

AWARDS FOR INVESTMENT EXCELLENCE

EUROPEAN FIXED (ACTIVE)

global^{INVESTOR}

EUROPEAN FIXED (ACTIVE) WINNER: EUROPEAN CREDIT MANAGEMENT

ECM has always had a clear vision about what it wanted to do and how to manage money, according to Stephen Zinser, CIO. This has served the firm well, garnering it a third successive win for European fixed income. Building from €155 million at inception, ECM now has €17.9 billion under management. Zinser says that a big growth area in 2005 that led to a near €7 billion increase in assets was growing interest from pension funds, particularly in the UK, US, Europe and Japan. Pension funds now account for 18.83% of ECM's overall business.

Zinser believes ECM's unique investment process is what keeps it ahead of the competition. "We're a fundamental shop, but we're good at relative value," he says. Product design is also a key element. "We have a very customised, flexible approach. There are people out there who can manage credit well, but can't structure it in the way the client wants it," says Zinser. "We built our own IT systems and middle office to customise reporting to meet the transparency requirements of our clients. We're not running a hedge fund in a black box."

ECM continues to build out its product offering to add incremental sources of alpha from its core expertise in the European credit markets. "We were early in identifying the opportunity in leveraged loans and have now built critical mass in this key area," says Zinser. In addition, most of ECM's funds are active users of CDS to hedge risk and obtain selective long exposures. Zinser also sees additional opportunities to build the firm's long/short business. "While our forecast this year is for a range-bound market, with the well-publicised increase in M&A activity, and greater focus on shareholder value, we expect to see selective opportunities in the long/short space." *SM*

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Winner:
European Credit Management
Runners-up:
GSAM
PIMCO