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Stockholm, April 10th 2019 2018 Nordic Hedge Award



INTRODUCTION

HedgeNordic is the leading media covering the Nordic alternative investment and hedge fund universe. The website brings daily news, research, analysis and background that is relevant to Nordic hedge fund professionals from the sell and buy side from all tiers.

HedgeNordic publishes monthly, quarterly and annual reports on recent developments in her core market as well as special, indepth reports on “hot topics”.

HedgeNordic also calculates and publishes the Nordic Hedge Index (NHX) and is host to the Nordic Hedge Award and organizes round tables and seminars.

PUBLICATION PLAN 2019:

June: Systematic Strategies
September: Equity Strategies
October: Value Investments
November: Alternative Fixed Income
December: ESG in Alternatives

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Host and Moderators: Kamran Ghalitschi (HedgeNordic) and AP1's Helen Idenstedt

Editor's Note...

Halt, for the Many Moving Parts

In April 2019, HedgeNordic had the honour of hosting the Nordic Hedge Award for the seventh time in a row. For this edition, the 2018 Nordic Hedge Award, the overall sentiment in the hedge fund space in general, felt a little grim. The Nordic Hedge Index (NHX) was looking back at its poorest performance in a decade. One must go back to the fall-out of the financial crisis, when terms as sub-prime, Lehman Brothers and Bear Stearns filled the front pages. The Nordic Hedge Index Composite (NHX) gave up 3,6%. What was notable, was the wide dispersion of returns. While many managers suffered and got hit badly, darkness allows the stars to shine brighter. And we were delighted to welcome and distinguished the brightest of the Nordic stars at the Nordic Hedge Award.

“When the going get's tough, the tough get going.”

Billie Ocean

There are many moving parts in organising such an event, and everything around it. I am most grateful to all the wonderful people and companies who have been supporting the Nordic Hedge Award over the years in so many ways.

For many years now already we have been fortunate to have strong, loyal and dedicated partners in Northern Trust, Harvest Advokatbyrå and RBC I&TS, Efficient Capital and the Swedish House of Finance.

We were thrilled to win CME Group as a first time, and headline partner to the Nordic Hedge Award. A special thank you also to AIMA's CEO, Jack Inglis, who followed CME Group's invitation to Stockholm at shared his views as a panelist at the event and also presented the prizes for the performance awards.

Next to Mr. Inglis, Christian Lundström from the Swedish Pension Agency and Lars Ericsson of Informed Portfolio Management (IPM) volunteered to share their thoughts on “How to make Hedge Funds Great Again”, in the traditional panel discussion which opens the event, guided by Pirkko Juntunen.

An extra warm appreciation for Mike Marcey and Ernest Jaffarian at Efficient Capital, who not only made the effort to fly in from Chicago over the last years, but who also supported the “Best Nordic CTA” category in every year since inauguration of the Nordic Hedge Award, at the 2012 ceremony.

Stockholm School of Economics and the Swedish House of Finance are invaluable partners, who, too, helped and supported the Nordic Hedge Award from the very beginning onward. SHoF's professor Michael Halling was very giving with his time, expertise and advise in developing the model further that allows us the make a quantative ranking of managers.

Helen Idenstedt, in her daytime job the responsible portfolio manager for idiosyncratic alternative investments at Swedish pension fund AP1 in the past had kindly volunteered as jury member to the Nordic Hedge Award, and also participated as a panelist. For the 2018 Nordic Hedge Award she stood up to the highest of all calls, hosting and moderating the event and truly excelled at it. Thank you, Helen!

A cornerstone of the methodology used to determine the best Nordic Hedge funds is the jury board to the Nordic Hedge Award, which we typically recruit among Nordic institutional investors. For the 2018 evaluation, we were privileged to win Jarkko Matilainen, Linsay Mc Phaten, Ulrika Bergman, Gustav Karner, Christian Lundström, and Ville Toivakainen who dedicated their time and expertise, judging and ranking the managers.

The “rookie of the year” award has its own juryboard put together of Nordic hedge fund managers, who also comit time and effort to the cause. A very warm thank you to you, Eyvind Holt, Daniel Pedersen, Thomas Elofsson, Stefan Roos and Søren Astrup for picking this year's rookie (from an up and coming shop called SEB).

There's a small, but strong and dedicated team at and around HedgeNordic who do magic in keeping this project afloat. You guys rock!

The real stars, of course, are the hedge fund managers themselves, who are the dark matter holding the Nordic hedge fund universe together. Keep up the great work. When the going get's tough, the tough get going.

I would like to think a foundation has been laid of celebrating an own, Nordic award for hedge funds with its own habits and quirks, having its merits next to the big events in London, Paris and New York which will hopefully remain a valued tradition over the years to come. Looking forward to seeing you at the Nordic Hedge Award in 2020.

Yours,

Kamran Ghalitschi

KAMRAN GHALITSCHI

CEO & PUBLISHER HEDGENORDIC

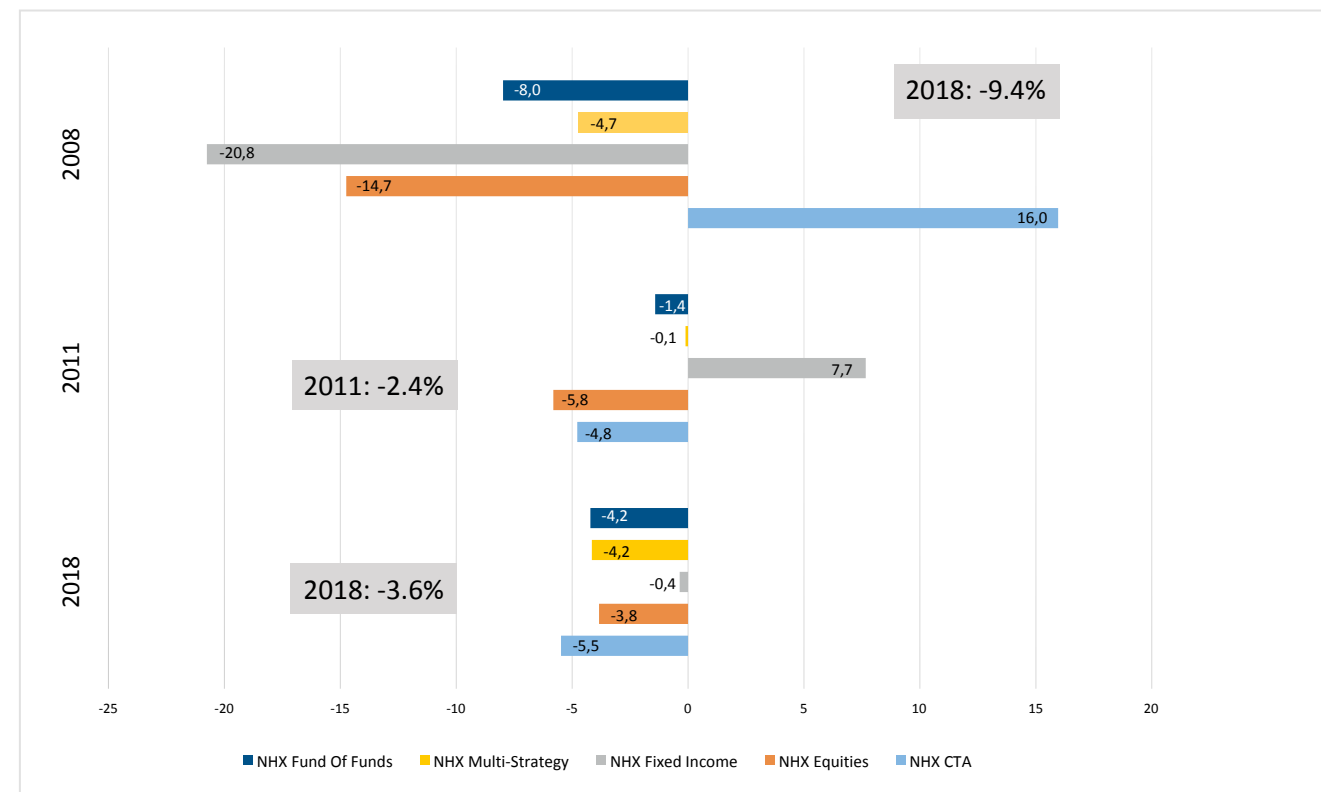


AN OVERVIEW OF THE NORDIC HEDGE FUND UNIVERSE

In 2018, the Nordic hedge fund industry suffered only its third year of negative performance since the Nordic Hedge Index (NHX) started tracking the industry back in 2005. With three down years during the 14-year history of the NHX, an interesting

question to ask (and answer) is whether 2018 was actually the industry's worst ever year. This may be a trivial question, but 2018 was, indeed, worse than 2008 in some respects.

ANNUAL PERFORMANCE OF NHX SUB-INDICES IN 2008, 2011, AND 2018



Source: HedgeNordic

In absolute terms, during 2018 Nordic hedge funds declined by 3.6 per cent on average, recording their poorest year since the financial crisis in 2008, industry's worst year on record. In contrast to both 2008 and 2011, however, none of the five NHX strategy sub-categories managed to navigate last year's financial markets unscathed. 2018, therefore, goes down as the year with the broadest declines across all sub-strategies.

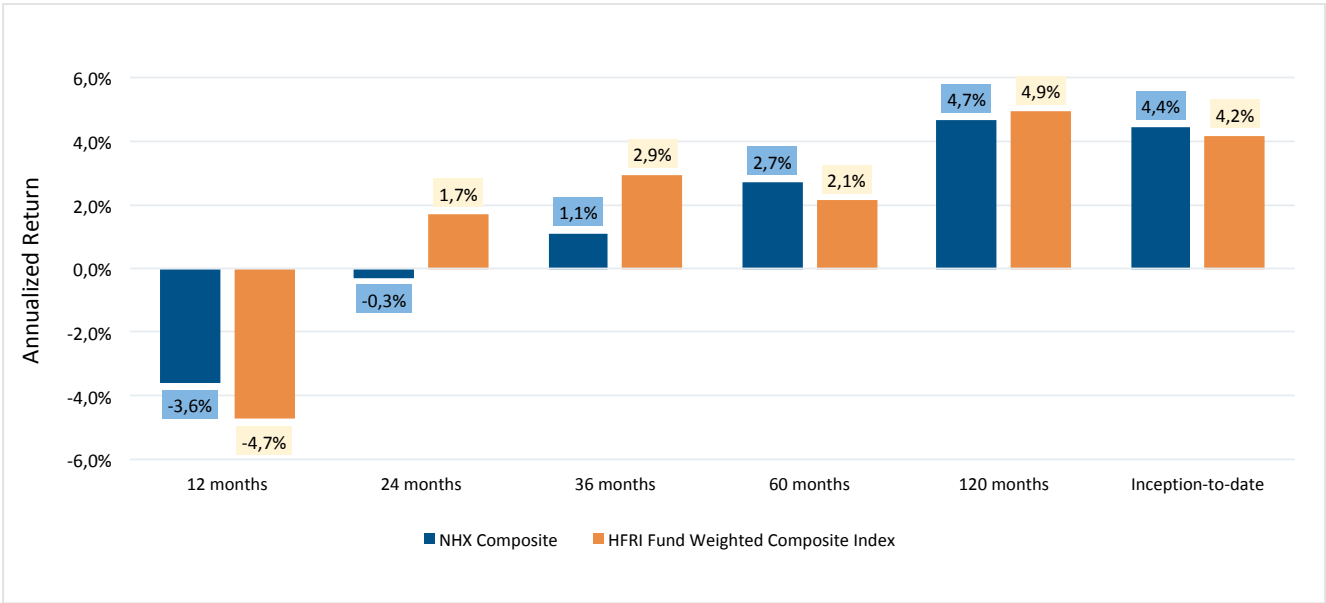
In 2008, trend-following CTAs booked an average gain of 16 percent, whereas funds of hedge funds, equity-oriented, fixed-income, and multi-strategy vehicles all recorded losses. In 2011, another down year for the Nordic hedge fund industry, fixed-income hedge funds stood out and earned

an average return of 7.7 percent when all other strategy sub-categories booked losses.

FROM BAD TO WORSE (TO GOOD AGAIN)

There is little way around the fact 2018 was a bad year for the Nordic hedge fund industry. In pure numbers, the second largest loss on record. But the industry's performance in recent years has not been exceptionally good in general. The Nordic Hedge Index earned an annualized return of 1.1 percent in the three years starting in 2016 while earning a much stronger 2.7 percent during the five-year period starting in 2014.

