

Talking diversity, AI and football with Justin Onuekwusi, Fund Manager, Head of Retail Multi-Asset Funds, Legal & General Investment Management with Richard Romer-Lee, Square Mile



TALKING WITH

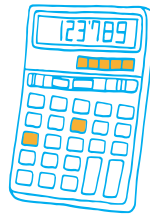
Justin Onuekwusi



Head of Retail Multi-Asset Funds, Legal & General

HOW DID YOU GET INTO THE INDUSTRY?

At sixth form college - Holy Cross in Bury - I wanted to study double maths, politics and economics. But double maths lessons on Wednesday afternoons clashed with football. My teacher said if I played football I would never be an actuary - I had to prove him wrong. I did single maths, played football and ended up as a trainee actuary at Aon. Within 8 months I moved from pension consulting - I hated it. I moved to investment consulting, looking at markets and doing manager research. From there I moved to Merrill Lynch, dropping the actuarial exams and doing the more market related CFA and then to Aviva Investors where I managed retail multi-asset funds.



HOW DO YOU STAND OUT?

Apart from being from Manchester - there are very few Mancs in the industry! I am focussed on building investment solutions inside fund wrappers. I try to understand client problems, clients and distribution as well as managing money.



WHAT'S THE MOST REWARDING THING ABOUT YOUR JOB?

I can't sit in an ivory tower, focussing solely on outperforming benchmarks. For me, while that is clearly important, a rewarding part of my job is meeting clients. Nothing feels better than being thanked for delivering performance and a good outcome.



HOW IMPORTANT IS CULTURE?

When I first started, I didn't really know what it was. With experience in the industry, I appreciate it more. Diversity and inclusion is an important part of this. The industry has woken up and recognised there is a significant problem - especially at senior fund manager level. There is just not the diversity - whether it is gender, ethnicity or sexuality. Greater diversity should provide better culture and with this comes better decisions. I am lucky to work in a team and firm where the culture is strong and there is respect and a firm trust for everyone.



HOW MUCH TIME DO YOU SPEND WITH CLIENTS?

I set aside 20 days a year to do so. It is important to be able to explain your thinking and investment decisions while balancing it with managing the portfolios.

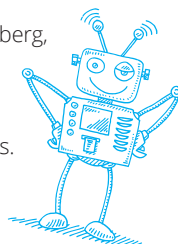


WHAT OTHER CHALLENGES DO YOU FACE?

The industry has overly focussed on alpha and benchmarks rather than delivering good client outcomes. It is slowly moving in the right direction - pension freedoms and RDR have helped - but the burden of legacy still weighs heavily. Now more than ever there are lots of investment instruments to access different asset classes, but there is a balance to strike between sophistication and transparency. It's a big challenge as it makes sense to use them but the danger is you lose the understanding of the end investor.

DO YOU THINK THE ROLE OF PORTFOLIO MANAGER CAN BE REPLACED BY AI?

We have always used machines to construct portfolios - Bloomberg, excel, Lipper, Reuters and so on - and these will continue to get more sophisticated. But there always needs to be a human element. I don't see fund management not being a human business - particularly when communicating with intermediaries.



WHAT MAKES A GOOD FUND MANAGER?

Conviction - in a more transparent world there will be more onus on fund managers to articulate the rationale for each decision and its impact on a portfolio. Humility - there are lots of times when decisions are not working and it's a must to revisit the rationale. Uniqueness - have personality and your own style to deliver performance. You need to stand out as there are thousands of funds for investors to choose from.

WHAT IS THE BEST ADVICE YOU HAVE BEEN GIVEN?

It was from Yoram Lustig, who at the time was Head of Multi-Asset Funds at Aviva Investors and is still a mentor to me - he simply said "you can do it". It really helped me overcome the self-doubt when I first moved into fund management.

Carpe Diem

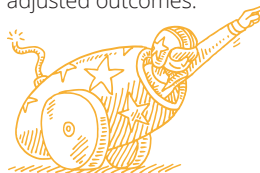
WHAT ADVICE WOULD YOU GIVE TO SOMEONE STARTING OUT TODAY?

I am a big believer in working hard. The importance of talent can't be overestimated. Fund management is 90/95% putting in the hard graft. If you put in time, it will pay dividends.



WHAT IS THE MOST EXTRAORDINARY THING YOU HAVE SEEN?

It was during my time at Merrill Lynch Wealth Management, the investment bank, was one of the biggest writers of CDOs. The scale of the write-downs on their balance sheet in the aftermath of the financial crisis was truly extraordinary. Tens of billions each quarter - until there was nothing left. I have never seen anything like it. That and the number of people leaving the business. It was like a conveyor belt. It was truly bizarre - and then came the take-over by Bank of America. One of the lessons I learned as lots and lots of very clever people lost their jobs, is that no matter how smart and skilled you are, markets can make you humble.



WHAT ARE THE MAIN CHALLENGES FACING INVESTORS?

The typical man and woman on the street don't know enough about how to invest. The asset management industry has a duty to help educate investors. It becomes more of a challenge as the industry is focussed on intermediaries, whether they are trustees of corporate pension schemes, consultants or financial advisers. It has a duty to connect with investors.



HOW DO YOU RELAX?

I have 2 daughters and their swimming, football and ballet doesn't stop! I am a big Manchester United fan and a season ticket holder - although I don't get to many games. I don't mind a tippie and I do like rum - I am half Grenadian and half Nigerian - Grenadian rum is immaculate. When I can I like to catch up with Netflix shows. Breaking Bad was my favourite. More recently I have discovered audio books and podcasts - after work it is hard; with these I can switch off.



DO YOU HAVE A ROLE MODEL?

I grew up surrounded by lots of really strong women. My Gran had 9 children - 6 of whom were girls. All have been great role models. I was brought up by my mum in inner city Manchester. Every Saturday the whole family went to my Gran's house where there was a chicken in the oven and pot of rice and peas waiting for us. It brought us all together and taught me the benefits of family.



WHAT DO YOU RECOMMEND?

Guns Germs and Steel: The Fates of Human Societies by Jared Diamond. Intelligent Investor by Benjamin Graham and Why Diversity Programs Fail, by Frank Dobbin and Alexandra Kalev which was published in the Harvard Business Review.



WHY THE COUNTLESS RED TIES?

I have 20 red ties and I just recently bought another. This obsession started when I joined LGIM and now I can't stop. I recently tried a blue one and it just wasn't me...



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