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The best global equity funds under one roof

Paul Severin



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Markus Jandrisevits has been the manager of our global flagship equity fund ESPA BEST OF WORLD since 28 February 2002. The performance to date is impressive on an international scale. I asked Markus what was special about his investment approach and how he has positioned himself in the current stock market phase of high political risks.

What is special about this equity fund?

Jandrisevits: ESPA BEST OF WORLD is an umbrella fund with a global focus and invests in about ten different investment strategies of internationally renowned fund management companies. As a result, the fund diversifies the risk very broadly. Another advantage is the fact that we as institutional investors can buy and sell the funds at attractive prices. We pass on this advantage to our investors.

What kinds of sub-funds are in your investment universe?

Markus Jandrisevits (c) Stephan Huger

Jandrisevits: Depending on the stock exchange cycle or our market assessment we may employ several strategies. For example, growth shares tend to outperform during upswings. Among them are for example Facebook, Alphabet (Google), and Amazon, all of which record above-average sales growth. So-called growth strategies are particularly successful in such periods. At the late stage of the cycle, smaller companies catch up, which is why it is important to invest in small/caps at that point. They trail blue chips in upswings and catch up later. I also keep a constant eye on the so-called value segment. Among them are shares that command a lower valuation than the overall market and that, say, pay higher dividends.

For example, we invest in strategies that recreate a specific index. In doing so, we employ so-called ETFs (exchange-traded funds). In addition, we hold shares in Lots Global System, a very actively managed equity fund. Here, the fund manager knows every title inside out and is in direct communication with the management of the respective company.

What are the crucial issues you pay attention to when selecting a fund?

Jandrisevits: For us it is important to see that the fund management team follows a consistent approach that is transparent and is adhered to consequently. Ideally, we meet the fund management team personally. In the selection process we use our own key ratios to measure the success of the respective strategy.

The historical performance of the fund during upswings and downswings is of particular importance to us. It shows the success of the investment strategy. When we come across a strategy that beats a benchmark index in an upswing and does not lose as much in a downswing, we have found a product that we would want to take a closer look at. We are also interested in funds that have underperformed the market recently and harbour potential for a rebound. If our market assessment changes, we discard funds that do not fit our concept any longer.

How is the fund positioned at the moment?

Jandrisevits: In the current market phase, I focus particularly on actively managed funds. The stock exchanges have come a long way and it will be harder to find the right individual titles in the future. Overall, the fund managers have increased the weighting of European equities and expect a weaker US dollar. I invest in a balanced portfolio of value and growth shares, with only 10% allocated to small caps at the moment.

Regional weighting of the fund over time (2003-2017)

Watch our product video of ESPA BEST OF WORLD:

[Link to video](#)

Read more information:

[Link to fund overview](#)

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Paul Severin has worked at Erste Asset Management since April 2008. Until 2012 he was responsible for the company's product management; he has directed communications and PR activities since April 2012. From 1992 to 2008, he was director of equity fund management and deputy director for institutional funds at Pioneer Investments Austria in Vienna.

His career in the securities business began in 1992 at Constantia Privatbank as a portfolio manager and analyst. He worked as primary analyst at Creditanstalt Investmentbank in Vienna from 1994 to 1999.

He studied international business at Innsbruck University and Marquette University in Milwaukee, WI, USA. Before his university studies, he worked at Dornbirner Sparkasse in letters of credit and export financing.

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