

# Second OPM FoHFs Closes Down

Stockholm (HedgeNordic) – Swedish alternative asset manager Optimized Portfolio Management (OPM) is closing a second fund of hedge funds, **Carneo Systematic Alpha**. OPM is also in the process of liquidating **OPM Multi Hedge**. Following these two closures, OPM will manage only one fund of hedge funds, ESG-focused **OPM Vega**.

“After a period of weak returns, declining fund assets and the assessment that the fund is no longer sufficiently competitive, the Board of Directors of CAAM Fund Services AB, which is the fund’s fund management company, has decided to discontinue the management of the fund,” writes a notice to shareholders. CAAM Fund Services AB is a wholly-owned subsidiary of Carneo Asset Managers that supports Carneo affiliates Optimized Portfolio Management (OPM) and Alternative Solutions with administration and infrastructure.

The management of Carneo Systematic Alpha will be taken over by the fund’s depositary, Skandinaviska Enskilda Banken, on October 1, 2020. “The depositary can choose between transferring the management of the fund to another fund company or dissolving the fund,” according to the letter. “As the fund’s assets at the moment are very limited, the fund company expects that the fund will be dissolved instead of being transferred to another fund company.”

“We have seen less demand for traditional funds of hedge funds over many years,” fund manager Simon Reinius told HedgeNordic earlier this week in connection with the closure of OPM Multi Hedge. All three funds of hedge funds under the umbrella of OPM have been managed by a team led by Reinius since September of last year following the departure of Martin Alm from OPM. Reinius told HedgeNordic this week that “ESG/Sustainability together with low equity beta is now our full focus within funds of hedge funds” after seeing “increased demand from institutions for our OPM Vega fund, an ESG-focused fund of hedge funds.”

Similar to the other OPM-managed funds of hedge funds, Carneo Systematic Alpha has been mainly investing in hedge funds employing global macro, equity market-neutral and managed futures strategies. The soon-to-be-closed fund, previously called OPM Omega, delivered an annualized return of 0.7 percent since launching in the first half of 2008. Carneo Systematic Alpha was almost flat in the first four months of 2020 and incurred a cumulative loss of 4.3 percent in the previous 36 months.

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