

Granit Fonder set to launch credit hedge fund

Stockholm (HedgeNordic) – Granit Fonder, the Stockholm-based fund management company, is set to launch a credit focused hedge fund later this year. That was communicated by CEO Anders Nilsson in an interview with news agency Direkt on Thursday.

Granit has hired Sean George as Co-CEO and Partner being responsible for managing fixed income and credit exposures within Granit's fund products. During the financial crisis, George was responsible for the derivatives desk at Bank Of America in New York.

"He was one of those catching the warning signs early on and stayed put during the crisis to clean up the mess", Anders Nilsson says.

In a comment to why Granit launch a credit focused hedge fund now, Nilsson says:

"With falling interest rates, the bond market has exploded translating into fantastic returns, but I think many are thinking of what to expect next. How long can the rally keep going?", says Anders Nilsson pointing out that there is no fund hedged in Swedish krona that has the mandate to go long and short global credits. Granit's Global Credit Opportunity fund is supposed to be the first one.

"We will offer to Swedish investors a product that can make money in both falling and rising interest rate markets but also in times when the spread between government financing costs and those of companies change", Nilsson says.

Sean George will trade fixed income and credits in the US market as well as in Europe and Asia for the upcoming fund.

"Few Swedish investors have experience from trading fixed income derivatives in international markets. Our fund will combine long term bond portfolios within the high yield and investment grade space and combine that with capital preservation positions in credit derivatives. The fund will be able to go short and work with leverage", Nilsson says continuing.

"It is about knowing what companies that are worth taking the risk. You get a much better leverage by doing that in companies outside of Sweden. When interest rates start ticking up and you start seeing defaults it is going to be crowded".

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