

Introducing Trude

Stockholm (HedgeNordic) – Excalibur Asset Management launched their long awaited new credit hedge fund on October 1, going by the charming name “Trude”. Trude is only the second investment vehicle in the companies history that roots back to being a part of Lancelot Asset Management from 2001 – 2006.

Trudes portolio managers, Anders Nordborg (*pictured standing*) and Market Ozana (*pictured sitting*) will start trading with capital in excess of half a billion Kronor (55 MEUR), seeded by a group of the managers and owners of the fund management company.

Trude will focus on European and American credits with different risk profiles ranging from investment grade to high yield bonds by corporate and government issuers. Although the main objective is to make a positive return regardless of market moves, the sweet-spot of the fund may lie in the corporate bond market following in year long run of declining interest rates and spread compression. Trude is set to profit from a reversal in that segment once the cost of borrowing money for corporations starts to increase again. Main alpha drivers for the trading strategies will be extracted from relative value, hedged value, macro, momentum and credit analysis.

“Considering the market situation with both bonds and equities having been strong for so many years, we feel the timing is great for a fund with broad mandates to retrieve alpha in such a regulated and illiquid space as the credit market”, says Anders Nordborg.

Excalibur, the seven billion Kronor (750MEUR) flagship fund bearing the asset managers name, extended its losses for 2015 in September giving back a further – 0,7% of NAV and now holds at -1,56% YTD. The fixed income sub index for the Nordic Hedge Index (NHX) dropped by -0,7% in September, holding positive ground at +0,5% year to date. Should Excalibur close in the red for the year, it would be the first negative return for a calendar year on the clean sheet since the funds inception in early 2001.

Excalibur targets returns of 3-5% of above risk free rate at a volatility of 2-4% while Trude is more ambitious, aiming for 5-10% above risk free rate with roughly twice Excalibur’s volatility.