

Just Shy of Record Year

Stockholm (HedgeNordic) – Market-neutral strategies, generally standing at the lower end of the risk spectrum, rarely catch investors’ attention. These vehicles are meant to be boring, usually aiming to generate steady – albeit low – returns that are insensitive to market fluctuations. Market-neutral equity fund **KLP Alfa Global Energi**, managed by Simon Røksund Johannessen (*pictured*) and Torkel Aaberg out of Oslo, managed to stand out from the “market-neutral” crowd after gaining over 20 percent so far in 2020 and receiving recognition at this year’s edition of the HFM European Emerging Manager Awards.

KLP Alfa Global Energi, one of the two hedge funds under the umbrella of Norwegian pension provider KLP, received the top honours in the “Equity Market Neutral & Quantitative Strategies” category ahead of four other nominated funds. “Winning at the HFM European Awards feels like a great recognition for our structured work over several years, and we are proud of that,” Simon Røksund Johannessen comments on the distinction. “Many funds compete in our category, so it is nice that KLP and the team get recognition for the work that is put in. We have been nominated before, but never won,” adds Torkel A. Aaberg.

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KLP Alfa Global Energi is a market-neutral hedge fund specializing in the energy sector, taking positions in all parts of the energy value chain, from exploration and production, to transport, transformation and consumption. The fund advanced 20.1 percent year-to-date through the end of November, just shy of the 21.5 percent achieved in 2011, the fund’s best year on record since launching in early 2009.

In the first half of 2020, “it was mainly short positions in shipping and oil services that contributed to a good return,” Johannessen said earlier this year. “Throughout June and August, it is, first and foremost, the fund’s positions in renewable energy that have contributed to the fund’s strong return.” Up a little over 15 percent through the end of the summer, KLP Alfa Global Energi gained more than four percent throughout the next three months to reach 20 percent for the year.

The fund has generated an annualized return of 5.7 percent since inception. “The return on the fund is above what we have had as a goal, so we are satisfied with that,” says Aaberg. “And we are particularly pleased with the return in 2020, which has been a difficult stock market year with a lot

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“Torkel and I have worked together since the beginning of 2015 and have had a stable return since then,” adds Johannessen. “We take risks on things we believe in, normally taking risks that with expected returns between 5-10 percent a year,” he continues. “We are therefore very happy that we have surpassed our expectations this year,” says Johannessen. “The risk we take also indicates that we may lose money for a few years,” he acknowledges. KLP Alfa Global Energi had only one down year since the duo started working together at the beginning of 2015.