

Keeping a Cool Head and High Returns

Stockholm (HedgeNordic) – In May of this year, **Brummer Multi-Strategy** enjoyed its best month since 2008 with a monthly advance of 2.9 percent. At one point during the first two weeks of November, the multi-strategy fund of hedge funds surpassed that monthly record due to solid performance from most of its underlying funds. Brummer Multi-Strategy is now up 2.3 percent month-to-date through the end of last week, bringing the performance for the year to 6.8 percent. The leveraged version of the vehicle, **Brummer Multi-Strategy 2xL**, advanced 4.6 percent in the first two weeks of November to take the year-to-date performance to 12.5 percent.

“We have fared well and delivered positive returns during this period and so far in November, it has gone very well for us at the same time as markets have been enormously volatile.”

“The last few weeks and months have definitely been a challenging time with falling stock markets in both September and October,” says Mikael Spångberg, CEO and portfolio manager of the multi-strategy fund. “The Swedish stock market was one of the few that was up in September,” he points out. “We have fared well and delivered positive returns during this period and so far in November, it has gone very well for us at the same time as markets have been enormously volatile.”

“In this type of environment, we focus on risk-reward, portfolio construction and the fund’s sensitivity to various market scenarios,” highlights Spångberg. “The overall focus stays to be market neutral and to deliver return through alpha. We keep a cool head and do not underestimate the risks in the market.”

“The overall focus stays to be market neutral and to deliver return through alpha. We keep a cool head and do not underestimate the risks in the market.”

Long/short equity vehicle **Black-and-White Innovation Fund**, the second-largest allocation in Brummer Multi-Strategy’s portfolio with a weight of 20 percent, gained the most this month among the nine single-strategy hedge funds in the portfolio. The Black-and-White fund gained an estimated 5.0 percent in the first two weeks of November, which brought its year-to-date performance to 20.8 percent. Systematic equity fund **AlphaCrest** followed suit with an advance of 4.6 percent, which brought its performance for the year further into positive territory at 7.7 percent.

Arete Macro Fund, which accounted for 11 percent of Brummer Multi-Strategy’s portfolio at the end of October, was up an estimated 4.4 percent in the first two weeks of this month. The macro fund gained 9.1 percent year-to-date through the end of last week. Research-driven long/short equity fund **Manticore**, which had the largest weight in Brummer Multi-Strategy’s portfolio at the end of October with 21 percent, returned an estimated 2.4 percent month-to-date through the end of last week. With a return of 26.2 percent year-to-date, Manticore is this year’s best-performing fund under the umbrella of Brummer & Partners.

Fixed-income relative-value fund **Frost**, launched by former employees at the now-closed Nektar, edged up 0.4 percent in the first half of November to take the year-to-date advance to 10.7 percent. Trend-following vehicle **Lynx** gained an estimated 2.2 percent in the first two weeks of November to reduce the year-to-date decline to 4.4 percent. Only systematic trend-following strategy **Florin Court** and machine learning-assisted **Lynx Constellation** incurred minor losses in the first half of the month.