



TALKING WITH



Andy Clark

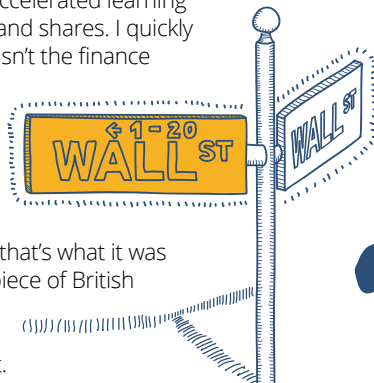
CEO
HSBC Global Asset Management

Talking working in a big business, diversity and Fortnite with Andy Clark, CEO, HSBC Global Asset Management and Richard Romer-Lee, Square Mile

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HOW DID YOU GET INTO THE INDUSTRY?

I joined Barclays straight from school on an accelerated learning programme. I was really interested in stocks and shares. I quickly found that being in a bank branch in Fleet wasn't the finance I had in mind from the film Wall Street. I made lots of noise and the branch manager eventually helped me move to Barclays Stockbrokers. For that, I owe him a lot. Stockbroking started off on the transactional side – placing orders – before I managed to progress to the advisory side – that's what it was all about. I remember every client wanted a piece of British textile company, Polly Peck, which went spectacularly bust. We had to write file notes to explain why we had told them not to buy it.



WHAT'S IT LIKE WORKING FOR SUCH A HUGE BUSINESS?

It is wonderful working for a global brand which resonates with the client and ensures we can service globally. The Group is very collaborative and thoughtful, more than anywhere I have been before. There is nothing I have wanted to do that hasn't been possible. Occasionally it can take longer than I would have liked - but I see this as thoughtfully delayed.

WHAT TOOK YOU TO HSBC?

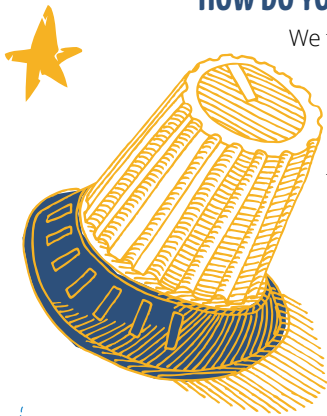
When I was 22, Barclays announced redundancies and relocated to Glasgow. I wasn't sure what to do so I joined an IFA. Robin Minter-Kemp used to call on us from Henderson's. We got on well and I liked the sound of asset management.

When he asked me to join them in Bristol, I jumped at the chance. I remember the sales director, Ian Chimes, made me call myself Andrew as I was a bit rough round the edges. I joined HSBC for the first time in the late 1990s - and rejoined again in 2005 with stints at Fidelity and Deutsche Asset Management in between.



HOW DO YOU TURN THE DIAL IN SUCH A BIG BUSINESS?

We tend not to shout about our victories, but here's a prime example. Back in 2005 we were 134th out of 140 in the Investment Association's asset manager net sales figures. We have been in the top 20 since 2008, and in the top 10 for the last six quarters in the Pridham report. Dial turned.



WHAT ARE BIGGEST CHANGES YOU'VE SEEN IN THE INDUSTRY?

Asset management has matured in the last 25 years from almost a 'cottage industry' into a wider acknowledged economically vital and robust industry. In addition there is increasing polarisation in asset management, a trend I feel will continue as the industry continues to grow.

HOW DID YOU MAKE THE TRANSITION FROM SALES TO CEO?

If you can understand and take a wider view of your business, as well as get on with people its do-able. Nowadays, the business is so complex, leaders can come from any part of it. For me, there was some initial reactions and raised eyebrows along the way, especially from those waiting for me to prove myself. However, the best CEOs I have worked for have been leaders and have come from all corners of the industry.





HOW HAS THE SALES ROLE EVOLVED?

It's completely different now from when I started. The best sales people are consultative, need a wide knowledge of industry and market trends and can develop strategy with clients. It's about business development in its widest form and truest sense.

WHAT IS THE BEST ADVICE YOU HAVE BEEN GIVEN?

Trust everyone immediately, until you don't! I am not sure where it came from, Robin and I used to talk about it. Think positively and not negatively – it has worked for me 99% of the time.



WHAT DO YOU THINK ABOUT DIVERSITY?

I think about it a lot. Diversity of thought is vital. What's the best mix within a team that makes a brilliant team? How do we do more to bring the right people in? The best teams are a mix of everybody – a blend of many things including cultures, countries, backgrounds – it's a great advantage at HSBC as we have quite a mix. I'm proud that our business is engaged closely with diversity projects and helps raise awareness to the industry. Being global helps.



WHAT DO YOU LOOK FOR IN A FUND MANAGER?

Resilience, openness and understanding of whose money they are looking after. I will always appreciate fund managers who are excellent in explaining their thinking and have the intelligence and ability to articulate themselves to the team and clients.



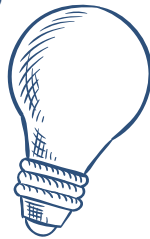
WHO HAS BEEN YOUR MENTOR AND INSPIRATION?

I have taken attributes from a lot of people – in fact you can take something from most people. We are learning all the time and even those lessons you may not think are important may become so in time. See and be aware of what you don't want to become.



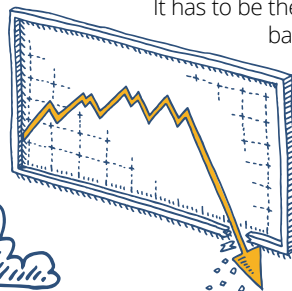
WHAT ADVICE WOULD YOU GIVE TO SOMEONE STARTING OUT?

Work on your EQ - your emotional intelligence. You need more than just IQ – at least in most roles. They are both important. This industry requires people skills, or at least an awareness of people.



WHAT IS THE MOST EXTRAORDINARY THING YOU HAVE SEEN?

It has to be the big one – the financial crisis. Queues outside banks, bail-outs, mark-to-market, what was the real value of assets? It brought home the fragility of our existence. The lack of liquidity in the market – we had grown up not worrying about it.



WHAT WORRIES YOU?

Are we sleepwalking into another 2008? Have we learned the lessons and are the systems robust enough to protect us? How many levers are there left to pull?

HOW DO YOU RECHARGE?

My twin daughters are 11 and I spend lots of time with them. Ferrying them to lacrosse and playing Mario Kart (with them, of course). I play Fortnite online, but they are too young for it. For some mindfulness I do go for runs at least twice a week - it is needed.



WHAT CHALLENGES DOES THE INDUSTRY FACE?

We need to be much better at articulating what we do to get people to understand and to trust us. It's easy to say regulation doesn't help, but are we doing enough? We must focus on client goals, what they are saving for and how we will help them get there. It's like we've forgotten how to talk to the end client. We must also address the issue of margins in the wake of the FCA's Asset Management Market Study. I am not sure the industry is as far forward in its thinking as it might be – what will we be doing in 10 year's time? How do we do as much as we do now but with less revenue? How do we balance good returns, good governance with a strong business and margin compression? I am sure the likes of Apple and Google are thinking that far ahead.

