

Pacific Precious Takes Off on Gold Rally

Stockholm (HedgeNordic) – **Pacific Precious**, a multi-strategy hedge fund mainly investing in precious metals, advanced 20.8 percent during the three summer months after capitalizing on a strong rally in gold and other precious metals. The fund returned 23.4 percent year-to-date through the end of August and currently ranks among this year's top ten best-performing members of the Nordic Hedge Index.

Pacific Multi Asset, the second hedge fund under the umbrella of Swedish asset manager Pacific Fonder, also had a great summer after gaining 9.7 percent during the June-August period. The multi-asset, multi-strategy fund gained 11.9 percent year-to-date. Mattias Gromark (*pictured*), who has been responsible for managing the asset manager's three remaining equity funds, took over the day-to-day management of Pacific Multi Asset and Pacific Precious on June 1 after former manager Eric Strand left the firm.

Commenting on the strong performance of Pacific Precious during the summer, Gromark tells HedgeNordic that "we now prefer to take a stronger view on the underlying markets as we redefined the fund's strategy at the beginning of June when I took over the management of Pacific Precious." The more aggressive approach to investing coincided with gold's summer rally stemming from a broader paradigm shift in the arenas of geopolitics and central banks. "We had seen gold enter into a full-blown bull market, and we wanted to participate in the full upside from that bull market," says Gromark.

The strong performance of Pacific Precious during the summer was also partly attributable to platinum joining the rally that gripped other precious metals such as gold and silver. "More recently, when we saw platinum joining the rally and breaking out from its long bear market, we took advantage and increased our exposure," Gromark tells HedgeNordic.

Gromark argues that Pacific Precious represents "a good hedge for those believing that the world's economy is getting weaker and the earnings cycle is probably rolling over in 2020." In that scenario, more stimulus from central banks will likely dilute the value of major currencies, reckons Gromark. He believes the U.S. dollar will eventually reach a turning point, as Donald Trump has been putting pressure on the Federal Reserve to lower rates at a faster pace. In addition, "the fiscal position of the United States will eventually become a serious problem," argues Gromark, "and that day will be good for gold."