

Brück bounces back to top of EM manager ratings

It is a return to form for Eastern Europe specialist Markus Brück as the Metzler manager rides out a difficult 2011 with strong risk-adjusted returns

Metzler fund manager Markus Brück is a perennial fixture in the Euro Stars Emerging Markets sector, having appeared in every edition so far. The latest round of ratings marks a return to the position of best in class for the first time since June 2011.

A long-term advocate of opportunities on Europe's periphery, Brück has an obvious preference for larger markets, such as Russia and Poland, but has also targeted more nascent growth stories such as Romania and Kazakhstan.

The main focus of his attentions in terms of sector allocation have been the banking sector, which accounts for one-fifth of his portfolio, and energy names, which make up 30% of the fund at present.

Within the energy sector, the bulk of this exposure is to the Polish and Russian markets. Large-cap staples of the Russian oil and gas sector make up the core of Brück's top 10 holdings, with Gazprom, Lukoil and Rosneft comprising his top three picks.

A high oil price and growing domestic consumption in these markets has buoyed Brück's performance of late.

Another area Brück expects to benefit from is increased privatisation in previously state-run industries, with Russia announcing a raft of privatisation initiatives for 2012.

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Political concerns

One topic that has occupied a lot of Brück's time over the past six months is political risk. Elections in Russia, political disputes in Ukraine and clashes between the Hungarian government and its financial services sector have all come onto his radar.

Brück revealed he reduced exposure to the Hungarian market over concerns about short-term, unorthodox approaches to fiscal policy. However, he has grown more bullish since the start of 2012 and increased his holdings here.

He joined German fund house Metzler Asset Management in 2002 and is a seasoned investor in emerging European markets.

MARKUS BRÜCK

STATED FUND STYLE...

Brück runs a high-risk portfolio and must have at least two-thirds of the fund invested in Eastern Europe at any one time. The remainder is invested in Western European names.

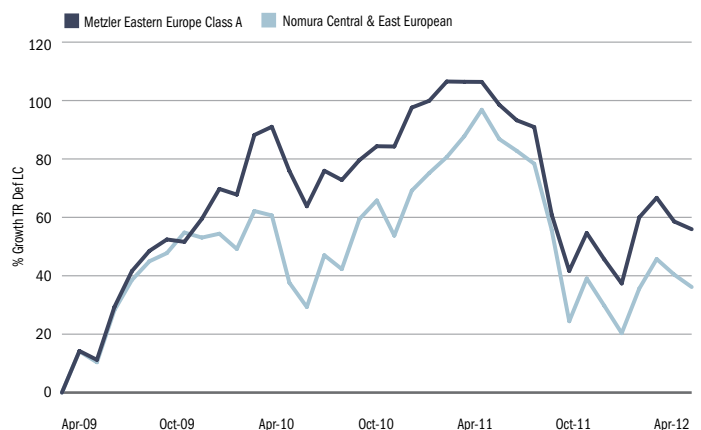


WHAT THE RESEARCH SHOWS...

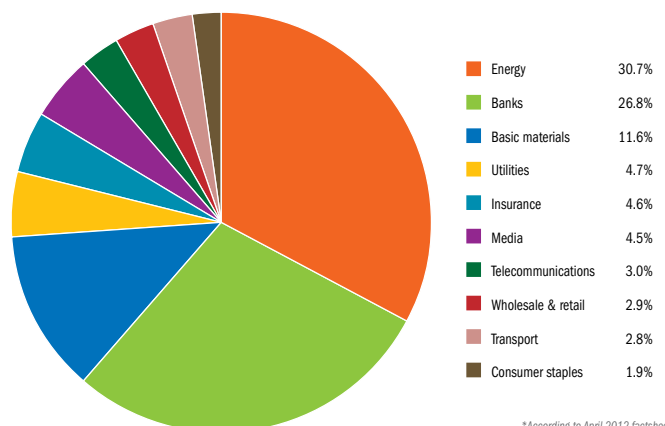
The main areas of investment for Brück are decidedly the Russian and Polish markets, which make up almost two-thirds of the fund. This has seen him largely drawn to large-cap oil and gas names.

