

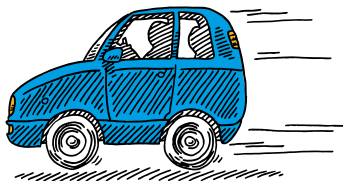
TALKING WITH

Dan Mannix

Dan Mannix, Chief Executive at RWC Partners talks autonomy, trust and career with Richard Romer-Lee, Managing Director at Square Mile.

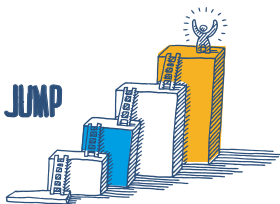


HOW DID YOU GET INTO THE INDUSTRY?

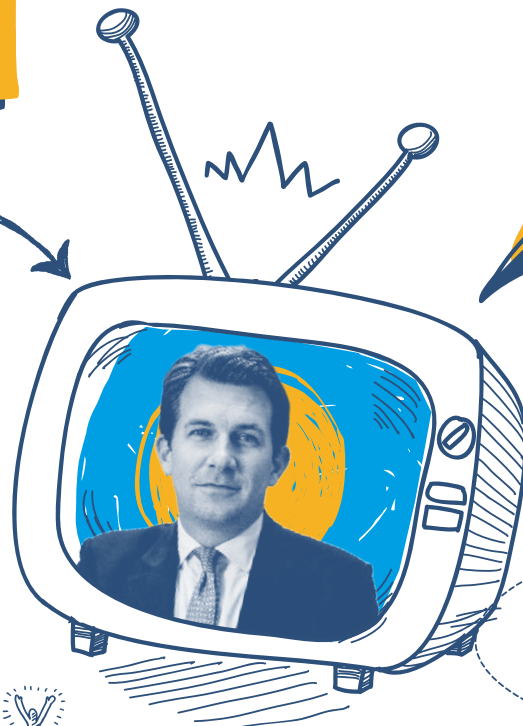


I was offered a job straight from university by Tony Fraher, who had left Morgan Grenfell to set up Singer & Friedlander's funds business. They are often remembered for the Football Fund, which raised some £30m from investors. It was great marketing but not such a good investment... I was given a car and Essex to conquer, but it did not take me long to work out that it was too early in my career to work for a small company. Jasper Berens gave me a job at what was then Flemings. We were lucky in that Flemings was acquired by Chase, which in turn was bought by JP Morgan to form what is now JP Morgan Asset Management (JPMAM). We were in a sweet spot as we were perfectly positioned, along with the likes of Fidelity, Franklin Templeton and Schroders, to support private banks across Europe as open architecture took hold.

HOW DID YOU MAKE THE JUMP FROM SALES TO BEING CHIEF EXECUTIVE?



I have always been interested in strategy and had been given some responsibility at JPMAM. Peter Harrison, who had been head of global equities at JPMAM, asked me to join RWC to take on the role of head of sales – it sounds grand but in practice I had a piece of paper with a list of telephone numbers on it. It felt like a start up as we refreshed the business and I was lucky to spend a lot of time with Peter as the business grew. Fast forward to March 2013 – Peter joined Schroders and I became chief executive.



Chief Executive at RWC Partners

WHO HAS INSPIRED YOU?

Clearly Peter Harrison. He gave me a huge amount of opportunity and I learned a lot from him, particularly how to make decisions, how to take risk and how to create opportunities. He also helped me understand what RWC was seeking to achieve. Many asset management companies are built around certain individuals, and as such can struggle to build sustainable economic value. There are many good examples of, for instance, hedge fund businesses that are managed for cashflow for their founders. Naturally, as a sales guy, I wanted something more sustainable. In other words a business that is diversified, has a flat equity structure, is not run by a chief executive that runs money and does not have a dominant shareholder.



WHAT'S THE SECRET OF THE SUCCESS OF A BUSINESS SUCH AS THAT?

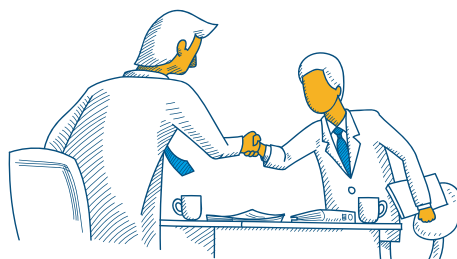
We have developed and refined a model that engages with the heads of our investment teams and yet simplifies and removes the complexities outside of their investment team for them. It is based on partnership and is constructed to not be divisive. We provide fund managers with autonomy over their investment process, recruitment, payment to their teams and clarity on their own remuneration. In return we provide support and expect integrity, a level of behaviour, to look after clients and to treat people well. There is a mutual respect that underpins how the model works.



