

Graal Family No More

Stockholm (HedgeNordic) – Stockholm-based asset manager Aktie-Ansvar has decided to merge **Aktie-Ansvar Graal Aktiehedge** and **Graal Offensiv** into newly-launched fixed-income fund Aktie-Ansvar Räntestrategi. The merging funds are part of Aktie-Ansvar's Graal suite of funds alongside **Graal Hedgefond**, one of the longest-running hedge funds in the Nordics.

According to two letters accompanying the announcement, "the fund company has evaluated the fund range and as part of streamlining its fund offering, the company has decided that" both Graal Aktiehedge and Graal Offensiv should be excluded from the fund range. The two letters, one for each merging fund, highlight that "the background to this decision is that major investors have announced significant withdrawals from the fund and that the size of the fund does not justify the fund's management costs." The letters also point out that "after the withdrawals from these major customers, the fund risks having asset volumes that are below the level necessary to conduct efficient management." Graal Aktiehedge had €6.7 million in assets under management at the end of June, while Graal Offensiv had €2.3 million under management.

Aktie-Ansvar Räntestrategi, launched in mid-June this year, "is a newly started fund with more cost-efficient management," write the letters. The fund managed by Maria Ljungqvist can adapt its investment strategy to prevailing market conditions and has the opportunity to invest in fixed-income securities with both high and low credit risk, as well as long or short maturities across the Nordic region and globally.

Aktie-Ansvar Graal Aktiehedge and Graal Offensiv are scheduled to merge into Aktie-Ansvar Räntestrategi in early October later this year, with the record date set as of October 8. Graal Aktiehedge is an almost identical version of Graal Hedgefond – once Sweden's largest hedge fund with nearly SEK 12 billion under management in mid-2007 – that features a different fee model and different liquidity terms. Whereas Graal offers investors monthly liquidity and charges an annual management fee of 0.75 percent, Graal Aktiehedge provides daily liquidity, charges a management fee of 1.25 percent and does not make use of the yearly reboot of high-water marks. Graal Offensive, meanwhile, is a leveraged version of Graal Hedgefond.

Just recently, Aktie-Ansvar has also decided to merge its systematic macro-focused hedge fund, **Aktie-Ansvar Kvanthedge**, into global asset allocation fund Aktie-Ansvar Saxxum Aktiv. Following the mergers of Kvanthedge, Graal Aktiehedge and Graal Offensiv, Aktie-Ansvar's fund range will continue to feature only two hedge funds: **Graal Hedgefond** and funds of hedge funds **Aktie-Ansvar Multistrategi**. At the end of June, Graal Hedgefond had €32.4 million in assets under management, and Aktie-Ansvar Multistrategi had €10.2 million under management.

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