

Month in Review - May 2019

Stockholm (HedgeNordic) - April capped one of the best starts to a year for the Nordic Hedge Index, but the group gave back some of the gains during the choppy month of May. Nordic hedge funds, as expressed by the Nordic Hedge Index, were down 1.2 percent last month (92 percent reported), trimming the year-to-date performance to 2.7 percent.

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All five strategy categories in the Nordic Hedge Index were down in April, with the NHX Fixed Income and NHX Multi-Strategy both booking their first month of negative performance in 2019. Multi-strategy and fixed-income hedge funds were down 1.5 percent and 0.5 percent, respectively. On a year-to-date basis, multi-strategy funds gained 2.8 percent, whereas fixed-income funds are up 3.2 percent.

Equity hedge funds fell 1.6 percent as a group in May, taking their year-to-date return to 3.4 percent. Nordic CTAs ended a three-month run of positive performance after losing 0.8 percent on average last month, with the group having gained 0.5 percent in the first five months of the year. Funds of hedge funds, meanwhile, fell 1.3 percent on average last month, taking the group's performance for the year into negative territory at 0.5 percent.

The dispersion between last month's best and worst performing members of the Nordic Hedge Index widened compared to the previous months. In May, the top 20 percent of hedge funds gained 2.4 percent on average, whereas the bottom 20 percent lost 6.2 percent on average. In the previous month, the top 20 percent was up 4.5 percent on average and the bottom 20 percent lost 2.1 percent. Around one in every three members of the Nordic Hedge Index posted gains for May.

Estlander & Partners Alpha Trend II, a higher leverage version of systematic medium-term trend-following fund Estlander & Partners Alpha Trend, was last month's best performing member of the Nordic Hedge Index with a gain of 12.6 percent. The May return brought the fund's performance for the year back into positive territory at 0.3 percent.

QQM Equity Hedge and Bodenholm were next in last month's performance leaderboard, with both funds achieving their best monthly performance on record. Systematic market-neutral fund QQM Equity Hedge gained 7.6 percent last month, while fundamental equity long/short fund Bodenholm advanced 5.3 percent. Gladiator Fond and Formue Nord Markedsneutral closely followed suit with gains of 5.2 percent and 4.8 percent, respectively.

The Month in Review for May can be downloaded below:

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