

Handelsbanken Shuts Down Hedge Fund Business

Stockholm (HedgeNordic) – One of the oldest hedge funds in the Nordics is closing its doors at the end of the year. **Handelsbanken Global Selektiv Hedge**, a market-neutral equity hedge fund launched in November 2001, will merge with a long-only equity fund employing a similar strategy on December 7.

Handelsbanken Global Selektiv Hedge has undergone several iterations in terms of strategy during its lifetime, most recently when Viking Kjellström (*pictured*) was appointed as its portfolio manager in mid-April of 2016. The fund earned an annualized return of 1.9 percent since inception, with its biggest-ever loss in a single year amounting to three percent. While financial markets in 2008 were awful for investors and fund managers alike, the Handelsbanken market-neutral fund enjoyed its best annual performance on record with a gain of 11.6 percent.

Handelsbanken Global Selektiv Hedge's performance, however, has been underwhelming in the past several years. As a result, the fund's assets under management kept falling even after Kjellström's appointment, declining from over €100 million in 2013 to around €44 million in mid-2014 and about €13 million in mid-2019.

The market-neutral equity fund is set to merge into long-only equity fund Handelsbanken Global Selektiv, which was managed by Kjellström since he joined Handelsbanken in 2014 up until mid-December last year. The long-only fund, which maintains a concentrated portfolio of 16 to 36 high-quality companies with good prospects at reasonable valuations, was one of the best-performing global funds last year after gaining 4.3 percent. This year, Handelsbanken Global Selektiv gained 25.1 percent in the first seven months.

Kjellström remained as the fund's secondary portfolio manager from mid-December to mid-2019, when he was appointed as the primary portfolio manager again following the decision to discontinue Handelsbanken's two market-neutral strategies. Handelsbanken Fonder is also closing down its sustainability-themed hedge fund, **Handelsbanken Hållbarhet Hedge Criteria**, in early September. Handelsbanken will no longer have any hedge funds in its fund range following the closure of these two funds.