


**Thierry PAUWELS, CFA**

Head of Equity

OFI AM

Europe Equity Fully Invested Mandate

1998 he became the chief investment officer. He joined Edmond de Rothschild Asset Management in 2000 where he was head of international equities and joined CPR Asset Management in 2002 as head of equities.

He is currently the head of equities at OFI Asset Management. Thierry graduated from ENSIMAG and is a Chartered Financial Analyst.

**T**hierry PAUWELS started his financial career at SSgA France as a fund manager in 1992. In

★ **What is your scenario on European stocks?**

**M**arket players focus their attention on two sources of risk, the first one being the financing of the US debt and the second one being the sudden increase in inflation located in the Emerging markets. In that environment, I believe that the European equity market has a long way to catch up in term of market appreciation, all decline is an opportunity to invest in it.

★ **What is significant about the Pact of the Euro?**

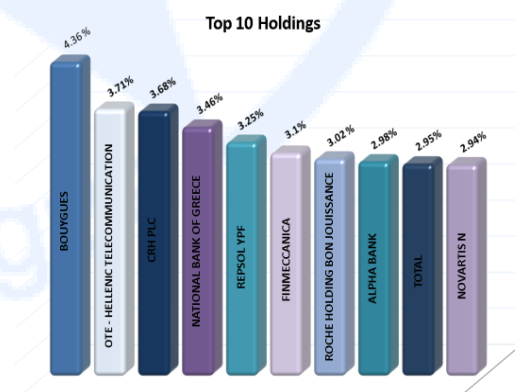
**A**bove all, this Pact will allow better coordination of political economies in the Euro zone, what was a German requirement. As a result, the European Stability Mechanism will have a lending capacity of €500bn and will be allowed to intervene in primary markets for government debt. He seems to me, it is a win win deal for all the euro zone members.

★ **Have you done any modifications in the portfolio after the Japanese drama?**

**I**t is too early to assess the consequences on the world's gdp growth and to decide to sell down the portfolio position in cyclicals. The portfolio had no exposure to the stocks related to the Luxury market; indeed we thought the sector was too highly valued before this event. Regarding the alternative energy sector, the portfolio benefited with holdings in Gamesa and Vestas.

★ **What are your main current investment ideas?**

**I** build the portfolio by selecting the best ideas of all our different strategies. Therefore, I have selected "special situations" stocks such as Finmeccanica, Repsol or Hellenic Telecom; "discounted or high yields stocks" such as Heidelbergercement or France Telecom; "European Leaders" such as Bouygues or Novartis; and "aggressive" stocks as National Bank of Greece, Gamesa or Vestas Wind Systems.



★ **Your fund is one of the top performers so far this year?**

**T**his is the reverse scenario of 2010, so since the beginning of 2011 we enjoy the nice ride on our financials holdings.