

4 April 2017

## Funds People

# Mergoni (Banor Capital): “Our expansion plan in Italy”

By Silvia Ragusa



The idea is for a specific expansion plan for the Italian market. A plan that, as of this year, has been gaining pace and consolidating, as **Giacomo Mergoni**, CEO of **Banor Capital Ltd**, explains to **Funds People**. On the distribution front, the harmonised UCITS IV Luxembourg-based investment firm is putting the finishing touches to new agreements to drive its products in Italy. “We’ve sealed two important partnerships with **FinecoBank** and **Banca Generali** and in 2017 will continue to work on other major networks, on institutional clients and on organising events with the focus on our strategies”, explains the CEO. “Our funds are open to any type of investor with a medium/long-term horizon, like our own. So far, most of our clients have been high net worth and institutional, both in Italy and in the UK. From this year on, through our distribution platform, we’ll also be present on the Italian retail customer network”.

The latest agreement, with Banca Generali, follows close on the heels of the one with FinecoBank. It envisages the placement of the six SICAV segments managed by the London-based firm and characterised by a value-based fundamental approach. Its strategies cover both stock and bond markets and focus on the world’s main geographical regions. “It may seem paradoxical, but what we’ve been offering our clients for over ten years is a return to companies’ fundamentals. Today, more than ever, in a

scenario dominated by the standardisation of monetary policies and by investors who decide to take a break from thinking and invest only in ETFs, **value investing** – i.e., distinguishing between good and undervalued companies and companies that are compromised and expensive – **provides an opportunity to exploit new and significant market inefficiencies**".

For this reason, Mergoni is convinced that all the principal strategies on offer are interesting right now for anyone looking to build up a standard portfolio. "In the USA, the market might grow less, and differentiating between securities products, including going short, will be of vital importance. In China, we're finally seeing a resumption of flows and a return to optimism on the part of institutional investors. We've never doubted long-term growth, but are happy to see that many other investors are taking the same view. In Italy, we could see a normalisation of valuations, which currently are excessively discounted with respect to those of our European competitors. On the bond side, the negative rates on many corporates are making our task of seeking out yields without the corresponding duration even more stimulating and our target result (3-3.5%) even more interesting".

For the first few months of 2017 the SICAV has therefore been getting stronger in distribution but doesn't rule out more new developments in the short term. "We're planning to launch an Asia income fund in collaboration with a well-known Singapore asset manager. We're also thinking of new long-only stock market projects", mentions Mergoni, before moving on to the new individual savings plans (ISPs). "The idea underlying ISPs is very interesting, although the obligation to invest in Italian small and medium caps is creating significant over-valuations that we need to be handled with care. We're assessing the opportunities and will soon be in a position to launch our own fund", concludes Banor Capital's CEO.