

**FRANK HUTTEL**

Frank Huttel joined FiNet in September 2009 where he is head of portfolio management responsible for research, fund selection and fund management.

Prior to that he was responsible for a CTA and has experience in trading derivatives. He is a Climate Reality Leader (Berlin 2018) and an SRI-Advisor (EBS).

He has 25 years' experience in the investment management industry.

25.9 million Number of pigs kept in Germany on reference day 3 May 2019

With a network of independent German IFAs, FiNet differentiates between discretionary portfolio management and pooling for their IFAs. **Ridhima Sharma** talks to head of Portfolio Management, Frank Huttel

Casting a wide net in search of ideas

Sustainability is playing an increasingly important role in asset management. It is gradually being integrated into the 'classic' asset management mandates.

FiNet Asset Management AG has been active in offering sustainable strategies to their customers. In 2018, it also signed the UN PRI. The focus of its investment strategy is on 'impact investing' and the 17 UN SDGs. It prefers theme funds that try to solve current problems.

Frank Huttel, head of Portfolio Management says: "In addition to the megatrends of sustainability, we see the need for digitisation. In 2018, we created the first fully sustainable and fully digital Robo-Advisor. It uses only active and sustainable funds. It unites man and machine and every customer has a personal contact."

FiNet offers a flexible and modular product portfolio -- from funds, to shares, bonds, certificates, investments and asset management strategies -- depending on which option you choose. Currently, the asset manager has assets under management of roughly €50m in nine different portfolio strategies, overall it is overseeing €500m.

With a network of independent German IFAs, FiNet differentiates between discretionary portfolio management and pooling for their IFAs.

When seeking out funds, an approved list for IFAs is always considered. In discretionary portfolio management, Huttel uses this list not only for selection, but also for solutions in order to solve problems.

He says: "Clients give the mandate to choose the right products. But in day to day business of IFAs, the feedback is still the same. Clients have greatest appetite for multi-asset and to certain extent bond funds too. Germany clients are risk averse and only a few like pure equities or equities funds, unfortunately."

ALTERNATIVE IS THE KEY

When seeking new managers, Huttel is always looking for real "alternatives" like global macro, CTAs or volatility

strategies. He believes in true diversification and risk management.

Huttel explains: "When selecting, we follow both quantitative and qualitative process. We are more an macro investor.

"After coming up with an idea, I run a database search and use my network. I meet a lot of fund houses in our office or on conferences and I source my ideas out of this universe. Let us call it 'guided freestyle'. We have the advantage of working with everybody and we love our independence.

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"I like boutiques and their managers that have a clear focus, skill, experience, humbleness and a proven process. But I also try and invest in funds from big international names. They often have valuable sources and a huge network."

Big funds and stellar performance raises flags. Sometimes it brings a change in the management. However, there is no hard "coded" rule.

Huttel comments: "I use 'absolute return funds' for my portfolios. They are all regulated (Ucits) and on-shore. I would also go for regulated, even if some off-shore funds have a better performance and are more free in their investment style."

Even when all fund houses have expensive and well known and proven risk management systems, nobody can predict the future. Even AI cannot do it. Trump and his like are not predictable. Skill, humbleness and experience counts. Huttel wants to see protection skills when needed.

FUTURE FOCUS

"I think passive funds will dominate in five years and drive down costs of active funds," Huttel says.

"Some of them 'have' to disappear and this is OK. However this gives opportunities to real active managers. I think HNMW should focus on that. Most of our clients are 'normal' clients. The 'private' banks have a better insight into this client base." ■