

# Anniversary with a Bang

Stockholm (HedgeNordic) – Around mid-May in 2018, Stockholm-based asset manager Alcur Fonder launched a long-biased small-cap-focused long/short equity fund called **Alcur Select**. Fast forward two years, Alcur Select ranks as the best-performing hedge fund in the Nordics during the two years since its inception.

Managed by Wilhelm Gruvberg (*pictured*) out of Stockholm, Alcur Select was last year's best-performing Nordic hedge fund with a gain of 51 percent and currently ranks among this year's ten best performers with a year-to-date return of about 14 percent. "Alcur Select celebrated its two-year anniversary in May, two extremely eventful years," says Gruvberg. "During our short lifetime, we already faced two major stock market corrections," one in the fourth quarter of 2018 and another one in the first quarter of 2020.

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Alcur Select, a long-biased long/short equity fund investing in small and medium-sized companies in the Nordic region, generated a cumulative return of about 81 percent since launching in May 2018. The fund's net market exposure varied between 50 percent and 100 percent, averaging at about 78 percent. "We are, of course, very pleased with Alcur Select's return since inception," Gruvberg comments on the fund's performance so far. "The main explanation for the fund's strong return since inception relates to its resilience in downturns."

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Carnegie Small Cap Index accumulated a cumulative negative return of 43 percent during all the negative months for the index since Alcur Select's launch, whereas the fund managed by Gruvberg lost a cumulative seven percent during the same months. "The fund's ability to shine in difficult periods has contributed well to the strong risk-adjusted and absolute returns," points out Gruvberg. The solid performance in both risk-on and risk-off environments has contributed to an increase in the fund's assets under management, with Alcur Select approaching SEK 1.2 billion in managed capital within two years since its launch.

Alcur Select's underlying strategy relies on fundamental, bottom-up analysis, with each investment opportunity viewed as a risk-reward question. "We work in a disciplined way with our management philosophy and risk control, and attach great importance on maintaining a good risk-reward profile for our portfolio," explains Gruvberg. "Not only do we spend time analyzing the potential upside in our positions, but we also focus on the risk that we committed errors in our analysis and the shares we own can fall."

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Alcur Select's portfolio of long holdings predominantly features companies with strong balance sheets, strong cash flow generation and receiving a high share of recurring revenue. "Alcur Select continues to work according to a disciplined investment process that focuses on Nordic companies with long-term sustainable business models," says Gruvberg. "We call that healthy risk-taking."