



Rookies Shine as HF Closures Pile up

Stockholm (HedgeNordic) - This year's hedge fund launches in the Nordics performed well during the coronavirus-triggered market declines in the first quarter and year-to-date. This positive development has been somewhat overshadowed by the growing number of hedge fund closures.

At the end of 2018, about 175 hedge funds were up and running in the Nordic region. Eighteen months later, the Nordic hedge fund industry houses 20 fewer funds after 29 vehicles wound down during 2019 and an additional ten funds have closed down so far this year.

Newcomers Successfully Navigate the Q1 Turbulence

Six new hedge funds were launched in the Nordics so far in 2020, five of which are in the green year-to-date. Multi-strategy fund [Polar Multi Asset](#), launched by Ole Christian Presterud and Kent Torbjørnsen at the beginning of March, was up 20.5 percent in March alone and is now up 23.9 percent in 2020 through the end of May. The duo relies on a combination of technical analysis, bottom-up fundamental analysis and market experience to invest across several asset classes such as currencies, fixed income, commodities and equities. Presterud and Torbjørnse have about 40 years of combined experience at DNB Markets in

Norway.

In February this year, Finnish asset manager [Northern Star Partners](#) launched [NS Quant](#), a fund relying on three interrelated models - momentum, trend, and trend-quality - to trade major U.S. stock indices, and oil and gas futures. The fund overseen by Markku Malkamäki, Kenneth Barner-Rasmussen and analyst Markus Malkamäki gained 16.2 percent gross of fees since its inception.

After running his long/short strategy as part of his family office since 2018, Linköping-based fund manager Alexander Hyll officially launched [Adaptive Paradigm Alpha](#) earlier this year after receiving AIF license from Finansinspektionen. The fund has enjoyed only positive months this year and gained 4.5 percent year-to-date through the end of May. Hyll seeks to identify cause-effect relationships called paradigms to find investment opportunities and build a portfolio that can generate stable reliable returns.

[Frost](#), a relative-value fixed-income hedge fund under the umbrella of Brummer & Partners, was up 4.5 percent in the first five months of 2020. Launched and managed by former employees at the now-closed Nektar, Frost has already been closed to new investors after reaching SEK 2.5 billion in asset under management in less than a month since its launch on January 2.

[Coeli Multi Asset](#), launched and managed by Stefan Åsbrink under the umbrella of Coeli Asset Management, gained 0.2 percent in the first quarter and 3.2 percent year-to-date through the end of May. Coeli Multi Asset is a long/short equity fund with an extra feature of global tactical allocation. [DNB Fund Multi Asset](#), a multi-strategy, multi-asset absolute return fund launched in late February, is down 4.4 percent year-to-date through the end of May. The fund was affected by the market turmoil in the first quarter due to some stock market exposure.

Hedge Fund Closures in the Nordics in 2020

2019 saw the highest number of Nordic hedge funds close in the past five years. While the number of active hedge funds in the Nordics remained relatively stable at the beginning of 2020, hedge fund closures are increasingly surpassing launches this year. Ten hedge funds have been closed down so far, and an additional fund is expected to wind down in the second half of the year.

Following the seven closures [discussed in late April](#), an additional three hedge funds closed down up until today. Malmö-based [Century Analytics has closed down](#) its artificial intelligence-driven currency fund, **CenturyOne**, after less than a year since its launch. In May, Stockholm-based asset manager Madrague Capital Partners [announced the decision to cease operations](#), including the management of its long/short equity fund **Madrague Equity Long/Short**.

Alternative asset manager Optimized Portfolio Management (OPM) has closed down fund of hedge funds **OPM Multi Hedge** and announced plans to close a second fund, [Carneo Systematic Alpha](#), to fully focus on its ESG-focused fund of hedge funds, [OPM Vega](#).

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