

# Focus on What You Do Best

Stockholm (HedgeNordic) – About a year after launching a special fund that solely invests in additional tier-1 (AT1) securities issued by Norwegian banks, Borea Asset Management is expanding its product range with a new fund that only invests in Norwegian bank stocks and equity certificates. The Norwegian asset manager has wound down its long/short equity fund **Borea Global Equities** and launched **Borea Utbytte** (“Dividend”) instead to increase its focus on the Norwegian banking sector.

“There are tens of thousands of mutual funds globally. Many of them are similar, a large selection is confusing, and in the most efficient markets, it is difficult for managers to provide excess returns,” says portfolio manager Magnus Vie Sundal in connection with the new launch. “We do not want to be part of this statistic. Our golden rule is that our products should offer you something special that you will not find anywhere else,” he emphasizes. For that reason, Borea Asset Management has expanded its fund range with the launch of Borea Utbytte, which invests in equity certificates and common stocks issued by Norwegian banks.

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“We know the Norwegian banking sector as one of the best capitalised in the world,” says Sundal. “Combined with efficient operations and exposure to a stable political environment, we are positive to the sector,” he elaborates. “The strength of the Norwegian economy has also been reflected in past gains, where the Norwegian savings bank index has returned approximately 850 percent over the past 20 years, compared to 300 percent for the Norwegian stock market as a whole.”

The fund range under the umbrella of Borea Asset Management also comprises **Borea Rente**, **Borea Høyrente**, and **Borea Obligasjon**, with the latter two being part of the Nordic Hedge Index. Borea Høyrente has delivered an annualized return of seven percent since launching at the beginning of 2012, while Borea Obligasjon returned a cumulative 10.7 percent since its launch in August of last year. During its first year of existence, the pure AT1 fund recorded the highest return among all Norwegian bond funds, including all Norwegian high-yield bond funds.

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Similar to Borea Høyrente and Borea Obligasjon, the recently-launched fund can leverage up by 50 percent of total assets, offers monthly liquidity and has a minimum subscription of NOK 1 million. Borea Utbytte replaces Borea Global Equities in the Norwegian asset manager’s fund range, with the long/short equity fund closed down earlier this year due to a relatively small volume of assets under management. “We want to offer our customers more of what we’re best at. We were happy with the returns of our previous fund, but with Borea Utbytte we will offer products one cannot find anywhere else,” CIO Willy Helleland (*pictured*) tells HedgeNordic about the decision to launch Borea Utbytte instead of the now-closed Borea Global Equities.