

Winning women: The 20 top female portfolio managers in the US

Vicky Ge Huang / 31 August 2018



Female fund managers still face barriers to navigating their way through and thriving in the competitive, male-dominated world of asset management. We shine a light on the women delivering stand-out performance on funds in the US.

It will be news to no one that the asset management industry has a gender problem. Even so, some might be surprised by the scale of the issue. Of the 16,084 portfolio managers tracked by Citywire around the world, just 1,662 – or 10.3% – are women. In the US, that figure falls to 9%.

There are multiple social and structural reasons for this, but crucially there is no evidence that women underperform men when it comes to running money.

In an effort to highlight the best female fund managers in the US, we have looked at the 20 women with the highest levels of risk-adjusted returns over the past three years.

To make the cut, they must also have top-quartile absolute returns in their particular investment disciplines over that period – be that large-cap US equities or multi-sector bonds, right through to emerging markets.

While there is just one US large-cap manager on the list, those investing beyond the States are better represented, with six such managers making the grade. Half of those specialize in emerging markets.

‘Anything that is international equities excludes the US, therefore it is much easier for those managers to outperform. There’s a lot of good managers in international equities, where the outperformance is above 50%, meaning that more than half of the fund managers add value in those peer groups,’ said Frank Talbot, Citywire’s head of investment research. ‘It’s a really good time to be an international equity manager. If you’re on the right side of the Tencent/Alibaba call, you have already outperformed.’

Of the top five managers in this breakdown, the first four all run money in non-US equities, with a solitary bond manager bucking the trend to take fifth place.

In at number one is Tiffany Hsiao (pictured below), who runs the Matthews China Small Companies fund. San Francisco, California-based Hsiao grew up in Silicon Valley but has some important family connections further afield – both to the part of the world that she invests in and to the kind of companies she picks.



Name	Fund name(s)	Sector	Total return (%)	Manager ratio	Citywire rating
Tiffany Hsiao	Matthews China Small Companies	Equity - China Region	46.31	1.53	
Coleen F. Barbeau	Franklin International Growth	Equity - International Multi-Cap Growth	39	0.97	
Ivka Kalus-Bystricky	Catholic Investor International Equity	Equity - International Multi-Cap Core	27.95	0.96	
Allison Fisch	Pzena Emerging Markets Value	Equity - Emerging Markets	22.91	0.9	
Anne Walsh	Guggenheim Municipal Income	Bonds - General & Insured Municipal Debt	8.04	0.85	
	Guggenheim Floating Rate Strategies	Bonds - Loan Participation	11.14		
	Guggenheim Investment Grade Bond	Bonds - Core Plus Bond	11.88		
	Guggenheim Total Return Bond	Bonds - Multi-Sector Income	12.89		
	Wilshire Income Opportunities	Bonds - Multi-Sector Income	12.89		
Natalie N. Trevithick	Payden Corporate Bond	Bonds - Corporate Debt BBB-Rated	13.51	0.81	
	Payden Global Fixed Income	Bonds - Global Income	8.04		
Nicole Kornitzer	Buffalo International	Equity - International Multi-Cap Growth	30.78	0.79	
Luz Padilla	DoubleLine Low Duration Bond	Bonds - Short Investment Grade Debt	5.93	0.77	
	DoubleLine Low Dur Em Mkts Fixed Income	Bonds - Emerging Mrkts Hard Currency Debt	8.47		
	DoubleLine Emerging Markets Fixed Income	Bonds - Emerging Mrkts Hard Currency Debt	8.47		
	AMG Managers DoubleLine Core Plus Bond	Bonds - Multi-Sector Income	7.06		
Maria Negrete-Gruson	Artisan Emerging Markets	Equity - Emerging Markets	30.25	0.67	
Cindy Starke	Value Line Larger Companies Focused	Equity - Large-Cap Growth	59.35	0.6	
	Value Line Capital Appreciation	Mixed Assets - Mixed-Asset Target Alloc Moderate	35.43		
Amy Zhang	Alger Small Cap Growth	Equity - Small-Cap Growth	48.14	0.57	
	Alger Small Cap Growth Institutional	Equity - Small-Cap Growth	48.14		
	Alger Small Cap Focus	Equity - Small-Cap Growth	48.14		
Kathryn Mongelli	BlackRock Mid-Cap Growth Equity Portfolio	Equity - Mid-Cap Growth	47.64	0.55	
Eileen Riley	Loomis Sayles Global Allocation	Mixed Assets - Flexible Portfolio	28.94	0.49	
Julie P. Callahan	Pimco Fixed Income Shares Series TE	Bonds - Other States Intermediate Muni Debt	14.29	0.49	
	Pimco Short Duration Municipal Income	Bonds - Short Municipal Debt	3.31		
	Pimco California Short Duration Muni Inc	Bonds - California Sh-Intmtd Municipal Debt	2.8		
Daniela M. Mardarovici	BMO TCH Corporate Income	Bonds - Corporate Debt BBB-Rated	12.95	0.48	

