

PenSam Seeks Greener Risk Premia

Stockholm (HedgeNordic) – Danish pension fund PenSam has agreed with Nordea Asset Management on a €2.16 billion global equity risk premia mandate, which also fits PenSam's climate and sustainability strategy. The mandate, which provides exposure to equity risk premia and simultaneously aims to tackle climate change through its investments, will consist of existing regional equity risk premia strategies rolled into one global mandate.

"We have a long and successful collaboration with PenSam regarding the management of a number of regional equity risk premia strategies," says Anders Madsen, Head of Institutional & Wholesale Distribution in Northern Europe at Nordea Asset Management, in a press release. "Our collaboration has developed continuously, and we have now agreed to transform it into a global equity risk premia mandate, which also aims at addressing climate risk," he continues.

The investment mandate expedites PenSam's strategy of shifting its equity benchmark to the MSCI ACWI Climate Change Index while maintaining a risk premia approach to portfolio construction. "Changing the existing mandates to this new global mandate ticks the box for PenSam on a number of crucial parameters," Claus Jørgensen, PenSam's Chief Investment Officer, comments on the collaboration. "The mandate provides exposure to equity risk premia and at the same time manages to integrate the goals that PenSam has set in relation to climate and sustainability," he continues. "PenSam is pleased to be able to continue the collaboration with Nordea Asset Management, which we consider to be a leading Nordic and international asset manager, with strong expertise in both equity risk premia and ESG."

Nordea Asset Management, the Nordic region's largest asset manager with €223 billion in asset under management as of the end of the second quarter, has won a number of investment mandates with a focus on ESG and climate goals from institutional investors. "We have for many years been dedicated to responsible and sustainable investments – through traditional, fundamental processes as well as within more quantitative, risk premia-oriented processes," says Madsen. "This has given Nordea Asset Management the opportunity to offer our expertise and products in this rapidly growing area."

Picture courtesy of PenSam.