

Three-Year Anniversaries for Two PriorNilsson Funds

Two funds at stock-picking boutique PriorNilsson Fonder recently marked their three-year anniversaries, including the real estate-focused, long-biased long/short equity fund PriorNilsson Fastighet. Despite a softer 2025 amid broad weakness in the real estate sector, the fund has achieved an annualized return of nearly 17 percent.

Alongside PriorNilsson Fastighet, another of the firm's funds is marking the same milestone. Evolve Global, a long-only equity fund investing in small and mid-sized companies with a particular emphasis on the smallest names, has followed a similar trajectory: two strong opening years followed by a calmer 2025. Since inception, the fund has gained 53.7 percent, comfortably outperforming the MSCI World Small Cap Index, which advanced 36.7 percent over the same period.

"October marks an important milestone at PriorNilsson, both PriorNilsson Fastighet and Evolve Global are turning three years old," says the team at PriorNilsson Fonder. "Over these years, both funds have delivered strong results and clearly outperformed their benchmarks, thanks to active management, rigorous company analysis and a consistent focus on long-term value creation."

Launched on October 3, PriorNilsson Fastighet is a long-biased long/short equity fund maintaining a net market exposure between 90 and 100 percent. The fund employs a 150/50 long-short extension strategy, allowing the portfolio management team to short up to 50 percent of the portfolio's net assets while retaining a predominantly long exposure. After a very strong start, with a gain of 19.5 percent in its first three months in 2022, followed by 16 percent in 2023 and 14 percent in 2024, PriorNilsson Fastighet edged up 1.8 percent year-to-date through the end of November.

On a cumulative basis, PriorNilsson Fastighet has gained 61.5 percent since inception, compared to a 25.2 percent increase for the Carnegie Real Estate Index over the same period. This makes it the best-performing Swedish real estate fund during the three-year span. "The strong performance is the result of active management and a disciplined strategy, even during periods of market turbulence," says the team at PriorNilsson Fonder. "We are very proud of the fund's achievements and look forward to continuing to deliver stable and attractive returns in the Nordic real estate sector."

The fund's strong long-term record comes despite a challenging environment for the real estate sector this year. "The real estate sector has performed weakly this year, which surprises us given that the fundamental conditions remain strong," says fund manager Gustav Sällberg. "It is also one of the few sectors relatively unaffected by tariffs and other trade-related disruptions. At the same time, Swedish interest rates have already come down, improving companies' financial positions through lower interest expenses." He adds that operating earnings across the sector have generally increased, leaving valuations even lower than before. "The question is when the sector will turn upward," Sällberg reflects.

Sällberg cites Niels Bohr, who once remarked, "It's difficult to make predictions, especially about the future." "That certainly applies here as well," Sällberg adds. "But historically, rebounds in the real estate sector have often come quickly once sentiment turns."