ANNUALIZED RETURNS OF THE NHX COMPOSITE VERSUS HFRI FUND WEIGHTED COMPOSITE



Source: HedgeNordic and Hedge Fund Research.

The longer-term performance of the industry appears more encouraging. The NHX Composite delivered an annualized return of 4.7 percent in the past ten years and 4.4 percent since 2005. The average monthly returns generated by all Nordic hedge funds ever included in the NHX Composite exhibited an annualized volatility of 3.8 percent in the past 14 years, which implies the industry has achieved a rather respectable Sharpe ratio above one.

Although there is no simple yardstick to measure the success of the Nordic hedge fund industry, Nordic hedge funds performed broadly in line with their international counterparts in the past 14 years. Global hedge funds in 2018, as measured by HFR's Fund-Weighted Composite Index fell 4.7 percent on average. The HFR index, which includes more than 1,400 single-manager hedge funds that report monthly returns in U.S. dollars (whereas the Nordic Hedge Index reflects the net returns of each fund's main share class irrespective of currency), earned an annualized return of 1.7 percent and 2.9 percent in the past two and three years, correspondingly.

In the five years starting 2014, Nordic hedge funds outperformed their global peers by 0.8 percentage points, but the longer-term performance of global

hedge funds is similar to the performance of their Nordic peers. HFR's Fund-Weighted Composite Index earned an annualized return of 4.9 percent and 4.2 percent in the past ten and 14 years, respectively. The HFR's index, however, exhibited higher volatility in returns. Its annualized volatility in returns stands at 5.8 percent and 5.1 percent for the past ten and 14 years, correspondingly. This translates into a Sharpe ratio well below one for the industry. Long story short, Nordic hedge funds have historically beaten their global peers.

SUB-STRATEGIES: WHICH STRATEGY PERFORMED WORST?

Nordic fixed-income hedge funds as a group outperformed the other NHX sub-categories for three consecutive years, but equity-oriented vehicles still achieved the highest annualized return in the five years starting in 2014. The 61 Nordic equity hedge funds HedgeNordic currently tracks in the Nordic Hedge Index earned 6.6 percent on average in the past five years, whereas fixed-income hedge funds gained 5.4 percent in the same period. CTAs formed the worst performing group in each of the past two years, yet still managed to outperform

funds of hedge funds in the past five years. CTAs earned an annualized return of 1.8 percent in the five-year period starting in 2014, whereas funds of hedge funds earned a mere 1.1 percent in the same

period. Multi-strategy funds, meanwhile, delivered an annualized return of 3.8 percent in the five years before this year.

ANNUAL PERFORMANCE OF NHX SUB-INDICES IN EACH OF THE PAST FIVE YEARS.



Source: HedgeNordic

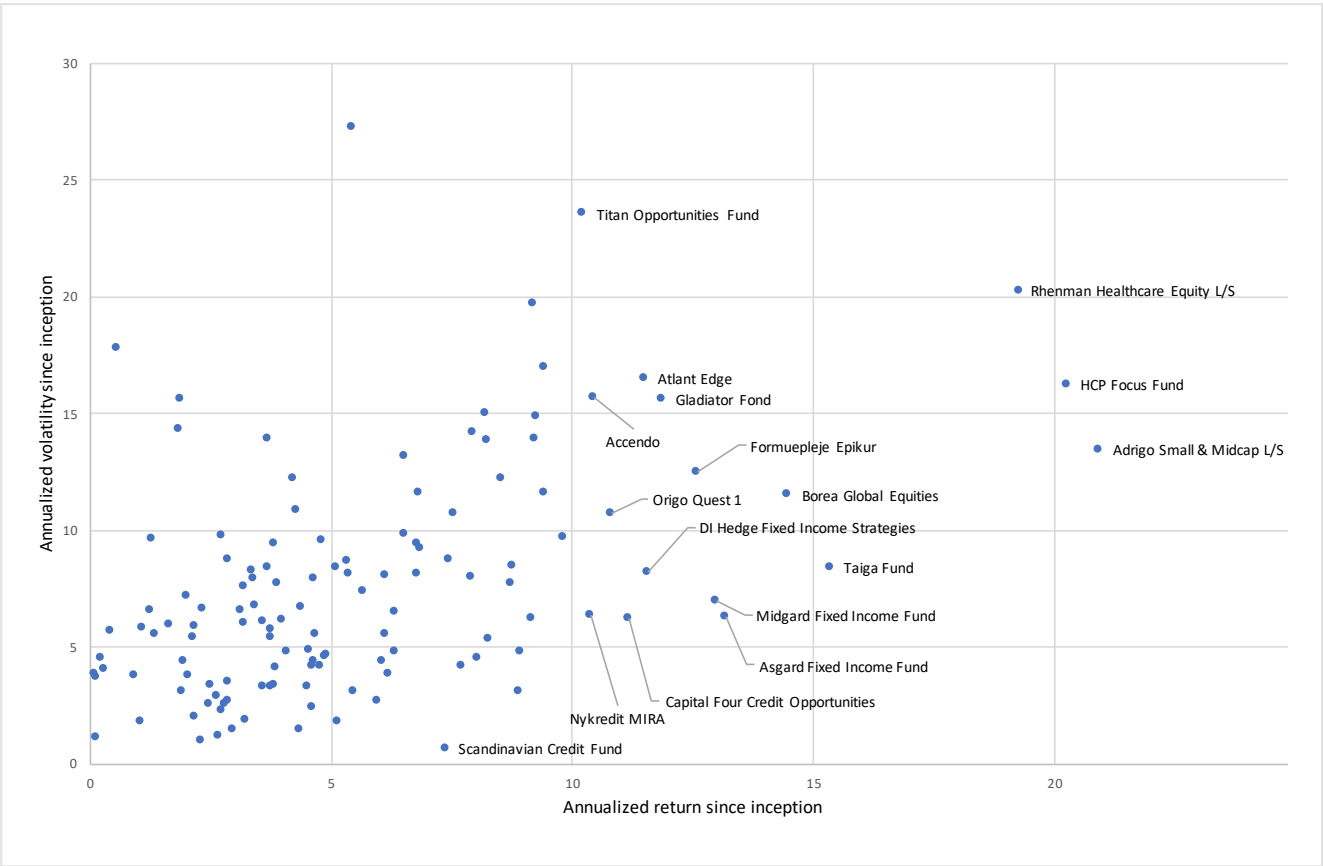
COUNTRY-BY-COUNTRY STATS

Swedish hedge funds, by far the largest group within the Nordic Hedge Index (NHX), were down 2.7 percent on average last year. Only around one in three of the 102 Swedish

funds included in the index closed the books for 2018 in the green. Danish hedge funds, traditionally heavy on fixed-income strategies, represented the strongest region across the Nordics and over 40 percent of Danish funds delivered returns above zero last year.

FUND NAME	SWEDEN	DENMARK	FINLAND	NORWAY
Number of funds	102	37	17	17
Average 2018 return	-2,68%	-0,94%	-8,07%	-7,29%
Proportion of gainers	35,6%	40,5%	23,5%	29,4%
Proportion of young funds (between 0-3 years)	28,4%	43,2%	11,8%	17,6%
Proportion of mid-aged funds (between 3-7 years)	23,5%	16,2%	41,2%	29,4%
Proportion of old funds (over 7 years)	48,0%	40,5%	47,1%	52,9%
Performance dispersion (difference between top and bottom 30%)	16,5%	10,5%	22,1%	16,5%
Average compounded return since inception	3,65%	6,04%	2,68%	7,12%
Average annualized standard deviation	7,46%	7,63%	10,63%	10,36%

MAP OF NORDIC HEDGE FUNDS BASED ON ANNUALIZED RETURNS AND VOLATILITY.



Source: HedgeNordic

CONCLUSION

Without a doubt, 2018 was not a good year for most Nordic hedge funds. While investors suffered losses from their exposure to different asset classes last year, Nordic hedge fund investors relished a one-in-three chance of booking a profit for the year, with one in every three members of the Nordic Hedge Index ending 2018 in the green (acknowledging there is a small survivorship bias.)

Based on the strategies employed by most Nordic hedge funds and the net market exposure maintained by these vehicles, one cannot expect the industry to provide constant returns in the double digits.

Some hedge fund can and will deliver these returns occasionally, but one should not forget the essential benefits of hedge fund strategies: diversification, decorrelation, and solid risk-adjusted returns.

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The Model Chosen to Determine the Best Nordic Hedge Funds

– Combining Academia and Industry Expertise



Michael Halling, Professor of Finance at the Stockholm School of Economics and Research Fellow at the Swedish House of Finance

On the 10th of April, HedgeNordic announced all the winners of the 2018 Nordic Hedge Award, an annual ceremony intended to recognize and celebrate the best and most promising Nordic hedge funds.

All nominees and winners in the regular categories at the Nordic Hedge Award are selected via a three-step process while the Performance Awards and the Rookie of the Year are determined using a different approach.

In a first step, from the Nordic hedge fund universe as defined by the Nordic Hedge Index, the top five funds per award category are shortlisted using a quantitative model co-developed by HedgeNordic and the Swedish House of Finance at the Stockholm School of Economics. The model uses several measures of risk and return to produce a “quantitative” score.

Secondly, a judging panel comprised of industry professionals gives ratings to each fund to generate

a “qualitative” score for each nominated fund. Lastly, the quantitative and qualitative scores are aggregated at equal weighting to create the final scores, and thus, the rankings.

DISSECTING THE QUANTITATIVE SCORE

From the universe of more than 170 Nordic hedge funds, which fund deserves the title of the best Nordic hedge fund of 2018? Should the title go to the fund with the highest absolute return? Or should the fund with the highest risk-adjusted return receive the title? Doesn't longer-term performance matter? And if long-term performance does matter, how long is “long-term”?

The challenge of how to choose the nominees and winners in the main award categories at the Nordic Hedge Award is a difficult task. Michael Halling,

Associate Professor at the Stockholm School of Economics and Research Fellow at the Swedish House of Finance, argues that the quantitative model should “identify those hedge funds with the most “successful” strategy and pursue the goal of (a) identifying managers with unique and award-worthy skills and (b) avoiding managers that were just lucky.”

“That means that one wants to look at short-term performance because the awards are handed out for a given year, but one also wants to look at more medium-term performance to filter out luck,” continues Halling, who presided the process of selecting the inputs for the quantitative model. Success can be defined in various ways, acknowledges the professor, but taking “an investor-perspective makes the most sense.” Therefore, “the “best” funds would be those that provide investors with the best risk-adjusted returns, ideally

determined using various measures because there is no single accepted concept."

For these reasons, the quantitative model co-developed by HedgeNordic and the Stockholm School of Economics considers five metrics: single-year absolute returns, single-year relative performance, as well as Sharpe ratios, absolute returns, and skewness over the previous 36 months. Metrics are viewed and measured on a per-fund basis, as well as relative to peers in the respective NHX sub-category, or the entire universe of funds. Whereas absolute, relative and risk-adjusted returns can be viewed as standard inputs in models designed to handpick the best performing funds, skewness is a rarely-used metric that was added in the quantitative model this year as a measure of downside risk.

"Skewness represents another dimension of risk that is not captured by variance," explains Halling. The model penalizes hedge funds with a negatively skewed distribution of returns. After all, relative to the average return, negative skewness indicates limited but frequent upside and a somewhat unlimited, though less frequent downside. A negatively skewed distribution is characterized by frequent small gains and a few extreme losses. As Halling argues, "negative skewness indicates crash-risk and investors don't quite like that."

THE JURY SCORE AND FINAL RANKING

The five quantitative metrics are normalized in order to make them comparable to each other, and combined using different weights to spit out the quantitative score. A jury of industry professionals, typically allocators and asset owners from the Nordic hedge fund space, rewards the nominated funds based on qualitative criteria. The quantitative and qualitative scores are put in an equal footing and combined to create the final rankings. The judging panel not only serves as a cross-check for our quantitative model but also heavily influences the final rankings. The winner selection process, therefore, combines the academic expertise of the Swedish House of Finance with the industry expertise of the jury board.



Anders Andersson, Director at the Swedish House of Finance

Michael Halling and the Swedish House of Finance endorse this combination, arguing that "a unique and very valuable feature of the Nordic Hedge Award is the combination of the quantitative and qualitative scores, which makes the awards particularly credible." Pairing academic rigor with hands-on industry experience is particularly relevant for the hedge fund industry given the diversity of investment strategies.

"I think that makes sense, in particular for hedge funds, where managers are largely unrestricted in their activities," Halling argues. "The Swedish House of Finance is involved in the quantitative evaluation of the funds because that is where academia can provide useful input," says Halling, stressing that "it is important to ask industry experts to comment on and evaluate those nominated funds" to select truly deserving award winners.

