

MIR's star on the rise after outstanding performance

The *Money Management* Fund Manager of the Year Rising Star award has traditionally been reserved for smaller, up-and-coming fund managers that are expected to be the ones to watch in years to come.

But some are seen to be so good that they score a nomination or even win one of the other, more established award categories. This happened for the first time two years ago when Investors Mutual took out the Rising Star and the Australian equities awards.

In 2005, which was seen by many in the industry as the year of the boutique, it is not so surprising to find that the same thing has happened again.

This year's rising star, MIR, has shone so brightly, it could not be overlooked for the Australian equities prize as well.

So how did they do it? Getting your star to rise isn't about having a team of star fund managers, according to MIR managing director Michael Trigaboff.

He says it's all about having a star process – lest today's rising star become tomorrow's supernova.

“The foundation of strong performance returns is a robust, disciplined and articulated process. If an investor cannot understand the decision-making process of a fund manager, the investor should not invest. If the decisions are all made by one person, then it is difficult to believe that process, operating environment and investment performance are sustainable.”

Trigaboff's comments fit in well with the judging criteria for this year's awards. Not only was performance important – MIR's flagship wholesale Australian equities fund returned 39.6 per cent to February 2005 – but also the manager's ability to add value in the future.

Assirt associate director Veronica Gullo also singled out MIR's unique investment process which combines “very impressive” quantitative and qualitative analysis, outstanding risk management procedures and an experienced, diverse and educated team.

RISING STAR

WINNER: MIR Investment Management
FINALIST: Prime Value Asset Management
FINALIST: Souls Funds Management

Full credit can also be given this year to Melbourne-based boutique Prime Value, which was a finalist in both the Rising Star and Australian equities category.

“We liked them because of their commitment to business principles,” says Gullo, who also pointed out their “ridiculously good” returns of 35.8 per cent.

“They've got a huge amount of money invested in both the organisation and their own fund. They also have a commitment to getting on board the very senior investment people to help with the management of Australian equities and that has involved them bringing in Leanne Pan and Fiona

Clarke, two very experienced people.”

The other finalist for the Rising Star award was Souls Funds Management, a boutique small caps manager headed up by “small caps guru” Frank Villante.

“This guy has an unbelievable knowledge of small caps,” Gullo says.

“The depth that he and his team go into in analysing the small cap market is actually a breath of fresh air.

“Villante lives and breathes these companies, so if he's interested in the company he'll get every single trade journal out in that particular sector and industry. He'll ring people out of the blue in completely unrelated companies to talk to them. He'll go to conferences,” Gullo says.

“I heard he made his whole team go to a four wheel drive conference because they were interested in a company that sold some four wheel drive parts.”

– Ross Kelly