

UK boutique hands EMD fund to ex-Pimco manager

New strategy to focus on emerging and frontier market opportunities.

By CHRIS SLOLEY

London-based boutique Banor Capital has launched a global emerging market debt fund for former Pimco manager Francesc Balcells.

The Luxembourg-domiciled fund is formally called the Aristeia Sicav Fim GEM Debt fund and will be run through the Aristeia Sicav. It will focus on both emerging and frontier market debt opportunities.

Balcells is chief investment officer for emerging market debt at London-based group FIM. He stepped down from Pimco in the summer of 2019 having spent several years there overseeing multi-billion dollar emerging market debt funds.

In this new approach, Balcells will take into account various filters, including compliance with ESG criteria, which lead to a high conviction portfolio, consisting of approximately 40-50 positions.

Banor Capital said the new fund is dedicated to investors who intend to pursue medium to long term capital growth with medium volatility.

Most of the fund's investments (at least 51%) is invested to hard-currency debt. The fund can dynamically allocate to corporate bonds, local currency sovereign issues and EM currencies. The fund may invest up to a maximum of 20% in China and Russia.

Commenting on the launch, Giacomo Mergoni, CEO of Banor Capital, said: 'The global emerging markets debt strategy is an important addition to Banor's offering. Over the last 20years we've 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, characterised 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.'