

WEALTH APRIL 18, 2019 / 7:52 AM / UPDATED 18 HOURS AGO

Collapsed hedge fund Columna sues Permira-backed former managers

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LONDON (Reuters) - The new managers of Columna Commodities Fund, a Luxembourg hedge fund which went into liquidation in early 2017, have said they are suing its former managers Alter Domus for \$56 million in lost assets and fees.

Columna, launched in 2013, was a top-performing fund in a stable known as LFP I SICAV, managed by Luxembourg Fund Partners.

Alter Domus, a Luxembourg fund platform and administrator that has financial backing from private equity giant Permira, bought Luxembourg Fund Partners in December 2017, after Columna's collapse, when LFP I SICAV's assets under management totaled nearly 400 million euros (\$450 million).

In a statement released earlier this week, the new directors said they had launched a claim to recover investment losses, management and performance fees from Alter Domus Management Company. LFP I SICAV's assets under management now total around 80 million euros.

Columna made double-digit gains in 2014, 2015 and 2016 investing in a range of commodity products, according to information it sent its investors. But it then closed

abruptly in December 2016 without returning any of its assets.

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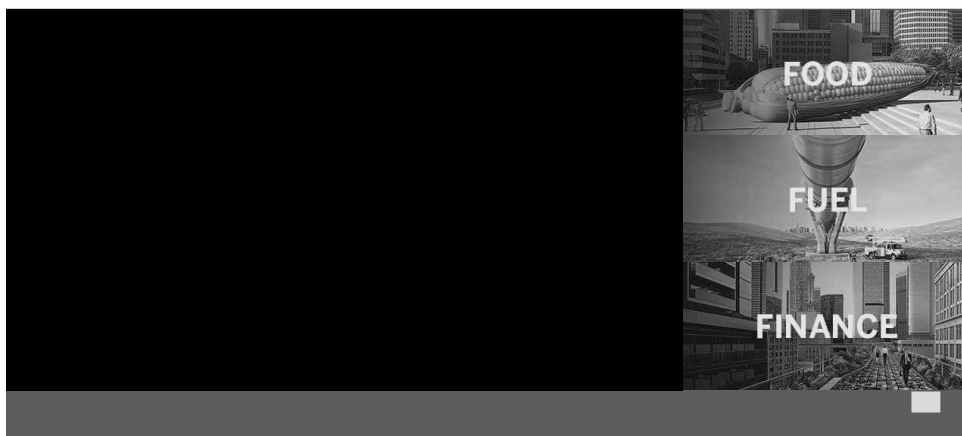
An Alter Domus spokesman said the firm was only aware of “significant issues” with Columna between 2013 and 2016 after buying Luxembourg Fund Partners.

The spokesman declined to comment on the legal claim.

In a previous email, he said Alter Domus was looking into the issues with Columna and had “engaged various external firms to assist with our investigation, the findings of which has led to the commencement of legal actions”. He declined to comment further on the legal actions, saying they were ongoing.

Permira declined to comment.

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After being asked by Columna investors to help, asset recovery specialist David Mapley was one of three directors appointed to a new board of LFP I SICAV late last year and authorized by the Luxembourg regulator in February 2019 to take over management of the fund stable from Alter Domus.

Luxembourg's financial regulator declined to comment on individual firms or court cases.

Reporting by Carolyn Cohn, Simon Jessop and Maiya Keidan; editing by David Evans

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