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# A Wealth of Experience

Holberg Fondene is investing in the Nordic region and its businesses as the company continues to see substantial success in coming years.

Images courtesy of Holberg Fondene

**I**n the strong financial environment of the Nordics, Holberg Fondene is utilising its independence and regional focus to deliver unswerving high performances in its concentrated portfolio. As a boutique fund-management company based in Bergen, Norway, Holberg Fondene is determined to invest in the Nordic region and its businesses.

Since it was established in 2000, Holberg Fondene has seen remarkable growth in business volume and recognition. Egil Herman Sjørnsen, Managing Partner of Holberg Fondene, spoke to *The CEO Magazine* about the company's evolution in recent years and the bright future ahead.

**The CEO Magazine: What was your professional development leading up to your current role at Holberg Fondene?**

**Egil:** I've been in this business for 30 years. I started at Bergen Bank, which was the predecessor of Den Norske Bank. I joined Bergen Bank in 1986 as a financial analyst. After two years, I became chief analyst. I am an economist in my professional background. I left the research team in 1989 to become the head of the Bergen branch within the equities department. I stayed there for three years, which included the merger with Den Norske Creditbank.

I then moved to London and worked as the head of the equities

department for DNB from 1992 to 1994. Then, I got the opportunity to start and build a fund-management company owned by Skandia in Norway. At the time, Skandia was very successful in the Swedish market and they also owned the Norwegian insurance company Vesta.

In late 1994, I joined the Vesta Skandia Group as head of their mutual-fund company, a position I held until early 2000. Then, Vesta and Skandia were separated because Skandia sold Vesta to Unibank in Denmark. I stayed on in the Vesta group as the CFO for another three years before re-entering the asset-management industry as the Managing Director of Nordea Investment Management >



In the meantime, in 2000, some of my good colleagues from Vesta started Holberg Fondene. I was in touch with those entrepreneurs all the time and we became clients of Holberg's because we believed in the people and the set-up. We used them in our own money-management business. In 2006, I was asked to join Holberg as the managing director and partner so I really came back to my old colleagues.

**Since 2006, what changes have you seen within the asset-management industry, specifically in Scandinavia, as it's quite a different story to the rest of Europe?**

Norway, which at that time was the biggest asset manager in the Nordic region. I headed their Norwegian operations for three years from 2003 to 2006.

Yes, it's a very different story for many reasons. First of all, this crisis that we saw in 2008 was, of course, a crisis for the mutual-fund industry in the Nordic region as well but the market here bounced back very quickly. The loss of capital for the mutual-fund industry was very short-term. In

2009, we already saw the volumes in the fund industry reaching new highs. The financial meltdown that we saw in the US and Europe never turned out to be any major disaster for the fund-management industry in the Nordic region.

In Europe, particularly the southern parts, it's been completely different. There are many reasons for that. One of the reasons is that if you look at mainland Europe, the money-market funds never really came back in the size that they had been. In the Nordic region, the money-market funds stood off this crisis remarkably well and ever since they've just increased in volumes. Also, within the Nordic region, especially in Sweden, individual saving through funds is so well-established that people just continued to do their savings through the funds and through difficult market conditions. You really never saw any major out-flow from the funds as we saw in other regions.

**Looking back at 2006, what did you perceive as your primary purpose with Holberg and how have strategies been implemented to achieve the goals?**

When I started, there was a very well-defined strategy within the company. That was built on a few key words. One is independence. We are totally independent from all other financial institutions in Norway. That independence has been a strength in a field where a lot of other financial institutions and savings banks prefer to use us because we're not their competitors. We are partners.

We have always kept up with the Nordic buyers and the Nordic profile. We do have a global fund which is going great and we have an emerging-markets fund performing remarkably, but the main part of the volumes in the Holberg history is from Nordic clients into Nordic products. We have kept a very strict focus on the Nordic region.

We are quite a small company in many ways. We only have eight funds. If we look at the fund-management industry, when I was working in Nordea we had hundreds of funds. If you have that many funds you'll always find a fund that is doing well. We have eight funds, which is a totally different strategic approach regarding focus and how we communicate with our clients. It's a company that is extremely focused and independent—those are the key words for us.

It is also worth mentioning that the company has developed a unique communication platform where complex market issues are addressed with easy-to-understand graphs combined with a solid bit of humour.

**Could you outline the evolution of that strategy from 2010 onwards?**

We had a fantastic period for the company. We almost doubled in size in a couple of years in 2009, 2010, and 2011, and then we met

problems because of the rapid growth. Some of our key products didn't deliver as we wished and we got some out-flow. We had a setback in 2012 and 2013 but that's now stabilised, and the company is again experiencing significant growth in assets under management.

We have been focusing on equities in the Nordic region and in managing Norwegian money-market mandates. What we did in 2011 was to introduce all-new high-yield funds. This has been a major success for us. We are now approaching five billion in that area alone and that's a lot of money for a boutique manager as Holberg Fondene.

We introduced our Nordic high-yield fund in late 2011 with a well-defined Nordic investment strategy as we saw that a lot of the pension funds and other major clients had increased their positions in the high-yield market substantially but then mainly into the European, American, and global high-yield markets. We think that major change within the banking industry has created a new market also in the Nordics and the size of the Nordic high-yield market has doubled over the last three years. We think that this market will continue to grow.

**Looking ahead, what are Holberg Fondene's plans for growth or expansion over the next three to five years?**

We are in a position that we would like to capitalise on. We want to build new partnerships both towards distributors and end clients. We have been investing in the set-up of both global and emerging market funds with excellent portfolio managers. We've just reached a three-year track record on those funds but they're still small and it is vital for us to expand in these mandates.

The Holberg way of doing things is that we have to prove that we've got the track record and competence before we do our major campaigning to increase the volumes. We have three years of



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- Egil Herman Sjørusen

track records in both funds and those records are excellent. We are now looking ahead and I hope we'll get into this crowded area of global funds.

Secondly, we have a good reputation in the money market and bond market. We have substantially increased the volume we have within management in these mandates. We would like to capitalise on that, both in regard to new products and growth.

We are a small boutique manager. We only manage all-in-all NOK 23 billion so we're a small player in the Nordic region. However, we do have a name and that's been one of our strengths that has been developed over the past 14 years since this company was started. We've managed to build a brand that is well-known, mostly in Norway but also in Sweden. •



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