entire industry."

The "Best Nordic Multi-Strategy Hedge Fund" award category was supported and presented by the Swedish House of Finance.