Re-Opening Amid Opportunities

Stockholm (HedgeNordic) – **Capital Four Credit Opportunities**, which has been hard closed since March 2018, re-opens its gates for fresh capital once again as recent market volatility has created investment opportunities. “With the current market volatility, we see an increased opportunity set, where we can take advantage of market dislocations across credit instruments,” writes Danish sub-investment credit manager Capital Four Management.

Capital Four Credit Opportunities uses an opportunistic approach to invest in sub-investment grade credit with a high degree of flexibility. The fund invests across the entire credit universe, predominantly focusing on relative-value opportunities in bonds, leveraged loans, structured credit, bank capital, derivatives and other types of credit-related instruments. The fund’s assets under management have been hovering above €500 million since hard closing in March 2018. During this period, Capital Four Credit Opportunities “has been operating with a waiting list of investors that have matched redemptions.”

“Due to recent investor interest, combined with the increased number of opportunities, we have decided to temporarily re-open the fund to investors,” announces Capital Four. The fund seeks to attract an additional €100 million in new capital on the month-end subscription dates in March and April. After that, Capital Four Credit Opportunities “will be hard closed again and will not match demand from the waitlist with redemptions” before assets under management fall below €500 million.

Capital Four Credit Opportunities generated an annualized return of 10.4 percent since launching in January 2010 through the end of February this year at a volatility of 5.8 percent. This translates into an inception-to-date Sharpe ratio of 1.7.

With widening credit spreads, the team at Capital Four looks to “add attractively-priced investments to the fund and further reduce hedges.” The fresh capital will enable the team to capitalize on the expanding opportunity set stemming from the coronavirus-fueled market turmoil. “During periods of increased volatility, we are confident in our ability to identify attractive bottom-up opportunities and to preserve our clients’ capital through prudent risk management.”

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