



Årets Hedgefond 2020

Stockholm (HedgeNordic) - Multi-strategy hedge fund **Nordic Cross Stable Return** has been named the “Hedge Fund of the Year 2020” at the annual “Årets Fonder” awards ceremony organized by Swedish fund platform Fondmarknaden.se. With a return of 27.3 percent for 2020, Nordic Cross Stable Return was the best-performing member of the “Multi-Strategy” category within the Nordic Hedge Index last year and among the best-performing Swedish hedge funds.

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“We are of course happy and proud to be named the Hedge Fund of the Year,” founding partner and portfolio manager Ulf Strömsten (*pictured right*), who is in charge of managing Nordic Cross Stable Return, comments on the distinction. “The year serves as proof that active management pays off and that you do not have to take great risks to generate a good return,” he adds.

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Nordic Cross Stable Return employs a multi-strategy investing approach that features different equity sub-strategies, as well as fixed-income and derivatives

mandates. The equity and fixed-income strategy buckets can each represent between 30 percent to 70 percent of the portfolio, with the equity bucket being composed of three sub-strategies: market-neutral, long/short, and event. “The bulk of the return comes from the equity part of the portfolio, predominantly from the event and long/short mandates,” Strömsten previously explained HedgeNordic. “We need the market-neutral and fixed-income parts to bring the entire risk of the portfolio down and make sure that the correlations are kept low.”

Cemented on a three-fold objective, Nordic Cross Stable Return targets a correlation below 0.3 with equity markets, an average annual return of four to five percent over a rolling three-year period, and an annual standard deviation in returns of three percent. Meeting the latter two objectives would translate into a Sharpe ratio above one. Over the past 36 months through the end of December 2020, Nordic Cross Stable Return delivered an annualized return of 9.8 percent to achieve a Sharpe ratio of 1.37.

The “Årets Hedgefond 2020” award was one of the ten awards handed out at the annually-held “Årets Fonder” event that recognizes the best funds among the 1,700 funds available on Fondmarknaden.se. Of the 70 Swedish hedge funds included in the Nordic Hedge Index, 34 are available on Fondmarknaden.se. Last year’s “Hedge Fund of the Year” award at the 2019 “Årets Fonder” event went to long-biased long/short equity fund **PriorNilsson Idea**.

Picture Courtesy of Fondmarknaden.se. By Ryan Laurita.