	BMO TCH Core Plus Bond	Bonds - Core Plus Bond	8.11		
	BMO Strategic Income	Bonds - Multi-Sector Income	7.73		
Samantha S. Lau	AB Discovery Growth	Equity - Mid-Cap Growth	44.77	0.46	
	AB Small Cap Growth Portfolio	Equity - Small-Cap Growth	50.15		
Kearny M. Posner	Lord Abbett Floating Rate	Bonds - Loan Participation	13.93	0.38	
Jane Henderson	Dreyfus US Equity	Equity - Multi-Cap Growth	43.62	0.37	
	Dreyfus International Stock	Equity - International Large-Cap Growth	26.99		
	Dreyfus Global Stock	Equity - Global Large-Cap Growth	33.56		
Katherine Renfrew	TIAA-CREF Emerging Markets Debt	Bonds - Emerging Mrkts Hard Currency Debt	17.54	0.33	
Anupam Damani	TIAA-CREF International Bond	Bonds - International Income	17.54	0.33	

Hsiao's grandmother, although illiterate and widowed by the age of 26, single-handedly raised a son who later emigrated from Taiwan to the US and became the lead researcher in an electronics company that helped to create the first laptop to use Intel's 386 processor.

'I saw firsthand that you can start small with innovation,' Hsiao told Citywire. 'As an innovator, you can really change the world. I saw that through my father.'

Hsiao's focus on domestic companies within China has not only generated alpha but has also helped to shield the fund from the recent sell-off that hit Chinese stocks in the wake of the trade dispute with the US.

Hsiao said she has never let being a woman stop her from doing anything. 'I think the most important advice I would give to women is that you have to find a company that really values your talent and your input. I was given the lead manager job at Matthews when I was eight months pregnant with my second child,' she said.

Picking up the pieces

Another emerging markets star, Allison Fisch of Pzena Investment Management, is also on the lookout for good companies, but for a different reason.

Fisch is one of four managers on the Pzena Emerging Markets Value fund – a deep value strategy that invests in businesses that are currently 'in pain.'



Eileen Riley, who runs the equities sleeve of the Loomis Sayles Global Allocation fund with Lee Rosenbaum alongside fixed income veterans Dan Fuss and Dave Rolley, shares this view.

'For me, I love this industry and I love this job so I can say that if you have that passion for investing, regardless of gender, I think it's a fascinating job.'

'What we are looking for is a good company where something bad has happened. It can be either a self-inflicted error that the company did or it can be pain throughout an entire industry or economy,' she said. 'But whatever the case may be, the market is behaving as though the business is permanently impaired and then the job of our research team is to figure out whether this is a temporary or permanent problem.'

As a psychology major who graduated with a liberal arts degree, Fisch (pictured above) did not consider a career in investing until she realized her interest in learning about different industries and understanding business models.

'I really enjoy that aspect of the job and I think that a lot of women maybe don't realize how great it is to work in investing,' she said. 'For people who are intellectually curious, enjoy analytics and really want to have a career where they can learn something new literally every day, this is a wonderful place to be.'

Maria Negrete-Gruson (pictured below), who runs the Artisan Emerging Markets fund, agreed. She advised young women just starting out in the industry to exercise resilience and engage in teamwork.

'In life, adversity is inevitable. What matters in the face of it is resilience. When you face these inevitable struggles and challenges, you have to be resilient enough to stand back up after the fall and keep going,' she said. 'The good news is, though, that if you've followed my first piece of advice and worked to develop your relationships with your team, when the waters get choppy, your team will be there to help support you, which is critical.'

Best of both

It is beneficial for investors too if more women get into asset management. Recent research by Citywire found that mixed teams of men and women produce greater levels of outperformance than single-gender teams or funds run by a solo man or woman. Not only do they produce more bang for your buck, but mixed teams also do it while taking on



less risk over the course of three years than male-only fund manager teams.

‘Research has shown that diverse teams are more effective, so the importance of diversity is being recognized in the industry. Mentalities are changing toward women, thanks in part to the dialog that is happening across society. Now is a good time to accelerate the momentum,’ said Nicole Kornitzer, who runs the Buffalo International fund.

Samantha Lau, co-chief investment officer for small- and Smid-cap growth equities at AllianceBernstein, is a 22-year veteran of the industry and is surprised that a meritocratic environment like asset management has not won over more women.

‘It is one of the few places where performance is black and white. I’m accountable for how I perform, but I own my track record and no one can take it away from me,’ she said. ‘So in a way, it eliminates a lot of the politics and ambiguity that some other professionals may face.’

