symmetry
Investering i balance

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7-year anniversary

March 2020

Symmetry's 7-year anniversary

March 8th 2020, Symmetry had it's 7-year anniversary. We had just reached 100 million in assets under management (AUM), so I thought it would be a good time to reflect and make a summary. Hopefully it can work as a guide for other young investors, who dream of starting up their own investment fund some day. In many ways, I started up as a young and naive 23-year-old, and in some ways, ended up a grumpy 30-year- old 7 years later. Because I don't have a background in the investment world, I hope that this might serve as an inspiration to others, who want their own investment fund, but don't really know how to make it happen.

So how did it all begin?

In September 2018, I was hired as an accountant trainee at a big Danish accountant firm. Before that, I had dabbled in the investment world and stock trading for a year or two, and I was just trying to get acquainted with that world. I started up as a young and hopeful accountant trainee, almost just when the stock market crashed in the fall of 2018. My, at the time, modest savings took a hard hit as well. I felt lucky in that aspect. I leaned an important lesson in how the stock market works, without losing a lot of money. Having had that experience, has helped me with risk management a lot over the years.

It wasn't until around 2009, when I was introduced to Warren Buffett and the mindset around value investments, that I was completely hooked on investment. This was when i found out, that I could use my understanding of financial accounting and numbers, to make money on the stock market. And that my knowledge was actually an advantage compared to other investors.

During the next 4-5 years, I spent my time reading a lot about investment and just learning a lot, while I got my Graduate Diploma (HD) and a master's degree in business economics and auditing, while working a lot of hours as an accountant trainee. In my spare time, I wrote research and spread sheets about promising companies, which I published in several investment forums like Euroinvestor, Proinvestor etc.

Many of these ideas worked out really well. From that, I built a good track record fast, and gained a bunch of followers. I also received a lot of private messages from people, who had followed my ideas and wanted to meet me. Even then, people asked if I could invest their money for them, which i couldn't.

Personally, I had a fantastic track record during that time. So early 2013, I decided to create my own investment fund to build a” public” track record, which had been audited by an accountant

and so on. During the first 1,5 years, it was my own money, family relations and other contacts. There was no outbound marketing. In 2014, after having had some meetings with Jesper Søgaard, Casper Rasmussen and Simon Nyegaard, I decided to accept external capital and get a license from the Danish Financial Supervisory Authority. Symmetry quickly managed to go from around 3-4 million to 15 million DKK. Partially because of a large initial deposit by Jesper, Simon, Casper and their network, but also via other relations. There was still no marketing of any kind at that point in time.

At the end of 2015, I also chose to quit my job, to focus 100% on Symmetry Invest. That is also when we started doing some marketing, which helped us grow the fund to 50 million DKK in 2017.

After 5 very successful years from 2013 to 2017, we ended up having some problems in 2018. Those problems were primarily self-inflicted. Our strategy actually worked really well, during the last months of 2018, when the market plummeted. We had too many bad investments during the initial months of that year. Adversity is unavoidable in any kind of business. It is how you tackle that adversity that defines you. We have done a pretty good job in my opinion. We have definitely learned from our mistakes, optimized processes, risk management and taken other actions to protect ourselves in the future.

It was another valuable lesson, to experience how loyal our investors were during that downturn. There were only a few minor withdrawals, and we consistently managed to raise new funds.

We also ended up having the best year ever in 2019, with a 44,4% return. We managed to earn back what we had lost and then some.

Early 2020 we have managed to reach 100 million in assets under management. It is a milestone I could only have dreamt of, when I started this investment fund as a part-time project 7 years ago. Symmetry is looking to secure our impressive profit and grow our business capital in the coming years. The investment team will probably be expanded with a couple of people within the next two years. But we will always prefer to be a small niche-player, where the returns for our investors matters more than the assets we have under our management.

Which recommendations can I give to others, who are thinking about starting their own investment fund? The most important recommendation I want to give to people who want to start their own investment fund, is to just go ahead with it. It is like with the chicken and the egg. You cannot get any investors without an investment fund, and you cannot have an investment fund without investors. So, it's easier to just get started, build your track record and gain those investors as you go ahead. Of course, it's an advantage to have large investors with some initial capital if possible. But even if that isn't a possibility, you just have to go ahead and get started.

Finding supporters and" mentors" is also important. It doesn't have to be someone who knows a lot about the investment world, just someone who has run a business and believes in you. And don't be afraid of selling ownership, in your management company, to someone who can really help you. It was priceless for me to get Jesper, Casper and Simon onboard early. On the one hand, they invested a lot of money in the fund, and they were able to connect me with their network. But more importantly, they gave me peace of mind. I have always been able to focus long-term, and make the right decisions, because I had their support. To have someone mail or call you, when things are looking bleak, to tell you they still believe in you and so on, is extremely valuable. If you as a manager, constantly worry about losing all your investors, you will have problems making the right long-term decisions. It adds a lot of value, to have a great deal of capital placed with investors, I know will be there for me long-term. Because of that, I always get a good night's sleep and I am able to focus on the important things. The pros outnumber the cons by far, when it comes to giving up some of your ownership.

It is also important to build a strong network. It is important to be able to make your own decisions, but also to have some smart people to pitch ideas to etc.

The last recommendation I'll give, is to structure your life in the right way, when it comes to family and leisure time etc. Investment can be a very stressful job. You are always under pressure to deliver a good return for your investors. Even when your focus is long-term, no one likes to lose money. Because investment is just as much a hobby as it is a job, it is very important to create a good work-life balance when it comes to your family. The best thing about the investment business, is that you manage your own time, and you can work when it suits you best. I usually travel 15-20 days a year. Rest of the year, I get up with my kids, and drop them off at kindergarten/school etc. I get home for dinner around 5-6 p.m. And spend time with my family, until the kids have to be tucked in. Then I am often able to work for 2-4 hours before I go to bed. It is amazing to have a job, that doesn't require you to compromise with the time you spend with your family.

My investors sometimes ask me, why I send out period reports late at night or in the middle of the night. I have learnt that it is very important to structure your time right. In the morning, I often spend the first 4-5 hours at the office doing intensive research. That is when I am the most productive. Late at night before I go to bed, it is better to do administrative work, reports etc. That is why I often finish those period reports late at night.

Besides a well-balanced family life, it is important to live a healthy life. Make sure to exercise, get enough sleep, eat healthy and so on. You need to be able to think straight all the time, when you

have to make some very important decisions. To be able to think 100% clearly is extremely important.