

# Handelsbanken's ESG-Themed Hedge Fund Runs Out of Gas

Stockholm (HedgeNordic) – Handelsbanken Fonder is closing down its sustainability-themed hedge fund, **Handelsbanken Hållbarhet Hedge Criteria**. In a letter to investors announcing the closure, Handelsbanken said the fund is closing its doors as a result of low investor demand.

Handelsbanken Hållbarhet Hedge Criteria was launched in early February of 2018 and has been managed by Viking Kjellström since September 17 last year. Kjellström took over the day-to-day management of the fund in September as the previous portfolio manager left Handelsbanken. The fund has been investing in companies with a particular focus on sustainability, whose business models were deemed to benefit from the broader fundamental shift towards a more sustainable living and environment. As a long/short market-neutral vehicle, the fund could initiate short positions in companies expected to struggle due to the same shift towards sustainability, and companies with inadequate sustainability performance, weak corporate governance or other suitability-related shortcomings.

Handelsbanken Hållbarhet Hedge Criteria generated a negative cumulative return of 11.8 percent since launching in February 2018 following several difficult months after inception. The fund lost a cumulative 13.1 percent in the first six months of operations. The fund will be closed down on September 19, and investors have the opportunity to sell their units in the fund until September 5. The fund's existing capital has been invested in fixed-income investments pending the liquidation.



Viking Kjellström

Kjellström has also been managing Handelsbanken Global Selektiv Hedge, another market-neutral equity hedge fund under the umbrella of Handelsbanken Fonder, since mid-April of 2016.

**Handelsbanken Global Selektiv Hedge**, one of the oldest members of the Nordic Hedge Index, gained 1.7 percent in the first seven months of 2019 following a 1.8 percent-decline last year.

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