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Il Messaggero

“Value investing” is best, in the words of Warren Buffett

Value or Growth? Invest in a company's value and profits, or in the growth in sales and business? For many producers there's no contradiction, only a theoretical one. Indeed, some people preach a necessary balance between the two schools of financial thought. One example is Banor Capital, a boutique firm established less than 20 years ago. This year, the firm made its debut appearance at the Salone del Risparmio in Milan, with a “pop” presentation after years dedicated almost exclusively to private and institutional clients. For Banor there's just one philosophy, without hesitation: value investing, but without excluding high-growth stocks. “Value investing is an investment strategy that was first ‘codified’ in the 1930s”, explains Francesco Castelli, head of fixed income at Banor Capital. “Warren Buffett has been its most effective standard bearer”.

A BOUTIQUE FIRM THAT PRODUCES THE GOODS: REPLICATING THE US FINANCIER'S SUCCESSFUL METHODS

One condition is a finely-tuned analysis of companies in the quest for true profits, not just a clear growth in orders and turnover, but also in competitive advantage. “We look for companies that have an intrinsic value that's higher than the market price”, explains Castelli.

Banor Capital's funds -- 11 in all, and often achieving award-winning results -- are produced through two Luxembourg-based SICAVs [open-ended investment companies], Banor SICAV and Aristeia SICAV.

FEW PRODUCTS, ONE PHILOSOPHY

“We're a boutique firm”, explains Castelli. “We cover the niches in the market that we know best and where we think we can perform well. We've grown with the help of partners that know every last detail of the markets for which they create the most suitable funds”. From 50 million to 7 billion in assets in less than 20 years, through Banor SIM's asset management business in Milan and the funds managed by Banor Capital in London. “Right now we're seeing a defensive approach predominate”, concludes Castelli, “both for shares and for bonds. In terms of investment, our analysts are paying close attention to companies in Germany, but there are good investment opportunities in Italy too. Today I'd say investors should focus less on the United States, unless they can bet downwards on less expensive securities, as we do”.

M.Bar.

BANOR CAPITAL

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