

Asgard in credit strategy launch

Stockholm (HedgeNordic) – Copenhagen-based Moma Advisors' Asgard Fixed Income fund, advised by Morten Mathiesen (*pictured left*), Jesper Obeling Kring (*pictured middle*), and Jorgen Jorgensen (*pictured right*), is a classic fixed income arbitrage strategy fund. The strategy, running half a billion Euro, has delivered 14.2% annualized performance since inception in 2003 at a 6.7% volatility – resulting in an impressive Sharpe ratio of two. Next to winning the Nordic Hedge Award in the fixed income category in 2015, it picked up the trophy as “Best Nordic Hedge Fund (overall)”, amongst many other international awards earned.

Negative interest rates (in markets including Sweden, Denmark, Germany, Switzerland, Hungary and Japan as of August 2016) have not handicapped the strategy because, unlike many long only or long biased approaches, Asgard's strategy does not depend on declining yields. Asgard hedges interest rate duration and constructs relative value trades where rates can be negative on both, or all, legs of the trade. The spread between or amongst the trade components, such as swap rates, repo rates, interbank rates, covered bond yields and government bond yields, is what generates returns. And “spreads are still here” stresses Mathiesen.

Now, after much planning, Moma Advisors has hired portfolio manager Daniel Vesterbaek Pedersen to launch a new liquid credit strategy. Mathiesen says Pedersen is “one of the best credit managers in Scandinavia” and the pair sat on the same desk at one former firm. Pedersen has a track record from PFA pension, the largest privately owned life insurance company in Denmark, where he ran a long/ short credit fund, showing consistent alpha generation over many years since 2008.

So, Moma Advisors is now applying its tried and tested proprietary analytical and risk management techniques to a new investment universe of liquid credit – and taking a more directional approach in order to pick up some credit risk premiums, as well as adding alpha through country, sector and security selection.

Read all about the new launch in HedgeNordic's Fixed Income report (pages 20-23) [here](#)