

Specialist managers in a favourable position

Rhenman & Partners: Best Global Equity Hedge Fund

Specialist managers are likely to be in a favourable position going forward, as investment trends can be expected to benefit a focused approach.

“Specifically, in the long/short equity space, specialist managers can be expected to grow their market share at the expense of broad funds, covering multiple sectors managed by generalists,” comments Carl Grevelius, founding partner and head of investor relations at Rhenman & Partners.

The firm manages a specialist fund in the healthcare sector with a strong focus on innovation in the different sub sectors within that. Grevelius is confident Rhenman & Partners is well positioned to support clients’ investment needs: “Given we have 19 percent average annual net return for more than a decade and we believe we might experience some short-term volatility in the coming year, we have a lot to offer investors in this environment.”

Grevelius caveats the comments by explaining the firm recommends investors should have a five-year investment horizon, at least, to benefit from certain mega trends supporting the health care sector.

The fund performed well over the past year, returning 36.5 percent. The team has also grown, having added two members of staff - one portfolio manager and one analyst. Henrik Rhenman, founding partner and CIO comments on the firm’s growth outlook: “We’re bringing in one or two more analysts in the coming year or two. That’s very significant because it means a lot of training. But these are very talented people and we know what to teach them.”

In order to be best prepared for success, Rhenman, notes there are factors Rhenman & Partners needs to keep in mind both from an investment point of view and also from a business perspective.

Rhenman outlines: “From an investment perspective, there is sector rotation which affects us. This may mean we will invest more in larger companies and be somewhat more cautious in considering high



momentum stocks. However, we need to strike the right balance. We need to remember that as a fund, we are focused on innovation and have been for the 12 years of its existence.”

On the business dimension, Rhenman & Partners is highly cognisant of its obligations to clients: “As we have grown over a billion dollars, we need to take care of new clients. Having more international clients means a greater need for communication, which is something we are looking forward to very much.”

Founded in 2008, Rhenman & Partners Asset Management is a Stockholm-based asset manager focused on managing the portfolio of the niche Rhenman Healthcare Equity L/S launched in 2009.

Since inception, the average annual return on the fund has been +19 percent, with assets under management having topped EUR1 billion this year. The fund invests globally in companies within pharmaceuticals, biotechnology, medical technology and services and has a flexible investment mandate.

Susanna Urdmark, portfolio manager, gives further insight into the investment process: “We have an advisory board made up of a number of professors who helped us identify the companies which demonstrated the strongest innovations in different technologies and therapeutic areas.” ■

