

The Labrusca Fund - Global aims to return its capital to the investors

The board of Labrusca Family Office AB has decided to cease the management of the Labrusca Fund - Global. The reason for the decision and the subsequent liquidation of the fund is the diminishing client interest in an absolute return fund in combination with a rising level of administrative requirements.

The fund will be liquidated in an orderly fashion and the capital returned to investors. The fund is closed to new investments and current investors who would like to withdraw their capital before the formal liquidation can do so until December 2nd, 2014. The Investment Manager will cover all costs of the fund liquidation so that there will be no additional costs for investors.

The Labrusca Fund - Global was launched in May 2010 as an absolute return global fund. It has during these almost five years generated positive risk adjusted return (Sharpe-ratio) for its investors. It has had some good years and one bad. Up until 31.10.2014 the fund has returned EUR 12,8 percent or an annual return of 2,7 percent. The fund's benchmark, the 3-month Euribor, returned 3 percent during this period, or an annual return of 0,7 percent.

There is no index that is directly comparable to the Labrusca Fund's absolute return mandate. The fund's most relevant index, the Hedge Fund Return Index (HFRX), returned EUR 7,9 percent or an annual return of 1,7 percent during the same period. The fund has had a positive Sharpe-ratio of 0,3 and was in September 2014 honoured with an award for good fund management in the category "Equity Global (flexible)" by Sauren Fund-Research AG.

We as Investment Managers are not satisfied with these results. In a strong equity environment, with a market upturn of EUR 60 percent during the last almost 5 years, the client interest for a conservative absolute return fund has fallen, while administrative tasks have increased. The current fund volume managed is about EUR 34 million (of which the investment managers have invested a significant portion), thus the decision to liquidate the fund and return the redemption proceeds to the investors.

A brief technical description of the liquidation process can be found in the board of the Labrusca Fund – Global announcement, posted on www.labrusca.se.

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