

fundstrategy

Home | News | Features | Opinion | Blogs | Funds | Markets

Markets

America
Asia
Bonds
Britain
Emerging
Eurozone
Global
Japan

Funds

Manager Focus
Groups
Performance
Investment Trusts
Multi-Manager
Adviser Fund Index

Current Issue



[Click here to see the current issue](#)

Related Sites

Money Marketing
Funds Talk
IFAtalk



Manager focus: Tom McGrath

18 December 2009 | By [Stefanie Eschenbacher](#)

[Print](#) | [Email](#) | [Share](#) | [Save](#)

Tom McGrath, the manager of the IFDS Apollo Balanced fund, is creating overweight positions in Japan, frontier and emerging markets despite recent difficulties for some of these regions.

Earlier this week, after Abu Dhabi announced it would bail out its debt-ridden neighbour Dubai, McGrath bought into the Middle East and North Africa (Mena) region. He has allocated some assets to the Franklin Mena fund and the Silk African Lions fund, which account for a total of 6% of his multi-manager portfolio.

"Last year, frontier markets got massacred but their economies continue to grow to prosperity," McGrath says. Since their lows in March, some emerging markets have risen drastically, he adds. Yet frontier markets have lagged and he expects a strong rebound. "Valuations in some of these smaller markets look compelling," he says. *(article continues below)*



The equity component of McGrath's multi-asset portfolio is about 30%. Some 35% of the multi-manager's equities are held in Asia and other emerging markets, while frontier markets account for 10%.

Among those funds investing in the region, he favours the Silk African Lions fund because of the asset managers' experience and specialist knowledge of the investors in the region.

McGrath has an 8% cash position that he is looking to allocate partly to Japan. He holds 3% in the Legg Mason Japan Equity fund and might add another 5% to his position in GLG Japan Core Alpha, bringing it to 8%.

"We aim to create a very diverse, non-UK centric multi-asset portfolio," he says.

Once he finds an asset class he likes, McGrath usually starts buying into an exchange traded fund (ETF). "We then might find a fund manager investing in the region and buy into his fund," he says. "Or we find an investment trust or a superior hedge fund. Generally, we try to find the most efficient way to invest in an asset class."

The IFDS Apollo Balanced fund was launched just over a year ago. Ever since, portfolio activity has been "brisk", McGrath says.

He recently turned to British commercial property for the first time since February 2007, buying the LV= UK Property fund, which makes up 5% of the portfolio. Having

Search the site

Advanced Search

GO

Related Fund Strategy links

- Funds
- Manager Focus

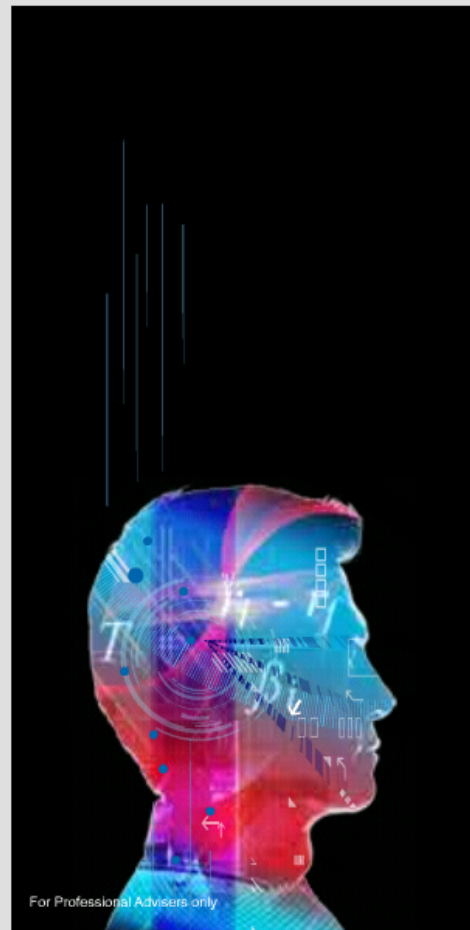
Most popular

Most commented

Most emailed

- The best and worst fund performers in 2009
- Britton reduces corporate bond exposure
- Managers increase bank underweight
- Octopus sets £500m target for absolute return fund
- Manager focus: Elena Shaftan

#



For Professional Advisers only

Fund Manager Videos: Fundstalk

Have your say

Name *

E-mail *

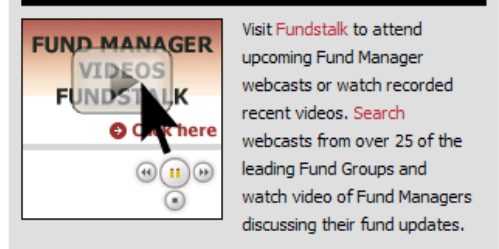
Comment *

Post as Anonymously Display name *

I have read and agree to the [terms and conditions](#)

Submit

Print Email Share Save



FUND MANAGER VIDEOS FUNDS TALK

Visit [Fundstalk](#) to attend upcoming Fund Manager webcasts or watch recorded recent videos. [Search](#) webcasts from over 25 of the leading Fund Groups and watch video of Fund Managers discussing their fund updates.

Markets Research Centre

Analyse the investment world by selecting a geographical region.

- Asia
- Bonds
- Emerging markets
- Japan
- America
- Britain
- Eurozone
- Global



Funds Research Centre

Select a particular fund-related theme for research.

- Manager Focus
- Performance
- Adviser Fund Index
- Investment trusts
- Multi-manager
- Groups

From the Editor

“Fund Strategy is a weekly magazine for top end investment specialists including investment advisers, fund of fund managers and discretionary wealth managers.”

Read more by [Daniel Ben-Ami](#)

