

# Aktie-Ansvar stick to old fee model in Graal

Stockholm (HedgeNordic) - Aktie-Ansvar will continue to use a yearly reset of the high watermark in its hedge fund Graal, despite the fact that the Swedish financial supervisory authority (FI) no longer admits funds using this fee structure since 2006. This is indicated in a news item on the fund managers website dated February 26.

“The fee structure in Graal was previously widely used in Sweden but now Graal is the only fund left using the structure. An obvious question is now if we are to change this now that one of our competitors has chosen to change its fee structure. The simple answer is that we have different types of investors requesting different fee models”, Aktie-Ansvar writes.

In the blog post, the hedge fund Graal is compared to another fund offered by Aktie-Ansvar, Graal Aktiehedge, a fund almost identical to Graal but with a different fee model, lower minimum investment and daily liquidity (Graal is monthly). Graal Aktiehedge does not use a yearly reset of its high watermark.

“Graal has a performance fee that from time to time could become higher than that of Graal Aktiehedge because of the yearly reset. At the same time, Graal has a lower management fee and can only charge performance fee at month-end. Looking at the performance history, Graal, with the old fee model, has had better returns compared to Graal Aktiehedge. In November 2015, FI approved the fund documentation for all our funds, Aktie-Ansvar states.

On February 22, Catella announced that they would change the fee structure for its Catella Hedgefund (see separate story) that also used a yearly reset of its high water mark, just like Graal. Going forward, Catella will use a model that does not allow for yearly resets subject to the approval of FI.

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