

Nordea's Youngest Risk Premia Fund Joins the NHX

Stockholm (HedgeNordic) – Nordea 1 – Alpha 7 MA Fund, the newest member of Nordea's Alpha family which uses a multi-asset approach to harvest different risk premia, has joined the Nordic Hedge Index (NHX). Alpha 7 MA uses the same investment approach and philosophy implemented by the Alpha 10 MA and Alpha 15 MA funds but exhibits a more conservative risk-return profile.

Nordea 1 – Alpha 7 MA Fund allocates capital across six independent underlying strategies, four of which combine both beta and anti-beta risk premia to deliver more balanced and less volatile returns with a market-neutral approach. The first four strategies include equity, fixed-income, currencies, and strategic risk balancing strategies. In the group of equity-focused strategies, for instance, Alpha 7 MA Fund seeks to harvest risk premia including the low-risk anomaly or quality premium that tend to perform well in a risk-off environment, as well as collect the value premium which tends to be more correlated to beta and perform well in a risk-on environment.

The last two strategies – X-Asset Momentum and Trading – are directional strategies aiming to deliver absolute returns over time. These strategies seek to exploit time variation in beta across asset classes, each focusing on different horizons. These strategies do not invest in trades meant to offset each other in different market environments, but rather tend to exploit particular market inefficiencies and recognized patterns identified and developed by proprietary models.

Nordea 1 – Alpha 7 MA Fund, managed by the Nordea Multi Assets Team, aims to generate a net-of-fees return of four to five percent per year over a full investment cycle with a volatility between five to seven percent. The fund was launched in late May of 2018. The Multi Assets Team is headed by Asbjørn Trolle Hansen, who joined Nordea as head of the Multi Assets Team in 2004.

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