DISTINGUISHING BY DISTINCTION ON THE JURY BOARD TO THE NORDIC HEDGE AWARD

Compared to other industry awards, the Nordic Hedge Award is not only a performance award. In order to be in a position to capture components of a fund, or hedge fund manager, that can be hard to evaluate using a solely quantitative model, HedgeNordic employs a scoring system that also takes qualitative and “soft factors” into account to determine the final ranking of the funds for its awards. The final rankings for the Nordic Hedge Awards, then, is reached by combining quantitative performance scores and the qualitative scores awarded by each professional jury member on the panel. Half of the weighting towards the final ranking of funds and managers relies on the work of the jury, whose members are selected from the ranks of Nordic hedge fund specialists.

For the 2018 Nordic Hedge Award, the jury board included Ville Toivakainen, CFA, Head of Alternative Investments with Aktia Asset Management, Linsay McPhater, Investment Director with Danica Pension, Gustav Karner, CEO and CIO of Apoteket’s

Pension Fund, Christian Lundström, Ph.Lic., Head of Fund Selection and Compliance with Pensionsmyndigheten (PPM), Ulrika Bergman, CFA, Chief Investment Officer with the Nobel Foundation, and Jarkko Matilainen, Founding Partner of Northpeak Governance.

The members of the jury are asked to make a qualitative assessment of the funds that have been identified and nominated through the prior quantitative screening designed by the Swedish House of Finance, at the Stockholm School of Economics, together with HedgeNordic. This qualitative assessment ensures that the winning funds are not only pure performers, but that they are likely to figure among the investments of professional investors. The process is by now a well-oiled machine. For HedgeNordic Founder and CEO Kamran Ghalitschi, who has been coordinating the awards from the onset, coaching the jury members and easing them into the process for the seventh time didn’t pose a challenge. “We are pleased

to have such distinguished and knowledgeable professionals serve on our jury panel as we did, yet again, this year,” he said. “The qualitative assessments add to the excitement of the big reveal for both the funds and the audience.” The Nordic Hedge Award has recognised the best Nordic hedge fund managers every year since 2012.

After a quantitative screening identifies the nominees in each category, the jury determines the winner. The jury’s selection criteria go beyond numbers, taking into account other elements typically considered by investors, such as reputation, fund organisation and administrative setup. HedgeNordic asked three of this year’s Nordic Hedge Award jury members – Ulrika Bergman of the Nobel Foundation, Linsay McPhater of Danica Pension, and Christian Lundström of Pensionsmyndigheten - to share their personal view on hedge funds, the awards, and what they look for when making an investment decision in a hedge fund.

THE ROLE & VALUE OF HEDGE FUNDS

When considering the role of hedge funds in portfolio construction, the Nobel Foundation invests in hedge funds as part of its 25% strategic allocation to Alternatives and seeks “a good mix of styles in the underlying hedge funds.” “We are tactically overweight to the asset class,” says Bergman. “The risk and return expected from hedge funds is probably somewhere between equities and fixed income, but we also want our hedge fund portfolio to a large extent to be uncorrelated to public equities, especially in market downturns.” Danica also actively considers hedge funds as a main asset class within Alternatives. They do not currently have a large allocation to hedge funds, as they see better risk/return rewards within other Alternatives asset classes. “Danica do, however, have a small allocation to hedge funds within Alternatives SICAV funds, one to the internal Danske Invest Fixed Income Relative Value fund and the other to Asgard Credit, which also sits within Danica’s own pooled funds,” McPhater explains.



Ville Toivakainen, CFA,
Aktia Asset Management



Christian Lundström, Ph.Lic,
Swedish Pensions Agency



Linsay McPhater,
Danica Pension



Jarkko Matilainen,
NorthPeak Governance



Ulrika Bergman,
Nobel Foundation



Gustav Karner,
Apoteket’s Pension Fund

For the Swedish Pensions Agency, hedge funds' absolute return profile provides valuable diversification to equities and other classes although Lundström, who is responsible for fund selection and due diligence at Pensionsmyndigheten, suggests that hedge funds need to work harder to become more accessible.

"The value for hedge funds lies in diversification," he reckons. "Instead of committing time and money to become best-in-class, for instance, perhaps hedge funds should put more effort into increasing accessibility by becoming more liquid and increasing awareness." Although many Swedish retail investors may not know what hedge funds are, Lundström believes Swedes would benefit from getting exposure to this asset class. "Swedes are invested in stocks too much and can benefit from being more diversified," he argued in the panel's discussion. "One idea is to create an all-weather product, which would combine hedge fund strategies with long-only products. In this way, hedge funds can reach a greater societal value than they offer right now," he suggested.

GOOD HEDGE FUNDS = AWARD WINNERS?

It might stand to reason, then, that something like a Nordic Hedge Award can help increase a fund's visibility. But what makes a "good" hedge fund, whether as an investment or deserving of an award? "A good hedge fund is a high-performing as well as an assessable fund, able to reach a large number of investors and platforms without losing too much performance, rather than being best in class," Lundström says. McPhater doesn't believe there are good or bad hedge funds, but rather that there are hedge funds that are better placed to outperform on the strategy and timing of the economic cycle.

"I think the hedge funds that deserve to win awards are those that have shown strong, consistent performance over time, and delivered returns to clients in terms of what clients expected," she elaborates. Meanwhile, Bergman takes a more specific view: "A good hedge fund has a long track-record with a proven ability to deliver consistent risk-adjusted

return over a market cycle. The characteristics, i.e. expected behaviour in different market environments of the fund should be clear. The hedge fund should also be run by a firm that emphasises alignment of interest, retaining staff and taking measures to ensure results are repeatable over time."

THE VALUE OF AWARDS

Bergman sees awards like the Nordic Hedge Award as a good way for up-and-coming managers to reconnect with and gain attention from investors, while investors are exposed to interesting investment opportunities. Danica places little emphasis on who wins awards, as they are not selected by the company on that basis, McPhater says, but adds that awards underline how successful funds have maintained their standards and cause them to be regarded positively. Lundström adds that there is specific value in having a dedicated Nordic hedge fund award, an assessment with which Bergström concurs.

McPhater compares an event like the Nordic Hedge Award favourably with similar events in London, emphasising a greater sense of collegiality and the attendance of managers who were not guaranteed to win. "The events in London are expensive and funds usually only participate in order to take clients or if they are pretty certain they will win," she says. "With this event in Sweden, it was great to see that most of the funds nominated still participated in the evening... There are plenty of hedge funds in the Nordics, and the list is ever growing, so [there is] plenty of scope for this to be inflationary."

"It was a pleasure to be asked to do jury duty" McPhater says. "It did not involve too much work, but it did involve some analysis into the individual funds, which I enjoyed. The takeaway was trying to act fair, but also taking other factors into consideration than just performance, including team stability, past performance, company setup, assets raised, fees, etc."

Bergman says jury duty is "a great way to keep up to date with Nordic Hedge Funds," while Lundström found that there are "surprisingly many good hedge funds in the Nordics."

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Left to Right: Pirkko Juntunen (HedgeNordic), Christian Lundström (Swedish Pensions Agency), Jack Inglis (AIMA) and Lars Ericsson (IPM)

PANEL DISCUSSION: MAKE HEDGE FUNDS GREAT AGAIN!

As is tradition, the Nordic Hedge Award ceremony started off with a panel discussion. 2018 was a challenging year to navigate for hedge funds, with some managers having proved themselves in a challenging market environment and others struggling to mitigate risk and losses. As, on the surface, hedge funds may not have done particularly well for investors in recent years, the panel discussion at this year's Nordic Hedge Award was questioned on "how to make hedge funds great again."

Together, CME Group and HedgeNordic had invited as panellists Jack Inglis, CEO of the Alternative Investment Management Association (AIMA), Lars Ericsson, CEO of IPM Informed Portfolio Management and Christian Lundström, Head of Fund Selection and Compliance Unit at the Swedish Pensions Agency. The panel discussion was moderated by Pirkko Juntunen, a freelance journalist and writer who has been working with HedgeNordic for eight years.

HEDGE FUNDS AREN'T AS BAD AS THEY APPEAR

2018 was a hard year for Nordic hedge funds as well as their global peers across a wide range of strategies. Jack Inglis, however, who has been involved with hedge funds for 30 years, reckoned there "is not as bad a picture as sometimes put forward in the media" where we often hear that "there was a massive collapse in faith and confidence in the hedge fund industry."

Many hedge funds did find last year's market environment difficult to navigate, with long-biased long/short funds suffering the most. But equally important, many funds did quite well, said Inglis. At the EuroHedge Awards in late January, an event celebrating the top performers of the industry, he noticed that "the average return of all the winners on the night across all different strategies was around 15 percent net of fees. That's what I call alpha. There are managers who are consistent not just for a single year, but over the long term."

IPM's Ericsson, meanwhile, considered that "on average, investors are right to say that last year's performance was disappointing, but over the medium term, investors should be reasonably happy." 2018 "was difficult not only for equity markets but for hedge funds as a whole. These new risk premia products also had a very tough year," said Ericsson. Whereas hedge funds might not have lived up to expectations, he acknowledged that "where the industry can do better is to understand what investors want from us."

According to the CEO of what is now the largest single-manager fund in the Nordic region by assets under management, hedge funds act as "diversification to the dominant risk in investors' portfolios, the equity market risk." Ericsson has observed increased investor appetite for diversifying products in recent years. "In the past two years, investors have really started to seek for idiosyncratic or other diversifying types of products but also more generic risk premia. Anyone with a diversified hedge fund product should be able to look forward with confidence when it comes to asset gathering."

Christian Lundström agreed, “hedge funds are not as bad as they seem, but they are falling out of favor with the media, and the reason is kind of intuitive.” Lundström pointed out two main reasons hedge funds are under fire. “An institutional investor looking at the stock market and hedge funds as two allocation options, which broadly have the same goal, may find hedge funds not very appealing” after the prolonged bullish period in equity markets.

“The current macroeconomic scenario characterized by unprecedented quantitative easing created a bull market in equities without any real drawdowns; in that climate, it is hard for hedge funds to thrive except certain strategies,” said Lundström. But he reckoned “that this environment is not sustainable over the long term, and hedge funds will be back up again in the next downturn.”

WHAT SHOULD HEDGE FUNDS DO TO INCREASE APPETITE?

Lundström, who is responsible for fund selection and due diligence at Sweden’s premium pension platform - the third largest fund platform in the world, considers that hedge funds need to work harder to become more accessible. “The value for hedge funds lies in diversification,” reckoned Lundström. “Instead of committing time and money to become best-in-class, for instance, perhaps hedge funds should put more effort into increasing accessibility by becoming more liquid and increasing awareness.”

Although many Swedish retail investors may not know what hedge funds are, Lundström believes Swedes would benefit from getting exposure to this asset class. “Swedes are invested in stocks too much and can benefit from being more diversified,” he argued. “One idea is to create an all-weather product, which would combine hedge fund strategies with long-only products. In this way, hedge funds can reach a greater societal value than they offer right now.”

IPM has been very successful in attracting assets, with its Systematic Macro strategy managing around \$5.4 billion, and Ericsson shared some insights explaining his firm’s success. “There are



many ways to run a hedge fund,” Ericsson told the audience at the Nordic Hedge Award, but “we set out to be a diversifier from the outset since starting almost 20 years ago.” The Stockholm-based systematic asset manager focuses on large institutional investors who already have equity exposure and seek diversification.

Closing the gap between investors’ expectations and hedge fund managers’ promises is essential to achieve success in attracting assets, argued Ericsson. “We are a systematic macro manager and not a CTA, and we aim to diversify against exposures to equities and CTAs,” said Ericsson. “Our investors should not expect us to perform exceptionally well in very strong bull markets, but we expect to perform when there are hiccups and turning points in financial markets similar to the ones experienced in February or December of last year.” The key to success, therefore, lies in identifying the source of value a hedge fund product offers and, equally important, “deliver on your promises.”

COMMON FEATURES OF SUCCESSFUL HEDGE FUNDS IN THE WORLD

Jack Inglis offered a global perspective on what successful hedge funds share in common and dismissed the myth of hedge funds being a homogenous group. “One thing that always troubles

me is when people talk about hedge funds as just one homogenous herd,” Inglis told the audience. Investors face so much choice in terms of strategy, managers, regions, etc. “I find it not totally helpful to think about hedge funds as one large group,” said Inglis, arguing that the industry is all about differentiation.

