

Alcur Select Bagged the Top Spot

Stockholm (HedgeNordic) – Long-biased small-cap-focused equity fund **Alcur Select** bagged the top spot in the list of best performing Nordic hedge funds of 2019. The fund managed by **Wilhelm Gruvberg** out of Stockholm returned around 51 percent last year and almost 59 percent since launching in May of 2018.

Despite netting a return above 50 percent last year, which is a great achievement by any standards, Gruvberg points out that “investors need to take into consideration the risk and return objectives of the fund.” After all, the fund’s net exposure varied between 60 and 100 percent during the year, with an average of about 80 percent. “It would not be fair to compare Alcur Select’s result with the performance of our lower-risk Alcur Fund or other less aggressive hedge funds in the industry,” acknowledges Gruvberg.

“But even after accounting for the risk level of the fund, we had an outstanding year in 2019,” highlights the portfolio manager. “Our short book performed worse than the market and our long book performed significantly better than the market,” Gruvberg summarizes the performance of his fund’s long and short positions. “There were many names that contributed to performance in the end, but overall, it was our careful bottom-up stock selection that made the difference.”

Alcur Select did not register any negative monthly returns throughout 2019. When stocks pulled back sharply in May, for instance, the fund’s short positions more than offset the losses incurred from the long book. “Throughout 2019, long positions have contributed significantly to the return,” says Gruvberg, yet short positions stepped in when markets were down.

Synergies and the Look-Ahead

The older fund – **Alcur Fund** – under the umbrella of Stockholm-based asset manager Alcur Fonder also enjoyed strong performance in 2019. The lower-risk long/short absolute return fund gained 8.1 percent last year. The fund has delivered an average annual return of 4.8 percent with a standard deviation of 2.4 percent since launching in 2007. “We focus purely on the Nordic markets where our vast network and experience is crucial for our investment strategy – and ultimately – the success of our funds. Although the risk profiles of the two funds significantly differ, they often hold positions in the same names, which bring synergies to our process.”

Discussing the entire firm’s focus during last year, Alcur Select’s portfolio manager says that “as a firm, we have been mostly focusing on delivering performance and researching investments rather than on selling and marketing our products.” Despite shying away from heavy marketing, Gruvberg emphasizes that “we received a lot of interest from investors, mostly as a result of the strong performance for both funds.”

With about SEK 700 million in assets under management, Alcur Select is a long-biased small-cap-focused equity fund that focuses on the Nordic region, predominantly on the Swedish market. The fund aims to maintain a net market exposure between 50 percent and 100 percent over a full economic cycle. Yet, the exposure at any given time mostly depends on the existing pool of risk-reward opportunities. Going into 2020, Alcur Select “started the year with a net exposure below our 2019 average” according to Gruvberg. “We have taken a more prudent approach at the beginning of the year, but our views and exposure may change throughout the year.”