

Strong Earnings Drive Norron Select Higher in October

Mid-to-late October is always a busy earnings season for public companies and, by extension, for stock-picking managers. For long/short equity fund Norron Select, a series of strong earnings releases defined the month. The fund was up more than ten percent at one stage before ending October with a solid 6.5 percent gain, after giving back some of the earlier advance. The October performance also pushed the fund into positive territory for the year.

"October was defined by volatility, a dense earnings season, and clear evidence of positive alpha generation across Norron's equity portfolios," says Marcus Plyhr, Portfolio Manager at Norron. Continued outflows from small-cap funds kept pressure on valuation multiples within the Nordic small- and mid-cap universe, but several of Norron Select's holdings delivered strong quarterly results, surprising the market and helping the fund finish the month on a high note. "That trend partly persisted during October," Plyhr elaborates, "but the key difference this time was that several of our core small and mid-cap holdings delivered results that beat expectations, triggering a clear rebound in share prices."

The Norron team remained highly active throughout the reporting period on both the long and short side. "Ahead of each earnings season, we conduct a systematic review of risks and opportunities across all holdings," explains Plyhr. "This preparation enables proactive position adjustments and precise execution around company results, optimizing the fund's risk-adjusted returns and reinforcing its alpha profile," he elaborates. "The combination of selective exposure, disciplined risk control, and active trading proved decisive during the month."

According to Plyhr, market behaviour remains extremely short-term oriented, with even minor deviations from expectations leading to exaggerated price reactions. "In this environment, we maintain high conviction in our key holdings, where fundamentals remain solid and valuations attractive," he says. Overall, Norron Select remains diversified and balanced between structural growth stories and high-quality cyclicals, with active risk management and stock selection at the core of its strategy.

"As top-down and index volatility continues to decline, we are gradually adding more optionality and gamma exposure on both the long and short books through selective option strategies," Plyhr adds. At the same time, the team is reducing net exposure into year-end as markets appear "increasingly frothy," according to Plyhr. "The setup heading into 2026 looks particularly interesting – one where both positive and negative scenarios can be argued for across regions. It remains a momentum-driven market, creating attractive opportunities for active managers."