

# Lights Out for Coeli Norrsken Following In-House Merger

Stockholm (HedgeNordic) – Market-neutral hedge fund Coeli Norrsken merged into Coeli Asset Management’s fund of hedge funds, Coeli Multistrategi, on April 10, 2018 in an effort to streamline administration costs. Coeli Multistrategi is managed by Erik Lundkvist (*pictured*). As a separate vehicle, Coeli Norrsken employed an event-driven market-neutral investment strategy, focusing on U.S.-listed companies undergoing ownership changes through secondary equity offerings and block deals.

This is just one of the many marriages between hedge funds that have been taking place in the Nordics in the recent past. For instance, two funds of hedge funds managed by Swedish asset manager Atlant Fonder AB were merged at the beginning of December 2017. The merger was designed to streamline the fund range, foster management efficiency, and reduce administration costs.



Carl Anderen, PM of Coeli Norrsken

Following the merger of the two Coeli funds, unit holders in Coeli Norrsken received units in Coeli Multistrategi. The latter is a fund of funds investing in uncorrelated single-strategy hedge funds. Coeli Norrsken had been one of Coeli Multistrategi’s underlying investments since 2011 and accounted for approximately 20 percent of its holdings. As a result of the merger, Coeli Multistrategi’s assets under management increased to SEK 224 million at the end of April from SEK 84 million recorded at the end of March.

In addition to the above, the performance-based fee charged by Coeli Multistrategi was reduced from 20 percent to 10 percent following the merger. However, the fund’s underlying hedge funds may charge a performance fee as well, generally up to 10 percent of the returns in excess of their required performance thresholds.