Successful hedge funds “differentiate themselves by their smartness,” Inglis put forward one common characteristic of successful hedge funds making a parallel with our school years. “We were all at school, and in the classroom, some people are smarter than others; and there are very smart hedge fund managers out there; they are the ones who appear to be doing very well,” Inglis said. Second and equally important, the availability of a niche strategy is what differentiates successful hedge funds from the rest.

Gone are the days when funds managers could charge high fees for running index-hugging strategies, argued Inglis. “What is becoming very clear is that hedge funds can no longer get away by providing mainly market beta returns because of the sophistication of today’s investors, with their ability to deconstruct the returns and understand how much is alpha and how much is beta,” said Inglis. “Really what investors want is the delivery of alpha, not beta disguised as alpha.”



HOW CAN HEDGE FUNDS IMPLEMENT ESG FACTORS?

Environmental, sustainability, and governance (ESG) factors appear to be on everyone’s agenda, and hedge funds are increasingly responding to rising investor interest in responsible investing. Inglis noted: “No one was talking about ESG in the hedge fund industry four years ago, but it is becoming a big topic. Investors all over the world are now putting ESG into their questionnaires,” Inglis said. He also pointed out that the Nordics are more ahead than many in terms of ESG adaptation. “Here in Scandinavia, you are well ahead in your thinking compared to other parts of the world.”

Some hedge funds strategies such as trend-following CTAs or systematic macro, however, face difficulties in incorporating ESG factors into their investing. Yet, there are other paths this group of hedge funds can follow to become more responsible. As Ericsson said, “although we have a well-thought-out approach to responsible investing in our equity long-only product, for IPM, the discussion around ESG mostly comes down to how can we act responsibly as a company.” The systematic asset manager, therefore, considers the “questions of how we buy energy for the office, how

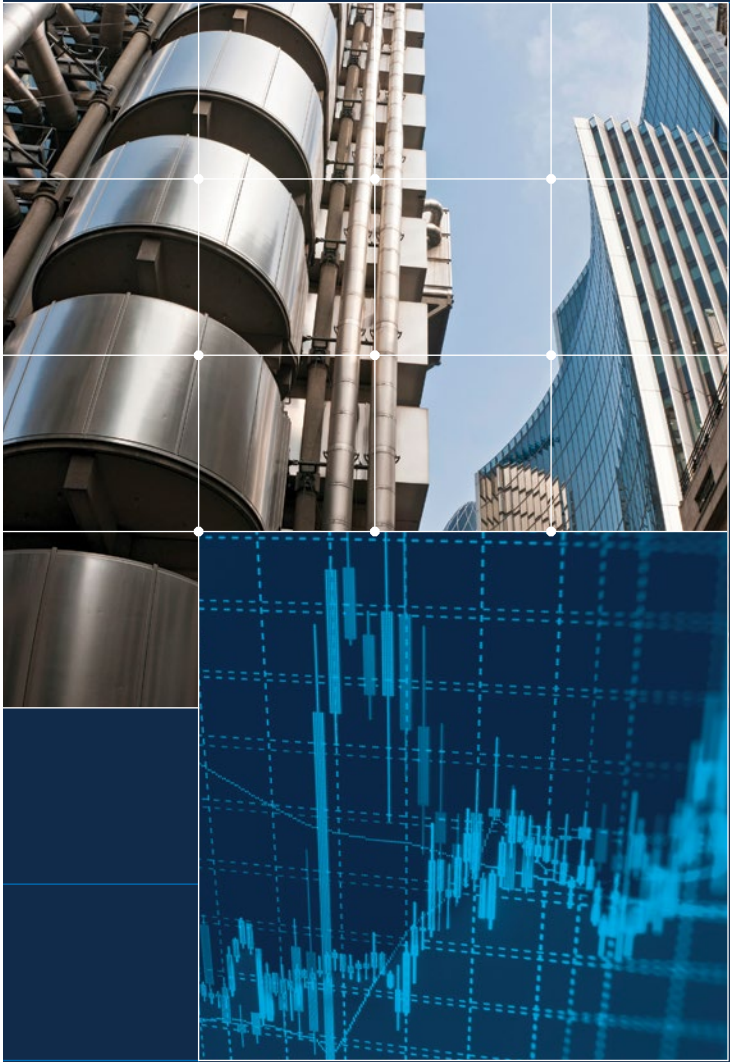
to compensate employees and increase diversity” to be very important in the process of ESG integration.

Inglis also argued that hedge funds have the means to offer a more truly active ESG product than long-only managers. “For long-only products, delivery has been about screening and excluding certain stocks; their managers cannot express a negative view in the same way that a hedge fund can, which is by being short,” explained Inglis. “There is a great opportunity for active hedge fund managers across a number of different strategies to be able to devise a product that can meet the very rapid and growing investor demand for ESG investing.”

Lundström agreed with Inglis, saying that “going short is the best way to quickly bring forward some form of ESG risk premia and capture that.” Yet, he argued that “it is important to realize still that ESG is a fleeting concept; we do not really know what ESG will be in the future.” With Lundström having experience working with ESG laws for funds on the Swedish premium pension system platform, he argued that “ESG is different for everybody and therefore we need to find a good balance not to regulate investments but rather regulate information disclosure on how funds work with ESG.”

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Northern Trust is a premier provider of investment management and asset servicing solutions, covering depositary, fund administration, hedge fund technology and most recently equity brokerage and

research. Originally a Chicago-based bank founded in 1889 to serve wealthy individuals, Northern Trust has evolved as an independent global player with 16,500 employees in 20 international locations. This year, Northern Trust has chosen to support the Best Nordic Multi Strategy Hedge Fund Award. Struan Malcolm, Head of Nordic Sales at Northern Trust says: "We have a long-standing interest in supporting the Nordic Hedge Fund community, but our goal goes beyond that. We deliberately got involved in this event at the beginning as we were excited at the idea of being involved in the Nordic hedge fund community." "This event is clearly the only and the best event in the region for hedge funds. We continue to see it as quite unique in that respect," Struan adds.



Harvest is one of the leading law firms in Sweden providing legal services to firms operating within the financial services sector, such as banks, asset managers and insurance providers. The firm provide services in relation to compliance, internal audits, financial markets transactions and applications for authorisations and registrations. This year, Harvest decided to support the Best Nordic Fund of Hedge Funds Award. Björn Wendleby, Managing Partner at Denovo, explains that his firm partnered with the Nordic Hedge Awards to support its position in the market as the leading legal advisor to alternative funds. "We wanted the event to be as it has been, a mixture between formal events and a very successful meet and great event. It was a successful event that fulfilled our main goal," says Björn. "I think that the

event is very important and that the importance of the event is growing, the Nordics absolutely need their own awards ceremony. The managers in the region very seldom meet and I know that the event is popular among hedge fund managers."



Based in Chicago, Illinois, Efficient Capital Management is a multi-manager CTA portfolio investment firm. Since its foundation in 1999 by futures industry professionals from some of the most successful trading firms, Efficient Capital Management has been dedicated to helping their clients achieve their desired exposure to Managed Futures. This year, Efficient Capital Management supported the Best Nordic Managed Futures / CTA Award. Mike Marcey, Managing Director, Strategic Development at Efficient Capital Management represented the firm at the Awards ceremony and shared a few words with the audience before the award was presented to the winner. Efficient Capital Management has been a long-term partner of the Nordic Hedge Awards since the inaugural 2012 event.



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(1) Standard & Poor's (AA-) as of November 30, 2017, compared to the top 10 global custodians by AUA, (2) Global Custody Survey, Global Investor ISF, 2011 to 2017, unweighted, (3) RBC quarterly results released November 29, 2017



The Swedish House of Finance at the Stockholm School of Economics is Sweden's national research center in financial economics. It was founded in 2011 by the Stockholm School of Economics and the Institute for Financial Research (SIFR) through a government initiative to strengthen financial research in Sweden. The Swedish House of Finance's aim is to create a hub for financial research in Sweden, thereby expand its knowledge and share its findings with the country's private, public and academic sectors. The Stockholm School of Economics has been one of the first partners of the Nordic Hedge Awards, as it developed the unique methodology that the nomination process relies upon. This year, the Swedish House of Finance supported the Nordic Fixed Income Hedge Fund Award.

BEST NORDIC FUND OF HEDGE FUNDS 2018

Most Nordic and global hedge funds did not enjoy particularly strong returns in 2018, and while the NHX sub index for Nordic funds of hedge funds fell 4.2 percent on average last year, several of these players managed to avoid the turmoil unharmed.

In fact, what the top three Nordic funds of hedge funds at this year's Nordic Hedge Award have in common is that none of them has ever booked a down year. This year's winner of this category is Merrant Alpha Select, which won this title five times in the seven editions of the Nordic Hedge Award. Formuepleje Merkur took the second step on the podium, whereas Atlant Multi-Strategy came in third place.

MERRANT – FOR A FIFTH, AND FINAL WIN

Merrant Alpha Select (USD), a global market-neutral fund of hedge fund founded by Ulf Sedig and Rolf Hagekrans, secured the title of the "Best Nordic Fund of Hedge Funds" for a fifth time. The fund competed with 19 other Nordic funds of hedge funds for the award. Merrant's flagship

vehicle, which will reach its ten-year anniversary at the end of this summer, earned an annualized return of 4.4 percent since launching in August of 2009. The fund has never registered a down year in nearly one decade of operations.

Merrant Alpha Select has achieved this track record by building a concentrated portfolio of hedge funds that are "true" market-neutral, mutually uncorrelated, as well as uncorrelated to major equity and bond markets. As Rolf Hagekrans explained in a panel discussion at an earlier edition of the Nordic Hedge Award, "Merrant Alpha Select invests in fund

managers who apply the same strategy over and over without indulging in opportunistic changes of investment strategy and position taking."

After building a proven track record of successfully selecting market-neutral hedge fund vehicles, the two founders and portfolio managers running Merrant Alpha Select are handing over the torch to Stockholm-based asset manager Coeli Asset Management. The duo is retiring from the industry after Coeli Asset Management took over the management of Merrant's two funds at the beginning of April.

IE Group

HEDGENORDIC



Left to Right: Johan Lindberg (RBC I&TS), Ulf Sedig and Rolf Hagenkrans (both of Merrant Capital)



From Left: Helen Idenstedt (AP1), Nikos Georgelis (Atlant Fonder), Johan Lindberg (RBC I&TS), Ulf Sedig and Rolf Hagekrans (Merrant)

FORMUEPLEJE'S FUND OF FUNDS REACHES PODIUM FOR THE FIRST TIME

The second place on the podium in the "Best Nordic Fund of Hedge Funds" category went to Formuepleje Merkur, Danish asset manager Formuepleje's fund of funds. The vehicle managed by Leif Hasager and Otto Friedrichsen predominantly invests in investment funds such as hedge funds, alternative investment funds and other funds. Formuepleje Merkur predominantly allocates capital to four main groups of strategies or products: alternative products seeking to generate market-independent returns, alpha-generating strategies, strategies capitalizing on market imperfections, and opportunistic strategies.

Formuepleje Merkur is yet to post an annual loss since launching in June 2013, with the fund having earned an annualized return of 3.3 percent since

inception. The Formuepleje fund of funds might have not enjoyed a particularly strong performance in the past three years, but the fund did preserve investors' capital in 2018. Only three months into the year, Formuepleje Merkur already gained 5.5 percent, becoming one of the best-performing funds of funds in the Nordic Hedge Index so far in 2019.

ATLANT FONDER'S SUCCESSFUL FUND RANGE HELPS WIN AWARD

Atlant Multi-Strategy, the result of a merger between Atlant Fonder's two funds of hedge funds in late 2017, rounded up the top three list in the "Best Nordic Fund of Hedge Funds" category. In its current form, Atlant Multi-Strategy only invests in Atlant Fonder's own hedge funds: three market-neutral funds, two equity-tilted hedge funds designed to provide exposure to equity markets at lower volatility, and

one vehicle designed specifically to protect against market crashes. The Swedish asset manager's decision to merge its funds of funds has paid off.

Usually maintaining relatively high exposure to Atlant Fonder's range of market-neutral funds, Atlant Multi-Strategy booked a gain of 1.8 percent last year and successfully avoided last year's turmoil. Last year, the asset manager's entire range of funds delivered what they were designed and expected to deliver. The three market-neutral funds avoided the market turmoil unscathed, Atlant Protect produced strong gains as markets tumbled, and the equity-tilted funds largely performed as expected.

