

# Nordic Selectors Cool on Alternative Ucits Funds

Stockholm (Hedgenordic/Expertinvestor) – Alternative Ucits funds offering hedge-fund-style absolute return strategies – providing investors with access to a wider pool of private and illiquid asset classes within the Ucits regulatory framework – have seen robust growth in the last few years.

However, out of 17 leading Nordic fund selectors surveyed at Expert Investor’s pan-Nordic conference in Gothenburg last week only two (12%) expressed satisfaction with alternative Ucits funds’ performance.

More than half (nine) of the Nordic fund selectors expressed dissatisfaction with their alt Ucits funds. (Another six fund selectors said the question was not applicable because they did not have any.)

The group in Gothenburg was then asked what elements in alt Ucits funds they were least satisfied with.

The top complaint (among 57% of the fund selectors) was the lack of fund manager skill in coordinating the funds; followed by correlation (50%); high fees (43%); and level of risk (36%) among the multi-choice answers given.

## Open to illiquids

Alternative Ucits funds often contain illiquid assets, such as private equity, private debt and infrastructure. However, out of 18 Nordic fund selectors surveyed in Gothenburg about their attitude to illiquid strategies, the response was noticeably warmer.

Half the group (nine fund selectors) said they used illiquid strategies; another three selectors (16%) said they were about to use them; and four (22%) said they “would love to use illiquid strategies but their clients would not let them”. Only two Nordic fund selectors in the group (11%) said they were not interested in illiquid strategies.

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