

ESG Effort Overseen by Former ATP Chief

Stockholm (HedgeNordic) – More hedge funds are jumping on the train towards sustainability as clients are increasingly looking for more investment strategies that target environmental, social and governance (ESG) goals. Bridgewater Associates, the biggest hedge fund in the world, plans to roll out two sustainability-focused strategies next year.

The effort is overseen by senior investment executive and former CEO of Danish pension fund ATP, Carsten Stendevad (*pictured*), Chief Operating Officer Brian Kreiter and Karen Karniol-Tambour, director of investment research. “There are big shifts afoot in the industry where we’re seeing an expansion of investment objectives from risk and return to including impact,” Stendevad tells Bloomberg. “Sustainable investing is the top strategic agenda in the industry.” Dan Hochman, head of sustainability research, and associate Lauren Hardardt are also helping Bridgewater’s new sustainability effort.

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One of Bridgewater’s strategies is expected to be launched in March next year and will be managed by Lyxor Asset Management, which is wholly-owned by Société Générale. Sub-advised by Bridgewater, the strategy will be available in a UCITS format and will exhibit hedge fund-like characteristics. The multi-asset sustainability strategy caters to “investors who seek to achieve both financial and sustainability goals at scale.” According to a press release by Lyxor Asset Management, “the strategy will leverage Bridgewater’s systematic research process to assess and select public market assets aligned to the SDGs and will utilize the portfolio engineering of its pioneering “All Weather” asset allocation framework.”

“Our clients’ appetite for sustainable investing has grown significantly in recent years, with investors setting goals that combine financial and sustainability outcomes,” says Nathanael Benzaken, Lyxor’s Chief Client Officer. “Lyxor’s culture of innovation and recognized ability to design transparent investment frameworks has helped us achieve client goals in this area,” he adds. “We are thrilled to expand our over fifteen-year relationship with Bridgewater with this new venture.”

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Brian Kreiter, Bridgewater’s Chief Operating Officer, says that “the journey of scalable sustainable investing is a strategic priority for Bridgewater and our clients.” He goes on to say that “using the same research process that we have developed over the last forty years, we have built a systematic process to engineer both the sustainability and financial characteristics of portfolios. We are excited to continue to collaborate with Lyxor in meeting the challenges of global investors.”

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The two soon-to-be-launched sustainability-focused strategies will be grounded in Bridgewater's "All Weather" multi-asset framework. According to Bloomberg, the "All Weather" fund returned 5.7 percent this year through November, delivering an annualized return of 7.7 percent since its inception in 1996. The "All Weather" strategy accounts for about half of the asset manager's assets.