

Othania's Tiger Catches 5-Star Morningstar Rating

Stockholm (HedgeNordic) – Othania Invest, an alternative investment fund that uses a risk-on and risk-off approach to invest in U.S. equity and bond exchange-traded funds (ETFs), has received a five-star rating from Morningstar after surpassing all remaining 113 funds in Morningstar's "EUR Flexible Allocation Global" category.

The Morningstar ratings are calculated for funds with at least a three-year history, with the systematic fund overseen by brothers Vincent and Christian Steen Larsen (*pictured*) receiving the five-star rating shortly after reaching the three-year mark. Othania Invest, seen as a mix between a hedge fund and a balanced fund, earned a cumulative 25 percent since launching in April of 2016. With an annualized return of 7.8 percent since inception, Othania Invest has reached a Sharpe ratio of 0.91.

Othania Invest and its younger sister, Investin Othania Etisk Formuevækst, rely on a proprietary investment model called "TIGER," which was designed to estimate the risk of being exposed to equity markets for the coming month and decide on the full allocation of capital either into equities or bonds via ETFs. When the model points to low or acceptable levels of risk in equity markets for the upcoming month, 100 percent of the capital is allocated into ETFs offering exposure to equities. In the opposite scenario, all capital is allocated to ETFs that offer bond market exposure.

"The last three years have been packed with economic as well as political and geopolitical uncertainties, so being able to launch a systematic investment strategy in that environment has truly put the TIGER model up for a tough test," Vincent Larsen tells HedgeNordic. "Seeing the TIGER model being able to adjust to these uncertainties to net out a return of 25 percent for the first three years, and seeing Othania Invest receive a five-star Morningstar rating give us great satisfaction," he comments on the achievement.

Morningstar ratings represent a measure of each fund's risk-adjusted returns relative to similar funds, with the top ten percent of funds in each Morningstar category receiving five stars. Not only did Othania Invest rank among the top ten percent in its Morningstar category, but the fund also managed to reach the top spot among 113 peers. "When we launched Othania Invest three years ago, our thesis was that the fund could provide strong absolute and risk-adjusted returns, enhance and preserve capital by applying a 100 percent systematic and consistent approach that uses leading indicators of economic activity, interest rates, and stock market movements," says Christian Larsen.

"And that's exactly what we managed to achieve so far," he continues. "Compounding wealth requires both positive returns and the avoidance of large losses – there is no other way – and we think a systematic and objective approach is key to achieving this," concludes Vincent Larsen.