

MARKET SNAPSHOT

U.S.	EUROPE	ASIA	
DOW	12321.20	-35.04	-0.28%
S&P 500	1312.31	-3.97	-0.30%
NASDAQ	2741.83	-4.33	-0.16%

LEARN HOW ECONOMIC CRISES AFFECT CURRENCY RATES

Forex exchange and CFD trading involve significant risk of loss



R : USD 1.4044 -0.3982% Nasdaq 2741.83 -0.16% Dow 12321.20 -0.28% S&P 500 1312.31 -0.30% FTSE 100 5835.13 -0.40% STOXX 50 2791.28 -0.36%

Anywhere | Professional | Solutions | About

Log in

Related News: [U.S. Sports](#) · [World Sports](#)

Tennis Champion Stefan Edberg Places Bets on Bonds

By Danielle Rossingh - May 25, 2011 11:55 AM GMT+0200

Recommend 7

29

Share 7

More

Print Email



Swedish tennis star Stefan Edberg. Photographer: Julian Finney/Getty Images

Stefan Edberg won six Grand Slam singles titles thanks to an aggressive serve-and-volley style. The Swede is taking a more careful approach when it comes to investing as he bets on bonds.

Edberg, 45, retired in 1996 with 42 singles titles, four Davis Cups and an Olympic bronze medal. The Hall of Famer, a former No. 1-ranked player who earned more than \$20 million during his tennis career, now manages most of his wealth himself and is a part-owner and board member of Stockholm-based investment company [Case Asset Management](#), which manages 5 billion kronor (\$800 million).

"I retired and suddenly, I had a lot of time," Edberg said in a telephone interview from Vaxjo, where he lives with his wife and two teenage children in a farmhouse about 275 miles south of Stockholm. "I didn't have to train three to four hours every day. That's really where the interest in investing started."

Case, which Edberg co-founded with Swedish investors Bo Pettersson and Fredrik Svensson, in January introduced a Nordic corporate bond fund called Safe Play, which manages 750 million kronor. Together with Swedish bank Sparbanken 1862, Edberg has invested 50 million kronor in the fund, which is mainly focused on Nordic corporate loans with high credit ratings.

"We felt that this is a growing business, especially in the Nordic region, because the corporate bond market is very small here compared to London and central Europe," Edberg said. Safe Play is aiming for returns of 5 to 7 percent, he said, and it has risen 3.4 percent so far this year.

Fair Play

Case started another fund, Fair Play, in 2004. It focuses on the Swedish stock market and interest-rate markets as well as derivatives, and posted a 27 percent return in 2009 and a gain of 10 percent last year, he said.

Investors in Sweden's benchmark OMX stock index made a total return, including dividends, of almost 25 percent last year. Holders of Swedish [government bonds](#) maturing in one year or more made 3 percent, including reinvested interest.

Pettersson sits on the board of watchmaker Sjoo Sandstrom and A-Comm AB, a Stockholm communications company. Svensson is on the board of several real-estate companies.

Case may expand into sports business in the future.

"In general in sport, there are a lot of people who make bad investments," Edberg said.

"Athletes should educate themselves a lot better."

Edberg had success on fast surfaces such as grass and hard court with his single-handed backhand. He won Wimbledon, the Australian Open and the U.S. Open two times each, and

Search News, Quotes and Opinion

More Stories

[Steroids Investigators, Armstrong in Sight, Have Won Athletes' Convictions](#)

[Toronto Airport Bonds Lag Behind as Authority Prepares Sale: Canada Credit](#)

[GE Capital Real Estate, Aberdeen Start \\$400 Million Tokyo Property Fund](#)

[GE Capital, Aberdeen Start \\$400 Million Japan Property Fund](#)

[Rate These Stories](#)

[More News »](#)

Advertisement

Garantiobligation 24% +
Pan-europeiskt engångs-erbjudande
Sista teckningsdag 31 maj
RBS
The Royal Bank of Scotland

Most Popular Stories

[Ash Halts German Flights as BA Seeks to Fly](#)
Updated 1 hour ago

[Blood at Scene Becomes Pivotal Issue for Strauss-Kahn Defense in Rape Case](#)

[Chanos Misses Out as Chinese Stocks in U.S. Plunge on Accounting Concerns](#)

[German Bonds Rise as Consumer Confidence Wanes; Copper Rallies](#)
Updated 30 minutes ago

[More Most Popular Stories »](#)

Sponsored Links

[Aberdeen Life & Pensions](#)
Investment Management Services For Life & Pension Funds Clients.
[Aberdeen-Asset.SE](#)

[MSc in Investment Banking](#)
& Securities, Top Masters Degree, Elite London Business School
[www.LSBF.org.uk/MSc-Banking](#)

[Executive Headhunter Jobs](#)
Europe's No. 1 Executive Job Site! Find Senior Manager Positions.
[www.Experteer.com](#)

Ads by Google

Advertisement

reached the final at the [French Open](#) in 1989. This year's [French Open](#) started May 22 on the clay courts of [Roland Garros](#) in Paris, where [Rafael Nadal](#) and Francesca Schiavone are defending champions.

