



High Returns from Low Risk

Stockholm (HedgeNordic) – Long/short equity fund **Alcur**, the oldest fund in Alcur Fonder’s three-fund family, has been named the “Hedge Fund of the Year” by Swedish business magazine Privata Affärer. The low-risk fund launched in early 2007 advanced 18.8 percent in 2020 to achieve its best year on record, bringing its annualized return since inception to 5.6 percent.

Motivating the decision to grant Alcur the “Årets Hedgefond” award, Privata Affärer writes that “the low-risk fund has delivered a positive return in 80 percent of all months since inception – an unbeatable result.” The magazine also added that “Alcur had a return of 19 percent in 2020 despite being a low-risk fund. The fund managed to advance when the pandemic struck markets in March, while almost all other funds retreated.”

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“We do not award prizes to those who had only one successful year,” says Per Hammarlund, the Chief Editor at Privata Affärer. “We concentrate on highlighting stable funds that have shown returns for most years.” Alcur, which aims to achieve good risk-adjusted returns in all market conditions, generated positive returns in 13 out of its 14 years since inception. The only down year was 2017, when Alcur incurred a loss of 0.2 percent. Alcur has delivered an annualized return of 5.6 percent since January of 2007 with an annual standard deviation in returns of 2.9 percent, resulting in an inception-to-date Sharpe ratio of 1.93.

Commenting on the fund’s resilience during the February-March turmoil, portfolio manager Johan Klevby says that “already in February, we had simulated what a large outbreak could mean. When there were several cases in Italy, we were well prepared to act.” Alcur maintained an average net market exposure of 12 percent over the course of last year, which was in line with its historical average. According to the Alcur team, the fund’s strong performance partly stems from successfully capitalizing on several themes, “where we have owned many of the digitalization winners and avoided or shorted many losing sectors.”

Alcur Fonder’s younger and more aggressive small-cap-focused equity fund, **Alcur Select**, has delivered a cumulative return of 167 percent since launching in May 2018 after advancing a little over 70 percent last year and 51.4 percent in 2019. The long-biased equity fund managed by a Stockholm-based team led by Wilhelm Gruvberg has delivered an annualized return of 42.9 percent since inception.