

HCP Focus Crowned as Best Long-Only Equity HF

Stockholm (HedgeNordic) - **HCP Focus Fund**, a member of the Nordic Hedge Index managed by Finnish portfolio manager Ernst Grönblom, has been ranked the best long-only equity hedge fund in the world over the previous three years by BarclayHedge. HCP Focus made the top ten in BarclayHedge's quarterly ranking in ten quarters out of the 13 last quarters based on three-year returns. No other fund in this 338-member category managed to reach the top ten leaderboard this many times.

These quarterly rankings are displayed in the Barclay Managed Funds Report, which presents the top ten best performing funds across 21 different categories every quarter based on the previous three-year returns. Only hedge funds with a track record of at least three years and assets under management of at least \$10 million are eligible for inclusion in the report.

HCP Focus, which follows the discipline of value investing to build a very concentrated portfolio of undervalued high-quality businesses, features in the "Equity Long Only" category that consisted of 338 funds in the report for the first quarter of 2019. With HCP Focus launched in November of 2012, the fund has been eligible for inclusion in BarclayHedge's quarterly rankings 13 times starting with the first quarter of 2016.

Grönblom's fund holds the record for most appearances in the top ten list over the previous 13 quarters, being the only vehicle in the "Equity Long Only" category reaching the top ten more than seven times. Grönblom takes this consistency as "supporting evidence that the HCP Focus Fund's strategy and philosophy are built on solid, lasting foundations, as opposed to many "flash-in-the-pan" and "one-trick-pony" strategies that produce stellar returns for a brief period of time, only to fade out."

Grönblom currently maintains a portfolio of 12 businesses that benefit from the notion of demand-side economies of scale, or network effects. Amazon.com, Match Group, PayPal and Facebook are among his largest holdings at the moment. Grönblom attempts to buy such high-quality businesses at a significant discount to his estimate of intrinsic value. Explaining why companies such as Amazon.com and Facebook are undervalued, Grönblom tells HedgeNordic that "market participants systematically underestimate and misunderstand the power of the winner-take-all phenomenon."

HCP Focus earned an annualized return of 19.8 percent since launching in late 2012 and has yet to incur a year of negative performance. The fund gained 27.7 percent in the first five months of 2019, currently ranking as this year's best performing member of the Nordic Hedge Index.