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## **Investing in Italy the Sorgente Way**

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Ever heard of Italian investment company Sorgente? No? Well, aside from producing excellent returns for its investors, and thus ensuring that many will end up with a pension at the end of their careers, Sorgente's investment strategy is helping protect the world's heritage.

One thing I love about Italy is the country's ability to preserve its cultural heritage. Although there is evidence, in the form of Palermo, for example, to suggest the contrary, anyone who has visited the likes of Rome, Florence, Venice, Siena and a myriad of other Italian towns and cities will have noted how their timeless centres are in fine condition, and at the same time, are places which live and breath. This is the one of the most glorious aspects of the Living Museum, and long may it continue.

Indeed, as many will know, Italy has a seemingly unlimited supply of architectural masterpieces. Many of these buildings cum artworks are put to good use which ensures they will continue to contribute to Italy's fascination, and preserve Italy's reputation as a primary destination for those in search of substantial doses of European culture.

Recently, innovative Italian property investment company, Sorgente, which owns the Flatiron building in New York incidentally, has been doing its bit in terms of preserving of Italy's finest buildings. In Rome, no less.

### **Sorgente's Latest Trophy - the Galleria Colonna in Rome**

Now known as the Galleria Alberto Sordi, a name which was adopted after this atmospheric Art Nouveau shopping arcade in Rome reopened after renovation works in 2003, this elegant covered shopping centre is situated in the very heart of Rome. Indeed, Piazza Collona, onto which the Galleria Alberto Sordi fronts, is also where Palazzo Chigi, an Italian government centre of operations, is to be found.

Headed by real estate expert, Valter Mainetti, Sorgente bought this historic shopping arcade as part of its so-called trophy property investment fund, which is a real estate investment vehicle that aims to acquire prestige property around the world. Although some may think to the contrary, such real estate can produce very healthy returns for investors, provided that they are managed efficiently. Efficient management is another of Sorgente's specialities too, so you can be certain that if the company buys architectural classics, they will remain so. And yes, just to remind you, this is an Italian company we are talking about.

Other prime properties which Sorgente has acquired include New York's historic landmark and cultural icon the Flatiron building, and Sorgente recently sold a majority share in another New York icon, the Chrysler Building.

### **Risky investment Strategy?**

As is to be expected, the running costs associated with buildings, such as the Galleria Colonna shopping arcade, which double as works of art, can be phenomenally high. Indeed, most investors would shy away from such risky investments. Most investors is not the category into which Sorgente falls though, luckily for Italy, and for the rest of the world.

Exploiting a combination of market knowledge and technical expertise, not to mention a love of beautiful buildings, Sorgente is able to take on seemingly high risk investments, exploit their obvious benefits, and make them produce a profit. At the same time, of course, this innovative Italian investment company is helping conserve Italy for both its residents, and for the world. Ever thought of an outwardly dull investment company saving portions of the world's artistic heritage? Probably not, not until now, that is.

The Chairman of Enasarco, an Italian pension fund which participated in the acquisition of this landmark Galleria Colonna shopping arcade, Brunetto Boco, stated that the completion of the

Galleria Colonna deal represented "Another important step in the cultivation of our (Italy's) architectural heritage. We are particularly proud to have been involved in this investment, which enabled the Sorgente Fund to acquire a historic building against foreign competition."

As you can see, Sorgente is helping to keep the best of Italy, Italian. It is also saving Italian taxpayers an enormous amount of money, in that public funds are not needed to maintain Italy's architectural heritage.

Unlike many companies, Sorgente is not afraid to think long term. One could think of it as being a white-knight investor.

### **Long Term Innovator Sorgente**

Actually, in using the word 'innovative', one conjures up the image of some recently founded start-up, a company which operates in the high tech field, possibly. Sorgente, on the other hand, is an Italian company which has been innovating in the field of investment for more than 200 years, for that is how long the company has been a player in the market.

At first sight, Sorgente's investment strategy may seem a little on the ambitious side. However, if you dig a little deeper, you will understand that this company is very effective at putting its 200 years of history in property investment to exceptionally efficient use.

Sorgente's activities are not solely limited to Italy. Indeed, as mentioned previously, Sorgente owns property in the United States of America including such cultural landmarks as the distinctive Flatiron building in New York.

While investment companies in general do not have the best of names at present, what with the credit crunch having been brought about primarily by overly ambitious and badly thought out high risk investment products, Sorgente is weathering the economic storm very well. So why is this Italian company doing so well?

### **The Valter Mainetti Factor**

One of the main reasons why Sorgente's performance is exceptional is the management skills of Valter Mainetti, Sorgente's managing director. Sorgente's Trophy Investment fund is a product of his foresight. And, let's face it, any company which can go about spending in today's economic climate must be run exceptionally well. Sorgente must know a thing or two about risk management too, I would say.

Considered both a pioneer and an ambassador for Italy's real estate industry, Valter Mainetti, is a shrewd Italian quietly acquiring some of the world's finest buildings. Supporting Mainetti, of course, is a team of experienced property professionals, and a network of banks and other sophisticated firms.

Pioneering Mr Mainetti was also one of the first investment specialists to have introduced the concept of real estate investment funds to the Italian market. Indeed, one could say that Mainetti, who has worked outside of Italy, is highly adept at taking the best of solid Italian investment strategy and mixing it to good effect with the creative thinking common to the USA and UK investment markets.

Mainetti really does appear to have real estate in his blood. In fact, his family were involved in the construction of high rise buildings in 1920s New York. I was also interested to learn that late Italian politician, and former prime minister of Italy, Aldo Moro supervised Valter Mainetti's degree thesis. The trophy hunting investment strategy of Sorgente SGR, is very much in keeping with the Mainetti family's long standing interest in culture, and in addition to operating one of Italy's most successful investment funds, the Sorgente group supports conservation efforts, and encourages the development and appreciation of various other forms of artistic creativity, through direct investment, support for research projects, and the funding of restoration.

### **Cultured Investment Funds**

Even the names of Sorgente's investment funds, Michelangelo, Caravaggio, Donatello, Baglioni, symbolise the company's interest in culture. Mainetti somehow also manages to find time to devote

to promoting all that is best in Italy, as is evidenced by the Sorgente Group Foundation. More on this another time.

In short, Sorgente amounts to a pretty much untold Italian success story. A fable which could, perhaps, be used to teach others a thing or two about sustainability and corporate social responsibility, and not just in Italy. Impressive stuff. An example which shows that with the right mentality, capitalism has a lot going for it.

If only the rest of Italy were to be managed with the same level of insight.

I wonder if Sorgente is looking into this investment opportunity: [The Admirable Admiral's Villa in Taormina Hope so.](#)