WHAT VALUABLE LESSONS HAVE YOU LEARNED?

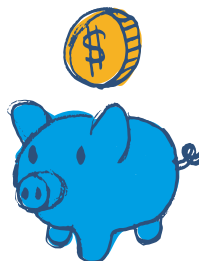
Many, but specifically humans interpret situations in different ways through each individual's lens at a particular moment. It is not always fair to impose your views. Therefore it is important to be consistent and to be trustworthy. Trust allows us to have responsible autonomy, which is very rewarding. Autonomy on its own is not always good though – it can lead to anarchy!

Being at the sharp end has also taught me about negotiation. You must know when you are prepared to walk away, and if you are determined and clear in your mind, it's at that point when you learn the other side's position. And when you know that, you know if and when you can succeed in the negotiation.



WHAT ADVICE WOULD YOU GIVE TO SOMEONE STARTING THEIR CAREER?

No matter what industry you work in, the people you work with, the culture within a company and the opportunities you are presented with are really important. To be successful you must assess opportunities, blockages and industry trends. Be persistent and remember that many successful people have been persistent and have made small changes that made big differences early in their careers. History is littered with people who made big changes and then disappeared...



WHAT GOOD ADVICE HAVE YOU BEEN GIVEN?

Simon Ballard said "always get equity". It was insightful at the time but even more so now. The way that excess compensation is regarded by so many people fails to understand the opportunity cost for the individuals and the companies taking risk. This industry has paid well yet many people have received entrepreneurial compensation without entrepreneurial activity. If individuals are engaged with equity in the right way, it can be very powerful for the strategy, longevity and sustainability of a business, particularly in a private company as you are not always able to monetise it. The book "The surprising truth about what motivates us" has some interesting pointers on autonomy and how to manage the environment within which people work so they enjoy it. Autonomy and control motivates people, whilst if you pay them in the wrong way it can demotivate them.

WHAT HAS BEEN THE SEMINAL MOMENT IN YOUR CAREER?

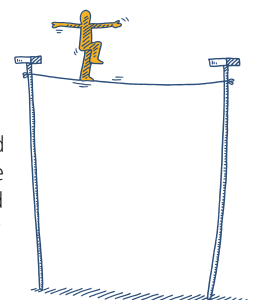
Being part of the wholesale team at JPMAM definitely set me up. We had 4 brands in 2 years, underwent huge changes but were in a good place. It opened my mind to the size of the opportunities out there. And of course when Peter Harrison asked me to do this job.

HOW DO YOU RELAX?

It's pretty hard to unwind – I am very intense and focused – and I can occupy every minute of every day thinking and worrying about work. This job is all consuming but I love it. When I am not working I love mucking about in the garden with our 3 young children. I relax by going on family holidays. I like to ski and I used to play golf but stopped as I didn't have the time – plus I was getting worse.

WHAT CHALLENGES DOES THE INDUSTRY FACE?

We are moving into a world where fund managers have to listen to their clients and provide the outcomes they need. It is hard for clients to understand markets, what to consider and how to take the right decisions. Therefore we need to be innovative and remain relevant. There should not be a rump of assets in stale funds – it's incumbent upon us to acknowledge that the world changes and we should use the brightest people at our disposal to work out and satisfy the challenges and needs of our clients today and tomorrow. We should not abuse the contracts we have with our clients by burdening them with their having to change their investments if we are not keeping both their interests at the forefront of our minds and our promise to meet their needs.



What are the ups and downs of working in a boutique?

I do not see us as a boutique – I think it is too simplistic a term. Rather I see us as an investment management company, with a simple model seeking to provide diversification and long-term stability to our clients and to the business. The ups and downs are a balance of excitement and worry – I was surprised at how much I feel every bit of news, good or bad.

One of the many benefits is we are able to be opportunistic and nimble. For example, we were one of probably 30 companies that tried to recruit what is now our emerging markets team. The firm for whom

they previously work had some issues, yet this was an established, big and successful team. I flew to Miami, where they are based, every week for 8 weeks to lead the negotiations – curiously I was the only CEO to do so. I met them, their clients and was prepared to evolve our business so both would benefit. We were successful and subsequently opened offices in Miami and Singapore, arranged for dozens of visas to be issued and secured \$1.6bn of client investments under 6 months. It was an amazing deal and we are very proud of it.



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