Proxy P Trims Fund Range to Sharpen Focus

Stockholm (HedgeNordic) – Energy specialist Proxy P Management has closed down its long-biased long/short fund focusing on oil and natural gas – **Proxy Global Energy** – as a result of limited investor interest in the oil and natural gas sector. Proxy P Management's other long-biased fund focused on renewables – **Proxy Renewable Long/Short Energy** – currently ranks as this year's best-performing member of the Nordic Hedge Index with a year-to-date return of 35.9 percent.

Proxy Global Energy's remaining investors opted to switch their capital to **Proxy Long/Short Energy**, one of the three long/short equity funds the Swedish energy-focused asset manager launched in December of last year. Proxy Long/Short Energy – a blend of the two long-biased funds but with low net market exposure between plus and minus 25 percent – so far invested in the full spectrum of energy companies, including companies with business operations related to oil, natural gas, and renewable energy. Starting in September, the fund evolved into a low net market exposure version of Proxy Renewable Long/Short Energy, which focuses on the ongoing energy transition.

According to CEO Dan Lindström *(pictured)*, Proxy P Management will "focus on the energy transition case" following the decision to close down the fund focusing on oil and natural gas. The decision will not translate into any changes for the strong-performing Proxy Renewable Long/Short Energy. However, the closure "will somewhat tilt the focus of Proxy Long/Short Energy, which previously had a mixed approach combining both renewables and oil and natural gas," Lindström tells HedgeNordic.

"Any of the fund's remaining positions exposed to fossil fuel will relate to the energy transition," emphasizes Lindström, further adding that the changed focus stems from investors' interest in renewables and the opportunities available in the quickly-changing energy space. The Proxy P team embraced the changes as "it is the energy transition case that delivers many of the alpha-generating opportunities." Lindström also adds that the changes come following investor requests and incoming investors' requirement to limit exposure to the fossil industry.

Proxy Global Energy was down 0.2 percent year-to-date through the end of July despite a strong start to the year. The fund gained 18 percent in the first quarter alone, but a 16.5 percent-loss in May erased most of the gains. The May performance was attributable to weak development in the oil and gas sector as a result of a decline in the price of oil. Proxy Renewable Long/Short Energy, on the other hand, gained 35.9 percent year-to-date through the end of August. The fund currently ranks as the best-performing member of the Nordic Hedge Index in 2019.