

Catella Closes L/S Equity Fund

Stockholm (HedgeNordic) – Catella Fonder has decided to shut down its underperforming long/short equity fund ten years after its launch in December of 2010. Following three consecutive years of losses, **Catella Nordic Long/Short Equity** has seen its assets under management fall under SEK 150 million at the end of last year from over SEK 1.5 billion during 2018.

“The reason for the decision is based on the fact that assets under management have become far too low to conduct cost-effective management in the long term, as a result of unsatisfactory value development,” Catella Fonder says in a press release. “This means that from now on, it is not possible to buy units in the fund.” Catella Nordic Long/Short Equity will be put into liquidation effective as of February 26.

Catella Nordic Long Short Equity is a fundamentals-based long/short equity fund employing a value-oriented approach to investing. The long/short equity fund lost 13.8 percent in 2018 and an additional 14.4 percent in 2019, as “many of the companies we judged to be “cheap” have become even cheaper, and many of the ones we judged to be “expensive” have become even more expensive.” Catella Nordic Long Short Equity lost an additional 17.4 percent in 2020, to bring the cumulative loss for the past 36 months through the end of January this year to 40.4 percent.

Fredric Calles, who last year was appointed as the new CEO of Catella’s active and alternative asset management arm that is now 70 percent-owned by Athanase Industrial Partner, hinted towards the end of last year about the grim prospects of Catella Nordic Long Short Equity. “It is actually a very small fund, where most assets under management are owned by a few investors,” Calles told AMWatch in December of last year. “We are not happy with the performance, so we are looking at how to possibly change it and will come out with the details in the near future.”