"We are very proud of our management results for 2018, not just for the two nominated funds, but overall the entire fund company went great," Atlant Fonder's CEO, Michael Ekelund, tells HedgeNordic. As Atlant Fonder's team has been delivering on its

promises, investors took notice and poured more capital into the firm's entire range of funds during 2018 and 2019. Atlant Multi-Strategy increased its assets under management from SEK 39.5 million at the end of 2017 to SEK 303 million at the end of February this year, whereas the entire firm's assets increased to SEK 4.9 billion from around SEK 3.3 billion at the end of 2017.

"Atlant Fonder is working towards its long-term goal of becoming the obvious first-line choice in Sweden for market-neutral hedge funds and to be nominated and win an award is a pat on the shoulder and an indication that we are on the right path," says Ekelund.

The "Best Nordic Fund of Hedge Funds" were presented by RBC I&TS



Max Mitteregger of Gladiator Fond

BEST NORDIC EQUITY HEDGE FUND 2018

recognized as the Best Nordic Equity Hedge Fund at this year's edition of the Nordic Hedge Award ceremony.

GLADIATOR FOND: BEST NORDIC EQUITY HEDGE FUND OF 2018

Although many variables decide the winners of the Nordic Hedge Awards, both the quantitative model and the jury board have reached a consensus on the winner in the "Best Nordic Equity Hedge Fund" category. In addition to gaining almost 20 percent in 2018, the Stockholm-based long/short equity fund maintaining a very concentrated portfolio earned 14 percent per year on average in the three years starting 2016 and an annualized return of around 16 percent since 2009. The fund's short- and longer-term returns are both impressive, but its 2018 performance did stand out indeed.

Given the concentration of Gladiator Fond's portfolio, where each of the three largest holdings accounts for 10-15 of the portfolio, "the main drivers of last year's performance are the five or six biggest names in the portfolio," says Max Mitteregger. "It was just a coincidence that a couple of my big names performed extremely well during the year," he plays down the fund's successful 2018. "I am very proud and happy to have been nominated for the Nordic Hedge Award," says Mitteregger. "We received second place before in the same category, so hopefully we win the main prize this year," he told HedgeNordic before the ceremony.

And indeed, Gladiator Fond received four trophies at this year's Nordic Hedge Award. "Winning all these awards at the Nordic Hedge Award is a milestone for us, it's an honor for us to be named the best equity hedge fund and the best hedge fund in the Nordics," Mitteregger comments on the distinction.

Equity hedge funds account for one-third of the entire Nordic hedge fund industry, which makes competition for the top spot on this category's performance leaderboard fiercer than in other groups. Losses on equity markets in October and December more than wiped out the gains made by the average member of the NHX Equities in the first nine months of last year.

Several members of the NHX Equities, however, not only managed to mitigate losses but also managed to deliver strong returns in what turned out to be a painful year for most equity-focused fund managers. Gladiator Fond, a two-man fund led by Max Mitteregger, stood out from the crowd last year after delivering 19.7 percent. The fund was



From left: Struan Malcom (Northern Trust), Vegard Vistven (Sector Healthcare), Torgny Prior (PriorNilsson) and Max Mitteregger (Gladiator)

PRIORNILSSON IDEA'S SUCCESSFUL STOCK PICKING EARNS SECOND PLACE

PriorNilsson Idea, a long-biased long/short equity fund managed by Torgny Prior, came in second place at this year's ceremony. The Stockholm-based fund rounded up last year's top ten list of best-performing Nordic hedge funds after gaining seven percent. "The 2018 performance was a result of successful long positions and well-timed hedging during the latter half of the year," portfolio manager Prior comments on the performance.

More specifically, "the fund had large long positions in manufacturers of telecommunications equipment Ericsson and Nokia. During the year, the fund also had large exposure to real estate companies such as Trianon, Castellum, and Brinova." The fund did maintain short positions in real estate companies with a large proportion of shopping centers in

their holdings, but "individual short positions were primarily focused on the automotive industry with short positions in both car manufacturers such as Daimler and Volkswagen and subcontractors such as Continental, Autoliv, and Faurecia," according to Prior.

This year's second-place prize represents PriorNilsson Idea's first appearance among the winners at the Nordic Hedge Award. "It's a great honor to be nominated to the Nordic Hedge Award and win this prize," Prior comments on the achievement.

SECTOR HEALTHCARE FUND: BRINGS MARKET NEUTRAL TO THE PODIUM

Sector Healthcare Fund, an equity market-neutral fund focusing on the global healthcare sector,

claimed third place in this category. The Norwegian fund is the first ever appearance of a market-neutral fund among the top three funds in the "Best Nordic Equity Hedge Fund" category at all editions of the Nordic Hedge Award. Managed by Trond Horneland and Trond Tviberg, Sector Healthcare Fund gained 3.6 percent in 2018 and earned an annualized return of 7.6 percent since launching in September 2005. "It is wonderful to be recognized at the Nordic Hedge Award and we would like to thank all our investors for their continued support," the Sector Healthcare team comments on this achievement.

"The stock picking environment during 2018 was challenging to say the least," said the portfolio managers of the market-neutral fund. After the February sell-off in equity markets, "the healthcare sector rallied until the end of September hitting record highs in the process, before being caught up in the fourth-quarter volatile risk-off environment."

Sector Healthcare Fund navigated quite well through the fourth-quarter risk-off environment and has only recorded one year of negative performance in more than ten years of operations (the fund was down 1.1 percent in 2011; yet made 11 percent in 2008).

Having ended 2018 with a net market exposure of 2.5 percent, the portfolio management team reckons "2019 could be another challenging year for pure beta. In terms of healthcare as a whole and our strategy, in particular, we do not see any material change to our generally positive opportunity set heading into the new year."

The "Best Nordic Equity Hedge Fund" award category was supported and presented by Northern Trust.

BEST NORDIC FIXED INCOME HEDGE FUND 2018

Up until this year, all podium winners in the “Best Nordic Fixed Income Hedge Fund” category of the Nordic Hedge Award had been Danish-based funds. Scandinavian Credit Fund, a Stockholm-based direct lending hedge fund, ended this Danish domination after receiving the award for the Best Nordic Fixed Income Hedge Fund of 2018. Two Danish funds, HP Hedge Danish Bonds and Asgard Fixed Income Fund, took the remaining two podium’s steps.

In the past three years, it has been tough to stand out from the crowd of Nordic fixed-income hedge funds, as this group outperformed all remaining strategy categories within the Nordic Hedge Index. Fixed-income vehicles generated the highest average returns in both 2016 and 2017, as well as lost the least amount of money last year as a group.

SCANDINAVIAN CREDIT FUND ENDING THE DANISH HEGEMONY

Scandinavian Credit Fund, the first (and so far only) Nordic



Fredrik Sjöstrand, founder and CEO of Kreditfonden

alternative fund focused on providing short-term senior secured direct loans to small and mid-sized companies, is the first non-Danish fund on the podium in the “Best Nordic Fixed Income Hedge Fund” category of the Nordic Hedge Award. After already having won the “Rookie of the Year” award in 2016, Scandinavian Credit Fund finally ended the Danish domination.

“It is an honor to be a member of such a skillful community,” Fredrik Sjöstrand, founder and CEO of Kreditfonden, says on being nominated at the Nordic Hedge Award. Managing less than €40 million

around the time the direct lending vehicle received the “Rookie of the Year” award, the fund has grown to manage well above €300 million three years later.

Commenting on receiving the main prize in the “Best Nordic Fixed Income Hedge Fund” category, Sjöstrand says the nomination itself and the top prize in particular are “a very nice recognition of the work we do and have done so far.” Scandinavian Credit Fund earned an annualized return of 7.3 percent since launching in January 2016, exhibiting an annualized volatility in returns of 0.69 percent and achieving a Sharpe ratio of around ten.



From Left: Björn Wendleby (Harvest Advokatbyrå), Morten Mathiesen (Asgard), Henrik Fournais (HP Fonds), Fredrik Sjöstrand (Kreditfonden) and Kamran Ghalitschi (HedgeNordic)

HP HEDGE DANISH BONDS: FIRST APPEARANCE ON THE PODIUM

HP Hedge Danish Bonds, managed by Henrik Fournais, Michael Nielsen, Thomas Loldrup Kjær and Mark Gerts Rentzmann Jøns, reached the podium at the Nordic Hedge Award for the first time despite enjoying a strong run of performance post-2008.

"We are very proud of our hedge fund receiving the recognition from HedgeNordic with this award," Henrik Fournais comments on receiving the second-place prize. "We are very humbled to receive the acknowledgment. We have worked for over ten years on the fund and there were only a few competing funds when the fund was launched. The wide range of competing funds today only makes this award even more valuable," Fournais adds.

The hedge fund aims to capitalize on yield spreads in the Danish mortgage market and earned an annualized return of 13.7 percent in the previous ten years by doing so. HP Hedge Danish Bonds had only one down month in the three years between 2016 and 2018. "2018 was a difficult year to navigate. Interest rates were on a very low level in a historical context and 2018 was a year of much uncertainty. However, despite all of this, the fund matched the absolute return goal and only had one month with a small negative return," Thomas Loldrup Kjær dissects the fund's performance for the past year.

HP Hedge Danish Bonds predominantly invests in high-coupon Danish mortgage bonds, as well as allocates capital to low-coupon and non-callable mortgage bonds. Following the success of the flagship fund, which was also among the five nominees for the "Best Nordic Hedge Fund Overall" award this year, HP Fonds launched a younger

vehicle with a broader investment mandate in the second half of last year. The sister fund, HP Hedge Fixed Income, is one of the best-performing Nordic fixed-income hedge funds this year.

ASGARD FIXED INCOME FUND: A FAMILIAR NAME ON THE PODIUM

The flagship Asgard fund, which runs a classic fixed-income arbitrage strategy, has been on the podium in the "Best Nordic Fixed Income Hedge Fund" category in all seven editions of the Nordic Hedge Award, winning the top prize four times. Despite delivering a modest 1.4 percent gain last year, Asgard Fixed Income Fund's performance in the previous two years helped the fund emerge as a contender in this year's race for the best Nordic fixed-income hedge fund title.

Asgard Fixed Income Fund's longer-term performance is even more impressive, as the fund led by Morten Mathiesen – Chief Investment Officer of Moma Advisors, registered only one year of negative performance (down four percent in 2008) since launching in July of 2003. The fund earned an annualized return of 13.3 percent since inception, ranking as the all-time best-performing fixed-income hedge fund in the Nordic Hedge Index.

The fund's investment strategy focuses on relative-value investment opportunities in European fixed-income markets with a Scandinavian focus, with the fund investing in anything that offers a risk premium that does not involve credit risk.

The "Best Nordic Fixed-Income Hedge Fund" award category was supported and presented by Harvest Advokatbyrå.



Team Ress Capital: From the left: Jonas Martenson, Anton Pozine and Gustaf Hagerud

BEST NORDIC MULTI STRATEGY HEDGE FUND 2018

are celebrating their first-ever podium spots at the Nordic Hedge Award. And the strategies employed by these three vehicles are all very different from one another.

The winner of the category is Ress Life Investments, a life settlement hedge fund that invests in the secondary market for U.S. life insurance policies. In second place came Danish special situations fund Formue Nord Markedsneutral, which just like Ress Life Investments, is a rather unique breed in the Nordics. Atlant Opportunity, a market-neutral fund that can take positions in all asset classes, took the third spot on the podium.

BEST YEAR YET LANDS RESS LIFE INVESTMENTS TOP PRIZE

In 2018, Ress Life Investments achieved its best annual performance since launching in the first half of 2011, booking a 9.9 percent gain for the

year. Perhaps more important, the vehicle offers returns with no correlation to financial markets, this is what prudent investments in the secondary market of American life settlements can offer. Ress Life Investments earned an annualized return of six percent in the past five years and exhibited a correlation with the S&P 500 of (you guessed it right) exactly zero since inception.

Commenting on winning the main prize in the "Best Nordic Multi-Strategy Hedge Fund" category, Gustaf Hagerud, the managing director of Resscapital, says "we are delighted that our fund has received the award. It is a strong recognition that our portfolio management strategy is able to deliver a high uncorrelated return to our investors." Since 2011, alternative investment firm Resscapital has been building a diversified portfolio of U.S. life policies for Ress Life Investments by buying policies at a discount to face value. The fund then continues to pay premiums until the fund receives the insurance payout (upon the insured's death).

The NHX Multi-Strategy category is the most diverse and inclusive strategy category within the Nordic Hedge Index (NHX). This category encompasses numerous strategies that cannot be assigned to any of the other four strategy sub-categories within the Nordic Hedge Index, generally containing Nordic hedge funds that invest across a range of asset classes, financial instruments, and strategies.

