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Police raid firms as Columna saga rumbles on



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The offices of Alter Domus and a number of other financial companies in Luxembourg have been searched by the

police, as part of a criminal investigation into a now defunct commodities fund.

According to a report in *The Luxembourg Times*; the search, which took place in December, followed a request from authorities for information about Columnna Commodities fund, a sub-fund of Luxembourg-domiciled LFP I.

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Alter Domus bought the management company of LFP I in 2017, renaming it Alter Domus Management Company (ADMC). At that time, Columnna had already been suspended and put into liquidation.

Problems in Columnna and other funds within LFP I led to an estimated €100m in shareholder losses, which has since resulted in several lawsuits to recover the money.

Files seized

A source told *The Luxembourg Times* that police seized files, folders and computer hard drives. Other firms that provided services to LFP I include Société Générale, which became the fund's custodian bank in March 2015, replacing ABN Amro.



In October 2016, KBL – now called Quintet – replaced Société Générale. Apex Fund Services was LFP I's so-called administrator, domiciliation and transfer agent, and was replaced by European Fund Administration (EFA) in March 2016.

The source added that the reason the Alter Domus offices were searched is that all historical information sits with Alter Domus Management Company given that it acquired LFP I.

Recouping money

As reported previously in *Expert Investor*, [the fund's collapse < https://expertinvestoreurope.com/further-blows-traded-in-epf-fraud-case/ >](https://expertinvestoreurope.com/further-blows-traded-in-epf-fraud-case/) saw Switzerland-based financial investigator David Mapley of Intel Suisse become director of LFP I in September 2018. His role was to recoup around €55m from Columnna, plus two other funds.

LFP I is now operating under a court-appointed administrator after a group of shareholders pushed for his appointment. The former directors trying to recoup investor losses failed to be re-elected last year.

Emails from the CSSF seen by *The Luxembourg Times* going back as far as 2013, warned the LFP I board of directors about a lack of diversification, large variations in the monthly value of the funds and erroneous figures.

The Columnna fund had been marketed on the basis that it would invest in a range of commodity-linked assets; but had, in fact, loaned the bulk of its subscriptions to a Hong Kong-based private company called Global Hill Corporation, which was owned by Columnna.

The fund was known to have been marketed heavily to investors in Switzerland and Dubai. It had a minimum subscription of €125,000 or a currency equivalent but had a much lower entry level for investments via life companies or Sippes of just €10,000 or the equivalent in other currencies.



Performance reports

In November 2016 the fund's managers stated they were actively allocating capital towards new "commodity finance transactions in oil and rice".

They also stated the fund's performance for the year to October 2016 had been a gain of 12.12% net of all fees and charges, compared with a 25.9% gain posted for the whole of 2015.

However, the picture was not quite so rosy in December of 2016, when the directors of Columna wrote to investors telling them redemptions had been suspended as they had not received the proceeds of two core investments due by 30 November 2016.

The fund was subsequently withdrawn from regulation in Luxembourg after the CSSF was notified it was no longer making payments.

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