Lau, who has been covering technology since 1997, is responsible for the technology sleeve of the AB Growth Discovery fund. She ranks 16th on our list and is one of two US small-cap

managers to make this breakdown, alongside Amy Zhang of Fred Alger.

US large-cap growth is generally considered about as hard a category as any in which to add value over and above the index, but Citywire AA-rated Cindy Starke, who runs the Value Line Larger Companies Focused fund has achieved astonishing returns. She is one of just 36 managers out of the 159 in her peer group to have added value over the past three years.

Feeling free

On the fixed income side, managers running multi-sector income funds have tended to outperform those running more constrained products and are well-represented on our list.

‘Citywire AAA-rated Anne Walsh runs a lot of money and has been very impressive,’ Talbot noted. Walsh, who is chief investment officer for fixed income at Guggenheim Partners, ranks fifth on our list for performance, but would be number one if it was based solely on the value of assets run. Not only is she named on the greatest number of funds on the list – with six to her name – but she also oversees a combined total of \$180 billion in assets across all mandates.

Other multi-sector managers who made the grade include DoubleLine Capital’s Luz Padilla and BMO Asset Management’s Daniela Mardarovici.

The fixed income side is not just about multi-sector managers though. As in equities, emerging markets are well represented among the bond managers.

One of these is Katherine Renfrew, who runs the TIAA-CREF Emerging Markets Debt fund alongside Anupam Damani.

Renfrew said she became interested in emerging markets at an early age. She took an introductory Chinese language class while in high school and visited the country in 1988 right after she finished college.

Renfrew said that women have been well-represented in her specialist area for some time, and she felt encouraged by their growing presence.

‘Emerging market debt is a place where more women came into the field early on,’ Renfrew said. ‘Whether it’s about language expertise, historical reasons or personal backgrounds, investments in emerging markets seem to lend themselves to women. It’s just the nature of the job, which means you have to be almost more multicultural, which means that there are a lot more women getting into the field.’

Julie Callahan, who manages the Pimco Short Duration Municipal Income fund, said growing up with three brothers and no sisters helped her navigate a male dominated environment.

‘At no point did I ever see myself as anything different than my colleagues and I expected to be treated exactly the same,’ she said. ‘I’ll admit that I was very naïve early in my career in thinking that hard work alone would be enough to level the playing field that has historically disadvantaged women in terms of pay, promotion while penalizing them for being ‘difficult.’

‘Almost every woman I know in this business has a story or experience of these obstacles. But I hope we’re moving in the right direction and that awareness, education and most importantly, accountability will foster change.’

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Average Annual Total Returns (%) as of 6/30/19 [†]	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
Loomis Sayles Global Allocation Fund Class A at NAV	5.58	5.77	8.71	11.98	7.30	11.30
Loomis Sayles Global Allocation Fund Class A with 5.75% maximum sales charge	-0.51	-0.30	2.45	9.80	6.03	10.64
Loomis Sayles Global Allocation Fund Class Y	5.64	5.83	9.01	12.28	7.57	11.58
MSCI ACWI (Net) ¹	6.55	3.61	5.74	11.62	6.16	10.15
Blended Index ²	4.82	3.59	6.14	7.68	4.32	7.39

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Gross expense ratio 1.16 % (Class A) and 0.91% (Class Y). Net expense ratio 1.16% (Class A) and 0.91% (Class Y). As of the most recent prospectus, the investment advisor has contractually agreed to waive fees and/or reimburse expenses (with certain exceptions) once the expense cap of the fund has been exceeded. This arrangement is set to expire on 1/31/20. When an expense cap has not been exceeded, the gross and net expense ratios and/or yields may be the same.

¹ **MSCI All Country World Index (Net)** is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets.

² **Blended Index** is an unmanaged, blended index composed of the following weights: 60% MSCI All Country World Index (Net) / 40% Bloomberg Barclays Global Aggregate Bond Index. The Bloomberg Barclays Global Aggregate Bond Index provides a broad-based measure of the global investment grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities.

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Citywire judges fund managers running absolute return funds in a slightly different way. We group them into 15 peer groups, featuring those running bond and mixed asset funds, as well as Alternative Ucits strategies, which use shorting as part of their investment process. Fund managers are judged on their ability to: Beat cash returns by 2% over three years; Control losses (maximum drawdown – their highest loss from peak to trough – cannot be 50% higher than peer group average); and generate strong risk-adjusted performance over three years. Fund managers who meet these criteria will then be allocated one of four ratings, depending on their risk-adjusted performance: The top 10% of managers will gain the highest AAA rating; the next 20% of managers will be awarded the AA rating; the following 30% will get a single A rating; and the remaining 40% will gain a Citywire+ rating. Managers may run funds that are assessed on this methodology but also run others that come under Citywire's traditional ratings system. In those cases, they will be assessed for separate ratings. The three-year performance ended 6/30/18.

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Exp. 10/31/19
AR292-0719
MALR022401