

## Banor Capital unveils global EMD fund for ex-PIMCO manager



Banor Capital has launched a global emerging markets debt fund, offering access to the debt of both emerging and frontier nations, Investment Week can reveal.

The Aristeia SICAV FIM GEM Debt fund is a sub-fund of Aristeia SICAV and seeks to provide investors with well-diversified exposure, using a risk mitigating framework to aid with market risk.

Led by Francesc Balcells, who previously managed similar products at PIMCO, investment decisions will be made based on a fundamental approach with "strict and meticulous" controls, including ESG criteria, to create a portfolio of 40-50 securities.

The fund will target medium to long-term capital growth of 3% of outperformance per annum, with medium volatility.

The vehicle is anchored to hard currency debt but is able to allocate to local currency sovereigns, along with corporate debt and EM FX.

Giacomo Mergoni, CEO of Banor Capital, said: "Over the last twenty years we have had the opportunity to build and strengthen our relationship with extraordinary fund managers, including Francesc Balcells.

"Moreover, emerging markets and frontier markets present very good and idiosyncratic opportunities for returns within a diversified portfolio.

"During the truly unique times we are going through, characterized by low interest rates and a shock to global economies, this new fund should be able to capture diversified returns with a medium risk profile."

Balcells added: "We think of four drivers of EM performance going forward: the top-down view of the world, the bottom-up assessment on credit risk, bond valuations, and market technicals. On balance we see a positive direction in each one of those drivers, supporting our positive outlook for EMs.

"We see different responses to the shock, including interest rate cuts, fiscal expansions, quantitative easing or/and countries seeking support to external balance sheets such as the IMFs. The capacity to respond effectively to the shock will be determined by the countries' initial macro conditions and their political constraints.

"Market wise, different policy reactions will engender different asset price responses, providing a wealth of opportunities to investors to express different views."