

Excalibur Celebrates Best Month in 15 Years Amid Market Volatility

Stockholm (HedgeNordic) – Excalibur Fixed Income is currently in the midst of one of its strongest performance streaks, with an annualized return of 6.9 percent over the past five years. Managed by Thomas Pohjanen and Björn Suurwee, the fixed-income macro hedge fund skillfully capitalized on the heightened volatility in July and August. The fund's 5.0 percent gain in August alone marks its best month in the post-2009 era.

"In the wake of increased uncertainty about the direction of economic development, the daily blows in financial markets have increased significantly," says Thomas Pohjanen of Excalibur Fixed Income in a mid-month update for investors. "Excalibur Fixed Income has been able to take advantage of the increased uncertainty." The hedge fund has gained 7.0 percent since the mid-point of the year, bringing its year-to-date performance in positive territory at 6.0 percent.

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"Our long experience in trading interest rate markets under changing economic conditions comes in handy when uncertainty soars," Pohjanen adds. While he cannot yet disclose specific details on the positions that drove the August performance, as they remain active in Excalibur Fixed Income's portfolio, Pohjanen shared with HedgeNordic that "market developments in August turned options we had built as cheap out-of-the-money strategies earlier in the year into in-the-money positions, resulting in strong positive results for the fund."

Excalibur Fixed Income, Sweden's second longest-running hedge fund, has achieved an annualized return of 6.9 percent over the past 60 months, surpassing its target range of four to five percent. The fund's strategy involves capturing alpha by "trying to understand the market, its implicit expectations, how markets will evolve over time, and how to position the portfolio in anticipation of central banks moving from neutral to hawkish, or from hawkish to neutral, or neutral to dovish," as previously explained by Pohjanen. The current higher-interest environment, characterized by occasional bouts of increased volatility, seems to have provided a favorable backdrop for Excalibur Fixed Income's strategy.