

# Bloomberg

## Ex-GLG Manager Starts \$150 Million Green Hedge Fund at Ambienta

Nishant Kumar  
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- Italian private equity firm ventures out into public markets
- Fund will bet on and against firms based on green credentials

Italian private equity firm Ambienta SGR SpA is starting its first hedge fund, led by former Man GLG money manager Fabio Pecce, to bet on and against companies based on their green credentials.

The firm has raised \$150 million for Ambienta X Alpha, which started trading this week, according to founder Nino Tronchetti Provera. Initial money was sourced from a partnership with Banca Generali SpA and existing investors in Ambienta, which specializes in backing companies based on environmental, social and governance criteria, he added.

The capital raise comes amid sharp losses and outflows at long-short money pools in March as the coronavirus fueled a sell-off. ESG investing had just started to go mainstream before the outbreak, with \$30 trillion of such assets now overseen by managers. The recent market swings are providing a litmus test for investors' convictions as well as insights into how such portfolios perform during periods of stress.

"The green tide was pushing up all boats, even the ones with holes at the bottom," Pecce said on the timing of the fund launch. Now it is easier to spot and separate "the strong long-term sustainable companies from the weak or unproven business models," he said in an interview.

Pecce left Man Group Plc's discretionary fund management unit last year to join Ambienta's public-market investing division as chief investment officer. He joins money managers such as DWS and Insight Investment in predicting that coronavirus will only prove the benefits of ESG investing. They're among firms that aren't planning to slow efforts to put such issues at the core of their businesses even as the pandemic roils markets.

Ambienta, which started in 2007, manages more than 1 billion euros (\$1.09 billion) in private equity assets. Pecce is joined at the firm by his former Man Group colleague Joel Bird as well as Andrew Benson, formerly of Citigroup Inc., and Francesco Cavallo, who previously worked at Kairos Partners.

The Ambienta X Alpha fund will focus mainly on European and U.S. markets, taking long and short positions on companies likely to benefit and suffer from the world's march toward sustainability.

--With assistance from Alastair Marsh.