

# Alcur Select Reaches Optimal Size

Stockholm (HedgeNordic) – Some hedge funds may find capital raising more challenging amid a pandemic, but many strong-performing hedge funds are closing their doors to new investments after reaching their optimal asset size. Instead of continuously looking to scale its size, Stockholm-based **Alcur Fonder** has decided to close its younger, long-biased small-cap-focused equity hedge fund – **Alcur Select** – for the subscription of new fund units beyond 2020.

Alcur Fonder has previously set an asset size limit of SEK 2 billion for Alcur Select. “As the capital limit has now been reached, the company’s CEO has, in accordance with the Board’s instructions, decided to close the fund for new subscriptions from the turn of the year,” says a letter by Alcur Fonder’s CEO, Niclas Röken. “Anyone who wants to subscribe for units in the fund before it closes for new subscriptions can do so on the last day of October, November or December.”

Alcur Fonder manages two hedge funds with different risk-reward profiles. Alcur Fonder’s first hedge fund, **Alcur**, is a lower-risk long/short absolute return fund launched in early 2007. **Alcur Select**, meanwhile, was launched in May of 2018. The young, long-biased long/short fund managed by Wilhelm Gruvberg (*pictured*) currently ranks as the fourth best-performing Nordic hedge fund in 2020 with a year-to-date return of 45 percent after taking the top spot last year. The fund generated a cumulative return of 130 percent in two and a half years since its launch.

However, Alcur Select may be reopened for new subscriptions if the size of the fund will not hamper its management efficiency. As previously explained by Gruvberg, around 70 percent of the fund’s exposure comes from small-caps in the Nordic region, with the fund also able to invest up to 20 percent in larger caps. The team running the fund seeks to capture some liquidity risk premia in smaller-caps. The recent decision to close the fund to new subscriptions, therefore, aims to reduce the likelihood of Alcur Select suffering from diminishing returns to scale.

Alcur Select is one of a handful of Nordic hedge funds that closed to new investments after reaching their optimal asset sizes. Just recently, fixed-income relative value fund **Frost** was closed to new investors after reaching a total of SEK 4.3 billion in assets under management following a round of subscriptions that raised an additional SEK 1.5 billion. **Formue Nord Fokus**, a niche hedge fund offering debt and other financing solutions to smaller companies in the Nordics, was also closed to new investors in September as its assets under management increased fivefold after hitting a fundraising cap of DKK 200 million during a round of subscriptions in August.