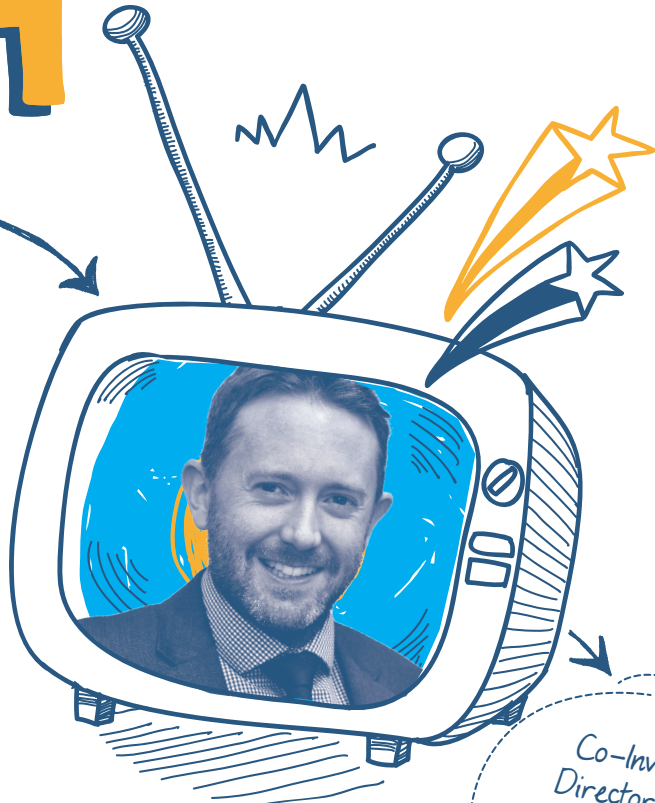


# TALKING WITH

Anthony Gillham of Old Mutual Global Investors talks fund management, job satisfaction and flying with Victoria Hasler, Head of Research at Square Mile.



Anthony Gillham



Co-Investment Director of Old Mutual Global Investors Multi Asset Unit



## HOW DID YOU GET INTO FUND MANAGEMENT?

When I left university I wanted to get a professional qualification and continue my education with a blue chip employer.

Skandia ran a good graduate development programme so I applied as I thought the financial sector had longevity and an exciting future given the aging population. My background and interests were very much geared towards quantitative analysis, which I believed was compatible with finance. I spent 2 years on the graduate training programme, which gave me a good overview of the business. My final rotation was in the investment department where I found a niche analysing fund managers from a quantitative point of view.

## WHAT MADE YOU STAY IN FUND MANAGEMENT?

I liked digging into what managers had done from a quantitative perspective. The rest of the team would take my analysis and present it back to the fund manager for him to explain, which brought a more personal element to the data. I like problem solving and trying to understand what makes a fund manager tick. The key for me is linking the dry statistics to the more personal side of what drives someone. I like the fact that finance is mathematical, but is also about personalities and relationships, an interaction which I find fascinating.



## HOW HAS YOUR PROCESS EVOLVED AND WHAT HAVE YOU LEARNT?

I am lucky that I get to meet a lot of fund managers. I have learnt that nobody has a perfect way of doing things, but everyone has something good in their approach, so you can take the best bits from lots of people and learn from their mistakes. The balance between the human element and the facts is critical. You can't use a black box - quantitative analysis should give you transparency, not take it away. I now use quantitative analysis to prove and back up my theories.

## WHAT HAS BEEN THE PIVOTAL MOMENT OF YOUR CAREER?

I feel very fortunate that I have always been given a lot of opportunities to develop and progress. I like the challenge of taking on new responsibilities and having problems to solve. In the early 2000s I was a quantitative analyst for the fund research team. There was an area of the back book that needed some due diligence but was not of huge importance to the business. I pitched to my boss I could carry this out more efficiently, thus freeing up senior analysts to look after the front book. My boss agreed, and it was a real opportunity for me, from travelling to meet managers to presenting to investment committees, and it gave me a real sense of achievement that I managed to do it.



## WHO HAS INSPIRED YOU?

I am very lucky in that I get to talk to a lot of senior managers at various asset management houses. I try to take one or two key things from each person that I have worked with.

I particularly admire Ian Spreadbury who has managed to build up a very successful fixed income business at Fidelity, and Bob Evans at Wellington who turned a small business into a global franchise, building a great team along the way. Both of these managers never lost sight of what the point of fixed income was. They didn't get carried away by exciting new strategies but thought about what clients wanted from fixed income.

You need to learn from the people who inspire you, and you should never stop learning in this industry. If something doesn't work then you need to ask yourself why and what you have done wrong. This will lead to better outcomes in the end. One must never get complacent.

## WHAT KEEPS YOU AWAKE AT NIGHT?

The products which I run try to deliver a specific outcome for clients, be that a volatility target, consistency of returns or downside protection. Being blindsided by something that stops them meeting that outcome is a worry. There are lots of potential risks and we try to guard against them, but you can never completely safeguard portfolios. The correlation of assets can change or big drawdowns in markets can happen unexpectedly, for example. We are now coming to the end of a long period of zero interest rates and the jury is out as to whether or not the policy has actually worked and managed to reignite inflation. I worry that we have hit the zero bound for interest rate policy and that the Central Banks are out of ammunition.



## WHAT MAKES SUCCESS?

In a professional context I think it is delivering what you said you were going to deliver in the way you said you would deliver it. You can easily fluke things, but truly doing what you said you would do is being successful.

On a more personal level I think it is about being many dimensional. I try to find activities to do outside of work that are all-absorbing so I don't think about work too much. For example, at the moment I am learning to fly which is very technical and requires a lot of concentration. You can't just define yourself by what you do at work.

## WHAT IS THE KEY TO JOB SATISFACTION?

Seeing the results of your own actions. As an investment professional you can see the results of your work every day in your performance numbers, which is very satisfying. It is also gratifying to take responsibility for the team and to empower them to take on more responsibility.

## WHAT WOULD YOU HAVE DONE IF YOU HADN'T BEEN A FUND MANAGER?

I would have been a pilot. I fly for pleasure, and love the mechanics of it, but I could happily have done it as a career.

## WHAT ADVICE WOULD YOU GIVE YOURSELF IF YOU WERE STARTING TODAY?

The importance of resilience. You will make mistakes - that's a fact and you need to accept it. Some of those mistakes will cause you stress. You need to learn from your mistakes and move on. We are dealing with other people's money so this is a lesson that needs to be learnt quickly. It's how you deal with your mistakes that matters.

## WHAT ARE THE MAIN CHALLENGES FOR THE INDUSTRY?

With the pensions reforms just having been implemented, savers can access pensions in a different way now. The challenge for the industry is to make sure we are equipped to deal with that. The industry needs to think more about what a good positive outcome for clients looks like. For example, what matters for income drawdown is a strategy that can protect the portfolio in real terms and defend on the downside. The latter is hugely important as you do not want to be forcing your clients to sell low in order to realise income. It is not enough to simply repurpose funds for income drawdown as the chances are they may not be the right vehicles. We need to give this problem much more thought and design new solutions.

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