

FEATURING

**ALFREDO
PIACENTINI**

MANAGING
PARTNER OF
DECALIA

**SEEKING
SUSTAINABILITY**

Thematic pioneer

Decalia's Alfredo Piacentini looks to continue his thematic innovation

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Having founded – and grown – two companies in under 20 years, Alfredo Piacentini is not afraid of venturing off the beaten path.

In 1996, he started Banque Syz alongside Paolo Luban – who now sits on Decalia's board of directors – and Eric Syz and launched the Oyster fund range. Two years later, the bank had reached over CHF 1bn in assets under management.

When he left, in 2014, he set off to create a family office for himself, some friends and a small group of clients: Decalia was born. Isabella Pedrazzini and Rodolfo de Benedetti joined him, followed by Xavier Guillon, Sébastien Demole and later Yves Rochat, who are now all partners at the firm.

'The idea was to propose investment solutions to high-net-worth individuals and institutional clients. My partners and I always co-invest alongside our clients ensuring a full alignment of interests,' he says.

Today the firm employs 68 people and has offices in Geneva, Zurich and Milan. Its three core businesses are: wealth management, thematic funds and private markets, but it also offers family office services.

The company has just under CHF 5bn in assets under



management. 'We used to have a little more than that, but the markets haven't helped recently,' he says.

Trends take time

The work on the fund offering began almost immediately after the creation of the company.

'At Syz, I was the managing partner in charge of wealth management and the Oyster range so I was familiar with the process of creating and launching products for multiple channels. When we founded Decalia, I knew from the start which interesting investment opportunities I wanted to offer clients,' Piacentini says.

The firm now offers a range of long-only products, including the Silver Generation, Millennials

and Circular Economy funds, aimed at capitalising on trends which are changing people's habits and lives. 'We have had some very good ideas over the years.'

The recent market performance however has not helped thematic stocks, Piacentini explains. 'ESG and quality growth stocks have been hurt by these two crises [Covid-19 and Russia's invasion of Ukraine]. It is normal in a time of slowing economic growth and rising interest rates that growth stocks are more negatively affected than value ones. I am not particularly worried about it as these are long-term trends.'

He believes it is important to assess each company individually and not include it in a portfolio just because it falls



within a certain theme, but this is not an easy task.

'This is somewhat similar to what happened in 2000. Investors knew the internet was going to become an increasingly important part of people's lives but valuations at the time



weren't right. Fifteen or 20 years later, we realised that the trend was indeed powerful but it was difficult to play at the time.

'We need to learn lessons from the past. We have identified trends that will be important in the coming years but the recent developments have highlighted that investors have been too enthusiastic until last year. We now need to identify the companies which are not only doing well now but will continue to perform,' he says.

As a result, the firm has been reassessing the stocks held in the funds' portfolios, to make sure valuations remain reasonable and are holding up well in an environment of higher interest rates.

When it comes to trends, and ESG in particular, time is key for Piacentini.

'We are all impatient and want to make the transition to a more sustainable society in a day but the reality is that changing habits and structures requires time. You need to be careful not to have a situation where people preach about it but then in reality carry on living in the same way as before. To do things sustainably, you need to be reasonable in the way you expect companies and

governments to apply these principles and accept that it will take some time.'

As part of this, Piacentini believes it is important to engage with companies. 'We need to encourage those companies that have understood how important the transition is and want to change. If we do not do that, they will not have enough capital to actually modify the way in which they operate. On the other hand, those which are already perfectly compliant with ESG criteria are often very expensive.'

An eye to the future

For a company of Decalia's size, competition is fierce, Piacentini explains.

To remain ahead he says he is constantly on the hunt for talented managers. At the end of 2021, the firm hired Alexander Roose and Quirien Lemey from Degroof Petercam to manage its Sustainable Society fund.

This however is not the only area he wants to develop further. He is currently hiring private bankers in Switzerland who will be working to provide clients with active management.

'This is part of our tradition. We have a very active approach, especially for the medium-term.'

Private markets are also a key area for Piacentini. Through Decalia Capital, the firm offers direct investments into small and medium-sized Swiss companies. 'We find the companies among those who need capital to grow and propose them to our clients as direct investments.'

The firm is also planning to launch more thematic funds.

'We cannot afford to be average, we need to excel. This

applies especially to the asset management activities as there are lots of other companies now launching thematic funds but we are working on some new ideas, especially in the areas of life which will be affected by technological and ESG developments. We need to be innovative,' he says.

If his previous experience is anything to go by, he won't be afraid of striking out.

