

CITYWIRE SELECTOR



THE EURO STARS TOP 10 MANAGERS 2019

DESERT ISLAND TEST HELPS EQUITY PLAYER MAKE WAVES

What would happen if fund managers were to treat stock picking the same way as packing for a desert island trip?

Drew Beja knows the answer as his Granahan US Focused Growth fund follows a similar approach in that it is full of companies he thinks will be able to grow up to six times their size in the years ahead, independent of the wider market.

'Over the years I reached the conclusion that the best returns come from the same companies – those positioned to sustain growth for a long period of time. This philosophy has worked well for the last 20 years,' he says.

Beja adds that if you look at companies on a more short-term basis there are inefficiencies both in fundamentals and valuations that you notice if you extend your investment horizon a bit further, and this is what he tries to exploit.

'Companies have quarters and years that are above and below trend line. Investors get carried away on both sides and either overvalue them because they had a run of good news or punish them because they missed a quarter or two.

'We like this kind of volatility and take

advantage of it, we are also very disciplined about our valuation formula which helps us add to positions at the right time,' he says.

THE VALUE OF CONVENIENCE

An example of one of Beja's 'desert island stocks' is New York company LivePerson, which created a new platform several years ago that enables advanced communication with its customers.

Beja says by the end of 2017 all LivePerson customers were transferred to its new platform, which allows brands to engage in 'conversational commerce' through a secure messaging system.

'If I am late for dinner with my friends I am going to text them. If I am late for a flight, I have to call American Airlines and go through an interactive voice response hell, pressing keys and waiting on hold. This approach is not going to last.

'We are in the early stages of the process where everybody will be able to send secure messages to American Airlines in the same way I can securely message my kids, and it has huge implications in terms of revenue opportunities and customer satisfaction,' he says.

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DREW BEJA

Granahan Investment Management



BASED

Waltham, Massachusetts, US

FUND

Granahan US Focused Growth A USD Acc

SECTOR

Equity – US small & Medium Companies

MANAGER RATIO 1.56

PERSONAL PERFORMANCE FOR THREE YEARS TO 31 JAN 2019:

157.89% (average manager 44.32%)

TOP 10 MANAGERS

NAME	MANAGER RATIO	GROUP	CURRENT FUNDS	SECTOR
Wouter van Overfelt	2.0136	Vontobel Asset Management AG	Vontobel Fund Emerging Markets Corp Bond I	Bonds - Emerging Markets Global Corporates
Lukas Buxtorf	1.8735	Credit Suisse Asset Management	CS (Lux) AgaNola Global Convertible Bd FB USD	Bonds - Convertibles Global
Jan Törnstrand Peter Werleus	1.8393	Norron Asset Management	Norron Preserve R SEK Cap Norron Premium R SEK Cap	Bonds - Swedish Krona Bonds - Swedish Krona
Drew Beja	1.5623	Granahan Investment Management	Granahan US Focused Growth A USD Acc	Equity - US Small & Medium Companies
Rik den Hartog Alain van der Heijden	1.5418	Kempen Capital Management	Kempen (Lux) Euro High Yield Fund LR Kempen (Lux) Euro Credit Fund J Kempen (Lux) Euro Credit Fund Plus I Kempen (Lux) Euro Sustainable Credit Fund J	Bonds - Europe High Yield Bonds - Euro Corporates Bonds - Euro Corporates Bonds - Euro Corporates
Emin Yigit Onat	1.5414	HSBC Global Asset Management	HSBC GIF Turkey Equity AC EUR	Equity - Turkey
Trond Tømmerås	1.5047	Arctic Asset Management	Arctic High Return B Arctic Return I	Bonds - Norwegian Krone Bonds - Norwegian Krone
Dorothea Fröhlich Thomas Rutz Cornel Bruhin	1.4288	MainFirst	MainFirst - Emerging Markets Credit Opps A USD C MainFirst - Em Markets Corp Bond Fund Bal C MainFirst - Emerging Markets Credit Opps A USD C	Bonds - Emerging Markets Global Corporates Bonds - Emerging Markets Global Corporates Bonds - Emerging Markets Global Corporates
Gregory Finck	1.4080	Morgan Stanley Investment Management	Morgan Stanley GI Asset Backed Securities A USD Morgan Stanley Mortgage Securities Trust;B	Bonds - US Dollar Mortgages Bonds - US Dollar Mortgages
Stéphane Mayor	1.4049	Edmond de Rothschild Asset Management	Edmond de Rothschild Fund-Emerg Credit A USD	Bonds - Emerging Markets Global Corporates