

**Rathbones - one of the 'top investment houses' and Carl Stick is ranked 3<sup>rd</sup> in a table of fund managers**

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**SPECIAL REPORT**

**The star is the Real performer**



Avid football watchers are asking the David Beckham question: will Real Madrid's new signing have an impact? Will he perform as well as he did for Manchester United with a different team of players?

Fund managers ask themselves similar questions when a star stock-picker joins the company. Is it the star individual or the company that counts?

Citywire's answer is simple: it is the individual. This is why they track the performance of the David Beckhams of the fund management industry.

New Star, whose UK All Companies specialist Patrick Evershed, is ranked 16th in the fund manager league table.

After this, Commerzbank put Jupiter up for sale - only to withdraw it from auction after bidders refused to pay the asking price of around £600m.

Mr Bonham Carter, who also serves as Jupiter's joint chief executive, insists that the company's complicated corporate past has not been a problem for fund managers or investors. "Investment performance that's what our investors care about," he says, and fund managers, as the results show, have been able to deliver that.

Jupiter - especially given its name - is often regarded as the archetypal star manager outfit. But Mr Bonham Carter insists that Jupiter relies heavily on the whole team of fund managers. He, in particular, draws on the ideas of others - it would be difficult, otherwise, to manage the company and manage money.

The importance of individuals is further underlined by the performance of Invesco Perpetual, part of Amvescap, the Anglo-American fund management house. Like Jupiter, it has two fund managers in the league table: Neil Woodford, ranked seventh, and Graham Kitchen, ranked 23rd. Overall, Invesco Perpetual is placed third.

Yet, the group has engaged in some tough cost-cutting, as the bear market has continued, and this culminated in the recent decision to relocate its London-based equity fund managers to Henley in rural Oxfordshire.

The fact that three of the top five companies are either privately-run or small listed independents is more compelling evidence that individuals can be worth their weight in gold.

Rathbone, part of the listed stockbroking group, has two fund managers in the rankings: Carl Stick and Hugh Priestley. Liontrust, another listed boutique, also has two: Jeremy Lang and William Pattison. Baillie Gifford, a Scottish partnership, has Patrick Edwardson and Charles Plowden.

In these, and other small companies, the individuals have greater freedom to run money for their clients. This is one of the reasons why there has been a migration of top talent from the big companies to the boutiques in recent years.

It is worth noting that the fund managers do not place a high rating on the traditional investment houses that are listed in the FTSE 350.

Schroders, Singer & Friedlander, Amvescap, Isis Asset Management, Rathbone Brothers and Close Brothers are all outside the top 100 favourite companies.

For investors, however, there is a problem if the fund manager - rather than the company - is regarded as the most important factor. It is not easy to switch from fund to fund - in effect, to follow the fund manager. Usually, investors stick with the company. It is the same with football. There won't be too many Manchester United supporters who switch their allegiance to Real Madrid.

**Top investment houses**

3 years Mar 31 2000 - Mar 31 2003

1	Jupiter
2	Rathbone
3	Invesco Perpetual
4	Baillie Gifford
5	Credit Suisse
6	Liontrust
7	Old Mutual
8	Fidelity
9	Lazard
10	BWD
11	Canada Life
12	Merrill Lynch
13	JPMF
14	GAM
15	Insight
16	New Star
17	Cazenove
18	St James
19	Consistent
20	Invesic
21	DWS
22	Framlington
23	Friends Provident
24	Artemis

Source: Citywire Financial Publishers

**The Fund managers**

Company	Company
Anthony Bolton	Fidelity
William Mott	Credit Suisse
Carl Stick	Rathbone
John Morlan	RNB
Christopher Littlejohns	Merrill Lynch
Charles Curtis	DWS
Edward Bonham Carter	Jupiter
Neil Woodford	Invesco/ Perpetual
Anthony Willis	Lazard
Anthony Nutt	Jupiter
Patrick Edwardson	Baillie Gifford
Leonard Klahr	Old Mutual
Michael Gifford	Canada Life
Christopher Complin	JPMF
William Claxton-Smith	Insight
Andrew Green	GAM
Patrick Evershed	New Star
Timothy Russell	Cazenove
Nicholas Purves	St James
Jennifer Sculley	Consistent
Jeremy Rigg	Investec
Hugh Priestley	Rathbone
Charles Plowden	Maldon
Graham Kitchen	Invesco/ Perpetual
George Luckraft	Framlington
Jeremy Lang	Liontrust
Charles Curtis	DWS
William Pattison	Liontrust
Derek Stuart	Artemis
Neil Pegrum	Insight

Source: Citywire Financial Publishers

As a result, the collection of fund management houses whose star individuals are represented in Citywire's combined portfolio is a mixed bag of global giants and tiny boutiques. Fidelity International - part of one of the world's biggest fund management empires - is

represented by Anthony Bolton, the top-rated individual. Other big groups include Credit Suisse, Merrill Lynch, JP Morgan Fleming and DWS, the mutual fund arm of Deutsche Bank's fund management business.

Among the boutiques are Artemis, New Star and Consistent Unit Trust Managers. The highest-ranked company is Jupiter, the London-based firm owned by Commerzbank, one of Germany's largest financial institutions. It owes its position to the risk-adjusted performance - over three years - of Edward Bonham Carter and Anthony Nutt.

Mr Bonham Carter, Jupiter's chief investment officer, is ranked sixth out of the 30 fund managers in the Citywire league table - thanks to the performance of his £60m UK All Companies fund. Mr Nutt, who runs Jupiter's UK income fund, is ranked ninth.

It is, perhaps, a sign that individuals matter more than companies that these fund managers have been able to achieve their top-notch performance despite Jupiter's wider corporate difficulties.

In the three years to March - the period over which their performance was judged - Jupiter suffered some intense speculation over its future.

Its founder, John Duffield, left the company and was subsequently embroiled in legal action with Commerzbank. He went on to start

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