

AllFunds adds TOBAM and Nordea funds to recommended list

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Allfunds Bank, Europe's largest mutual fund platform, has added two new "hidden gems" to its Insight List of recommended funds.



The funds it has selected are the TOBAM Anti-benchmark US Equity fund (including UK equity) and the Nordea Emerging Market Bond Fund, managed by Pramerica IM.

Allfunds said it believes TOBAM's Anti-Benchmark approach offered a differentiated exposure to US and UK equities.

"The strategy attempts to avoid the implicit bets in a traditional market cap-weighted indices by building a portfolio of stocks that are as diversified as possible, using a proprietary method which is patented and ensures the strategy's competitive advantage is sustainable," said Chetan Modi, senior equity fund analyst at Allfunds Bank Research.

Modi said the approach has led to attractive risk-adjusted returns over the long term with the funds typically faring well during periods of heightened volatility.

Ownership alliance

Allfunds said it had also been attracted by the fund's ownership structure.

“The founder, Yves Choueifaty, is the majority owner but the balance is split between employees and minority shareholders CaLPERS and Amundi.

“We believe the ownership structure of the firm has been crucial in promoting stability amongst the investment team as it enables all staff to gain ownership and it also helps align their interests with investors,” Modi said.

The Nordea 1 Emerging Markets Bond (High Conviction) fund, which is externally run by the Emerging Markets Debt (EMD) team at Pramerica Investment Management, was seen as attractive because it offers one of the purest strategies within the EMD hard currency sovereign fund universe.

Although the Nordea 1 Emerging Markets Bond fund was only launched in May 2012, the Pramerica EM debt hard currency strategy has been in place since 1996. The fund is also run by a team with which includes 21 dedicated portfolio managers, analysts, economists and traders.

“The strategy relies on country allocation as the primary determinant of EM returns. Security selection, derived from proprietary analysis, is another primary alpha-generating factor,” said Vanesa del Valle Broussard, senior fixed income fund analyst at AllFunds Bank Research.

“The fund tends to perform best during strong market rallies, taking advantage of market sell-offs to buy into the market. During negative market environments, such as 2013, 2011 or 2008, the fund has struggled, although not relative to the peer average, del Valle Broussard said.

Allfunds Bank Group was set up in 2000 and owned in equal parts by the Santander and Intesa Sanpaolo groups, with more than \$220bn (€200bn) assets under administration and offers close to 40,000 funds from 450 fund managers.

It has a local presence in Spain, Italy, UK, Chile, UAE, Switzerland, Colombia and Luxembourg and has more than 450 institutional clients, including major commercial banks, private banks, insurance companies, fund managers, financial supermarkets, international brokers, and specialist firms from 33 different countries.

- See more at: <http://www.international-adviser.com/news/1026042/allfunds-adds-tobam-nordea-funds-recommended-list#sthash.YQPcI5Sp.dpuf>