

Eastern Europe Absolute Shutdown

Stockholm (HedgeNordic) – Danske Bank’s asset management arm, known in the Nordic hedge fund industry for its successful suite of fixed-income hedge funds, is liquidating its Eastern Europe-focused long/short equity fund. **Danske Invest Eastern Europe Absolute** is set to liquidate on October 19 due to a decline in the volume of assets under management.

“Having taken into account all relevant factors, namely the fact that the level of the assets of the Fund has reached a level which no longer allows for the Fund to be operated in an economically efficient manner, the Board is of the view that the contemplated termination of the Fund would be in the best interest of the Shareholders of the Fund,” according to an announcement. “The Board has therefore decided to close the Fund for subscription by any additional investor as of 21 September 2020 at 10:00 AM.”

Danske Invest Eastern Europe Absolute was launched in October 2011 under the name Danske Invest Europe Absolute, before the then Europe-focused fund changed its name, investment strategy and investment team at the beginning of September 2017. With the original fund’s strategy exhibiting a higher-than-expected degree of correlation with the stock market, the fund’s focus shifted towards Eastern European equity markets starting from September 2017 in an attempt to produce uncorrelated returns. Danske Invest Eastern Europe Absolute has been managed by chief portfolio manager Morten Lund Ligaard (*pictured*).

The long/short hedge fund investing in companies operating or domiciled in Eastern Europe or Turkey delivered a negative cumulative return of 7.8 percent since September 2017, after returning a negative 4.4 percent year-to-date through the end of August. The fund has seen its asset under management fall from over SEK 2.0 billion at the beginning of 2020 to about SEK 700 million at the end of July and to below SEK 100 million this month.