

Calling it Quits

Stockholm (HedgeNordic) – After spending many years at one of Norway’s leading investment banks, Oslo-based money managers Kent Torbjørnsen and Ole Christian Presterud joined forces to launch a multi-strategy hedge fund in March of last year. Despite getting off to a great start with a 20 percent advance in March alone, the duo relaunched a lower-risk, less-volatile version of the fund towards the end of 2020 following an ill-timed bet against equity markets. Soon after that, Torbjørnsen and Presterud decided to close down both the fund and the investment management company.

“Unfortunately, Polar Asset Management has decided to close down both the investment fund Polar Value and the management company Polar Asset Management,” Kent Torbjørnsen, the CEO of Polar Asset Management, tells HedgeNordic. “Polar Value was closed in February and the fund capital was paid out to the customers,” he adds. “The background for the decision was that the total assets under management became too low to be able to defend a sensible operation of the company.”

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Both Polar Value and the higher-risk Polar Multi Asset relied on a combination of technical analysis of individual securities, bottom-down fundamental analysis and the portfolio management team’s own financial market experience to generate high uncorrelated returns across several asset classes. The investment approach involved shorter-term investments across currencies, fixed income, commodities and equities that could last just a few days.

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Polar Multi Asset gained 20.5 percent in March of last year, its first month of operations, and delivered a cumulative return of 6.4 percent through the end of October when the fund was closed down to launch its lower-risk version under the “Polar Value” name. Polar Value, meanwhile, generated a cumulative return of 9.9 percent since launching in November through its closure in February this year.

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“As a fund manager, we knew that there is extensive competition for investment capital, but here in Norway, we must acknowledge that multi-asset funds have been difficult to sell in competition with a huge number of equity funds and their salesforce,” Torbjørnsen comments on the decision to close Polar Value and the fund management company, Polar Asset Management. The duo’s desire to provide a new multi-asset, multi-strategy fund that would act as a diversifying pillar in many Norwegian investors’ relatively undiversified portfolios has come to an end, for now.