

Hang the expense: Norwegian fund chases Spanish alpha

BY GREG BRIGHT | APRIL 6, 2011

The Norwegian Government Pension Fund has outsourced the management of its Spanish equities to one of the country's top-performing managers.

The \$554 billion fund had managed its \$7.8 billion exposure to Spanish shares in-house for many years, in a relatively concentrated portfolio.

The fund, managed by the Norwegian Government-owned Norges Bank Investment Management, has now selected a Spanish boutique, Bestinver, which is a value-oriented manager for the mandate.



Bestinver is run by star portfolio manager Francisco Garcia Parames (pictured), who handles several separate funds for the firm.

The move by such a big government pension fund is being watched closely by managers and other fiduciaries alike as it may signal a new trend back to chasing alpha rather than focusing on cost control.

Most big fiduciary investors believe they can save significant sums in management fees by running their own investments.