

TALKING WITH

Hans Georgeson



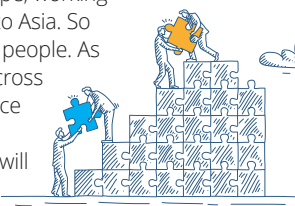
HOW DID YOU GET INTO THE INDUSTRY?

I started my career as a diplomat, interning in Brussels then in South Africa during 1995, the year of Mandela's election. I then came back to the UK, did a Masters and then went to the Middle East and worked on the peace process. But when the Israeli Prime Minister Rabin was assassinated, the peace process pretty much ended and my girlfriend, now my wife, said come home or don't come home. So I came back to London and started with a firm called VZW Asset Management, the asset management arm for Barclays at the time. Halfway through a graduate program I vividly remember being on the South Bank in London and reading in the Evening Standard that VZW was going bust. I stayed with Barclays and spent 15 years there in different roles.



WHAT'S THE KEY TO BUILDING A SUCCESSFUL CULTURE IN AN ASSET MANAGEMENT BUSINESS?

Cultural values are critical. Not only do you have to create the right culture you then have to sustain it. In our case we started as a UK oriented company, and expanded first of all into Europe, working significantly with AXA and we have since expanded into Asia. So with the growth of the business we're now about 350 people. As an organisation you go through different sizes, and across different cultural barriers as you go through into France into Belgium into Germany into Italy and so on. The culture for us is the bedrock of how this organisation will sustain itself on a long-term basis. Quite often when you bring organisations together people focus on the differences and miss the fact that actually in a lot of cases, the cultural overlap is very significant. We launched a value called 'stronger together' at the time of the Brexit vote. Incidentally, that was exactly the slogan the Remain campaign was using, coincidental of course! But I think in our case we really do look across the businesses from a cultural and business perspective and believe that we as a business are clearly stronger by operating significantly together.



WHAT CHALLENGES DO YOU SEE FOR THE INDUSTRY?

Regulation - which needs to be handled with care. There's a balance to be found, applying the right kind of regulation encourages competition and transparency without stifling business and killing it. MIFID is driving that transparency, and that transparency is driving consumers to be more demanding about what it is they are getting in return.

Talking culture, rising regulation and climbing with Richard Romer-Lee, Square Mile



CEO of Architas

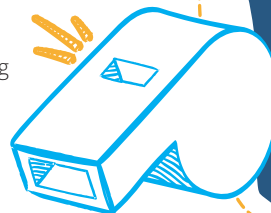
DOES BREXIT POSE A PROBLEM FOR YOU?

We have eight legal entities today - three in the UK, one in Dublin, one in Brussels, one in France and so on. So we are, I think, not yet perfectly hedged for Brexit. We are in the middle of setting up an office in Dublin and we have a legal structure that we've run there for the last ten years. I think we will be in reasonably good shape by the end of this year. On a long-term basis I think the impact on London will be felt. But London is big enough, ugly enough and has been through evolutions and revolutions - it will be fine. In the near term, the next five to ten years, it's going to be a bumpy ride.



HOW DOES THE INDUSTRY TACKLE THIS?

Most investors are looking for a company that won't lose their money, some upside and value for money. You have to find a simple, clear and articulate way of explaining to clients why they need to invest, how risk works, how much risk they should be taking and then just be honest with them about the fact that it won't always go well. It cuts to some of the values that we have here in Architas in terms of being really, really ruthless in a simple communications focus. We use pictures where we can. Our innovative design team at one point used airport signage as the basis for how we explained to people how performance is going because it's a complicated subject. So we are trying but I think there is still a long way to go.





HOW IMPORTANT IS ESG NOW AND IN THE FUTURE?

ESG is here to stay. Institutions almost require it now as a hygiene factor. You've seen high net worth individuals starting to focus on it. But I also think as you look at the way society is moving, and the next generation that's coming through, they're questioning what role the asset management industry plays in society. They want to know that when they hand over their money they expect us to use it to do something with a social purpose behind it. The tough challenge is that in a sense the consumer assets today tend to be in those less focused on ESG than the next generation. It's a trend, but one that in my view has really strong fundamentals. The AXA Group, as an insurance company, has strong values around not investing in tobacco and coal. But we look at how we can translate that into client portfolios in terms of products and different criteria we put around investing.



