

# PriorNilsson HFs Move in Tandem

Stockholm (HedgeNordic) – The month of July was the fourth consecutive month of positive returns for global equity markets coming off the March low. The three hedge funds under the umbrella of PriorNilsson Fonder – **PriorNilsson Idea**, **PriorNilsson Yield** and **PriorNilsson Balans** – have all followed suit and turned in a fourth consecutive positive month in July to recoup the March losses.

“The central banks’ massive asset purchase programs and fiscal stimulus measures implemented in most countries have given the market the support and belief that the crisis will be overcome,” says portfolio manager PO Nilsson (*pictured*), who founded PriorNilsson Fonder with Torgny Prior in 2002. Nilsson points out that the majority of companies in both the United States and Sweden beat the market expectations prevailing before the second-quarter earnings season kicked off.

“In the United States, the proportion of companies that beat expectations by a wide margin is historic,” reckons Nilsson. “While many companies in Sweden delivered sales and order books that reasonable reflected market expectations, what surprised in many cases were the very good margins and results,” he continues. “The reason for this can probably be found in the fact that the impact of government support to companies and the rapidly-initiated cost-savings programs had been difficult to estimate for analysts.”

Leaving analyst and market expectations aside, Nilsson ponders about the potential impact of fiscal stimulus and cost-savings programs in the future. The fund manager reckons that financial markets during the autumn will likely be dominated by the news surrounding the continued economic development in the wake of the coronavirus crisis and the presidential election in the United States.

The three PriorNilsson hedge funds are all in positive territory for the year. **PriorNilsson Balans**, a fund of funds launched last year to invest in PriorNilsson’s other two hedge funds: PriorNilsson Idea and PriorNilsson Yield, gained 0.9 percent year-to-date through August 17. **PriorNilsson Yield**, which aims to serve as an alternative to cash or bank deposits by maintaining a market-neutral portfolio of Swedish equities, is up 0.7 percent this year through August 18. **PriorNilsson Idea**, a long/short equity fund managed by Torgny Prior and Martin Lindqvist, is now up 1.0 percent in 2020 after advancing 2.3 percent month-to-date through August 18.