

Stock pickers to thrive in 2016

By: Viola Caon | 23 Feb 2016

As US stocks look only reasonably cheap, investors skilled in picking individual securities should be successful in 2016, according to Banor Capital.



Eddie Ramsden

(pictured) is portfolio manager of Banor North America Long Short fund, which this year is betting on big American banks as part of its value approach to investments.

Ramsden is a well-known supporter of value investing, which he has also been teaching to MBA and Masters in Finance students at London Business School since 2010.

He has managed the Caburn Capital investment partnership since 2003, taking a value investing approach and primarily focusing on special situations and competitively well-positioned businesses across a wide range of industries.

The North America Long Short currently has \$91m* assets under management as of 31/12/15 and has shown cumulative returns of 56.7% since inception, compared to 3.06% for the HFRX EH benchmark.

The standard deviation since inception (annualised) is 9.95%, compared to 5.93% for the benchmark.

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“Our favourite sector is the big American banks, and our three largest holdings are Citigroup, Goldman Sachs and Morgan Stanley,” Ramsden says when asked what his favourite sector is for 2016.

“We think that the US stock market is currently somewhere within a broad range of fair valuation, perhaps nearer the top of that range than the bottom. We don’t think that US stocks in general are mouth-wateringly cheap, nor do they seem precipitously expensive.”

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