

Female Fund Managers Make Strides

Although still vastly outnumbered, women are gaining ground in the fund world.

Fund Spy | 12-01-08 | by Russel Kinnel

It seems as if there aren't as many women who are star fund managers as there were in the 1990s.

Then you had Helen Young Hayes at Janus, Beth Terrana at Fidelity, Beth Dater at Warburg Pincus, and Elizabeth Bramwell first at Gabelli and then at her own firm.

Today, the first three are retired and Bramwell is running Sentinel Capital Growth (BRGRX), although she gets less press than she did in the 1990s. I can name a number of women managers, although I don't know that any are really stars who regularly appear on the covers of investment magazines.

This thought led me to wonder if women have made progress in fund management. To test this, I gathered up the names of managers at the 200 largest funds in 1998 and in 2008. (I didn't attempt to figure out the gender of all 7,000 or so fund managers.) While that's a small sample of the whole group, it does represent most of the fund assets and presumably most of the most lucrative and desirable manager assignments.

It turns out there's been more progress than I would have guessed.

In 1998, 28 women and 324 men managed the 200 largest mutual funds. That means women represented about 8% of the managers.

In 2008, that figure has grown by 50% to 12% of managers, as 44 women and 329 men run the 200 largest funds. (It's also interesting that it takes 21 more people today to run the 200 largest funds.)

That's more progress than I expected. It could be that there are just fewer star managers today, as management teams continue to gain ground in fund management.

The Larger Question

The more important question is "Are women getting equal opportunities at all the big asset managers?"

I can't answer that, but I can come up with a rough benchmark using the percentage of active chartered financial analysts. According to the CFA Institute, that figure is 19%—a figure well above the 12% currently running the largest funds.

However, I would expect there to be a lag between the two figures because becoming a CFA doesn't automatically win you keys to a big fund. So, it seems reasonable to think that the percent at the biggest funds should lag the CFA charterholders figure by a few years.

If there's more to the gap than that, I'm not really in a position to say because I don't work for a fund company.

Some of the Top Women Managers Today

I won't attempt a comprehensive list, but here are a few of the best women managers working today.

Sarah Ketterer (Causeway International Value (CIVIX)) has done an outstanding job taking a value approach overseas. She cofounded Causeway in 2001 after 11 years at Hotchkis & Wiley.

Mary Ellen Stanek (Baird Aggregate Bond (BAGIX)) has led a strong team of bond managers at Baird since 2000. Prior to that she worked for 21 years at Firststar, rising to the rank of CEO.

Susan Byrne (WHG LargeCap Value (WHGLX)) has built a great record of value at investing at Westwood Holdings—a firm she founded in 1983. She stayed with a value discipline even when value went out of fashion in the dot-com mania.

Diana Strandberg (Dodge & Cox International (DODFX)) has been a comanager at Dodge & Cox International since its inception, and she's been at the firm since 1988. Yes, the fund is having a rough year, but Dodge has produced outstanding long-term results.

Russel Kinnel is Morningstar's director of mutual fund research.

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