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FUND LAUNCH

Swiss boutique launches value fund after Nordea closure

Founder Tom Stubbe Olsen is planning to provide an alternative to currently popular passive and ESG funds.

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Zollikon-based boutique Mensarius has launched a new fund shortly after the the product it was managing for Nordea was [merged away](#).

After having managed Nordea 1 - European Value fund for over 20 years, [Tom Stubbe Olsen](#) (pictured) has introduced a new strategy, which is the Mensarius Sustainable Value fund.

Stubbe Olsen said the new product will be closed to new investors once it reached €750m in assets, in order for the fund management team to better invest in small and mid-cap companies.

‘This segment of the stock universe has been contributing the most to the outperformance in the last two decades and is where we can find most hidden gems historically,’ Stubbe Olsen said.

In the official statement, Mesarius said the new strategy was introduced in response to [the closure](#) of the Nordea fund and aims to provide a solid and proven alternative to the trend towards passive

investments and popular ESG funds.

'Many investors are currently focusing on ETF, ESG and US equity funds. But we are seeing right now a record valuation gap between value and growth, which is often the popular ESG stocks,' Stubbe Olsen said.

'It is also very important to us that long-term, loyal investors who are invested in the European Value fund have an option to continue working with us,' he added.

Same process - more cash

Speaking to *Citywire Selector*, Stubbe Olsen said the Mensarius Sustainable Value fund will use the same due diligence process as the previous Nordea product, focusing on sustainability of earning power, intrinsic value and margin of safety.

The fund will also be able to hold cash from time to time, which it did previously but Nordea had imposed a restriction which meant it needed to be fully invested three years ago.

'The ability of holding some cash from time to time is important for the strategy to work optimally as we seek to deploy cash when opportunities to buy quality assets at bargain prices occur,' he said.

The fund will invest in about 30 high-conviction holdings, which is only slightly fewer names than before. This will enable the team to focus on the best-quality companies.

Against belief-based ESG agenda

When commenting on the ESG process of the fund, Mensarius said sustainability and ESG is at the heart of its stock selection process.

However, Stubbe Olsen said the investment team takes a business perspective on the matter and doesn't blindly follow a belief-based ESG agenda.

'We find it interesting that ESG process have now gotten such attention from a lot of investors and the media. We have talked about sustainability of earnings power for 20 years without getting any attention,' he said.

'We are actively demanding and promoting a decent, responsible and prudent dealing with people, business partners, clients, the environment and capital alike from the companies we invest in,' he added.

Mensarius said ESG matters are relevant to assess the sustainability of the business, and are analysed as part of the in-depth due diligence process we carry out on each investment.

'We actively engage with companies to encourage virtuous practices that will benefit society and ultimately reinforces their competitiveness.'