

€5Bn Fund Family Holds up in Market Turmoil

Stockholm (HedgeNordic) – With performance figures being released for March, many Nordic hedge funds have turned in their worst month in years. A handful of funds such as Nordea's Alpha family of funds emerged as the industry's bright spots amid the recent turmoil. The three Nordea funds part of the Nordic Hedge Index, which collectively manage over €5 billion, generated positive uncorrelated returns in March, ranging from 2.2 percent to 4.9 percent.

Nordea's Alpha family – comprised of **Alpha 7 MA Fund**, **Alpha 10 MA Fund** and **Alpha 15 MA Fund** – all share the same investment approach but exhibit different risk-return profiles. Alpha 7 MA Fund, with the most conservative risk-return profile and €268 million in assets as of the end of February, gained 2.2 percent in March. Alpha 15 MA Fund, the most aggressive member of the family with €2 billion in assets, was up almost five percent last month. The flagship product, which had €2.8 billion in assets under management at the end of February, returned 3.3 percent in March.

The three funds are managed by the Nordea's multi-asset investment team headed by Asbjørn Trolle Hansen (*pictured*) and use numerous types of low-correlation strategies to provide dynamic exposure to multiple asset classes. The team employs a multi-asset approach to capture both traditional and non-traditional risk-premia return drivers.

By combining a wide range of strategies, some of which perform well in risk-off environments while others perform better in risk-on environments, the Alpha fund family tends to exhibit low correlation to traditional asset classes. "While still being able to participate in up market periods, the funds manage to significantly outperform specifically in down market periods," explains the Nordea's multi-asset team. This combination of strategies "provides investors with a very attractive asymmetric beta behaviour."

September of 2019 marked the ten-year anniversary of the flagship fund, Alpha 10 MA Fund. The multi-asset, multi-strategy fund, which aims to generate an annual return between 4-5 percent gross of fees, delivered an annualized return of 4.7 percent net of fees over the past five years. The fund is up 1.7 percent year-to-date through the end of March.