



Madrague Ceasing Operations

Stockholm (HedgeNordic) – Stockholm-based asset manager Madrague Capital Partners has announced the decision to cease operations, including the management of long/short equity fund [Madrague Equity Long/Short](#). Nordea Asset Management, which acquired a 40 percent-stake in Madrague during the summer of 2018, separately announced the liquidation with immediate effect of the Nordea 1 – European Long Short Equity Fund managed by Madrague.

“The Owners and the Board of Directors have assessed that the economic presumptions to run the Company in a profitable way are no longer favourable,” says a letter by Madrague’s CEO, Martin Persson, and CIO Lars Frånstedt. “The Owners and the Board have therefore decided to cease the Company’s operations,” including the management of Madrague Equity Long/Short. “Following this decision, the liquidation of the Fund’s portfolio has commenced, and the portfolio now consists of liquid assets only.”

Madrague Equity Long/Short delivered an annualized return of 3.3 percent since launching in early 2012 through the end of April this year. In the last 36 months, however, the fund lost a cumulative 13.3 percent. Madrague Equity Long/Short gained 1.6 percent last year and was down 7.8 percent in the first four months of 2020.

According to a [separate announcement](#) by Nordea Asset Management, Madrague

Capital Partners announced their intention to file an application with the Swedish supervisory authority, Finansinspektionen, to withdraw their asset management license. After signing an agreement to acquire the stake in Madrague, Nordea Asset Management launched a global long/short equity fund managed by the team at Madrague. Nordea announced the liquidation of the fund with immediate effect.

“The withdrawal of Madrague Capital Partners’ license will lead to termination of the sub-investment management agreement” for Nordea 1 - European Long Short Equity Fund, according to the announcement. “The board of directors of Nordea 1, SICAV considers that this event is detrimental to the Fund’s performance and therefore to the interest of the Fund’s shareholders and has consequently decided to put the Fund into liquidation with immediate effect.”

The institutional share class of Nordea 1 - European Long Short Equity Fund delivered a negative cumulative return of 6.6 percent since launching in early December of 2018 through May 19 this year. The fund gained three percent last year and lost 7.4 percent year-to-date through May 19.