

Hedge Fund News

Bloomberg

Bulgari's Former CEO Plans Hedge Fund With Advisers to Elliott

- Bluebell's activist hedge fund will target European companies
- Investment will kick off on Nov. 11 with about \$55.7 million

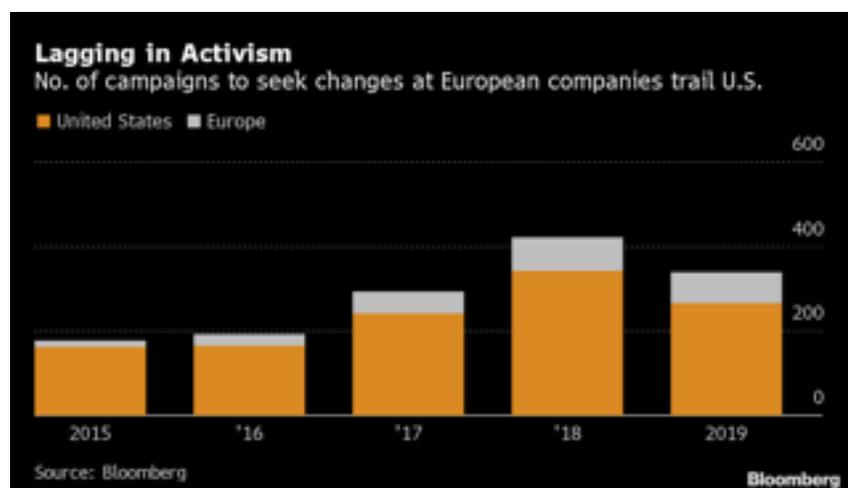
By Nishant Kumar

(Bloomberg) -- The former head of Italian jeweler Bulgari SpA is preparing to start a hedge fund along with a pair of finance veterans who have advised the likes of activist investment firm Elliott Management Corp.

Francesco Trapani, who ran Bulgari for nearly three decades, Marco Taricco and Giuseppe Bivona plan to start the Bluebell Active Equity Fund on Nov. 11 with about 50 million euros (\$55.7 million), the three said in an interview on Thursday. Taricco and Bivona are co-founders of Bluebell Partners in London.

The launch is an ambitious step for the three executives, who have spent the last five years helping Elliott Management, Jana Partners and other firms execute activist campaigns in Europe and the U.S. Bluebell's fund will focus on European companies with a market capitalization of 2 billion euros to 15 billion euros, according to an investor presentation.

Activist investors typically build up a stake in a company, then agitate for changes to the business in an attempt to boost the share price. This is a well established tactic in the U.S., where hedge funds are often pitted against the management of their target companies. Europe has seen fewer such campaigns -- about a quarter of the level in the U.S. this year, according to data compiled by Bloomberg.



While the Bluebell fund's small size will limit the pressure it can apply to companies on its own, the founders plan to join forces with other activists they've worked with in the past to amplify their influence. The fund will target an annualized return of 15% from investments in about 15 stocks.

"It's a strategy based on collaboration with shareholders," Bivona said. "We are able to reach out to a lot of our former clients."

Bluebell Partners helped billionaire Paul Singer's Elliott in its campaigns against Telecom Italia SpA and Ansaldo STS SpA. Along with Trapani, they also advised Barry Rosenstein's hedge fund Jana as it built a stake in Tiffany & Co. in 2017, with Trapani taking a seat on the jeweler's board that year.

The three executives are starting their fund in a tough capital-raising environment. Investors are pulling out from hedge funds following years of mediocre returns and high fees. They have yanked about \$77 billion this year alone, twice as much as in all of 2018, according to eVestment data.