

Atlant Introduces Performance Fee for 5-Star-Rated Fund

Stockholm (HedgeNordic) – Atlant Fonder launched its first pure fixed-income vehicle in March 2021, initially charging a management fee of 1.0 percent with no performance fee. As Atlant Högräntefond reached its three-year anniversary earlier this year, the Swedish hedge fund boutique has implemented a performance-based fee of 15 percent on returns exceeding 90-day SSVX (Swedish treasury bills) plus one percent, with a high-water mark.

Atlant Fonder has a history of introducing performance fees only after several years of fund operation. For example, performance fees were applied to Atlant Opportunity, Atlant Protect, and Atlant Multi-Strategy five years post-launch, after ensuring that the fund strategies met their expected risk and return objectives. Atlant Högräntefond is the latest in the firm's eight-fund lineup to introduce a performance fee, with the updated fund regulations set to take effect on September 18.

Launched in March 2021, Atlant Högräntefond primarily invests in Nordic corporate bonds, with a particular emphasis on Swedish issuers. The fund is actively managed by a team consisting of Taner Pıkdöken, Nikos Georgelis, and Anders Kullberg, who are actively seeking out individual bonds that are attractively priced and offer significant return potential. Additionally, Atlant Högräntefond can also use derivative instruments to enhance cost efficiency, improve liquidity, strengthen risk control, and hedge against adverse market movements.

After a challenging 2022, in which the fund posted a 7.7 percent loss, Atlant Högräntefond rebounded with an 8.2 percent gain in 2023 and an impressive 12.1 percent return in the first seven months of 2024. This year's performance can be largely attributed to the fund's chief manager, Taner Pıkdöken, who capitalized on significant investment opportunities in real estate bonds amid last year's market turbulence. As a daily priced UCITS corporate bond fund, Atlant Högräntefond is the first in Atlant Fonder's product range to qualify for Morningstar's star grading system, earning a five-star rating.

In conjunction with the recent regulatory changes, Atlant Fonder has also introduced a cap on the fund's maximum assets under management of SEK 1.5 billion. "The fund company assesses that the ability to generate returns for unit holders could be constrained if the fund becomes too large in relation to the liquidity and investment opportunities available in the corporate bond market," explains the Atlant Fonder team. Despite a near tripling of assets this year, Atlant Högräntefond remains well below its maximum cap. Initially launched with just under SEK 10 million, the fund's assets under management surpassed SEK 200 million by late 2021, dipped in 2022, but surged again from under SEK 100 million at the end of 2023 to over SEK 280 million by the end of July this year.