

Avanza's new global fixed income fund offers an opportunity to benefit from high interest rates

Avanza is broadening its fund offering with Avanza Ränta Global, a fixed income fund with exposure to global corporate bonds, which gives customers an opportunity to benefit from today's high interest rate environment. The fund is managed by Captor Fund Management AB, whose investment strategy previously has been used primarily by large institutional clients.

The policy rate is the highest in over 15 years, which has taken a heavy toll on both the stock market and the finances of individual investors. To enable more customers to take advantage of the high interest rate environment, Avanza is therefore launching Avanza Ränta Global, a fixed income fund with exposure to global corporate bonds.

"The high interest rates around the world have made fixed income funds more interesting and a good complement to a portfolio. Through our new fund we now offer our customers an opportunity to effectively invest in global corporate bonds," says Jesper Bonnavier, CEO of Avanza Fonder.

Avanza Ränta Global offers exposure to global corporate bonds in two different credit segments. Investment Grade (70%) is composed of 250 global companies, evenly distributed across North America and Europe, with high credit ratings. High Yield (30%) is composed of 100 North American and 75 European companies with lower credit ratings, which means that their bonds offer the possibility of a higher return at a higher risk. All companies in both credit segments are equally weighted, so they represent an equal share of the fund.

Captor's investment strategy is to provide exposure to corporate bonds through derivatives. This means that the fund takes Swedish rather than international interest rate risk, while the exposure to companies is global. This provides better diversification, higher liquidity and minimal currency exposure. Avanza Ränta Global is a feeder fund, which means that it must invest at least 85% of assets under management in its master fund. In practice it is 100%, however.

"We wanted to launch a fixed income fund that captures the potential in corporate bonds while maintaining high liquidity. This distinguishes it from many other funds in the same category, which are limited to Sweden or the Nordic region and where liquidity is not as good. Other funds also often have a sizable exposure to the real estate sector," says Jesper Bonnavier.

The fund's interest rate duration is expected over time to be 4 years and the total fee is 0.58%. The recommended investment horizon is at least 3 years.

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Fund investments involve a risk that you might lose money. Avanza Ränta Global is a feeder fund that invests at least 85% of its value in a master fund. For legal documents, see avanza.se.

Avanza is a digital platform for savings and investments, founded in 1999. The Parent Company, Avanza Bank Holding AB (publ), is listed on the Stockholm Stock Exchange. Avanza's customer promise is that you as a customer will have more left in your own pockets than with any other bank or pension company. Services include saving in shares, funds, savings accounts, mortgages, and a strong pension offering. Avanza has over 1.8 million customers with nearly SEK 750 billion in total savings capital. This is equivalent to 6.5 per cent of the Swedish savings market. Avanza is largest in terms of number of transactions among Swedish banks on the Stockholm Stock Exchange. During the last fourteen years Avanza has won SKI's (Swedish Quality Index) award, "Year's Most Satisfied Savings Customers". For more information visit: avanza.se/ir

Image Attachments

[Jesper Bonnavier, VD Avanza Fonder](#)