

FOCUS ON SYm|mETRY

Multi-manager tiger

A perfect blend of passion and precision

TEN-YEAR-OLD SYm|mETRY Multi-Manager occupies a unique place among the 16 boutique managers that make up Old Mutual Investment Group South Africa (OMIGSA). For one, it's the only multi-manager. It also follows an investment process that differs in some respects from other multi-managers: most notably, its blending of experienced, large asset managers and smaller niche managers. And while all OMIGSA boutiques operate largely independently, SYm|mETRY shows this through its flexibility and, at times, contrarian views for a multi-manager.

CEO Trevor Pascoe takes the task of reconciling SYm|mETRY's core long-term investment focus with the shorter-term investment performance demands of the market very seriously. Pascoe assumed the position at SYm|mETRY on 1 July but has been with Old Mutual for 21 years, mainly on the life insurance side of the business. "Investment performance becomes much more relevant now," he says. "We're longer-term investors and even though we're often measured in the short term, we're patient investors and the merits of this are reflected in our track record. We constantly engage with clients to ensure they understand our emphasis on the long term."

Chief Investment Officer Rael Bloom says: "We're not frightened of shorter-term volatility against benchmarks as we believe this approach provides our investors with higher long-term performance than would be the case with a more benchmark-hugging strategy."

OMIGSA is a large investment house, and Bloom explains how SYm|mETRY operates within that structure. "Being part of OMIGSA provides us with access to some of OMIGSA's best-of-breed shared services, including

legal, compliance and administrative services. From an investment perspective, we have full autonomy and operate independently from OMIGSA's other investment boutiques. We assess and perform due diligences on OMIGSA boutiques just as we do on other asset managers outside the organisation."

What distinguishes SYm|mETRY is its incorporation of smaller, niche or emerging asset managers in its research and investments. It's unusual in the South African market, as multi-managers tend to focus on the big names. SYm|mETRY's investment strategy stems from its belief that smaller asset managers have an inherent competitive advantage over larger managers and that outperformance becomes more difficult as asset size increases.

Smaller managers also tend to be more focused and often have niche capabilities in a particular sector or asset class.

Some examples of the smaller managers SYm|mETRY use, include Element Investment Managers (previously Frater Asset Management) and Cannon Asset Management. It also seeks out specialist pockets at large managers, such as John Biccard at Investec Asset Management. Biccard, a classic value investor, will at times underperform the market for long periods then outperform when his contrarian stock selections come through. That goes

back to the long-term investment approach SYm|mETRY follows.

Bloom says that SYm|mETRY runs a range of investment portfolios that enable individual retirement fund members to manage their investment risk as they approach retirement. "We

Rael Bloom
Many asset managers don't face the challenges of a multi-manager



Trevor Pascoe
We are patient investors

believe that when the member is more than eight years from retirement, his portfolio should be structured to provide maximum returns. Within eight years of retirement, members can start reducing the risk profile of the investment. This process includes important asset allocation decisions, such as how much of the portfolio should be in equities, bonds or cash and whether that needs to change. Ultimately, life-cycle investing is about getting the client's assets to match his liabilities, without sacrificing the real returns that members need in order to build sufficient retirement savings," Bloom says.

Pascoe reckons SYm|mETRY will be concentrating more on retail products: "We recently launched the SYm|mETRY Cautious Fund of Funds for risk-averse investors, designed to outperform cash by 2% over any three-year period."

"We've expanded in terms of investment managers. Our team includes specialists who spend approximately 10 000 hours each year analysing, monitoring and evaluating asset managers on an ongoing basis," says Bloom.

By analysing the full spectrum of asset managers, SYm|mETRY often discovers skilled managers that are not yet well known within the industry. "Often some of the most skilled managers run investment strategies that can at times underperform but are expected to deliver excellent long-term performance. That's why patience is key. As long as our managers stick to their knitting, we will remain allow them the time they need for their strategies to reap rewards." ■

