

BMS Had its Best Month Since 2005

Stockholm (HedgeNordic) – **Brummer Multi-Strategy**, a multi-strategy fund investing in the single-strategy hedge funds under the umbrella of Brummer & Partners, enjoyed its best month since 2005 after gaining an estimated three percent in May. The Brummer fund of funds is now up 1.2 percent year-to-date through the end of May.

Following the closure of **Bodenholm** earlier this year, Brummer's multi-strategy fund is currently invested in nine different single-strategy hedge funds. "Seven out of nine investment strategies contributed positively to BMS's performance in May," says Brummer Multi-Strategy's monthly commentary for May. Long/short equity funds were the best contributors to performance last month. Research-driven long/short equity fund **Manticore**, which accounted for 20.8 percent of Brummer Multi-Strategy's portfolio at the end of April, performed best last month with an estimated gain of 6.9 percent. With a return of 17.3 percent for the first five months of 2020, Manticore is this year's the best-performing fund under the umbrella of Brummer & Partners.

Another long/short equity fund, **Black-and-White Innovation Fund**, was up an estimated four percent last month, which brought its year-to-date performance into positive territory at 0.9 percent. Brummer Multi-Strategy had 17.8 percent of its portfolio invested in Black-and-White Innovation Fund at the end of April. "US based long/short equity funds Manticore and Black-and-White performed well, with the former in particular generating significant market-neutral alpha," says the monthly commentary for May.

Systematic equity fund **AlphaCrest** gained an estimated 3.8 percent in May, while long/short credit fund **Observatory** was up 3.6 percent. "Observatory made money on idiosyncratic fundamental relative value positions and systematic equities strategy AlphaCrest generated solid alpha," according to the May commentary. Fixed-income relative-value fund **Frost**, launched by former employees at the now-closed Nektar, up 4.5 percent since launching at the beginning of the year after advancing an estimated 2.2 percent in May.

According to portfolio managers Mikael Spångberg (*pictured*) and Patrik Brummer, the portfolio construction at Brummer Multi-Strategy is strong with a very low market correlation and with highly diversifying strategies. The duo says that the portfolio management teams of the nine underlying funds have shifted focus from handling the turmoil and falling markets to identifying opportunities.

With about SEK 29 billion in assets under management, Brummer Multi-Strategy seeks to invest in a "set of different hedge fund strategies that complement each other," as previously explained by Mikael Spångberg, CEO and portfolio manager of the multi-strategy fund. Spångberg and Brummer "feel humbly confident that BMS is well-equipped to deliver competitive risk-adjusted returns long term, thanks to strong alpha potential, diversifying strategies and low market correlation." Brummer Multi-Strategy delivered an annualized return of 5.8 percent since launching in early 2002, achieving an inception-to-date Sharpe ratio of 1.27.