

Elementa Reaches All-Time High on 10th Anniversary

Elementa, the long/short equity fund managed by Marcus Wahlberg, was named "Rookie of the Year" at the 2015 Nordic Hedge Award, recognizing it as the most promising fund launch of the year. Now, a decade later, Elementa marks its ten-year anniversary this March, reaching a new all-time high following strong returns in the first two months of the year.

"The fund turns 10 years old in March! We're definitely going to celebrate that milestone—while staying humble and aiming to make the next 10 years even better," says Marcus Wahlberg on Elementa's anniversary. Reflecting on the journey since inception, Wahlberg describes it as "interesting and fun," while acknowledging the hard work involved. "It's been a lot of work, but no one thought otherwise, which makes it all more rewarding and fun," he adds. Looking back at the track record, he sums it up as "overall good performance."

Consistent Outperformance in Challenging Markets

Launched in March of 2015, Elementa has generated an annualized return of 8.2 percent since inception, demonstrating a tendency to perform well in challenging market conditions. The fund has navigated periods of market stress with strong performance, including the fourth quarter of 2018, the Covid-driven volatility of early 2020, and the turbulence of 2022. Most recently, the fund gained 19 percent in 2022, ranking among the top-performing Nordic hedge funds that year.

This resilience can be attributed to Wahlberg's value-GARP (Growth at a Reasonable Price) investment approach, which focuses on Nordic small and mid-sized listed companies. The investment strategy has remained consistent, evolving through refinements and lessons learned over the years. "It's the same strategy based on fundamentals – focused on growth and cash flows – with better and better portfolio construction over time," Wahlberg explains. A more concentrated short book and more automated proprietary screening methods have further enhanced the process.

A Market Shift Favoring Small Caps

The fund's emphasis on smaller companies has contributed to its recent strong performance. Elementa gained 12.7 percent in the first two months of 2025 to reach a new all-time high, beating the 9.4 percent return in 2024. "Another all-time high for the fund! The portfolio has strong momentum, and we still see significant upside in most of our holdings," says Wahlberg. He attributes this performance in part to a shift in market dynamics.

"Not too surprising, considering how tough the market has been for many smaller companies over an extended period," Wahlberg explains. "The market has had a period that favoured passive investments, and in particular global large companies and investment companies. Now we believe it is once again time for smaller companies to shine," he emphasizes. He sees this shift as an ideal backdrop for Elementa's strategy. "This will provide a great environment for us to stock-pick smaller companies, while shorting the many overvalued stocks with declining fundamentals."

Looking ahead, Wahlberg anticipates more of the same that has defined the past decade. "We have a great model and a great company that attracts great people," he says. "Even better performance is in our mindset, especially with a renewed tailwind for smaller companies together with our proven stock-picking skills," he concludes.