

TALKING WITH

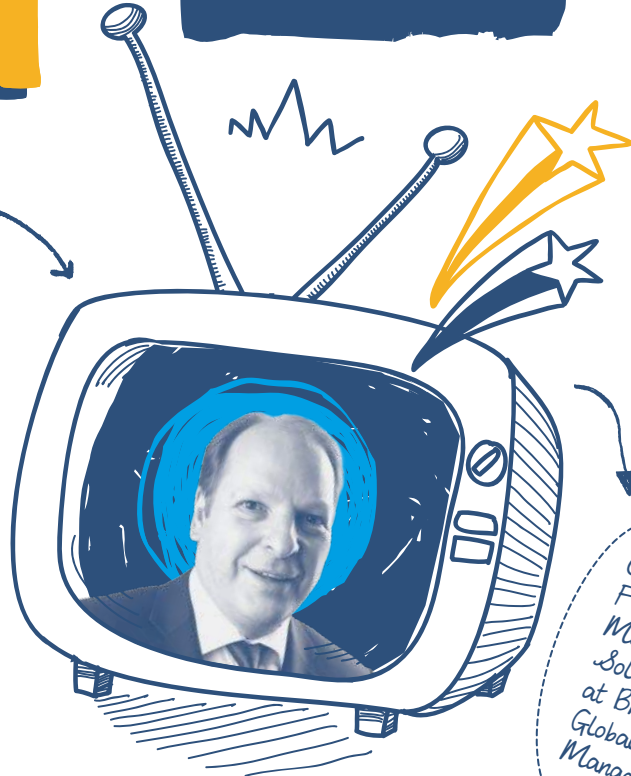
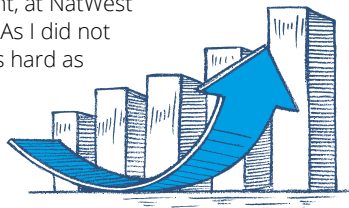
Gary Potter

Richard Romer-Lee,
Managing Director of
Square Mile talks leaving
a legacy, stock market
crashes and steak and
chips with Gary Potter,
Co-Head, F&C Multi
Manager Solutions at
BMO Global Asset
Management.



HOW DID YOU BEGIN YOUR CAREER?

It was because of a personal tragedy. When I was away at University, my mum was diagnosed with terminal cancer aged 49. I was 21 and did not want to be apart from her so I jacked it in and went back to Bristol. I got a job in the tax and trust department, which was effectively the investment department, at NatWest Investment Management. As I did not have a degree, I worked as hard as I could and progressed through the ranks.



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HOW DID YOU BECOME A FUND OF FUNDS MANAGER?

I began my career at Nat West Investment Management in Bristol after leaving university. I was there for 14 years and towards the end of those 14 years I worked with my boss Colin Coburn, managing the whole collective funds book of business, where we had great access to fantastic investors including the likes of John Armitage and I built my knowledge on the funds business. In my formative years at Nat West I was also a private client portfolio manager and learned the importance of diversification in long-term wealth creation and the benefits of collectives in risk reduction. In a reorganisation at Nat West I then had the opportunity to move to London and I jumped at the chance where I was then fortunate enough to work for Roger Bartley, who was CIO and also ran the Nat West Fund of Funds. Around the time that NatWest bought Gartmore, I was approached by Rothschild to manage funds of funds.



WHEN DID YOU GET TOGETHER WITH ROB BURDETT?



It was April 1996, at Rothschild. I moved in as John Husselbee left, joining Rob who had been there about 9 months. No-one told us who was in charge. One day we went to the pub, we like the odd pint of real ale, had a good chat, realised we had a similar ideology and decided to go to our boss saying we wanted to be equals. It's not for everyone, as you need to be pragmatic and be aware that sometimes you are wrong, but we have never looked back. About 18 months into Rothschild, I was approached by another business, as was Rob, but our loyalty to one another had already been forged.

WHAT DO YOU FIND MOST REWARDING ABOUT YOUR JOB?

The most rewarding thing is finding the investment gems before others, bringing them into the portfolios and their making a difference. Investment performance is our ultimate goal and when we find these it is very satisfying. Chelverton, Darwin Leisure and Andrew Swan at BlackRock are some examples of ideas we backed early and which have delivered. When you have been in the business for a long time, you get an instinctive feel for good opportunities.

