

Wealth manager GWM Group eyes hedge fund boost

By Sudip Kar-Gupta

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(Reuters) - GWM Group, a wealth management company founded by an Italian 10 years ago.

The company's "7H Absolute" hedge fund started trading in June and GWM Group managing partner Peter Sartogo told Reuters that its performance so far had been positive.

The fund invests only in European equities on a long/short basis, targets an annual return of 15 percent and hopes to grow to manage several hundred million euros worth of assets.

"July is looking good. In the first two months, we should be up 3 percent," Sartogo said in an interview on Friday.

GWM Group was founded in 2000 by Italian businessman Sigieri Diaz della Vittoria Pallavicini, with Sartogo joining from Deutsche Bank (DBKGn.DE) in 2005.

The group, which has a head office in Geneva along with other bureaux in centres such as London and New York, currently has 2 billion euros of assets under management.

Sartogo declined to say if GWM had a goal for how many assets under management it was targeting by the end of 2010, but said the 2 billion figure was up from a year ago.

The 7H Absolute hedge fund is run by Italian managers Simone Chelini and Pietropaolo Rinaldi, and has around 50 million euros under management at present.

"The capacity of the fund is 400 million euros," said Sartogo.

He said Chelini and Rinaldi tended to avoid commodities and pharmaceutical stocks, and focused more on technology and media, consumer goods, industrials and financial stocks.

Recent picks by the fund included a short position on Italian shoemaker Geox (GEO.MI) and a long position on sportswear group Adidas (ADSG.DE).

Sartogo said GWM could develop other hedge fund offerings in future.

"This could be the idea, but for today we are focused on making this fund a success."