

Keeping Cash on the Sidelines

Stockholm (HedgeNordic) – Danish entrepreneur and author Lars Tvede keeps about one-fifth of his hedge fund's assets under management on the sidelines waiting for short-term trends in equity markets to confirm and join longer-term trends. Tvede and his team out of Switzerland have about €50 million of the €240 million managed by themes-focused **Atlas Global Macro** in “standby mode” ready to deploy.

“There are periods in stock markets where the long-term points in one direction, while the short-term points in the opposite direction,” Tvede tells Euroinvestor.dk. “In those periods, it is my experience that it typically pays off not to be too active,” he adds. “I am not 100 percent invested in shares right now. We have about €50 million in cash on the sidelines. This indicates that we are a bit defensive, especially considering that we have the opportunity to employ leverage.”

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“If we enter a period of consistent price changes and trends, then I go into trading mode and become more active,” Tvede, who authored 17 books on business cycles, psychology, trading psychology and other topics, tells Euroinvestor.dk. Tvede and his team employ a long-term oriented and directional approach with an overlay of a tactical approach to run their global macro-focused fund Atlas Global Macro. Launched in late May this year, the themes-focused hedge fund now oversees about DKK 1.8 billion in assets under management.

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Despite keeping a good portion of the portfolio in cash, Lars Tvede tells Euroinvestor.dk that he sees signs of the early stages of a years-long bull market and global economic recovery, which he expects to last until 2026-2030. The recovery is to be mainly driven by extremely lenient monetary policies and a lot of pent-up wealth among consumers willing to spend on goods and services. “Really, really many of the things that I have invested in are entering unsettled waters right now, but I am in the things that I think are very worthwhile in a long-term perspective,” Tvede tells Euroinvestor.dk.