

Semerci's Duet snaps up Africa fund

Elizabeth Pfeuti
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Duet Group, the boutique fund manager led by Osman Semerci, the former head of fixed-income at Merrill Lynch, has bought a defunct Africa fund run by New Star Asset Management as it bids to expand its business in emerging markets.

The London-based group acquired the Heart of Africa fund on March 31 for a discounted, but undisclosed, fee, according to a statement this morning.

New Star temporarily suspended dealings in December when the fund's value dropped to £29m (€32m) from £55.85m at the end of October, and eventually closed the vehicle in February.

At Duet, the fund will be managed

by Ayo Salami, a former Cass Business School lecturer and African equity analyst at Nomura.

Salami, who joined the group earlier this year, also runs its Duet Victoire Africa Index Fund. He said: "It was a good opportunity as we were already setting up an actively managed Africa fund to compliment the existing passive one.

"We are a buyer now, and we are one of the few in that position now. We are on the look out as there may be other opportunities to buy baskets like this one as we continue to grow."

He added that investment in Africa still presented a compelling opportunity despite its stock markets dropping on average 50% in 2008. Growth on the continent was

still up 32% over the year and Salami predicts this will increase by at least 10% in 2009.

Duet plans to increase its headcount to accommodate the Heart of Africa fund and will also hire additional staff for its newly-opened offices in Dubai, Japan and Asia, according to Salami.

Duet Group appointed Osman Semerci, the ex-global head of fixed income at Merrill Lynch, as chief executive a year ago. The group mainly manages money for institutional investors and grew its assets under management from \$1.8bn (€1.3bn) to \$2bn over 2008.

In September, the company announced it had appointed nine Merrill Lynch staff to join its global operations.