

# Month in Review - September 2021



Stockholm (HedgeNordic) - Nordic hedge funds were down 1.3 percent on average (94 percent reported) in September, the industry's worst monthly performance since March last year. The Nordic hedge fund industry ended the first three quarters of 2021 up 4.0 percent.

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Four of the five strategy categories within the Nordic Hedge Index incurred losses last month, with funds of hedge funds being the only group to end the month in the green. Funds of funds edged up an estimated 0.1 percent in September to take their performance for the first nine months of 2021 to 4.9 percent. Equity hedge funds, the strongest performing strategy category within the Nordic Hedge Index this year, were down 1.2 percent on average in September to trim the year-to-date advance to 6.8 percent.

Nordic CTAs fell by 1.7 percent on average last month, cutting the group's advance for the year to 0.6 percent. Fixed-income hedge funds, meanwhile, were down 0.7 percent in September, ending the first nine months of 2021 up 1.2 percent. Multi-strategy funds within the Nordic Hedge Index incurred an average loss of 2.0 percent in August, bringing the group's year-to-date performance to 3.5 percent.

At a country level, Danish and Finnish hedge funds incurred the largest losses in September, with both groups ending the month down 1.9 percent. The Danish hedge fund industry gained 3.3 percent in the first nine months of 2021, while Finnish hedge funds were up 6.1 percent over the same period. Swedish hedge funds, which account for the largest portion of the Nordic hedge fund industry, are up 2.9 percent for the first nine months of 2021 after incurring an average loss of 0.9 percent in September. Norwegian hedge funds ended the first three quarters up 7.5 percent following an average 1.0 percent loss last month.

The dispersion between last month's best- and worst-performing members of the Nordic Hedge Index widened month-over-month. In September, the top 20 percent of Nordic hedge funds gained 1.8 percent on average, while the bottom 20 percent lost 5.1 percent. In August, the top 20 percent were up 2.9 percent on average and the bottom 20 percent were down 1.5 percent. About two in every five members of the Nordic Hedge Index with reported September figures reported gains for the month.

## **Top Performers in September**

Despite losing 1.2 percent on average in September, equity hedge funds dominated the list of last month's best performers in the Nordic Hedge Index. Oslo-based energy-focused long/short equity fund **AAM Absolute Return** was last month's best-performing member of with a monthly advance of about 6.0 percent. Up 46.1 percent in the first three quarters of 2021, the fund managed by Harald James Otterhaug took the lead in the race for this year's best performing Nordic hedge fund. Another Oslo-based long/short equity fund, **Sector Zen**, followed suit with a monthly return of 4.1 percent, which brought its performance for the year further into positive territory at 11.6 percent.

In September, niche long/short equity fund **Elementa** gained 3.6 percent to trim the year-to-date decline to 4.4 percent. The fund founded by Marcus Wahlberg has not yet recorded a down year since launching in early 2015. **RPM Galaxy**, one of the two vehicles under the umbrella of Stockholm-based CTA specialist RPM Risk & Portfolio Management, advanced 3.5 percent last month to extend its year-to-date advance to 19.7 percent. **Sissener Canopus**, a Norwegian bottom-up stock-picking fund founded by Jan Petter Sissener, rounded off last month's list of top five performers with a monthly gain of 2.7 percent. Sissener Canopus

