

Catella HFs Go Fossil Fuel Free

Stockholm (HedgeNordic) - The absolute return funds under the umbrella of Stockholm-based asset manager Catella Fonder have gone fossil fuel-free towards the end of last year. **Catella Hedgefond**, **Catella Credit Opportunity** and **Catella Nordic Corporate Bond Flex**, all of which are members of the Nordic Hedge Index, no longer maintain long exposure to fossil fuel companies.

Catella's other traditional equity and fixed-income funds had already removed fossil fuel assets from their portfolios. During 2019, Catella's hedge funds sold positions in companies such as Flex LNG, Torm, Drilling Company of 1972, Frontline, Euronav and BW LPG. **Catella Hedgefond**, the asset manager's flagship hedge fund with about €664 million in assets under management, can short companies that produce, process or transport fossil fuels. To further capitalize on the development towards a fossil fuel-free future, Catella Hedgefond has also increased its exposure to companies that seek to reduce emissions. One such example involves SSAB, which produces steel with less CO2 emissions than its peers.

"It is not only for policy and environment reasons that we are refraining from investing in fossil fuels," says a press release by Catella Fonder. The risks associated with investing in fossil fuels have increased because of the ongoing energy transition, which represents an important reason why Catella Fonder embraced fossil fuel-free investing for its entire range of funds. "The risk premium on these types of investments and companies is rising, and we believe this trend will continue."

Image by Bessi from Pixabay