Given the diversity of strategies employed by the members of the NHX Multi-Strategy, guessing the three funds that would take next year's podium seats is a tricky feat. This year was a case in point. The three prize-takers in the "Best Nordic Multi-Strategy Hedge Fund 2018" award category



From Left: Taner Pikköken (Atlant Fonder), Rasmus Viggers (Formue Nord), Gustaf Hagerud (RESS Capital) and Kamran Ghalitschi (HedgeNordic)

Resscapital's founder, Jonas Mårtenson, says the team "is grateful and pleased to have been nominated and win at the Nordic Hedge Award," adding that "our life insurance strategy has really delivered what it should deliver, namely highly uncorrelated returns in a year when many other strategies failed to deliver." Mårtenson hopes the title of the Best Nordic Multi-Strategy Hedge Fund "makes Ress Life Investments more visible." "Hopefully it will also attract more interest to the asset class itself," he concludes.

A VERY SPECIAL SITUATIONS FUND TAKES SECOND PRIZE TO DENMARK

Formue Nord Markedsneutral uses an opportunistic investment approach focusing on special situations in an attempt to deliver uncorrelated returns to all asset classes by capitalizing on complex, misunderstood opportunities. So far, the fund managed by a team of three out of the Danish city

of Aalborg has achieved just that. Formue Nord Markedsneutral, whose flagship strategy involves participating in rights issues and other related deals, gained an impressive 13.6 percent last year, following an 8.9 percent gain in 2017.

"We work hard to create returns that are uncorrelated to common asset classes, and in 2018 the fruits of our labor were very visible due to the challenging year across the classic asset classes," says the founder and chief investment officer Rasmus Viggers. Following the strong performance in the recent past and a massive increase in demand for a piece of investment in Formue Nord Markedsneutral, the team decided to pause new subscriptions to ensure investors continue to receive high and uncorrelated returns from the fund's niche focus.

"We are of course very pleased to be nominated for the Nordic Hedge Award," says Viggers' partner, Mikkel Hagel, which in and of itself is a great

achievement for any Nordic fund. "Though we were never in doubt of the quality we offer investors to take part in, it is nice to receive professional recognition," says Viggers on receiving a prize at the Nordic Hedge Award. "This motivates us to keep doing what we do best and strive to optimize where to can," he concludes.

ATLANT FONDER'S BIG FAMILY GOT ONE PRIZE TOO

Atlant Opportunity, one of the three market-neutral funds managed by Stockholm-based asset manager Atlant Fonder, came in third place in the "Best Nordic Multi-Strategy Hedge Fund 2018" category. Atlant Opportunity aims to generate an annual return of five percent above the risk-free rate, and the fund successfully achieved its target in each of the three years since launching in early 2016. The market turmoil in the latter part of 2018 did

not stop the team running the market-neutral fund from achieving its objective, as the fund gained 5.2 percent for the year.

"We are very proud of our management results for 2018, not just for the nominated fund, but overall the entire fund company went great," Atlant Fonder's CEO, Michael Ekelund, tells HedgeNordic. "2018 was a dissimilar year during which almost all risk-assets traded down. This was a rare opportunity for market-neutral funds to shine and show why they deserve to be part of an investor's portfolio."

Just like Atlant Fonder's entire range of market-neutral funds, Atlant Opportunity invests the main bulk of its capital in fixed-income instruments, mainly corporate bonds tilting towards higher quality investment grade. Portfolio managers Taner Pikköken and Nikos Georgelis also employ derivatives strategies within both equity and fixed-income markets to hedge the corporate bond portfolio, lower volatility, as well as create additional returns.

"Being nominated and winning at the Nordic Hedge Award after this difficult year shows that we have succeeded in our portfolio management, but above all, we have thrived in making our investors happy as they otherwise had a very hard time gaining positive returns in their portfolios," Pikköken comments on the achievement. "In general, the promise of a hedge fund is to deliver uncorrelated and market neutral returns that will help diversify a broader investor portfolio and being among the winners shows that we were among the best in the Nordics in doing just that," says Georgelis.

With his final thoughts on the annually-held event organized by HedgeNordic, Ekelund says "the Nordic Hedge Award highlights the Nordic players who have succeeded in their management and to highpoint them and increase their exposure to investors is a fantastic initiative that benefits the entire industry."

The "Best Nordic Multi-Strategy Hedge Fund" award category was supported and presented by the Swedish House of Finance.

BEST NORDIC CTA 2018

The CTA sub-index of the Nordic Hedge Index hosts three of the 20 largest CTAs in the world: IPM Systematic Macro, Lynx, and SEB Asset Selection. Competition in the “Best Nordic CTA” award category is fierce. The award as the Best Nordic CTA of 2018 went to Shepherd Energy Portfolio, a multi-strategy futures-based trend-follower focused on the Nordic power markets. IPM Systematic Macro Fund received the second prize, while Estlander & Partners Presto took the third step of the podium.

SHEPHERD ENERGY PORTFOLIO’S FIRST PODIUM AND FIRST WIN

Shepherd Energy Portfolio is a one-of-a-kind vehicle in the Nordic Hedge Index. After enjoying the best two years of its 15-year history in the past three years, the Stockholm-based fund won the prize for the Best Nordic CTA at the Nordic Hedge Award. Shepherd Energy Portfolio, founded by lead portfolio manager Arne Österlind, employs both trend-following and relative-value strategies in the Nordic market for electricity futures.



Andreas Edlund and Arne Österlind of Shepherd Energy

With a cumulative return of 34 percent in the previous three years and a gain of nearly 14 percent in 2018 alone while most other peers showed losses, the team behind Shepherd Energy Portfolio proved their vehicle “represents an uncorrelated alternative to traditional asset classes that also generates a positive return on investment” according to Österlind. The fund’s uncorrelated nature stems from a discretionary- and systematic-based investing approach that seeks to capture both short- and long-term trends in Nordic electricity markets.

“Being nominated as the Best Nordic CTA and winning this prize at this year’s edition of the Nordic Hedge Award is further proof that we have succeeded in our hard work to provide a high risk-adjusted return,” Österlind comments on the distinction. Österlind and his team at Shepherd always enjoy a good fight, and the fight for prizes at the Nordic Hedge Award is no exception. “Asset managers live to compete in financial markets, but to compete against other skilled managers is even better,” concludes the founder and lead portfolio manager of Shepherd Energy Portfolio.



From Left: Helend Idenstedt (AP1), Mike Marcey (Efficient Capital), Mathias Österberg (Estlander & Partners), Björn Österberg (IPM) and Arne Österlind with Andreas Edlund of Shepherd Energy
 – in case you’ve been wandering: the lady in red is Aline Reichenberg Gustafsson

IPM SYSTEMATIC MACRO: NORDIC GIANT TAKES SECOND PLACE

Informed Portfolio Management’s flagship IPM Systematic Macro Fund reached the podium in the “Best Nordic CTA” category for a fourth consecutive year, having received the main prize twice so far. Although IPM Systematic Macro usually gets clustered into broader CTA indexes (including the NHX CTA, as well as other indices such as the SG CTA Index and the Barclay BTOP50 Index), the vehicle is designed to “serve as a diversifier to the main source of diversification: trend-following CTAs” according to IPM’s CEO, Lars Ericsson.

“We are a systematic macro manager and not a CTA, and we aim to diversify against exposures to equities and CTAs,” Ericsson told the audience at this year’s

edition of the Nordic Hedge Award. “Our investors should not expect us to perform exceptionally well in very strong bull markets, but we expect to perform when there are hiccups and turning points in financial markets similar to the ones experienced in February or December of last year,” he added. The fund’s performance during 2018 provides evidence to Ericsson’s arguments.

Despite gaining a mere 1.9 percent last year, IPM Systematic Macro Fund enjoyed strong returns in February, October, and December, exactly when most other strategies struggled. IPM’s systematic macro strategy, which relies on a systematic, fundamental, mainly relative-value investing approach, does serve as a source of diversifying returns. “We set out to be a diversifier from the outset,” said Ericsson.

ESTLANDER & PARTNERS PRESTO: FADE OUT IN STYLE

Both big and small hedge funds stand a chance at winning prizes at the Nordic Hedge Award, with Estlander & Partners Presto being a case in point. Presto, one of several funds managed by systematic asset manager Estlander & Partners, employed a systematic short-term trend-following approach until the fund merged into another vehicle earlier this year. Given the lack of long-lasting trends in financial markets throughout 2018, the short-term focus helped Presto book an annual gain of eight percent last year.

“We, of course, knew 2018 was a tough year for CTAs in general and were happy to see positive diversification from our short-term models in the Presto programme. But considering the high quality of the other players in the Nordic CTA market, we were surprised when we received the news of the nomination,” CEO Mathias Österberg tells HedgeNordic.

With assets under management of less than €3 million throughout the entire 2018, Estlander & Partners Presto was merged into another vehicle this year. Whereas Presto no longer is on offer as a stand-alone investment product, the strategy continues to operate as part of the firm’s other investment products.

As Österberg points out, “short-term trading as in the Presto programme is so dependent on good work in many areas – data and software quality, systems stability, trading slippage, the capacity of back- and middle-office, etc. – in addition to quantitative analytics associated with ‘regular’ systematic trading. Being in the top three is truly a team achievement and an award for the team as a whole.”

The “Best Nordic CTA” award category was supported and presented by Efficient Capital Management, who have partnered with the Nordic Hedge Award for the seventh year running.

PERFORMANCE AWARDS



Max Mitteregger of Gladiator Fond (left) with Jack Inglis of AIMA

To excel in the regular categories at the Nordic Hedge Award, hedge funds must have not only delivered strong returns for the past year among their peers, but their fund managers also must have a record of achieving strong longer-term absolute and risk-adjusted performance and, equally important, must win the votes of the members of our jury board. Long story short, peer-beating returns do not guarantee an award at the Nordic Hedge Award.

Since introducing a new award category in 2014, top-performing hedge funds now receive Performance Awards at the Nordic Hedge Award for the past 12 months, 36 months and 60 months. The three Performance Awards HedgeNordic hands out every year go to the hedge funds that delivered the highest net-of-fees returns among all hedge funds within the universe of the Nordic Hedge Index over the last 12-month, 36-month and 60-month periods. Unlike the other awards handed out at the Nordic Hedge Award, these Performance Awards do represent pure performance awards.

PERFORMANCE AWARD FOR PAST 12 MONTHS: GLADIATOR FOND

With a net-of-fees return of 19.7 percent for 2018, Gladiator Fond gained the highest performance among all Nordic hedge funds in 2018 and secured the 12 month performance award. Despite delivering a near 20 percent return in a year most players in the investment management arena posted losses, Max Mitteregger, the founder and portfolio manager of the Stockholm-based long/short equity fund, reckons this short-term performance was as much down to luck than skill. "It was just a coincidence that a couple of my big names performed extremely well during 2018," says Mitteregger.

PERFORMANCE AWARD FOR 36 MONTHS: GLADIATOR FOND

Luck may well have contributed to Gladiator Fond's 2018 return of nearly 20 percent, but Mitteregger's long/short vehicle managed to also clinch the



**Henrik Rhenman and Susanna Urdmark,
Portfolio Managers Rhenman Healthcare Equity L/S**

Performance Award for the past 36 months. Gladiator Fond, which runs a highly concentrated portfolio that consist of only 12 to 15 companies on the long side, earned a return of 48.6 percent between 2016 and 2018. This performance quickly turns into an eye-popping achievement once one becomes aware that Gladiator Fond has maintained a net market exposure of around 15 percent over the past several years.

Mitteregger's concerns around the uncertain effects of the printing of money has been growing since 2010, and "Gladiator has been run with a very low net market exposure since then," acknowledges the founder of the fund. Bearing in mind that Gladiator Fond mainly reduces its exposure to the market by hedging "with OMX30 futures or put options on that index."

PERFORMANCE AWARD FOR 60 MONTHS: RHENMAN HEALTHCARE EQUITY L/S

Despite hailing 2018 as "annus horribilis" after the nearly 17 percent decline in December wiped out the positive returns earned through the end of November, the team at Rhenman Healthcare Equity L/S collected the prize for the best-performing Nordic hedge fund over the five years running from 2014 to the end of last year. The healthcare-focused, long-biased long/short equity fund, managed by Henrik Rhenman and Susanna Urdmark, returned 92.6 percent between 2014 and 2018.

"We are thrilled and very pleased to be awarded the Performance Award for the past 60 months, especially since the fund celebrates its 10th

anniversary this summer," Henrik Rhenman comments on the achievement. "It is a great honour to receive the award. It means a lot and is a testament to our unique investment process which leads the way, even internationally," says Rhenman's colleague, Susanna Urdmark.

