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**SCHMIEGELOW**  
**FONDSMÆGLERSELSKAB A/S**

**OPTIMIZING  
INVESTMENT  
STRATEGIES  
WITH MACRO  
INSIGHTS**

**PETER SCHMIEGELOW,**  
OWNER





## Certificate





# SCHMIEGELOW FONDSMÆGLERSELSKAB A/S

“  
Our focus is  
on strategic  
asset allocation  
and effectively  
deploying funds  
across various  
sectors  
”

PETER SCHMIEGELOW,  
OWNER

## OPTIMIZING INVESTMENT STRATEGIES WITH MACRO INSIGHTS

Schmiegelow Fondsmæglerselskab A/S isn't a typical multifamily investment office. It redefines wealth management by blending complex macroeconomic insights with bespoke investment strategies, ensuring long-term wealth preservation and growth for clients. This dynamic approach aligns investments with evolving market landscapes, ensuring resilience amid economic tides.

Schmiegelow offers a comprehensive suite of services, including investment advice, portfolio management and wealth and estate planning to both private and institutional clients. Managing over €500 million in assets, the Danish FSA-regulated office provides clients with access to a broad spectrum of asset classes. Each client's asset allocation strategy is customized based on their investment horizon, risk tolerance and familiarity with investment products.

Operating within an independent framework, it sources offerings from leading international banks and evaluates other investment opportunities that capture clients' interests. The firm's 13 years of experience ensures professional, well-grounded opinions on various investment opportunities.

"Our focus is on strategic asset allocation and effectively deploying funds across various sectors," says Peter Schmiegelow, owner. "We

are adept at identifying top-tier managers and fostering long-term relationships, finding the necessary resources to leverage value from economies and financial markets."

Under Schmiegelow's leadership—a seasoned expert with a Master of Science in Macroeconomics and nearly 30 years of financial sector experience—the firm is dedicated to steering clients toward prudent investments while shielding them from pitfalls, ensuring strategic growth and wealth protection.

### Building Resilient Portfolios for Long-Term Returns

Schmiegelow's investment philosophy focuses on maximizing long-term returns and safeguarding client assets through meticulous allocation strategies. Unlike a typical global family office, which might allocate about 20 percent to cash, 15 to 20 percent to listed equities, four to five percent to private equity and two to three percent to hedge funds, it delves deeper into the macroeconomic landscape.

The firm assesses global political and economic conditions and forecasts to provide clients with insights into potential market and asset dynamics. Evaluations are performed across asset classes to identify opportunities in undervalued sectors while navigating potential risks in overheated markets.

Schmiegelow adeptly diversifies investments across a broad spectrum of asset types, including hedge funds, listed equities, private equity, credit instruments, forestry investments and direct company stakes. Its distinctive ownership structure enables it to take calculated risks that many family offices might shy away from, resulting in insightful recommendations and robust investment strategies. The specialized team meticulously refines asset allocation and manager selection to meet each client's specific needs.

"Our largest clients have been with us for over ten years. We have a profound understanding of their needs and investment preferences," says Schmiegelow.

For instance, in 2017, the team foresaw central banks devaluing currencies and flooding the global economy with excess liquidity, leading them to explore gold and silver. For the past 20-30 years, inflation has been subdued by globalization and other factors, adhering to mandates to maintain it at two percent or lower. The team anticipated it would eventually lead to significant inflation and further currency devaluation. In response, it advised clients to invest in gold ETFs and silver. This foresight positioned clients advantageously amid inflationary pressures.

Another strategic focus was commodity trading advisors (CTA), where the team recommended a significant allocation in client portfolios, averaging around 10 to 12 percent. Beginning in 2018 and fully implemented by 2020, this strategy was driven by its anticipation of a volatile financial market transitioning from low inflation and interest rates to high inflation and interest rates. As trend followers, CTAs perform exceptionally well during periods of market volatility and clear, directional trends. While short-term returns might be modest, significant returns could be expected when market trends become pronounced. It strategically selected CTAs targeting short, medium and long-term trends. This approach proved highly successful in 2022, yielding impressive returns amid declining markets, with stable performance in 2023 and positive returns so far this year.

"Think of investment management like gardening," says Schmiegelow. "You must nurse the garden, remove bad trees,

plant new ones, and be patient as trees grow. Patience, risk assessment, and the timely removal or sale of investments that become too risky or overvalued are crucial."

