



The 2018 Finalists for the Morningstar Pan-European Fund Manager of the Year Awards Fund Manager of the Year for Multi-Asset and Alternatives

The nominations are in for the ninth annual Morningstar Pan-European Fund Manager of the Year Awards and we have a deserving group of finalists. The winners will be announced at the Morningstar Awards hosted at the ALFI Conference in Luxembourg on 7th March, 2018.

The nominations, like the awards, are difficult to come by. We give only four of these awards in Europe each year: European Equity Fund Manager of the Year; Global Equity Fund Manager of the Year, Fixed-Income Fund Manager of the Year, and this year we have a new award for Multi-Asset and Alternatives. The winners of these awards are nominated and selected by Morningstar's Europe-based team of manager research analysts.

Over the last few months the analysts pulled together to identify managers who they believe are among the very best at what they do. Although nominated managers should have had a strong 2017, that is far from sufficient qualification unto itself. To be nominated for an award, a manager should be running an active fund that is among the approximately 900 vehicles that receive a Morningstar Analyst Rating™ in Europe but, to hold nominees to the highest standards, that fund should also be a Medallist – meaning the analysts have recognised it with a Gold, Silver or Bronze Morningstar Analyst Rating after applying a rigorous evaluation using our Five-Pillar Methodology framework.

The analysts put funds through a rigorous evaluation using this framework, which weighs the quality of management, the strength of the process used to run the fund, the quality of the parent organisation—including how it treats investors in its funds—performance, and costs. You will find more details on the awards methodology [here](#).

Fund Manager of the Year Finalists for Multi-Asset and Alternatives

Manager: Paul Causer, Paul Read and team

Nominated for work on: Invesco Pan European High Income, IP Distribution and IP Monthly Income Plus
Although best known for their work within fixed income, Paul Causer and Paul Read are also among the most successful income fund managers in the European multi-asset space. They started working together at Invesco in 1995, and are leaders in a highly accomplished and experienced team of 20 fixed-income professionals at Invesco. They invest with an unconstrained approach that is focused on finding good value primarily based on their macro analysis. This led them to lean on financials after the financial crisis, and more recently on high yield names, as they have found very little value in European government bonds. In managing multi-asset funds, such as the Silver-rated Invesco Pan European High Income, Causer and Read are responsible for fixed income security selection and asset class weights, but leave the equity team to manage their sleeve fairly independently. The approach has brought very strong results: the Pan European High Income fund is in the first percentile in its EUR Cautious Allocation category in the trailing ten year period (through end-Nov 2017).

Manager: Cayetano Cornet, Juan Bertran and Alvaro Martinez

Nominated for work on: Paretum Cartesio Equity and Paretum Cartesio Income

In light of their stability, experience, and strong stewardship, we hold fund managers Cayetano Cornet, Juan Bertran and Alvaro Martinez in high regard. The three fund managers have worked together since the



inception of the firm in 2004 and have on average more than 20 years of investment experience. We rate two strategies, a flexible and a defensive allocation strategy, that the managers run, both with the highest Morningstar Analyst Rating of Gold. The team's experience and the well-executed and long-term oriented approach are key to the success of their funds. What also stands out is the exemplary alignment of the fund managers' interests, who have invested almost all of their financial net worth in the funds they run, in addition to being partners in the firm. In addition, their long-term mindset and focus on downside risk and capital preservation are key features of their approach. Below average fees add to the funds' appeal for investors. The consistent execution of the managers' well thought out process has resulted in favourable returns for investors over different time frames with lower risk metrics.

Manager: Jean-Charles Mériaux and Philippe Champigneulle

Nominated for work on: Eurose and DNCA Invest Eurose

Jean-Charles Mériaux and Philippe Champigneulle are veteran investors with more than 20 years of investment experience on equities and fixed income, respectively. They have successfully steered the Silver-rated cautious allocation strategy Eurose since 2003 and 2009, respectively, with the help of a compact but effective team. We also appreciate their personal investments in the funds they run as evidence of their commitment alongside investors. The duo applies a straightforward process driven primarily by the assessment of relative valuation: they do not try to time the market but instead focus their efforts on comparing the risk-return characteristics of different instruments (common stock, convertibles, bonds) issued by the companies they know well. This approach has led them to favour equities over the past 5 years (up to a maximum of 35%) based on the perceived overvaluation of bonds relative to stocks. Security selection within the equity sleeve has also been very sound over time, with a focus on value and dividend paying stocks (Jean-Charles Mériaux applies the same process on the Silver-rated French Equity fund Centifolia). Over the duo's watch, Eurose has regularly outperformed competitor funds while also limiting drawdowns in bear equity markets, thanks to diversifying exposure in its fixed income sleeve.