Metzler Eastern Europe Class A

BRÜCK IS WELL AHEAD OF HIS BENCHMARK OVER THREE YEARS



TOP SECTOR ALLOCATIONS



*According to April 2012 factsheet

Emerging Markets Equities

NEW SECTOR: 

Manager name	June rating	MR	Group	Current funds	Lipper global sector
Markus Brück		1.110	Metzler	Metzler Eastern Europe Class A	Equity Emerging Mkts Europe
Will Landers		1.091	BlackRock	BGF Latin American Fund J2 USD BSF Latin American Opportunities Fund A2 USD	Equity Emerging Mkts Latin Am Equity Emerging Mkts Latin Am
Alo Kullamaa		1.028	SEB	SEB Eastern Europe ex Russia C (EUR)	Equity Emerging Mkts Europe
Greg Mattiko		0.937	JP Morgan	JPM Emerging Markets Small Cap B Acc USD	Equity Emerging Mkts Global
Knut Harald Nilsson		0.844	Skagen	Skagen Kon-Tiki	Equity Emerging Mkts Global
Kristoffer Stensrud		0.844	Skagen	Skagen Kon-Tiki	Equity Emerging Mkts Global
Pauli Laursen		0.782	Sydinvest	ISI BRIC Equities	Equity Emerging Mkts Global
Claude Guillaume		0.747	BNP Paribas Investment Partners	Parvest Equity Europe Converging I C	Equity Emerging Mkts Europe
Wahid Chammas		0.744	Janus Capital	Janus Emerging Markets I USD Acc	Equity Emerging Mkts Global
Hugh Young		0.729	Aberdeen	Aberdeen Global - Indian Equity I2 Acc	Equity India
Thomas Schaffner		0.720	Vontobel	Vontobel Fund China Stars Eq I USD	Equity China
Anna Väänänen		0.660	Clariden Leu	Clariden Leu (Lux) Russia Equity Fund IB USD	Equity Russia
Shekhar Sambhshivan		0.635	Invesco Asset Management Ltd	Invesco India Equity C Dist	Equity India
José Costa Buck		0.626	T Rowe Price	T Rowe Latin American Equity I USD	Equity Emerging Mkts Latin Am
Arnout van Rijn		0.620	Robeco	Robeco Indian Equities Class D USD	Equity India
Lionel Bernard		0.593	Amundi	Amundi Fds Equity Brazil - IU (C)	Equity Brazil
Jean-Louis Scandella		0.562	Comgest SA	Comgest Growth GEM Promising Companies Euro	Equity Emerging Mkts Global
Gregory Ko		0.548	ING	ING (L) Invest India Focus I Cap USD	Equity India
Sanjiv Duggal		0.545	HSBC Investments	HSBC GIF Indian Equity ZD USD	Equity India
Gonzalo Pangaro		0.536	T Rowe Price	T Rowe Global Emerging Markets Equity I USD	Equity Emerging Mkts Global
Nick Barnes		0.531	F&C	Eastern European USD Inc	Equity Emerging Mkts Europe
Martin Taylor		0.531	F&C	Eastern European USD Inc	Equity Emerging Mkts Europe
Frank Lingohr		0.511	Lingohr & Partner	HSBC Lingohr Global Equity USD I	Equity Emerging Mkts Global
Krishnan Parameswara		0.498	DNB Asset Management	DNB Fund India	Equity India
Sammy Suzuki		0.488	Alliance Bernstein	ACM BVI-Emerging Markets Value Portfolio S1 USD	Equity Emerging Mkts Global
Jaap van der Hart		0.480	Robeco	Robeco Emerging Stars Equities D USD	Equity Emerging Mkts Global
Nick Price		0.479	Fidelity	Fidelity Funds - Inst Emer Markets Eq I-Acc-USD Fidelity Funds - Emerging Markets A-USD Fidelity Inst Emerging Markets Acc Fidelity EMEA Acc 1	Equity Emerging Mkts Global Equity Emerging Mkts Global Equity Emerging Mkts Global Equity Emerging Mkts Global
Luis Carrillo		0.471	JP Morgan	JPM Brazil Equity I Acc USD JPM Latin America Equity C Acc USD	Equity Brazil Equity Emerging Mkts Latin Am
Egon Vavrek		0.467	LGT Capital Management	LGT Sustainable Impact Emerging Eur Eq F (EUR) B	Equity Emerging Mkts Other 
Alex Duffy		0.456	Fidelity	Fidelity Funds - Latin America A-USD	Equity Emerging Mkts Latin Am
Angel Ortiz		0.456	Fidelity	Fidelity Funds - Latin America A-USD	Equity Emerging Mkts Latin Am
Devan Kaloo		0.443	Aberdeen	Aberdeen European Frontiers A Acc Aberdeen Global - Emrg Markets Smaller Cos I2 Acc Danske Invest Global Emerging Markets A Aberdeen Emerging Markets A Acc Aberdeen Global - Emerging Markets Equity I2 Acc	Equity Emerging Mkts Europe Equity Emerging Mkts Global Equity Emerging Mkts Global Equity Emerging Mkts Global Equity Emerging Mkts Global