



## Month in Review - October 2019

Stockholm (HedgeNordic) - Nordic hedge funds ended October flat to marginally negative (83 percent reported), as CTAs incurred larger-than-usual losses for a second consecutive month (the group's average decline in losing months is 1.4 percent). The Nordic hedge fund industry, as reflected by the Nordic Hedge Index, gained 3.8 percent in the first ten months of 2019, the best performance in this span since 2014.

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Three of the five strategy categories in the Nordic Hedge Index posted gains for October. Nordic CTAs were down 2.7 percent in October, following an average decline of 2.9 percent in September. CTAs are up 1.2 percent year-to-date to the end of October. Equity hedge funds led the gains last month with an average return of 0.5 percent. The group gained 3.8 percent in the first ten months of 2019.

Multi-strategy funds, this year's best-performing category in the Nordic Hedge Index with a year-to-date advance of 5.4 percent, edged up 0.1 percent last month. Fixed-income funds, meanwhile, were up 0.3 percent in October, which brought the group's 2019 performance to 4.2 percent. Funds of hedge funds were down an estimated 0.4 percent in October. Nordic funds of hedge funds lost 0.4 percent on average in the first ten months of 2019.

The dispersion between last month's best- and worst-performing members of the Nordic Hedge Index tightened compared to the prior month. In October, the top 20 percent of hedge funds gained 2.6 percent on average, whereas the bottom 20 percent lost 3 percent on average. In the previous month, the top 20 percent was up 3.2 percent and the bottom 20 percent lost 4.3 percent. Almost half of all the members of the Nordic Hedge Index with reported data for October posted gains last month.

Equity-focused funds dominated the list of last month's best performers in the Nordic Hedge Index, with [\*\*Rhenman Healthcare Equity L/S\*\*](#) topping the table. The long-biased healthcare-focused fund manager by Henrik Rhenman and Susanna Urdmark gained 6.5 percent in October, partly due to two holdings receiving a takeover approach. RA Pharmaceuticals was one of the fund's best contributors last month after the company received a bid worth \$2.1 billion, which represented a premium of 97 percent. Rhenman Healthcare Equity L/S is up 18.1 percent year-to-date to the end of October.

[\*\*Atlant Sharp\*\*](#), which trades equity-related derivatives on the OMX Stockholm 30, was up 5.1 percent in October and gained 22.3 percent in the past ten months. Japan-focused long/short equity fund [\*\*Sector Zen\*\*](#) advanced 5 percent last month, bringing the year-to-date return to 18.4 percent. [\*\*Pacific Precious\*\*](#), now under the umbrella of Atlant Fonder, returned 4.3 percent in October. The multi-strategy hedge fund mainly focused on precious metals gained 19.2 percent year-to-date to the end of October. Fundamentals-based macro fund [\*\*IPM Systematic Macro Fund\*\*](#) returned 3.6 percent last month, trimming the fund's year-to-date loss to 2.8 percent.

The Month in Review for October can be downloaded below:

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The hedge portfolio has been managed in a way that is consistent with the investment strategy and the risk management objectives of the fund. The hedge portfolio has been managed in a way that is consistent with the investment strategy and the risk management objectives of the fund. The hedge portfolio has been managed in a way that is consistent with the investment strategy and the risk management objectives of the fund.



Sub-Strategy and Strategy by Country Performance (continued)

Country	Sub-Strategy	Performance
USA	Long	100
USA	Short	-100
Europe	Long	100
Europe	Short	-100
Asia	Long	100
Asia	Short	-100
Other	Long	100
Other	Short	-100



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