

Alberto Foglia

Alberto Foglia, hedge fund manager, 1928-2021

Longstanding chair of George Soros's Quantum fund who pioneered the industry



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Alberto Foglia was instrumental in changing the nature of the active investing industry © Jacques Perler

In the early 1960s Italian stockbroker Alberto Foglia was given the job of selling a block of shares in the typewriter maker Olivetti. As the stake was so large he worked with a little-known broker in the US called George Soros. The encounter birthed a life-long friendship and one of the hedge fund industry's most productive partnerships.

Foglia, who has died at the age of 93, is best known for being the [longstanding chair](#) of Soros's Quantum fund, one of the most famous and successful hedge funds of all time. He was also a very early pioneer of hedge fund investing, helping the nascent industry grow in the 1960s and 1970s and attract capital from European investors.

Foglia was born in Milan in 1928, into the heart of the Italian financial world. His father, [Antonio, a stockbroker](#), had made large profits after visiting the US in the early 1930s during the Depression and investing in its stock market near its lows. During the second world war, Antonio helped the Italian resistance, letting its leaders meet in secret in his house. After the war he became president of the Milan Stockbrokers' Executive Committee.

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Antonio's death in the 1950s left Alberto and his brother Giambattista with substantial financial assets and their father's brokerage firm to run. They decided to try and win

more external clients, such as wealthy investors and institutions, and wrote early research reports in English about Italian stocks for foreign investors.

Foglia's encounter with Soros, with whom he spent the afternoon on the telephone finding buyers in the US and Europe for the huge block of Olivetti shares, proved pivotal. Spotting the talents of the Hungarian broker, who was at that time years away from launching his eponymous hedge fund, Foglia gave Soros a trading account to manage. The portfolio yielded returns of 50-150 per cent a year — a sign of things to come.

Foglia went on to become a large seed investor in Soros's early First Eagle and Double Eagle funds and then the famous Quantum fund, run by Soros Fund Management, which launched in 1970.

Meanwhile the pair became close friends and would enjoy holidays together, such as deep powder heli-skiing in Canada in the late 1970s.

“Alberto Foglia was my very first client and he remained faithful to me through thick and thin,” Soros told the Financial Times. “Our families became friends and we shall mourn his passing.”

In the mid-1980s, as Quantum grew in size, Foglia, who was already sitting on the fund's board, suggested a more formal board structure that would better represent investors and act as a sounding board for Soros's investment ideas. With a high-powered line-up including Nils Taube, an adviser to financier Jacob Rothschild, and the heads of a number of Geneva private banks, the board needed a strong but neutral chair, and Foglia was the obvious fit.

Foglia and Soros would speak frequently, often weekly, about investments. Ahead of Soros's most famous

investment — his [bet against the pound in 1992](#) — the pair discussed a similar, much smaller trade against the lira. The trade worked, helping to convince Soros to bet against sterling, a trade that entered folklore for making \$1bn on what became known as Black Wednesday.

As a trusted adviser, Foglia was also one of the few people to receive breakdowns of the Quantum fund's portfolio on a weekly basis. He eventually retired as chair in 2003.

Unassuming and reserved, Foglia did not seek a high profile. In 1959 he married Maria Pia. The couple had three sons and a daughter. During a time of political turbulence in Italy during the 1970s, and fearing the possibility of kidnap, he moved to Lugano in Switzerland, where he and his brother had set up Banca del Ceresio years earlier.

He was also instrumental in developing the wider hedge fund industry in the early 1960s and 1970s, when it was still in its infancy, and was a backer of rising stars such as Michael Steinhardt and [Julian Robertson](#). His business, which ran money for family and clients, was eventually merged into Hausmann Holdings, one of the first funds of hedge funds.

“He did not just develop the hedge fund industry, he was one of a few select European bankers who initiated it,” said Rick Sopher, chair of LCH Investments.

“He encouraged Soros and a handful of others to launch hedge funds in the late 1960s and was part of a pioneering movement that would eventually change the nature of the active investing industry.”

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