INSTITUTIONALINVESTOR.COM

Link al Sito Web



II Publications ▼

Data pubblicazione: 09/04/2015

Banking + Capital Markets

Asset Management

Investors

Research + Rankings

Video

□ > f S+ 回 か





VBV's Günther Schiendl Is Keen on Europe but Not on Fees



Power Africa Fuels Public-Private Energy Development

Home » Investors » Pensions » Inarcassa CIO Seeks to Manage Returns and Expectations







Inarcassa CIO Seeks to Manage Returns and Expectations

After enjoying the Italian bond rally, Alfredo Granata is diversifying into foreign stocks, real estate and currencies.

By Tom Buerkle



ITALY WINNER: ALFREDO GRANATA, INARCASSA

Buying Italian Treasury paper at 7 percent was nice while it lasted, notes Alfredo Granata, CIO at **Inarcassa**, an €8.6 billion (\$9.4 billion) pension fund for 170,000 self-employed engineers and architects in Italy. The collapse in yield spreads over the past three years helped the fund deliver annualized returns of 7.1 percent over that period.



- 1. Pricing an Economic Good Called Water
- 2. Vanguard Group Bets Big on Financial
- 3. Discover's David Nelms Turns Tech Players into Allies
- 4. Mizuho Takes Top Spot on 2015 All-Japan Research Team
- 5. Policy Easing, Credit and Chinese Strategy

SPONSORED



Daily Agenda: FOMC Signals Rate Hike Coming

ANDREW BARBER • APRIL 09, 2015

INVESTORS

VBV's Günther Schiendl Is Keen on Europe but

TOM BUERKLE • APRIL 09, 2015

Now Granata, 48, has to find new ways of reaching his 4.5 percent real return target. He and his 12-person team have nearly halved the fund's allocation to euro zone government bonds, to 11 percent, and put more money into Asian and emerging-markets equities (9.6 percent and 8.9 percent weightings, respectively) and alternatives (7.5 percent). "We think that for the next several years the main risk will be rising interest rates," he says.

The CIO is looking to tilt Inarcassa's big real estate exposure to foreign markets. He's aiming for a 4 percent weighting in real estate outside Italy, up from 1.6 percent at the end of 2014. He has been turning increasingly to currencies, particularly the dollar, to generate returns. Almost 40 percent of the portfolio is based in foreign currencies, and Inarcassa currently leaves half of that exposure open. Until about three or four years ago, it hedged all of its currency exposure.

As if generating returns wasn't enough of a challenge, Granata also has to manage the expectations of the fund's members. Italy ran relatively high inflation rates until recent years, and people grew accustomed to nominal returns in the high single or double digits, he notes, but in an environment where inflation is virtually zero that's no longer realistic. "We have to be aware that nominal returns of 3 or 4 percent have the same value as 7 to 8 percent" when inflation was higher, the CIO says.

An economics graduate of Milan's Bocconi University who entered finance as an analyst at Banca di Roma in 1992 before moving into asset management, Granata sees a few green shoots in the Italian economy — which has suffered three recessions in the past six years — but nothing like a boom. "I'm not too optimistic," he says.

This profile is one of 12 written for our 2015 European Investment Management Awards, which honors some of the best investors in the business. See also profiles of Lifetime Achievement Award winner Henrik Gade Jepsen, Centrica's Chetan Ghosh, Lancashire County Pension Fund's Michael Jensen, ABN AMRO's Geraldine Leegwater, Varma's Reima Rytsölä, AP4's Magnus Eriksson, CERN's Elena Manola-Bonthond and ERAFP's Philippe Desfossés. Check back tomorrow to read about VBV's Günther Schiendl.

Follow Tom Buerkle on Twitter at @tombuerkle. Visit his blog, The Globalist.

LEAVE A COMMENT	(0)
Name	
Email	
	Post Comment
	(rest community

Link al Sito Web Linde Pension Avoids Euro and Delves into Bond Alternatives APRIL 08, 2015 Elena Manola-Bonthond Adjusts CERN's Model in Light of Low Rates APRIL 07, 2015 France's ERAFP Has an Appetite for Equities, but Hold the Carbon APRIL 07, 2015 At Finland's Varma, Reima Rytsölä Bets Big on Alternatives APRIL 02, 2015

BANKING + CAPITAL MARKETS

Power Africa Fuels Public-Private Energy Development

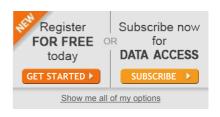
MATT MOSSMAN • APRIL 09, 2015

Japan's 2015 Top Corporate Access Providers
APRIL 08, 2015

INVESTORS

Taking the Risk from Longevity, Low Rates and High Premiums

JOEL KRANC • APRIL 08, 2015



Research +

The 2015 All-Japan Research Team: Mizuho Securities Group takes the top spot while Nomura slips to second.

The 2015 All-Japan Sales Team: Nomura takes the crown for a fourth year.

Japan's 2015 Top Corporate Access Providers:

Global Research Leaders: Year to Date: Bank of America Merrill Lynch knocks J.P. Morgan out of first on II's Global

BROWSE RANKINGS:

Select Report Type

Select Ranking

SEARCH

See more Research + Rankings »