

Danske Alternative Funds Expand Horizons

Stockholm (HedgeNordic) – Two Danske funds investing in alternative assets such as infrastructure, forestry and real estate will expand their investable universe in an attempt “to increase risk diversification across their investments and achieve a higher risk-adjusted return,” according to a press release.

Danske Invest SICAV - SIF Alternatives - Defensive, which has been investing in a diversified portfolio of alternative assets such as infrastructure, forestry, agriculture and real estate, will soon be able to invest in private equity as well. All investments in private equity will be made through investments in funds.

Danske Invest SICAV - SIF Alternatives - Offensive, which already invests in private equity and other types of alternatives assets, will be able to invest in alternative credits. Alternative credit investments are loans issued by banks to companies and households. The Defensive vehicle had been investing in alternative credits before the announcement of the recent changes.

In addition to expanding their investment frameworks, the two funds will also widen their options for investing surplus capital not yet deployed in the range of alternative asset classes these funds focus on. The funds will soon be able to place the surplus capital in a broader range of bonds, other money-market instruments of high credit quality, and liquid funds, including hedge funds. The decision aims to “increase fund flexibility and the opportunities for return,” but the surplus capital will only be invested in assets with a lower risk profile than the alternative asset classes the two funds focus on.

The new changes will enter into force at the end of October. Both funds were launched at the end of November 2016 and are managed by Jesper Langmack, Head of Alternative Investments at Danske Bank Asset Management. Danske Invest SICAV - SIF Alternatives - Defensive oversees €139.5 million in assets as of mid-September, while Danske Invest SICAV - SIF Alternatives - Offensive manages €166 million. The Offensive fund returned a cumulative 6.8 percent since inception.

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