Different Strategy

Edberg still plays tennis regularly and competes as often as six times a year on the ATP Champions Tour for retired former champions and top-ranked players. He described his investment strategy as "completely different" from his tennis tactics.

"I am pretty conservative and I probably have become more conservative over the last few years," Edberg said. "It's about preserving the wealth, and trying to beat inflation. I don't need to take a lot of risk. Especially going through the last crisis with [Lehman Brothers](#), I managed very well because I was very diversified, which I think is key for investing in the future. And understanding what you invest in."

Since taking charge of his own finances, Edberg said he's averaged annual returns of 5 to 10 percent on his portfolio. [Sweden's](#) Consumer Price Index has increased by an annual average rate of 1.86 percent in the past five years.

Lehman's Collapse

The Swede sold shares in 2008, the year that Lehman Brothers Holdings Inc.'s collapse helped trigger a global financial crisis and recession. He'd started to diversify his investments in 2004 by buying rental property in Vaxjo, a university town in southern Sweden with about 60,000 residents.

The discipline needed to work on different strokes and forge a successful tennis career can be good preparation for business, said Jonathan Pastel, a former professional player who is now a vice president of equity research sales at Sanford C. Bernstein & Co. in [New York](#).

"It's a grind, from start to finish," said Pastel, who made the qualifying round for the ATP World Tour's Pilot Pen at Yale event last year at age 34. "The fear of losing makes you tougher. It makes you work harder, too."

Edberg said he and his Case colleagues spotted an opportunity in the corporate [bond market](#) in the Nordic region in 2008. They bought corporate bonds in banks and insurance companies, based mainly in Sweden, Norway and [Denmark](#).

Crazy Prices

"Especially here in the Nordic region, prices just fell apart," Edberg said. "We bought into a lot of these corporates at crazy prices to start with. You could get incredible returns on those assets, which are a lot safer than equities. That's really where I changed my strategy, sort of more into the bond market in 2008. I've stayed there through the course and obviously increased equities a little bit."

Professional athletes still don't do a very good job tracking their money, he said. Schools and coaches have a responsibility to educate children about the economics of daily life, such as getting a mortgage or creating a pension.

"Once you succeed in tennis, financially you become quite well off," Edberg said. "It was a matter of taking control of your life through the end of your career and knowing where the money was, where it was invested and who took care of it. It's probably a pretty wise thing to do to get more control of your life for many athletes."

To contact the reporter on this story: Danielle Rossingh at Roland Garros through the [London sports desk](#) at drossingh@bloomberg.net

To contact the editor responsible for this story: Christopher Elser in London at celser@bloomberg.net



Advertisements

FREE \$50K



©2011 BLOOMBERG L.P. ALL RIGHTS RESERVED.

Bloomberg on Facebook

Follow @BloombergNow on Twitter

COMPANY

About Bloomberg	Sitemap
Solutions	Trademarks
Careers	Feedback
Contact Us	Terms of Service
Press Room	Privacy Policy
Help	Advertising
关于彭博中国	

Recommend 7

29

Share

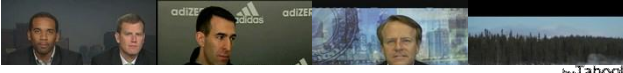
More

Email

Print

Videos You May Like

» Prev 1 of 3 Next >



[Aberdeen Life & Pensions](#)
Investment Management Services For Life & Pension Funds Clients.
[Aberdeen-Asset.SE](#)

Ads by Google

Related News

[U.S. Sports](#) · [World Sports](#)

MORE FROM BLOOMBERG

- Bloomberg Businessweek
- Bloomberg Link
- Business Exchange
- Bloomberg Markets Magazine
- Bloomberg Briefs
- Bloomberg New Energy Finance
- Bloomberg Government
- Bloomberg Open Symbology
- Bloomberg HT
- Bloomberg Press
- 日本語サイト
- Bloomberg Sports
- Bloomberg Law