In 2015, Schmiegelow expanded its focus to private equity, identifying that valuations in the listed market were inflated while significant discounts were available in the non-listed equity market. The strategy anticipated strong returns from acquiring secondary equities at a discount, benefiting from continued liquidity and M&A activity, and central banks' consistent crisis interventions. This approach proved exceptionally effective, yielding returns that were competitive with, and in many cases, exceeding those in the listed market.

Although perceived by some as aggressive, the firm's strategy has proven to be effective. With low interest rates from 2016 to 2020 making long-term bonds unattractive, clients were advised to avoid duration entirely. This decision proved crucial, as rising interest rates from 2021 to 2023 led to no losses in bonds, while CTAs and private equity generated positive returns. For 2024, Schmiegelow is focusing on short-term bonds and credit funds, anticipating potential recessionary conditions that could widen credit spreads, presenting attractive investment opportunities.

Emphasizing not only the selection of asset classes but the proper management of risk and liquidity, it advises clients to maintain minimal debt levels, ensuring they can weather economic downturns without facing undue financial strain. This conservative approach and an aggressive investment stance in private equity and CTAs form a robust defense against deflationary risks, safeguarding clients' long-term financial resilience.

A commitment to performance transparency and benchmarking over extended periods further highlights Schmiegelow's dedication to client success. Tracking performance metrics such as internal rate of return (IRR), distribution to paid-in (DPI), and cumulative distribution to paid-in (CDPI) across asset classes ensures that client portfolios remain optimized for long-term growth and stability. This approach supports informed decision-making and fosters a dynamic environment where investment strategies evolve in response to changing market conditions.

**Our strategy is enriched by clients' insights and objectives, ensuring our recommendations are not only informed by macroeconomic analysis but resonate deeply with their distinct perspectives and goals**

## Aligning Portfolios with Future Visions

Schmiegelow collaborates with clients to gain a deep understanding of their outlook and integrate political and economic insights to find common ground. For example, if clients are interested in Asia, it provides insights and manages the investment process after identifying competent managers to ensure a focused strategy. Humility and attentive listening are pivotal. When a client possesses specialized expertise, it provides candid perspectives, supporting investments in areas aligned with client proficiency.

"We advocate a partnership ethos," says Schmiegelow. "Our strategy is enriched by clients' insights and objectives, ensuring our recommendations are not only informed by macroeconomic analysis but resonate deeply with their distinct perspectives and goals."

Many clients also express interest in special asset classes, such as property and forestry investments. While clients manage these investments independently, Schmiegelow monitors them through its system, occasionally offering insights and comparisons to optimize asset allocation and returns. For clients seeking estate planning, it offers valuable insights and collaborates closely with their advisors to optimize strategies. This approach ensures comprehensive support for clients' wealth and estate planning needs without offering estate planning as a separate service.

## Transforming Investment Practices with Elevated Efficiency

Efficiency remains a cornerstone of Schmiegelow's operational strategy, driven by strategic mandates and the utilization of cost-effective resources. The firm maintains two client mandates that include a performance fee and focus on stock picking—a minor yet profitable aspect of its services. It leverages a specialized team based in Eastern Europe, capitalizing on lower labor costs for in-depth analyses. This approach supports its long-term investment business, which requires continuous review of all investments.

Initially, manual data entry and reliance on local staff in Copenhagen characterized its reporting processes. Two years ago, Schmiegelow transitioned to a sophisticated bookkeeping and reporting system. This system automatically matches liquidity transactions in bank accounts with investment transactions, ensuring accuracy and oversight in return verification. The automation significantly reduces bookkeeping time, enabling the team to focus on strategic investment management.

The system continuously improves workflow efficiency by integrating contracts, emails, and documentation and by providing real-time updates to clients via mobile platforms.



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OWNER

For instance, forestry reports are annually uploaded, evaluated and categorized using a traffic light system—green indicating meeting return expectations, yellow for underperforming investments that need review, and red for potential losses that require restructuring. This enables swift portfolio assessments, identifying well-performing investments and those requiring attention.

Looking forward, it is exploring a partnership to develop a system that evaluates the social and environmental impact of all investments to align portfolios with sustainable footprint expectations. Regulated by the Danish FSA, it focuses on meeting all regulatory requirements and has entered into a system that can automate all compliance work, including GDPR, ensuring that everything is tracked and monitored.

Schmiegelow excels at identifying competent managers and nurturing lasting partnerships. Its investment strategy, rooted in rigorous macroeconomic analysis and a steadfast focus on long-term growth, ensures that client wealth is preserved and grows, even in the face of market volatility and economic uncertainty. **Es**