WHAT'S THE MOST EXTRAORDINARY THING YOU HAVE SEEN?

Witnessing inflection points in 2007/08 was an extraordinary experience. Somebody put it very well when they said there was only one thing worse than working through the financial crisis and that was being in financial services and being the wallflower on the side. It was an absolutely extraordinary professional and personal experience.

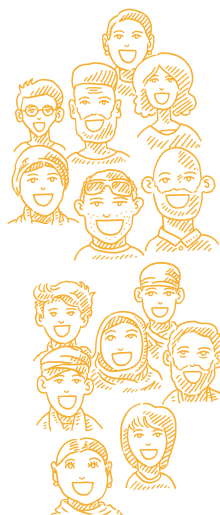
HAS THERE BEEN A SEMINAL MOMENT IN YOUR CAREER?

In 2009 I was running one of the asset management businesses within Barclays and I fell out with my boss. I left this behemoth of an organisation and came to Architas - a business with just 20 people. I have loved every minute of this business. It is something that fills me even today with tremendous pride that we have managed to take this tiny organisation and grow it into something that is providing a service to the business and the industry. I should add that moving from the diplomatic world into financial services was pretty critical to my career.



WHAT'S THE BEST BIT OF ADVICE THAT YOU'VE BEEN GIVEN?

It was probably from my dad who didn't have anywhere near the commercial or educational opportunities I had. He trained as a plumber in fact. But he was a very intelligent, articulate person. His advice to me was work really hard to make things simple and that the simpler you can make it, generally reflects more effort. It's been one of those principles that I've tried to sustain throughout my life. The asset management industry is fantastic at being able to make life complicated.

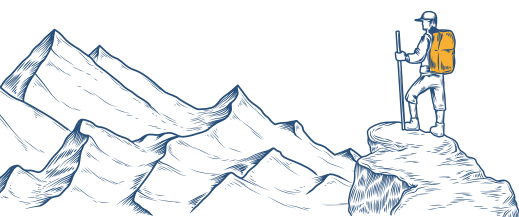


WHAT SHOULD WE BE DOING TO EMBRACE DIVERSITY?

Gender diversity is a cause that I'm very focused on. Companies are making considerable effort, focusing on schools and universities to bring more women through the pipeline. I know other firms that are focusing at mid-career level when women have kids and then come back and making sure that they feel supported in the business. But I can't help thinking that given the focus and the effort we should have achieved more. There are two different ways that you can drive this now. One makes me instantly unpopular both with men and women, which is to look at quotas. It might create a negative reaction but it would sure as hell move things. A gentler way of doing it is to pay someone to recruit and attract the right kind of diverse talent in the business.

WHAT'S THE STORY BEHIND THE OLD FASHIONED ARCHITAS BICYCLE?

It started as a marketing tool, I wanted something different from the usual stand and decided on a bike based on what I saw in Copenhagen where they used bikes to do their advertising which you could hire and cycle around the city - it was good marketing over there. It has then developed into something to support charitable causes. Every year we have a team that cycles to raise money, this year they went all the way to Budapest. They have cycled to Paris and I was with the team in Cologne a couple of years ago. It's a nice way of bringing together the cultural values that we stand for, working together, as well as a bit of fun. This bike does go round with them and it has been photographed in extraordinary places but the rides are done on racing bikes rather than this one...



HOW DO YOU RELAX?

I have two daughters aged 9 and 12 and they occupy a lot of time as any kids do. I also do a lot of climbing. I was born on Kilimanjaro in Tanzania. At the age of ten I kind of made my way up to the snow line. The line is now quite a lot higher up so I went back finish that climb - six or seven years ago. Since then I've been to Mont Blanc, Gran Paradiso in Italy and a whole bunch of other mountains. Mountains give mental space and freedom.

This publication is for the use of Professional Advisers and other regulated firms only and is issued by, and remains the copyright of Square Mile Investment Consulting and Research Limited (SM). No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of SM. The views expressed are not necessarily those of SM and SM does not accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.