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GWM multi family office sets €500m target for new UCITS III fund

Geneva-based multi family office GWM has launched 7H Absolute, a UCITS III hedge fund that aims to grow up to €500 million ($654.3 million) in the next few years.

Peter Sartogo

The Luxembourg-domiciled 7H Absolute, a European equity SICAV fund, is managed by Simone Chelini and Pietropaolo Rinaldi, the founders of the award-winning Unifortune Albatross Fund who joined GWM in February 2009.

7H had around €30 million ($39.2 million) assets under management when it launched in June and since its inception the fund has returned 2.16%.

The fund invests mainly in equities and equity-related instruments listed on European exchanges and use a bottom-up approach with 30-50 long and short positions. The fund aims to produce positive absolute returns irrespective of equity market conditions in a 12-15 month time period.

Peter Sartogo, chief executive of GWM Institutional, said that the development of 7H was a pure marketing decision.

He said: "The portfolio managers, Chelini and Rinaldi, joined us in 2009. We didn't need to modify their investment style to accommodate the regulations and limits as their strategy was already UCITS compliant. A lot of hedge fund managers need to significantly change their strategy or style when they come under the UCITS umbrella.

"Weekly liquidity gives clients a lot of confidence but mostly gives clients psychological comfort. UCITS are here to stay because clients are demanding hedge funds to be more regulated after what happened in the crisis and the industry needs to adapt.

"We expect the fund to reach €50 million ($65.4 million) in the next few weeks and we expect many institutions including fund of funds and insurance companies to use it. For the time being the fund is being distributed by ourselves without going to a bank sales platform."

GWM is known as a multi family office but also offers corporate governance and shareholder response, corporate finance and investment banking and an asset management arm which is launching the UCITS fund.