Rhenman Healthcare Equity L/S, perhaps one of the most aggressive hedge funds in the Nordic Hedge Index (NHX) in terms of net market exposure, is one of the best performing members of the Nordic Hedge Index. The fund delivered an annualized return of 19.3 percent since inception in June of 2009. The beta exposure to the global healthcare and biotech sectors represented a strong boost to Rhenman's returns in recent years, but the Stockholm-based fund greatly outperformed broader market indices

tracking the fund's investment universe.

"To reward pure performance over a longer period, such as five years, is more meaningful than to do this for a shorter period of time. In our specific case, we have had a positive view on the health care sector since the fund started in June 2009. We believe innovation is a great investment opportunity and we have therefore made a very conscious decision to have a high net exposure on a fund level and accept the volatility that it brings," founding partner Carl Grevelius describes the fund's journey since inception.

ROOKIE OF THE YEAR 2018: SEB EUREKA

Whereas Nordic hedge funds with track records of less than 36 months don't have a shot at receiving awards in our main categories, the youngest hedge funds on the Nordic arena do compete for the Rookie of the Year award every year. Already presented for a fourth consecutive year, this prize rewards the most promising hedge fund debut of the passing year.

All hedge funds domiciled in one of the Nordic countries or with strong ties to the Nordics launched between October of 2017 and September of 2018 that are constituents of the Nordic Hedge Index qualified as potential candidates for the Rookie of the Year award. 2018 was a busy year in terms of new hedge fund launches in the Nordics, and so was the second half of 2017.

A total of 18 new hedge funds launched between October 2017 and September 2018 qualified for this year's Rookie of the Year award, the fiercest competition in this award category across all editions of the Nordic Hedge Award.

The 2018 Rookie of the Year award went to... SEB Eureka Fixed Income Relative Value Fund! Calculo Evolution Fund and Adrigo Small & Midcap L/S were close contenders for the award after the jury board's votes have been cast and counted.



From left: Helen Idenstedt (AP1), Tore Davidsen & Bo Michael Andersen (both SEB Eureka) and Kamran Ghalitschi (HedgeNordic)

BEFORE PASSING THE MIC TO THE ROOKIE OF THE YEAR, HOW IS THE WINNER DECIDED?

For this special award, the usual selection process that relies on both qualitative and quantitative assessments is not applicable, as the methodology used in other award categories would not create an equal playing field for the younger generation of funds. First, the quantitative screening performed to nominated contenders in each category cannot be performed, as rookies, by definition, have a limited track record. Second, even if a quantitative

screening were to be applied, the approach would not create an equal playing field for funds due to different lengths of their track record, as well as different investment strategies. The winner in this award category, therefore, has been selected based on the expertise of a peer group jury composed of other Nordic hedge fund managers.

The five-member jury board had the difficult task of assessing which funds they would be most comfortable investing in, which ones would be most likely to reach their target performance, and which ones were better positioned to become billion-dollar

JURY MEMBERS
FOR THE 2018
"ROOKIE OF THE
YEAR"



Eyvind A. Holt , KLP Kapitalforvaltning



Daniel Pedersen, Moma Advisors / Asgard



Thomas Elofsson, Catella Fonder



Stefan Roos, Origo



Søren Astrup, Formuepleje

funds or star managers. The members of the jury were given full discretion in choosing the criteria they felt most comfortable with, with the final aim being to select the most promising hedge fund launch.

The jury board was suggested with a few guiding questions such as "How unique or original is each fund's strategy?" or "How well does the past experience and track record of the managers predispose them to be successful managing such a strategy" or "What is the quality of the supporting structure: number of people in the organization, proven track record or past experience of the back office and other key functions including risk management?"

This year's jury board assembled for the Rookie of the Year award was composed of Eyvind A. Holt, head of active management at KLP Kapitalforvaltning; Daniel Pedersen, chief investment officer at Moma Advisors; Thomas Elofsson, portfolio manager at Catella; Stefan Roos, managing partner at Origo Capital; and Søren Astrup, director at Formuepleje Asset Management.

INTRODUCING THE ROOKIE OF THE YEAR:
SEB EUREKA

Everyone in the portfolio management team of SEB Eureka Fixed Income Relative Value is happy and proud to win HedgeNordic's Rookie of the Year award," chief investment officer Bo Michael Andersen comments on the achievement. "Given the challenging market environment for a number of hedge funds globally, we are happy to see that our Scandinavian Fixed Income Relative Value Strategy worked out well in the volatile market environment in 2018," he adds.

The fund currently managed by CIO Andersen and portfolio manager Tore Davidsen predominantly invests in the Scandinavian covered bond market. The strategy may not be unique, but SEB Eureka's approach to investing differs quite a bit. Whereas "an important pillar of our strategy involves holding leveraged positions in mispriced covered bonds," the active management of the covered bond portfolio and the use of other relative-value strategies such as relative-value trades in Danish callable mortgage

bonds are essential pieces of the fund's investment approach too. As Andersen explains, "we are trying to run a more diversified approach by employing a wide range of strategies that are uncorrelated in nature."

Andersen has been building up experience in fixed-income markets since 1996 and had tested the strategy behind SEB Eureka before the launch. SEB Eureka was launched on January 15 last year with around DKK 1 billion from seed investors, most of whom already knew what Andersen was made of. Fast forward one year, the two-member team, soon to be expanded with the hiring of another portfolio manager, already manages north of DKK 2 billion in assets. "We expect to raise another billion DKK within 6 to 12 months," Andersen told HedgeNordic in mid-February of 2019.

"We believe and hope that winning the Rookie of the Year award can be a door-opener for us to promote our Scandinavian focused Fixed Income Relative Value Fund towards the international investor community," says Andersen. "We want to extend our sincere gratitude to HedgeNordic for hosting the Nordic Hedge Award, and at the same time, for the ongoing in-depth coverage of the Nordic hedge fund industry," he concludes.

2018 "ROOKIE OF THE YEAR" – QUALIFIED FUNDS

Calculo Evolution Fund	Asgard Fixed Income Risk Premia	Nordic Cross Credit Edge	Handelsbanken Hållbarhet Hedge Criteria
Danske Invest Fixed Income Global Value	Danske Invest Global Cross Asset Volatility	Adriego Small & Midcap L/S	SEB Eureka Fixed Income Relative Value
Hamiltonian Global Credit Opportunity	Nordea 1 – Alpha 7 MA	Alcur Select	Nordic Cross Small Cap Edge
Innolab Capital Index	Yggdrasil Multi-Asset Fund	Coeli Altrua Macro	Coeli Absolute European Equity
Chelonia Market Neutral	Evli Factor Premia		



From left: Max Mitteregger (Gladiator), Helena Jarabakova and Michel Everaert (CME Group)

BEST NORDIC HEDGE FUND 2018 OVERALL

The “Best Nordic Hedge Fund Overall” title rewards the best fund in the Nordic hedge fund universe across all categories and strategies and is likely the most desired recognition at the Nordic Hedge Award. For 2018, Gladiator Fond managed by Max Mitteregger was named the best Nordic hedge fund of 2018, adding a new name to the list of winners in the main award category.

GLADIATOR FOND: THE BIG WINNER OF THE NIGHT

On the evening of April 10th in Stockholm, the prestigious title of the Best Nordic Hedge Fund Overall went to

Sweden’s Gladiator Fond. The fund managed by Max Mitteregger was the big winner of the night, taking home a total of four trophies, after also having clinched the title of the “Best Nordic Equity Hedge fund” and taking two of the three “Performance Awards” for the best 12-month and 36-month performance.

“I would like to thank Karsten for the seven years we have spent together managing Gladiator,” Mitteregger told the audience at this year’s edition of the Nordic Hedge Award. Managing north of €400 million at the moment and with the fund closed for new investors at the end of 2018, Mitteregger

reiterated his ambition to deliver returns rather than becoming an asset-gatherer. “As things stand now, I wouldn’t open the fund to new investors even if assets drop to €200 million. We are focused on delivering returns for both our investors and ourselves since most of my savings are invested in the fund,” says Mitteregger.

“Winning the main prize for the best Nordic hedge fund at the Nordic Hedge Award is a milestone and an honor for us, as we regard these awards very highly,” Mitteregger commented on this achievement.



From Left: Michel Everaert (CME Group), Fredrik Sjöstrand (Scandinavian Credit Fund), Andreas Edlund and Arne Österlind (Shepherd Energy), Max Mitteregger (Gladiator) and Kamran Ghalitschi (HedgeNordic)

SHEPHERD ENERGY PORTFOLIO: SPECIAL MANAGED FUTURES VEHICLE

Shepherd Energy Portfolio, a multi-strategy futures-based trend-follower focusing on the Nordic power market, is only the third CTA to be among the winners in the "Best Nordic Hedge Fund Overall" category. Born out of one of the world's first power funds, Shepherd Energy Portfolio uses both discretionary and systematic-based investing in the Nordic power markets.

"After years of anonymous existence as an alternative asset manager acting on the Nordic Power Market since 2004, we are very happy that the interest in our investment product has become so great lately," says founder and head portfolio manager Arne Österlind about the increased attention Shepherd Energy Portfolio is receiving from investors and the entire industry.

In the three years starting in 2016, Shepherd Energy portfolio recorded two of its best years since launching in March of 2004. The fund gained 13.8 percent last year and 13.7 percent in 2016, standing out from the majority of managed futures funds that have struggled in recent years. "We do not only say that we are an uncorrelated alternative to traditional asset classes; our performance in the last couple of years truly shows just that. Shepherd Energy Portfolio serves as an uncorrelated alternative that also generates a positive return on investment," adds Österlind.

Commenting on taking second place in the "Best Nordic Hedge Fund Overall" category, Österlind says "it is truly an honor for us to have been placed so high in rankings given the fierce competition that exists from all the other skilled managers."

SCANDINAVIAN CREDIT FUND: ROOKIE NO MORE

Scandinavian Credit Fund, which clinched the "Rookie of the Year" award at the Nordic Hedge Award exactly three years ago, has now climbed onto the third step of the podium in the "Best Nordic Hedge Fund Overall" category. Commenting on making the list of top-three ranked hedge funds in the Nordics, Fredrik Sjöstrand, the CIO of Scandinavian Credit Fund, says this achievement "means that our investment strategy can compete with all types of strategies."

The direct lending vehicle providing short-term senior secured direct loans does indeed compete with all types of strategies and does so successfully by exhibiting low correlation with other asset classes. "We are of course correlated with bond markets when they go up, but we are basically zero-

correlated with all other asset classes," Sjöstrand told HedgeNordic earlier this year. The fund's correlation with the Standard and Poor's 500 stands at 0.19, and the correlation with the global bond market equals a negative 0.31.

Swedish Scandinavian Credit Fund was the first non-Danish fund ever to be ranked among the top three funds in the "Best Nordic Fixed Income Hedge Fund" category in the seven years the Nordic Hedge Award has been held, and only the second to even be nominated. Not only did Scandinavian Credit Fund led by CIO Fredrik Sjöstrand finally end the Danish hegemony, the fund even took first place, winning the title as best Nordic fixed-income hedge fund of 2018.

The "Best Nordic Hedge Fund Overall" award category was supported and presented by CME Group.

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WINNERS

Nordic Hedge Award 2018

HEDGENORDIC

Best Nordic Hedge Fund Overall 2017

Supported by CME Group

1. Gladiator Fond
2. Shepherd Energy Portfolio
3. Scandinavian Credit Fund I

Best Nordic Equity Focused Hedge Fund

Supported by Northern Trust

4. Gladiator
5. PriorNilsson Idea
6. Sector Healthcare Fund

Best Nordic Fixed Income Focused Hedge Fund

Supported by Harvest Advokatbyrå

7. Scandinavian Credit Fund I
8. HP Hedge Danish Bonds
9. Asgard Fixed Income Fund

Best Nordic Fund of Hedge Funds

Supported by RBC Investor & Treasury Services

10. Merrant Alpha Select
11. Formuepleje Merkur
12. Atlant Multi-Strategy

Best Nordic Multi Strategy Hedge Fund

Supported by Stockholm School of Economics / SHoF

13. Ress Life Investments
14. Formue Nord Markedsneutral
15. Atlant Opportunity

Best Nordic CTA

Supported by Efficient Capital

16. Shepherd Energy Portfolio
17. IPM Systematic Macro
18. Estlander & Partners Presto

Rookie of the Year Award

Supported by HedgeNordic

Winner:
SEB Eureka Fixed Income Relative Value

Performance Awards

Supported by AIMA

1 year:
Gladiator Fond
3 years:
Gladiator Fond
5 years:
Rhenman Healthcare Equity L/S

supported by:



THE MINGLE

LIKELY THE LARGEST GATHERING OF NORDIC HEDGE FUND PROFESSIONALS

The social aspect of the Nordic Hedge Award is often singled out as the most rewarding element of the event. The ingredients though are rather basic: gather a group of like-minded industry professionals, make sure there is some food and drink around and let it flow without being over-organized . The concept too, if you want to identify one, is rather puristic - Nordic, so to say.

