



Invesco media mention

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Invesco takes long/short road to Aus equities recovery

Invesco Australia has reached the final stage in rebuilding the Australian equities portfolio that almost collapsed last year, with plans to open a long/short Australian equities fund next month following the hire of former senior JANA consultant Arthur Roumeliotis in April.

Invesco chief executive Mick O'Brien said the fund manager had "repositioned" itself in the market by opening another Australian equities capability. It lost billions of dollars in institutional mandates last year when its large cap domestic equities portfolio managers, Rohan Walsh and Luke Sinclair, left to start fund manager Karara Capital.

Invesco relaunched its \$180 million long-only large cap Australian equities fund last April as a quant strategy managed by the 55-person Invesco Quantitative Strategies (IQS) team based in Frankfurt, headed by Roumeliotis who is based in Melbourne. Roumeliotis will head the new "directional long/short" (130/30) fund, also being run by the IQS team.

O'Brien confirmed two Invesco investment analysts, Kiran Singh and Shane Delphine, were made redundant following the relaunch.

Singh has secured a new job at Victorian Funds Management Corporation, while, it is understood, Delphine has gone overseas since leaving Invesco at the end of June. Another Invesco analyst – not one of the Australian equities team – has also left to join Singh at VFMC. Edmon Odza was a performance calculations analyst for 12 months at Invesco. Singh and Odza will manage a core qualitative Australian equities portfolio, reporting to VFMC investment director of equities and property, Kent Sutherland.

O'Brien said an advantage of having a quant-based system was it lent itself to running a long/short fund, given the quant models identified both overpriced and underpriced stocks when the stock universe was run through them.

He saw a market for the new capability, estimating a five to tenfold increase in directional long/short strategies in Australia – from a base of around two per cent of the equity strategy market – as investors relax their long-only constraints. Invesco will also launch a global long/short fund next month, also run out of Frankfurt, to complement its long-only \$190 million Global Matrix fund. Both funds will be open to retail and institutional investors.

Invesco has \$930 million in small cap Australian equities, managed by Cynthia Jenkins.