

Norwegian Hedge Fund Billionaire Halvorsen Remains Committed to FANG stocks

Stockholm (HedgeNordic) – Ole Andreas Halvorsen (*pictured*) is the CEO of and co-founder of Viking Global Investors, a hedge fund management firm based in Connecticut US. The firm is managing the Viking Global Fund which oversees 16.3 billion USD in assets under management.

According to wealth-x, a website tracking wealthy individuals, 57-year old Halvorsen, who rarely speaks to media, has throughout his hedge fund career built a personal fortune of 3.3 billion USD, hence likely to be the most successful Nordic hedge fund manager of all times, at least in terms of building his private wealth.

From Norway to Wall Street

Halvorsen was born in Norway where he attended the Norwegian Naval Academy, after which he attended Williams College and Stanford Business School. One of his professors at Stanford described him as one of his “brightest students ever”.

His investment career began at Morgan Stanley where he worked on Mergers and Acquisitions. In 1992, he joined Julian Robertsson’s renowned hedge fund, Tiger Management Corporation. In 1999, Halvorsen alongside two other fund managers at Tiger Management, David Ott and Brian Olson, left to start Viking Global Investors.

Viking manages long/short global equity funds, a long only fund and a fund that invests in illiquid stocks and private companies. Total assets under management for Viking Global Investors amounted to 24 billion USD as of 2017.

Bottom-up stock picking

Andreas Halvorsen has a bottom-up stock picking approach when selecting companies to invest in. He looks for catalysts and fundamental factors and encourages his analysts to become industry specialists and to get to understand the companies they cover intimately.

In a rare interview from 2013, Halvorsen said that good management teams “are extremely underappreciated” for their ability to grow market share. He said when analysing a company, he likes to speak to competitors and suppliers to understand the competitive landscape. He then speaks to the management team to see if their understanding of the competitive environment is similar to his.

The analysts at Viking cover about 75 percent of the world’s stocks that averages at least 50 million USD a day in trading volumes. Throughout its history, the firm has been most active in sectors like technology, retail and pharmaceuticals. Over the last decade, filings show that the company has held large positions in most of the large tech stocks like Alphabet (Google), Facebook, JD.com and Apple.

Remains committed to FANG

In its most recent filing to the US Securities and Exchange Commission (SEC), the Viking Global Fund seemingly remains committed to FANG (an abbreviation of Facebook, Amazon, Netflix and Alphabet (Google)) stocks. According to data collected by the website finbox.io Alphabet (Google) was the second largest position in the Viking Global portfolio with a portfolio weight of 6.4%, with

Netflix (4.4%) and Facebook (4.2%) also being among the top positions.

Viking Global Largest Holdings

Ticker	Name	Holding (\$mil)	% Of Portfolio
ECA	ENCANA CORP	\$1,244.8	7.7%
GOOGL	ALPHABET INC	\$1,045.6	6.4%
V	VISA INC	\$869.3	5.3%
UTX	UNITED TECHNOLOGIES CORP	\$760.7	4.7%
MSFT	MICROSOFT CORP	\$757.4	4.7%
NFLX	NETFLIX INC	\$716.2	4.4%
FB	FACEBOOK INC	\$681.2	4.2%

Source: Finbox.io

Looking at changes to the portfolio's composition, comparing the last quarters filing to the most recent one, however reveals that the fund's biggest sell in the last quarter was Alphabet, where the fund sold stocks to a value exceeding 500 million usd.

According to a recent Bloomberg article, Viking's hedge fund climbed about 12 percent last year, on par with other stock hedge funds but about 10 percentage points below the Standard & Poor's 500 index. In January, the fund was up almost 2 percent compared with 5.7 percent for the index.

This is a rewrite of a blogpost on the finbox.io website written by Andy Pai.

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