

Record Month for Calgus

Stockholm (HedgeNordic) – **Calgus Fond** has scored its largest monthly gain on record after booking a gain of 11.8 percent in July. The long-biased long/short equity fund run by Gustaf von Sivers and Carl Urban is now up 30.6 percent in the first seven months of 2021 and currently ranks as the third-best performing member of the Nordic Hedge Index this year.

“July was our best month ever,” Gustaf von Sivers tells Swedish business magazine Dagens Industri (DI). “It is our three large holdings that have pulled away.” XANO, which develops, acquires and operates niche engineering companies, has seen its share price rise 200 percent this year and 50 percent in the past month alone. Calgus Fond had 10 percent of its portfolio invested in XANO at the end of June. “Xano has given us an annual return of 30 percent since we joined the company as shareholders in 2012,” von Sivers tells DI, adding that the company’s valuation is “strained.”

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Nederman and Bergman & Beving, the other two large holdings in Calgus Fond’s portfolio with a 10 percent allocation each at the mid-point of the year, also contributed strongly to the fund’s performance. The share price of Bergman & Beving, a supplier of industrial and construction machinery and parts, has advanced over 70 percent this year through the end of July after a 27 percent advance in July alone. The share price of Nederman, a developer of air purification products and systems, is up almost 50 percent in 2021 through the end of July.

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“It is a violent appreciation that we have seen on the stock exchange,” Gustaf von Sivers tells Dagens Industri, pointing out that companies can improve their margins. The potential for margin improvement also applies to clothing retail chain H&M, which accounted for seven percent of Calgus Fond’s portfolio at the end of June. “I think H&M will have higher margins in a couple of years,” says von Sivers, adding that the share price of H&M “should be able to flourish after the pandemic.”

“Calgus Fond is a long/short equity fund only investing in Swedish equities with a primary focus on large and mid-cap companies,” von Sivers told HedgeNordic earlier this year. The fund runs a highly concentrated portfolio of 15 to 25 holdings, with the top ten holdings usually accounting for about 70 percent of the entire portfolio. Although the team has the ability to engage in short selling individual companies and broader-based indices, Calgus Fond does not always make use of this toolbox. “When the team wishes to reduce net market exposure, the primary execution method is trimming or liquidating existing long positions,” said von Sivers. “When our preferred market exposure is not reached by selling long positions, we short a broad Swedish equity index as a hedge.” The fund had a net market exposure of 87 percent at the end of June.