I also like recognition. This can come in different ways, but particularly working with and helping advisers, and receiving feedback, hopefully positive, on what we do.



WHO HAS INSPIRED YOU?



It's difficult to define. True inspiration is people overcoming disability or those who make huge efforts on behalf of charity. They really make a difference. For different reasons, Ronnie Barker. He touched peoples' lives, went out at the top and left a legacy.

In the field of investment there are many, but 3 people in particular who gave Rob and me a chance. Rupert Robinson, who brought us together, Ian Chimes, who believed in us and Charlie Porter, who backed us to set up the current franchise. They all had the vision and guts to do something out of the ordinary when it might have been easier not to.

WHAT'S THE MOST EXTRAORDINARY THING YOU HAVE SEEN?

It was definitely the 1987 stockmarket crash. Watching the screens as the market fell 25% was so severe and it was so quick. In a way it helped me with the global financial crisis, which took longer to unravel, as I had seen the impact before. The hardest thing at a more personal level was an awkward separation from a previous employer. It gave me an insight into a



different world and made me question if I had done anything wrong. I hadn't but it didn't feel like it at the time.

WHAT SHOULD THE INDUSTRY DO TO GET THE VALUE FOR MONEY MESSAGE ACROSS?

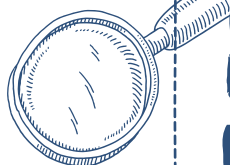
We need to engage better with the media. In this age of instant news we need to provide the facts so that a balanced view can be delivered. This includes how to evaluate cost as well as helping people get a better understanding of risk, so that they focus on return as well as risk. Client outcomes are in danger of being squeezed to the lowest common denominator, with over emphasis being placed on cost and risk and not enough on returns. The market feels so short term in everything it says and does, yet we are investing for the long term.

WHAT ADVICE WOULD YOU GIVE TO THOSE STARTING THEIR CAREERS IN OUR INDUSTRY?

Be yourself and give your own opinion. This is a people business and relationships count, therefore invest time with those with whom you deal, be they fund managers, financial advisers, clients or your colleagues. People seldom forget who have helped them.

WHAT MAKES A REALLY GOOD FUND MANAGER?

I have a clear view on what makes a good investor and that is being at the right business, with the right team and a consistency of approach. You also need to acknowledge your strengths and weaknesses and play to that knowledge. I was the first external investor with Angus Tulloch. He has been a great business leader, his team have stuck to their principles and they have made a tremendous difference. James Findlay knows what he can do and what he cannot do. More recently, I have huge admiration for the measured way in which James de Uphaugh and the team has developed the business at Majedie.



WHAT ARE YOU PROUD OF?

I am most proud of the team we have built and the legacy I believe we are building. That and the 16 children for whom we are collectively responsible. Rob and I recently celebrated 20 years together and we are proud of that too.

WHAT WOULD YOU LIKE TO ACHIEVE?

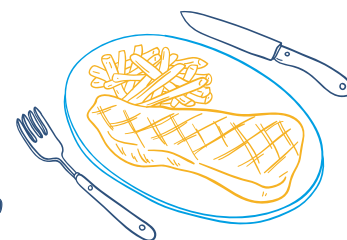
The most important thing is for the team to steer our portfolios through the challenges that the market will throw at us and to deliver our performance objectives on behalf of our clients. I would also like to help investors understand costs. Transparency is vital, but the pervasive creep of low cost products is not necessarily right for investors – it's not just about price. The notion that active management has lost its mojo is just wrong.

WHAT'S THE BEST PIECE OF ADVICE YOU HAVE BEEN GIVEN?

The team boss at NatWest said never shy away from saying or doing the right thing, even if it feels hard to do or if others try to influence you from doing so. This was echoed later by Paul Manduca, who told me when you become a director of a business, your duty of care is to the business you serve and that you must say and do what's right for the business.

HOW DO YOU RELAX?

My 2 sons are grown up and I love spending time with them. I also enjoy my garden, but there is nothing better than sharing a bottle of wine and steak and chips with my wife Angela.



WHAT'S THE MOST VALUABLE LESSON YOU HAVE LEARNED?

Life's too short to worry about too much. Accept that your judgement will sometimes be wrong and be prepared to deal with it. And be prepared for tough times, they are part of life. When things are not going your way, talk them through with your colleagues and your trusted industry luminaries, reappraise the situation and take the appropriate action.



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