

# One Team, Two Launches

Stockholm (HedgeNordic) – Gothenburg-based asset manager Strukturinvest Fondkommission plans to launch two credit-oriented hedge fund strategies that aim to generate returns irrespective of interest rate changes. The firm's Chief Investment Officer Sean George and Lead Portfolio Manager Ulf Erlandsson will be managing the funds jointly.



Sean George, CIO

One of the funds called the Hamiltonian Global Credit Opportunities fund, will search for long, short, and relative value investment opportunities in large corporate bond markets worldwide. "Our edge is really that we have a very broad experience: we have done everything from low-quality high-yield bonds to AAA-rated supranational paper, we have worked all the big bond markets, done both cash and derivatives, worked flow-trading desks to long-term investment portfolios, traded fundamentally, quantitatively and technically," Sean George told HedgeNordic. The fund targets net-of-fees annual returns of 5-7% and is set to launch in the middle of December with a capital of \$100 million. Sean George has 20 years of experience in the credit markets, having headed trading desks for Credit Default Swaps (CDSs) at Bank of America, Deutsche Bank, and most recently, at Jefferies.

The other fund named Glacier Impact, is an ESG-focused total return fixed-income hedge fund, one of a handful of funds taking green investing to the hedge-fund level. It will employ carbon-efficient long/short strategies and will invest in green bonds and alternative green fixed-income instruments. The Glacier Impact fund will join the fight against this century's challenge – global climate change – and will aim at annual returns of 4-5%. The vehicle targets predominantly institutional clients.

"Glacier Impact will also implement some of the overlay strategies, such as our quantitative equity-credit strategy, jointly with Hamiltonian. There's no reason why 'green' investors should not be allowed to tap into alpha strategies that have no discernible adverse climate impact", says Ulf Erlandsson. He previously served as a senior portfolio manager for the credit and SSA (i.e. supranational, sub-sovereign and agency) portfolios in the macro trading group at the Fourth Swedish Pension Fund (AP4). The fund will employ most of the time-tested green strategies Erlandsson was running when trading the credit books at AP4. The ESG-focused fund is slated to launch during the first quarter of 2018 with \$100 million in assets under management.

Given the low level of liquidity in the relatively small Swedish corporate bond market, the soon-to-be-launched funds plan to stay away from the domestic market unless and until conditions change. At least one-fourth of the tradable Swedish corporate bond market comprises real estate bonds, whereas real estate exposures in international bond indices hover around 1-2%. The limited underlying liquidity in the Swedish corporate bond market and the current state of the Swedish property market pose significant downside tail-risk for the investors seeking daily liquidity.