There is no formal seating, people gather for a chat in groups, moving freely through the space. There is no fixed menu, the waiters float through the rooms with trays of finger food up for grabs, there are no black ties or evening wear, the guests show up as they went to the office. Beer is drunk directly from the bottle and the Amuse-Bouche is a hot-dog, served from the cart to be self garnished. As extra ice-breakers we secured true liquid alternatives with a Swedish whisky producer as a partner. We learned one of our loyal supporters plays the bagpipes which themed in well with the whisky and turned out to be a much enjoyed show act. The red line through all this is to offer a professional, but comfortable, relaxed warm and welcoming environment, with some quirky touches.

No matter how tough and competitive this industry is, at the end of the day it is a peoples business and nothing beats having a good time, smiles, handshakes, the exchange of business cards, stories and gossip over a drink and a bite to eat.





Even though we already had the privilege to distinguish the best Nordic Hedge Funds for the fifth year already, it may be early days yet to call it a "tradition". Still, the Nordic Hedge Award has in the short period since its inception become a much appreciated happening within the Nordic hedge fund community. HedgeNordic is proud and honoured to have been host and organizer to the Nordic Hedge Award which was carried out this year in Stockholm's old town, Gamla stan.

Over 150 guests joined on April 26th 2017 in what has become the - arguably - largest gathering of the Nordic hedge fund community. Managers, allocators and

service providers alike come together to celebrate not only those managers and funds being distinguished as the best in their category, but the Nordic hedge fund industry as a whole.

The aim was always to give a podium and platform to the outstanding, diverse and skilled number of managers in the region that often struggle to find a broader audience and recognition. The hedge fund space is an environment of highly talented, motivated and competitive professionals. To create such an award, to give this justice seemed a natural thing to do. The actual award ceremony, which is the more

formal part combined with the casual event character around it turned out to be a winning concept. The Nordic Hedge Award has become an appreciated platform for product providers and allocators, peers, competitors, and (former) colleagues to meet and

socialize in a casual atmosphere attracting industry professionals from all across the Nordic region and those who take an interest in it. Looking forward very much to welcoming you next year when the best Nordic hedge funds of 2017 are announced.

"The Nordic Hedge Award event is a fantastic opportunity to meet and enjoy the company of many Nordic hedge fund friends. An evening to celebrate the fantastic results some of the brightest asset managers bring to their investors. I am really grateful that HedgeNordic put so much effort into an evening that is always so much fun."

Gunnar Wiljander, CEO
Nektar Asset Management

"Now the hedge fund community in the region has a natural scene to meet. Thank you Nordic Hedge Award for organizing this event."

Martin Källström
Head of Alternative Investments
First Swedish National Pension Fund (AP1)

"The Nordic Hedge Award is a great event to feature the talented hedge fund managers we have in the Nordic region. The evening format also makes it a great social event that most often fits everyone's calendar."

Peter Ragnarsson
Portfolio Manager, External Management
Third Swedish National Pension Fund (AP3)

"We greatly appreciate the Nordic Hedge Awards for the professional attention it brings to the alternative investment management space in the region as well as the opportunity to exchange views with other people in the industry."

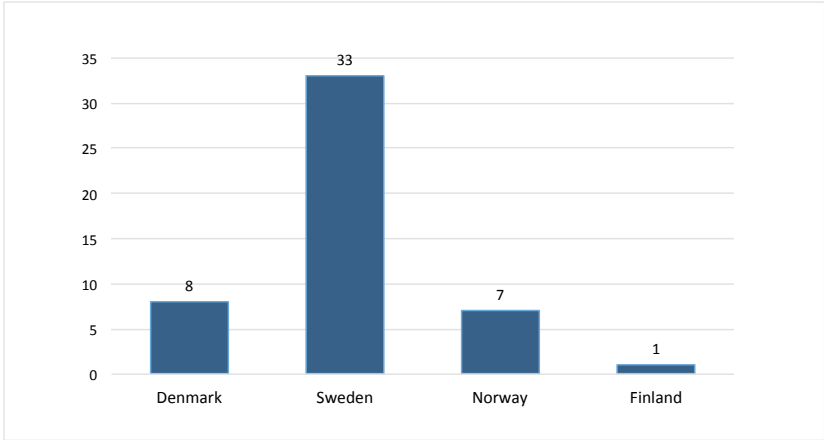
Andreas Petterøe, Portfolio Manager
Taiga Fund



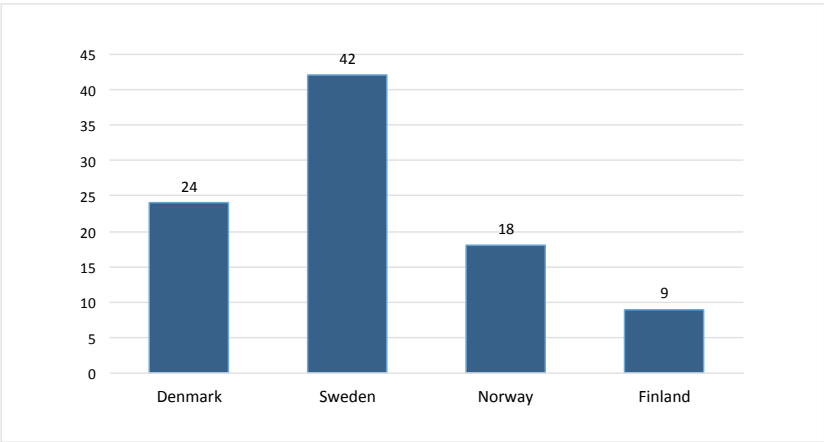
HISTORY & STATISTICS

KEY FIGURES AND FINDINGS FROM THE FIVE YEARS OF THE NORDIC HEDGE AWARD

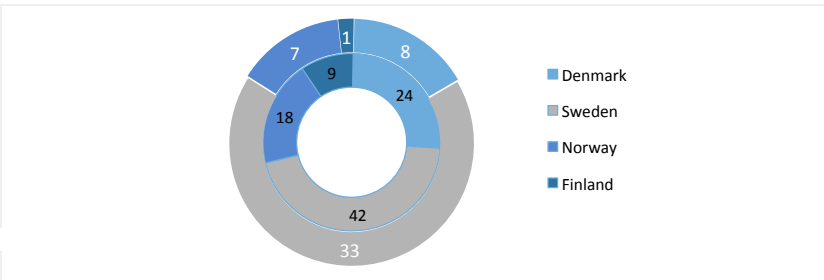
CATEGORY WINNERS BY NHX COUNTRY (2012-2018)



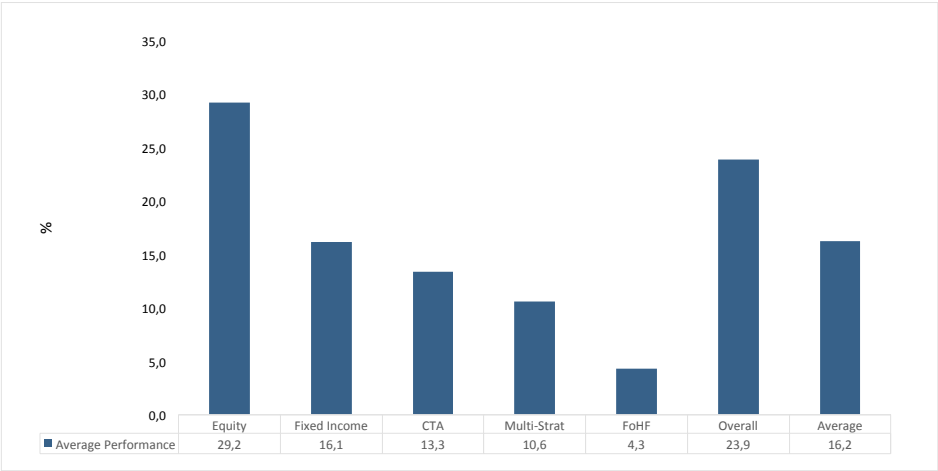
RUNNERS UP BY NHX COUNTRY (2012-2018)



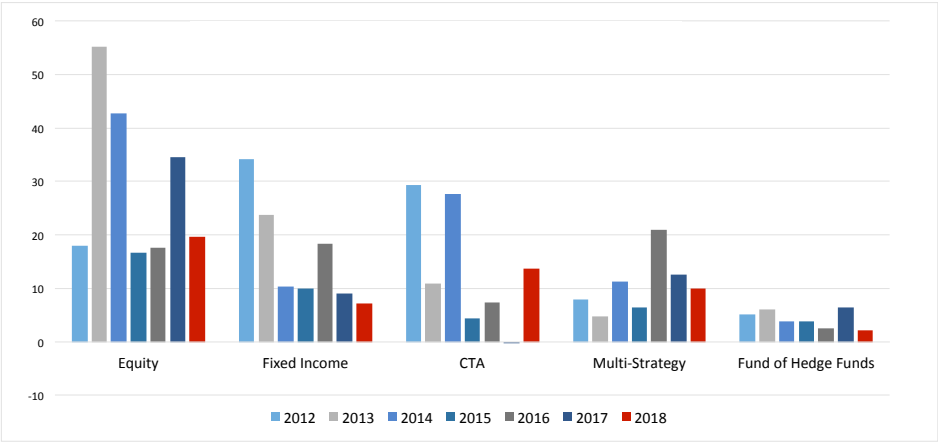
PERFORMANCE OF WINNING FUNDS PER CATEGORY (2012-2017)



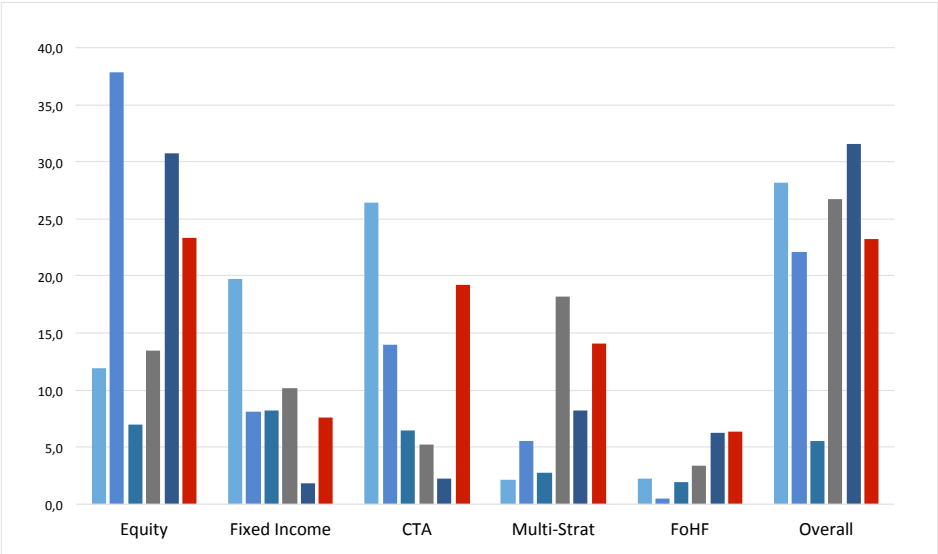
AVERAGE PERFORMANCE OF CATEGORY WINNERS 2012-2018



PERFORMANCE OF WINNING FUNDS PER CATEGORY (2012-2018)



OVERPERFORMANCE OF WINNING FUNDS OVER THEIR RESPECTIVE NHX CATEGORIES (2012-2018)





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MISCELLANEOUS

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2. All legal relations of the parties shall be subject to Swedish law, under the exclusion of the UN Convention of Contracts for the international sale of goods and the rules of conflicts of laws of international private law. Stockholm is hereby agreed as the place of performance and the exclusive court of jurisdiction, insofar as there is no compulsory court of jurisdiction.
3. Insofar as any individual provisions of these General Terms and Conditions contradict mandatory, statutory regulations or are invalid, the remaining provisions shall remain valid. Such provisions shall be replaced by valid and enforceable provisions that achieve the intended purpose as closely as possible. This shall also apply in the event of any loopholes.