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# BLUE RATING

*Mergoni (CEO of Banor Capital) announces launch of Asia Income fund*

## **Aiming for growth in 2017 From strength to strength in Italy and the UK**

*The company has launched a drive to see its funds on the main distribution platforms*

by Chiara Merico



Our management approach is inspired by value investing. How does that work? We buy below the company's fair value, with a good safety margin.

*Giacomo Mergoni, Chief Executive Officer of Banor Capital*

A year flying the "growth" flag both on the Italian market and in the United Kingdom: that's the 2017 outlook for Banor capital. Giacomo Mergoni (see *photo*), Chief Executive Officer, spoke to BLUERATING about the company's plans.

### **What sort of a year was 2016 for Banor Capital?**

2016 ended on a high note, both in performance terms and in terms of our company's development. The volatility we saw in the early months of the year gave us significant buying opportunities that bore fruit in the second half.

Geopolitical events neither harmed nor panicked us: in 2016 we increased our London staff by 50% and funds by 80%. We gained important recognition on two fronts that confirmed that we're growing, a lot and in the right direction: 1,000 Companies to Inspire Britain, a report drawn up by the London Stock Exchange, and Investec Mid-Market 100 both included Banor Capital among the fastest growing companies in the UK.

### **How would you describe the firm's development and investment strategy?**

Since 2001, when we first started out in London, our goal was to give our clients positive and repeatable results that are also easy to interpret. Our management approach is based on value investing, a concept developed by Graham and Dodd in the 1930s. That means, simply, that we try to buy well below what we consider to be a company's fair value. So we invest with a significant safety margin on our side – the difference between the market price and our evaluation. The process is easy to describe but harder to implement: our strong point is the quality of the analyses we perform to identify that fair value and the fact that we're rarely satisfied just with what the markets and newspapers say. We try to gain a different view of what's happening – variant perception – and to understand why the person on the other side of the trade is, in our opinion, getting things wrong. If we can't find an evaluation with a generous safety margin, or we don't understand why a security is being traded at a given price, we simply don't invest.

The development of our firm follows the same philosophy: we invest in new projects only when we see ample chances of success, and above all have all top quality people who make that one of their inspiring principles.

### **Turning to the SICAVs, what new developments are planned for the coming months?**

In general, we want our existing funds to be successful before we launch new ones. In 2016 we saw the introduction of two important Aristeia SICAV funds: Global Flexible and New Frontier Markets. For the first part of 2017 we're planning to launch an Asia Income fund in collaboration with a well-known Singapore fund manager. The other projects we're currently considering are in the long-only share sector.

### **What projects has Banor Capital got its sights set on for the near future? And in which international finance markets?**

Given what I said earlier, the Banor team is focusing on just a small number of projects that it's trying to execute to the very best effect. As regards Italy and continental Europe, we've launched a major drive to see our funds placed on the main distribution platforms. We've just launched on the FinecoBank platform and we'll soon be able to announce other important partnerships. Turning to the "Anglo-Saxon" market, we're focusing strongly on funds of funds and asset managers. We then aim to launch a targeted campaign in the international private banking sector.