



TALKING WITH



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CEO
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Talking the perfect company marriage,
life as a CEO and guitars

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HOW DID YOU GET INTO THE INDUSTRY?

It was so long ago. I left university in 1984 with a degree in economics and wanted to go to London. I responded to an advert for what I thought would be an investment job but which turned out to be a sales role at Porchester Group. I learned lots but it wasn't for me. In 1986 I joined Premier, which was then an IFA firm - and I have been at the same business ever since. In 1988 we started to market a unit trust portfolio management service to financial advisers and it soon became clear that having an adviser business and a growing asset management business in the same group was difficult, so we parted company with the IFA. In the mid 1990s we reversed the company into an AIM listed company, and subsequently bought Brewin Dolphin's unit trust company. How things change.



DID YOU SET OUT TO BE THE CEO?

I have always had a hankering to be in charge of my own destiny - though I never thought I would be Chief Executive. You have a different career path when you grow with something, rather than by joining a big company. It was more of an evolution reaching this role. When we started, we were very small with £35m under management. That had grown to £6.5bn before the merger with Miton and is now over £11bn. I have worked with David Hambidge since 1987 - there aren't many work partnerships that have lasted that long.



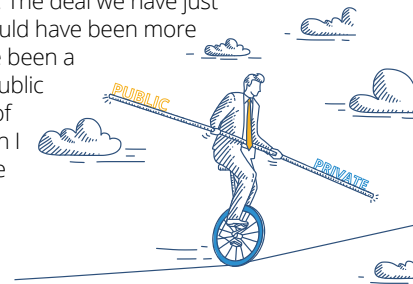
WHAT DOES YOUR ROLE AS CEO OF AN ASSET MANAGER INVOLVE?

There are lots of parts to my role. I'm a great believer in delegating and allowing people to do their jobs and deliver - interfering or being a control freak is not my style. I try to get the best out of the team and don't have to be involved in everything - we couldn't grow in that environment. I have to set the culture, tone and allow good people to deliver against their objectives. As an independent, UK client focused business, we are close to the coalface and to our clients - including financial advisers and wealth managers - and we are always trying hard or trying harder to win and retain business. It's brilliant and exciting. For us, the next opportunity ahead is to take the business from £11bn to £20bn whilst focussing on delivering for clients and attracting new talent.



WHAT ARE THE PROS AND CONS OF PRIVATE AND PUBLIC OWNERSHIP?

We have been both - twice. There are pluses and minuses to both. On balance, coming back to the public market in 2016 after 10 years in private hands was transformational. We were lucky enough to have supportive shareholders as we grew from £4.5bn to £7bn of assets under management. Private companies are more internally focussed and are able to concentrate on their plans without the requirement of reporting to shareholders every quarter. They are more insular - although with the discipline of reporting to a board. In public companies, there is greater access to the capital markets and the helpful views shareholders can bring to the business. The deal we have just completed with Miton would have been more or less impossible had we been a private company. Being public also helps with a culture of equity ownership, in which I am a big believer, as there is a market and value for the shares.



WHAT MAKES THE PERFECT MARRIAGE OF COMPANIES?

It's all about a cultural fit. I was hugely impressed as we got to know Miton - their culture is very strong and not dissimilar to ours. Beyond that, a strategic fit is important. The fund management and distribution teams were broadly complementary, with little overlap, and there is the opportunity to harmonise the operations side of the business. The people in each business recognised fellow travellers on the same journey. This all helped result in a rather swift merger. The advisers to the business were good, and we all recognised that these things can be demanding and take up a huge amount of time, which could damage the business if drawn out. It was a case of do it quickly or not at all.



WHAT ARE THE ESSENTIAL STRANDS OF CULTURE?

The focus on clients, the pursuit of delivering good investor outcomes and service and the recognition people don't have to buy our funds. The desire to work harder and smarter and to deliver over and above the competition. The entrepreneurial nature of our business is forged in the heat of battle, through knockbacks in, for example, bad markets or periods of under-performance. Our business is intermediated and we must enable our clients to realise what we can achieve for them. Equity ownership is important - it encourages people and teams to will each other to succeed.

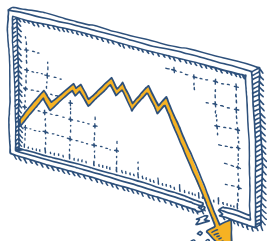


YOU ARE ON THE BOARD OF THE IA - WHAT'S THE VERDICT?

It has done a fantastic job over the last four or five years. It has raised the profile of the industry and made good connections with the regulator, policymakers, politicians and other industries.

WHAT DO ACTIVE MANAGERS NEED TO DO TO SURVIVE AND THRIVE?

ESG is a massive opportunity, and one where active fund managers have a big part to play in providing good outcomes for customers in a way that's durable and sustainable. Investors will expect their money not only to give the outcomes they hope for, but to have a positive impact. I fear for investors who have bought cheap products where it may well be harder to achieve attractive returns over the next five to seven years, particularly by the time you have added in platform and other charges. Active fund management needs to stand up and be counted, with the right credentials and competitive pricing.



WHAT'S THE MOST EXTRAORDINARY THING YOU HAVE SEEN?

I'm old enough to remember the 1987 stock market collapse, but the financial crisis was remarkable. It really did look on some occasions like the whole thing was going to go down the tubes. People were wondering if the banks would open. Nothing seemed to have a value and most, if not all, metrics were not working. On reflection, such times are interesting to live through.

HOW SHOULD PEOPLE REACT TO A MARKET SHOCK?

Stick to the fundamentals - it's the only thing you can do. The alternative is all bets are off. As investors, we were lucky as we did stick to our beliefs and bought some fantastically priced assets which turned out to be great investments for our clients over the subsequent three, five, seven years or so.

WHAT'S YOUR APPROACH TO MANAGING A BUSINESS OF FUND MANAGERS?

Allow them the freedom to invest as they want to invest. It's like creating a canvas - the edges are the risk, regulatory and compliance framework within which they operate and they should be allowed to portray what they want to. Command and control does not work. Such constraints are largely unhelpful in a genuinely active management business. It takes many years of experience to be a good fund manager. You need to live through the good times without believing it is all down to you. And you need to pull yourself through the tough times to really gain the perspective you need. Good fund managers come from different backgrounds and I'm a huge believer in the importance of diversity, which brings a wider knowledge of the world.



WHAT ADVICE WOULD YOU GIVE TO SOMEONE STARTING OUT TODAY?

There are no easy answers. You have to work hard. When I see youngsters going the extra mile, I find it really satisfying. It's unbelievably depressing seeing people doing the bare minimum. Of course, it's also important to remember that there's more to life than work.

WHAT DO YOU DO OUTSIDE WORK?

Guitars - you can never have too many. If I buy any more, I think my wife is going to leave me. I play blues. I play golf, badly, but I enjoy it. And my wine cellar is becoming an obsession for me. Plus the family.