

A Stunning Year on Most Fronts

Stockholm (HedgeNordic) – Danish long/short equity fund **Symmetry Invest** joined the Nordic Hedge Index only last year, despite portfolio manager **Andreas Aaen** (pictured) having already several years of track record under his belt. Symmetry Invest was among the best-performing Nordic hedge funds in 2019 with a return of 44.4 percent. “2019 was a stunning year for us on most fronts,” Aaen summarizes the year.

Symmetry Invest, which predominantly searches for founder-led companies in the European small- and mid-cap space, delivered a net return of 44.4 percent last year with an average net exposure of 73.3 percent during the year. Aaen separates the year into two parts. “We entered the year with high net exposure and a long portfolio of small-cap stocks that was beaten up in the last quarter of 2018,” says the portfolio manager. As a result, Symmetry Invest “benefited a lot from the mean-reversion on some of our best ideas in the first quarter.” The last nine months of the year, meanwhile, “were all about really good stock selection on both sides of the market.”

The portfolio of long positions delivered a gross return of 43.7 percent last year, handily beating the 23.8 percent return generated by global equities. The names in the Danish fund’s basket of short positions, meanwhile, underperformed the market, with the short book delivering a 13.6 percent alpha for 2019. “The returns were really about good stock selection, not excessive leverage,” explains Aaen. “We ended the year with low gross and net exposures, as we harvested some gains on the long side and built additional short names up.”

Symmetry Invest generated an annualized return of 18.7 percent since launching in early 2013 despite incurring a loss of about 28 percent in 2018. “We clearly did benefit from the lessons 2018 taught us,” Aaen tells HedgeNordic. “We quickly reassessed positions if they did not work according to our thesis,” he adds. “We were also more flexible in shuffling money around to our best ideas, concentrating more on the long side and constantly protecting the downside.”

Welcoming Like-Minded Investors

Symmetry Invest also passed the threshold of €10 million in assets under management last year, with the fund growing from around DKK 54 million at the end of 2018 to about DKK 92 million at the end of last year. “On the asset side, we started slowly recovering from 2018, with approximately half of the growth in assets coming from fundraising and the other half from performance,” says Aaen. One of the highlights of last year was a seed investment by listed Danish investment firm Strategic Investments A/S.

Symmetry Invest has its doors open to new investors, yet Aaen prefers to add “more like-minded investors” to the fund. “It is really important that we add the right investors, and not focus on the number of investors,” emphasizes Aaen. “As we do not have any lock-up agreements in place, it is important that I can rely on investors sticking around for the long term.” As for this year, Aaen hopes to “add several more investors in 2020 as we are still far away from optimal size.”