

# Narrow Window of Opportunity

Stockholm (HedgeNordic) – After temporarily closing its doors to new investors at the end of April, Danish special situations-focused **Formue Nord Markedsneutral** is once again seeking new investors before closing the doors indefinitely after the first quarter of next year.

The fund managed by a four-member team (*pictured*) out of the Danish city of Aalborg mainly focuses on financing listed micro-, small- and mid-cap companies in the Nordics by participating in rights issues. Formue Nord Markedsneutral mostly underwrites rights issues in listed companies in exchange for an underwriting fee, but the fund also buys and exercises mispriced subscription rights, among other things.

After three years of good performance, strong investor capital inflows, and a relatively limited investment opportunity set, the team decided to temporarily close the fund to new investments in April. Formue Nord Markedsneutral's assets under management have grown to €33.9 million at the end of November from €12.4 million at the end of last year and €8.8 million at the end of 2017. Due to expectations of a growing number of opportunities at the beginning of 2020 and during the spring, the four-member team has announced the fund is open to new investments at the beginning of next year.

"We are opening up because we currently operate at full capital utilization and continue to see potential to scale up our investments," CIO Rasmus Viggers comments on the decision to open the fund to new inflows. "There are significant seasonal fluctuations within our niche, and we expect the next peak to be reached in the second quarter. We want to be strongly positioned to capitalize on attractive opportunities by raising capital in the first quarter of next year," he adds.

This opens up a narrow window of opportunity for the investors willing to invest in the market-neutral special situations fund focused on capitalizing on complex and misunderstood opportunities. Formue Nord Markedsneutral returned 13.6 percent last year and gained an additional 13.5 percent year-to-date to the end of November. The fund has collected three performance awards this year, most recently being named the best fund within the "Multi-Strategy" category at the HFM European Emerging Manager Awards.