

# Carlsson Norén Set to Launch New Fund in 2019

Stockholm (HedgeNordic) – Swedish asset manager Carlsson Norén Asset Management AB plans to launch a new hedge fund vehicle that focuses on hybrid instruments between ordinary shares and debt. The new fund called Carlsson Norén Yield Opportunity received seed funding from Erik Selin Fastigheter AB owned by real estate developer Erik Selin and is scheduled to launch on the first day of next year.

Carlsson Norén Yield Opportunity will seek to exploit price inefficiencies and exploit unreasonably high risk premiums in instruments that have characteristics of both stocks and bonds, including preferred shares, convertible bonds, hybrid bonds or perpetual bonds. The fund will search for investment opportunities that can generate good returns stemming from high coupons or value appreciation. Carlsson Norén Yield Opportunity aims to serve as an alternative to the “return-free risk” available in the current low-interest rate environment.

As Fredrik Carlsson, the CEO of Carlsson Norén Asset Management, explains HedgeNordic, “The fund has two main characteristics. First, certain investments in hybrid instruments can provide a convexity of payoffs, meaning the downside is much less than the upside potential. Second, Carlsson Norén Yield Opportunity is expected to exhibit a relatively low correlation with equity and fixed-income instruments.” According to Carlsson, the portfolio team running the new fund is seeking to leverage their deep expertise and experience in macroeconomics and macro investing, as well as their knowledge in balance sheet analysis to manage the new fund.

The new hedge fund launch comes nearly ten years after Fredrik Carlsson and Martin Norén (*pictured*) started Carlsson Norén Macro Fund at the beginning of 2008. The flagship hedge fund invests in fixed-income markets in Nordic and G7 countries, targeting a long-term annual return of three to five times the risk-free rate by investing in investment-grade bonds.