

# Month in Review - September 2019

Stockholm (HedgeNordic) – Nordic hedge funds edged down 0.1 percent on average in September (88 percent reported), as CTAs gave back some of the gains earned during the summer. The Nordic hedge fund industry, as reflected by the Nordic Hedge Index (NHX), gained 3.8 percent during the first three quarters of 2019.

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Three of the five strategy categories in the Nordic Hedge Index posted modest gains for September. Nordic CTAs were down 2.9 percent on average in September, mainly reflecting a reversal of a bond market rally. Equity hedge funds gained 0.3 percent on average last month, but the group's performance was mixed due to a rotation out of relatively expensive stocks into cheaper names.

Multi-strategy funds, this year's best-performing category in the Nordic Hedge Index with a year-to-date performance of 5.2 percent, also gained 0.3 percent in September. Fixed-income funds were up 0.1 percent last month, which brought the group's 2019 performance to 3.8 percent. Funds of hedge funds edged down an estimated 0.1 percent last month.

The dispersion between last month's best- and worst-performing members of the Nordic Hedge Index tightened compared to the previous month. In September, the top 20 percent of hedge funds gained 3.2 percent on average, whereas the bottom 20 percent lost 4.3 percent on average. In the previous month, the top 20 percent was up 4.1 percent, and the bottom 20 percent lost 4.8 percent. Around 58 percent of all the members of the Nordic Hedge Index with reported data for September posted gains last month.

Equity-focused funds dominated the list of the best performers in the Nordic Hedge Index last month, with **DNB ECO Absolute Return** topping the table. DNB's market-neutral fund focused on renewables gained 6.9 percent in September, trimming the fund's year-to-date loss to 18.6 percent.

**UB Real REIT** closely followed suit with a monthly return of 6.9 percent, which brought its year-to-date performance to 17.8 percent. UB Real REIT primarily invests in listed real estate investment trusts, property development companies, as well as fixed-income instruments issued by these companies such as bonds, convertible bonds and hybrid securities.

Danish long/short value-oriented equity fund **Symmetry Invest** was up 5.8 percent last month, bringing its performance for the first three quarters of 2019 to 27.7 percent. **Atlant Sharp**, a hedge fund employing equity-related derivatives on the OMX Stockholm 30 in an attempt to outperform the index and protect against sharp declines, was up 3.9 percent in September and 16.4 percent in the first three quarters of 2019. Trend-follower **ALFA Axiom Fund** advanced 3.8 percent last month, bringing its year-to-date performance to down 1.8 percent.

The Month in Review for September can be downloaded below:



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