

# Danske Bank's Fixed Income HFs on the Rise

Stockholm (HedgeNordic) – Investors have directed sizable capital flows towards Danske Bank's fixed income hedge funds, which now collectively manage over €2 billion – double the amount of assets managed at the beginning of 2014. The increased appetite comes on the back of increased investor awareness about hedge funds and the bank's fixed income hedge funds in particular, as well as their strong track record.

"First of all, investors have generally become more aware of the attractive return opportunities afforded by hedge funds and also their contribution to portfolio diversification," Michael Petry (*pictured*), head of hedge funds at Danske Bank Asset Management, puts forward one reason for the increased interest towards the bank's fixed income hedge funds. "Second, we have managed to build a very strong track record for our fixed income hedge funds, which in recent years have received major recognition," he adds.

"For example, last year one of our funds scooped a EuroHedge Award for best long-term performance over ten years," Petry refers to **Danske Invest Hedge Fixed Income Strategies**, which enjoyed double-digit gains in seven of the ten years since the financial crisis and earned an annualized return of 17.7 percent over those ten years. **Danske Invest Fixed Income Relative Value** received the title of the "Best Nordic Fixed Income Hedge Fund" at the Nordic Hedge Award in 2017. The bank's fixed income vehicles have been on the podium at four of the seven editions of the Nordic Hedge Award.

One important attribute behind the stable, long-term performance of the bank's fixed income strategies has been continuity, argues Petry. "Over the years, Danske Bank Asset Management has managed to maintain a core of skilled and experienced portfolio managers and risk analysts who complement each other well." Danske Bank Asset Management currently has four fixed income hedge funds under its umbrella, with **Danske Invest Fixed Income Global Value** being the latest addition to the family. The youngest fund managed by chief portfolio manager Søren Mørch has a more global focus compared to the other three fixed income hedge funds. The fund gained 8.4 percent in its first 12 months of operations.

Although all four funds differ from each other, the entire group follows the same core principles. "All the funds aim to deliver a positive, absolute return, regardless of the direction of the financial markets, and they do this via a long series of strategies that seek to capitalise on interesting patterns and discrepancies in fixed income and bond market pricing," explains Petry.