TALKING @HOME WITH

Talking stock hunting and headlines at home with Ben Rogoff, Director of Technology, Polar Capital and Richard Romer-Lee, Managing Director, Square Mile

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HOW ARE YOU ADAPTING YOUR BUSINESS TO THE CURRENT CLIMATE?

Not much adaptation has been required. We were all set up to work remotely and the team (of nine) are rarely in the same place at one time anyway. The real change has been in terms of team interaction and our company meetings – typically totalling north of 1000 a year - which have now been replaced with video or voice calls. At the start of the year Polar Capital moved to centralised trading which means moving the portfolio around is that much easier. In the old days I would have placed each trade myself. It means we can focus entirely on the investment process.

WHAT CHANGES HAVE YOU MADE TO YOUR FUNDS SINCE THE CRISIS?

The investment maxim I remember is "if you're going to panic, panic early." We've not panicked as such, as the fund is dominated by large and mid-sized companies with strong balance sheets. But when the Fed – clearly rattled - reduced rates by 50bps we moved quickly to reduce or exit a number of holdings that were exposed to sectors such as travel, retail, events and hospitality. We used the cash to top up stocks that are beneficiaries of staying at home including cyber security firms CloudFlare and CrowdStrike and bike brand firm Peloton which runs online spin classes. The current situation has accelerated a bunch of secular trends that were already happening. As a result we have bought more Netflix (the latest numbers are outstanding) and Amazon. Frustratingly we've missed out on Zoom, though we hold companies that do similar stuff such as US software firm Everbridge, which we have owned since its IPO in 2016. It provides critical event notification, enabling companies, states and entire countries to communicate with their employees and citizens.

WHAT CHALLENGES HAVE YOU FACED WORKING REMOTELY?

A critical part of the way we work is to be in front of companies. Being in the middle of earnings season, we are quieter on that front at the moment. Once it's over we need to maintain relationships which we will replicate in a virtual way. Inevitably there will be some teething problems but given the way everyone has embraced communicating digitally, I'm confident we will be able to do it. Communication with the team is also crucial. Ordinarily we would sit in a room and share information. Someone might bring a snippet that might be the difference between buying and not buying something. Recreating that workflow out of the office is very important.

DO YOU THINK THIS EXPERIENCE CHANGES OUR INDUSTRY FOR THE BETTER IN ANY WAY?

It should put to bed any negativity towards working from home. It should also bring stock picking to the fore and to an extent, show that passive investing has perhaps been 'found out'.

WHAT ARE YOUR TOP TIPS FOR WORKING FROM HOME?

Work and live healthily from home – make sure you can step away from work and enjoy home life, even though the two are under the same roof. And take some time off – even if it's just a couple of days to be at home and not be working.

WHAT DO YOU EXPECT THE BIGGEST CHALLENGES TO BE IN FUND MANAGEMENT OVER THE NEXT 12 MONTHS?

There are lots of unknowns and some very unusual things happening in the investment backdrop, which you just cannot prepare for in any business school. The extensive travelling we usually do could be curtailed for a while yet and we want to make sure this doesn't have any impact on what we do, longer term.

WHAT'S THE HEADLINE YOU WOULD MOST LIKE TO SEE ON THE FRONT PAGE OF THE FT?

'Cure for coronavirus found' would be my first choice. 'Software M&A boom' would be my second choice, followed by 'Charlton Athletic saved' – sadly we're in trouble again.