

## **Italian family offices line up to back Morchio's Alkimis launch with €100m February 2010 Newsletter**

A number of well-known family offices have backed the launch of Massimo Morchio's Alkimis, enabling the global long/short fund to launch in December with assets of €100 million.

Morchio was previously CIO at RAS, Italy's second largest insurer, where he ran over €40 billion in long-only assets. He left two years ago in the wake of the company's takeover by Allianz.

Alkimis is an onshore Italian SGR - an asset management company authorised by the Banca d'Italia - and runs both the hedge fund and a UCITS III fund with a corresponding strategy.

Morchio heads up a team which also worked together at RAS, including Luca Montorfano, former head of European equities.

The hedge fund is run relatively conservatively, with a long bias and limited leverage. It is based on the stock-picking style that Morchio employed at RAS, with a reasonably high-conviction style and a portfolio composed of a limited number of stocks all with a 3.5% weighting.

"We want to be convinced of the stock's merit, and then to back it at a level where it can have a real effect on the fund's NAV," Morchio said. Stock selection focuses on a number of measures including cashflow generation and operating momentum.

The fund has found backers among the family offices, particularly in Italy, partly because a number are able to sit on the board of the SGR and receive monthly updates on performance and portfolio management.

Key backers include: B&D Finance, the family office of De Agostini; the Barilla families, owners of the food group; and Catelli, owner of the Artsana-Chicco group.