

CARN Capital Turns to Long-Only Investing

Stockholm (HedgeNordic) – Norwegian asset manager CARN Capital, which manages long/short fundamental equity fund **CARN Long Short**, plans to launch a long-only equity fund focused on the Nordic mid-cap space before the summer. “Due to increased interest from our investor base, we are launching a long-only fund that provides investors the opportunity to get full exposure to the Nordic stock market,” announces founding partner and portfolio manager Christer Bjørndal.

Managed by Christer Bjørndal, founding partner Andreas Bomann-Larsen, senior analyst Harald Havnen and sustainability analyst Jon Audun Kvalbein, CARN Long Short is a long/short fundamental equity fund that invests in sustainable Nordic medium-sized public companies. On the long side, the investment team predominantly seeks to invest in companies with strong economic characteristics and “a sustainable business model that aligns with solving the Sustainable Development Goals.”

“Traditionally, ethical investments have often been viewed as investments with higher risk and lower returns,” Bjørndal tells Norwegian newspaper Aftenposten. “Now the opposite is true,” he emphasizes. “Investors who ignore the sustainability aspects of a business in their investment analysis take the greater risk.” As Bjørndal previously told HedgeNordic, “as capital allocators, we have a social responsibility to make sure that we are not funding unethical or unsustainable businesses.” But more importantly, “it is not only crucial that the companies we own are not hurting the planet and consumers, they have to bring business, societal, and ecological benefits as well.”

CARN Long Short typically maintains a concentrated portfolio of maximum 30 positions, with around 20 names on the long side and ten names on the short side. Over time, the fund maintains a net market exposure between 60 and 80 percent. CARN Long Short has “an expanded toolbox compared to traditional funds, which has helped us perform well during periods of falling markets,” Bjørndal tells Aftenposten. The Oslo-based long/short fund gained about three percent year-to-date through mid-April. CARN Long Short has generated an annualized return of 10.4 percent since launching in late 2015.

Despite successfully reaping the benefits of its expanded toolkit, “the most important thing for us is to be long-term and good owners of medium-sized companies in the Nordic countries,” Bjørndal tells Aftenposten. The soon-to-be-launched long-only equity fund will embrace the same philosophy.