

Sissener Canopus Posts Second-Best Month Ever

Sissener Canopus, managed by a team of active stock pickers with a flexible mandate, posted its second-best monthly return since inception in 2012, gaining 11.4 percent in May. This strong performance more than offset earlier losses from the year, with further gains in June bringing the fund's year-to-date return to about 8.0 percent. Key contributors to the strong monthly result included the fund's exposure to uranium, energy-related holdings, and technology stocks.

"May was a strong month for Sissener Canopus, marking its second-best monthly result ever," writes the investment team at Sissener, led by founder Jan Petter Sissener out of Oslo. The return was driven by strong performance across several portfolio positions in a month shaped by quarterly earnings reports and favorable market conditions, partly influenced by changes in U.S. President Donald Trump's trade tariff policy. The fund's investment in uranium company Cameco was the top contributor, benefiting from rising uranium prices and the signing of new long-term contracts.

Uranium, Energy, and Tech Stocks Fuel Strong May Performance

While oil prices remained relatively flat in May, "several of our energy-related positions made strong contributions to the portfolio," notes the six-member investment team at Sissener. Subsea7 performed well during the month, supported by strong quarterly results and a healthy order intake that boosted market confidence in the company's earnings outlook and growth potential. Shelf Drilling surged nearly 50 percent during the month, following a solid report highlighting high fleet utilization and a strong backlog. "Despite a challenging market environment, the company is guiding for solid liquidity in the coming years. This outcome was in line with our expectations and was positively received by the market."

The portfolio's technology exposure – particularly in semiconductor companies – also contributed positively to Sissener Canopus' performance in May. "As U.S.–China trade tensions showed signs of easing, quarterly results confirmed continued strong demand for advanced semiconductors – driven largely by artificial intelligence, data processing, and cloud infrastructure," explains the team at Sissener. "The companies reported no material impact from trade uncertainty, nor evidence of frontloaded orders—though we remain somewhat skeptical," the team adds. "On the positive side, inventory levels at both customers and distributors have largely normalized during the first quarter. We view this as a healthy signal for the underlying market going forward."

Flexible Mandate

Sissener Canopus operates with a flexible mandate, allowing the fund to be net long, market-neutral, or net short depending on the market outlook of Jan Petter Sissener and his team. "We use a top-down approach to determine our overall exposure at any given point, which we combine with a bottom-up valuation process to select our long and short positions," Sissener has previously explained. In May, the fund maintained a net market exposure of 82.7 percent, down from 89.3 percent in April and slightly below the year-to-date average of 84 percent.

During the month, Sissener Canopus increased its short exposure to selected global consumer stocks trading at high valuations, anticipating weaker demand in the wake of new tariff measures. "Growth in this sector has been largely price-driven, without underlying volume increases," the team explains. The fund also initiated a short position in an international medical equipment company considered especially vulnerable to rising trade barriers and heightened market uncertainty.

The team behind Sissener Canopus also made several new additions to the portfolio during the month. "The fund invested in defense companies Rheinmetall and Leonardo, both of which have broad exposure to military systems expected to benefit from increased defense spending," the team explains. However, they have already exited both positions in German defence contractor Rheinmetall and Italian multinational in aerospace, defence, and security – Leonardo – on strong performance. "It was an opportunistic trade ahead of the NATO summit, and we took profits last week," they add.

Back in May, the team also re-initiated a position in STMicroelectronics. "After weak performance in several end markets, the stock had fallen considerably and is once again attractively priced." The company indicated that the first quarter marked the bottom, particularly in the industrial and automotive segments. "We expect margins to improve in the second half of the year, followed by positive earnings revisions."

Looking ahead, the team behind Sissener Canopus anticipates that market uncertainty will persist throughout the summer, driven by ongoing macroeconomic challenges and company-specific developments. Despite these uncertainties, the fund's flexible mandate and active stock-picking approach position it well to navigate volatile conditions. "For us, as active stock pickers with a flexible mandate, this environment will present attractive opportunities in the period ahead," the team concludes.