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MEDIA RELEASE

**Culture, philosophy and technology  
essential for successful active management**

The most effective portfolio strategies result from neither pure fundamental or quantitative methods, but instead from thoughtful combinations of portfolio manager experience and skill with quantitative analysis, according to the new book by Epoch Investment Partner's CEO William Priest: *Winning at active management*.

Subtitled *The essential roles of culture, philosophy and technology*, it is essential reading for those investors looking for insights into selecting active managers, says Damien McIntyre, Director and Head of Distribution with Grant Samuel Funds Management - the distributor of Epoch's funds in Australia.

"The book details the market cycle factors that have held back many managers' performance in recent years, and the difficulty of identifying those firms that truly possess investment skill," he says.

"Drawing on behavioural economic theory and empirical research, the book makes a convincing case that many active investment managers can and do generate returns superior to those of the board market."

"The authors illustrate the point with an example of an innovative Epoch equity strategy based on economic logic and judgment but enabled by information technology."

The book's initial section highlights the importance of culture within an investment firm – the characteristics of strong cultures, the imperatives of communication and support, and highlights indicators to recognise those firms that are leading through times of adversity and prosperity.

It continues with a discussion of active portfolio management for equities – and the ongoing debate over active versus passive investing reviewed in detail.

The book also contrasts traditional methods of portfolio management, based on accounting metrics and price-earnings ratios, with Epoch's philosophy of investing on free cash flow and appropriate capital allocation.

William Priest is Chief Executive Officer, Co-Chief Investment Officer and a co-founder of Epoch Investment Partners, and is a long time advocate of free cash flow investment.

His other books include *Free cash flow and shareholder yield*, and the specialist title *The financial reality of pensions under ERISA*.

Co-authors of *Winning at active management* are Steven Bleiberg and Michael Welhoelter.

Steven Bleiberg is a managing director and global portfolio manager at Epoch. Michael Welhoelter is a managing director, portfolio manager and Head of quantitative research and risk management at Epoch.

The book is published by John Wiley & Sons (<http://au.wiley.com/WileyCDA/WileyTitle/productCd-1119051827.html>), and retails for \$42.95.

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**Grant Samuel Funds Management (GSFM)** was established in July 2007 as a subsidiary of the Grant Samuel Group. In November 2016 CI Financial Corp purchased an 80 per cent stake in the business. GSFM specialises in marketing funds managed by high calibre local and international managers to Australian and New Zealand institutional and Australian retail investors.

GSFM formed an alliance in October 2007 with New York based Epoch Investment Partners, Inc. to distribute Epoch's investment products to Australian and New Zealand clients.

In May 2008, GSFM acquired an equity stake in Tribeca Investment Partners, a successful Australian boutique manager which has been investing clients' funds since 1999.

In May 2011, GSFM formed a relationship with Payden & Rygel, a Los Angeles based independent investment management firm established in 1983, to distribute its global fixed income and absolute return strategies in the Australian and New Zealand market.

In early 2014, GSFM established a relationship with Triple Three Partners Pty Ltd (Triple3) a boutique research and investment management firm based in Sydney. Triple3 specialises in volatility as an asset class.

GSFM currently represents over \$6 billion funds under management (as at 31 October 2016). For more information about GSFM please visit the website: [www.gsfm.com.au](http://www.gsfm.com.au)