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Italy's Sorgente expands funds' AUM by 2.5% in 2008

Rome-based international fund manager Sorgente SGR closed 2008 with growth of 2.5% in total funds managed due to the overall stability of the Michelangelo and Caravaggio Funds, a rise in value at its Baglioni Fund and a positive start for its new Donatello Fund. Through management know-how Sorgente SGR said it has been able to ensure full protection of its invested assets, focusing activities on products with high prestige for architectural and functional qualities, situated in central locations. The group noted that these results were achieved during general stagnancy in the market and confirm the high quality of investment choices made.

Shares in the listed Michelangelo fund fell 1.26% to end the year at €186,835. This was caused by a tax liability incurred after the sale of the Chrysler Building. With turnover of €421m and a performance of 86.83% since start-up, the compound average annual return a high 9.25%. Aside from the Chrysler sale, notable activities in 2008 included preparations for raising its stake in New York's Flatiron Building. Sorgente's Caravaggio Fund showed a slight 0.9% change in share value to €3,312 and has a performance since start up of over 32% and a compound average annual return of 5.85%. Activities involved the finalising of bureaucratic procedures for renovation of a property in Via del Tritone in Rome which will be finished in 2010. No investments or disinvestments of properties or shareholdings were made in 2008. The Baglioni Fund continued to gain in value in 2008 with a growth in yield of 7.99%. Since start up total activities were valued at €96m, and its compound average annual return has been 11.13%. During the first six months, Baglioni purchased an important property complex in Punta Ala near Castiglione della Pescaia. This investment represented another step in the creation of a portfolio of properties to be used for hotel purposes.

In 2008, the group's Donatello Fund began operations for all authorised compartments achieving an overall value of €241m for its activities for the year. Since its inception and over a difficult year for the economic and financial system, the fund, reserved for institutional investors, has pursued a careful policy in the selection of opportunities to invest in, seeking diversification in retail, offices and distribution.