

IL TEMPO – Tempo & Denaro – 02/20/05 - by Laura Della Pasqua

WHAT THE PAPERS SAY 2005

"The Sorgente Fund from Rome to New York"

The real estate market continues to be the main form of investment for savers although it is also a highly interesting time for the real estate investment fund sector.

In Rome there is a savings management company called Sorgente that was incorporated in the capital in 1999 following the introduction of the law regulating savings management companies.

"The fund sector is monopolized by the banks, but we have managed to carve ourselves a space," states constructor-financier Valter Mainetti, main shareholder and managing director of Sorgente SGR.

Following the performance of our Michelangelo Fund, which is among the top earning Italian real estate investment funds, and the imminent floatation of the "Caravaggio" Fund, Mainetti now has other ambitious targets. Supported by family tradition, particularly his maternal grandfather who, after establishing a firm in New York in 1919, over the space of a decade, built the historic steel buildings from the Chrysler to the Van Allen and the extension to the New York Stock Exchange, Mainetti is aiming at investments and new initiatives in the United States.

"It's a particularly favorable time," he goes on to say, "The weakness of the dollar, a definite incentive to purchase real estate on the other side of the Atlantic is countered by the trend in the property market which is inversely speculative to that of the money market, providing a sort of natural protection from exchange rate risks."

You manage assets worth 500 million euros and investment programs worth 1.5 billion euros, combining personal know how in the real estate sector to that in the finance arena. How did this initiative come about?

"I was about to venture into the New York market with the idea of starting up a company when the law introducing real estate investment funds, that we had been waiting years for, was approved. The American were therefore put on the backburner. In 1999 Sorgente was created and Rodolfo Cutino, ex watchdog chief at the Bank of Italy became its president.

Why is it that in Italy the propensity to purchase houses is not accompanied by the same propensity to invest in real estate funds?

"Because of the public's diffidence towards financial products in general. A diffidence that is even more evident in those who turn to bricks and mortar precisely as an alternative to the stock market. There is therefore a preference for investing directly in property itself rather than mediating investments through a fund. The results the funds manage to obtain will be the best means of convincing potential subscribers in the future."

What is the secret to make a real estate investment fund perform well?

We have always sought to achieve added value in every operation. We have completed, restructured buildings and then we have re-rented them out. We will do the same for the Caravaggio Fund. With the Michelangelo Fund also begun to resell to re-invest.

What led you to give the funds the names of great painters?

A love for art has always run in the family. So, when we had to decide what to call our funds, I suggested the names of Michelangelo, Caravaggio, Donatello, Raffaello and Tiziano as a propitious start."