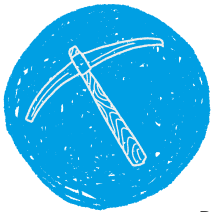


TALKING WITH

Euan Munro, Chief Executive Officer at Aviva Investors talks with Victoria Hasler, Head of Research at Square Mile, over breakfast in The Clock Room.



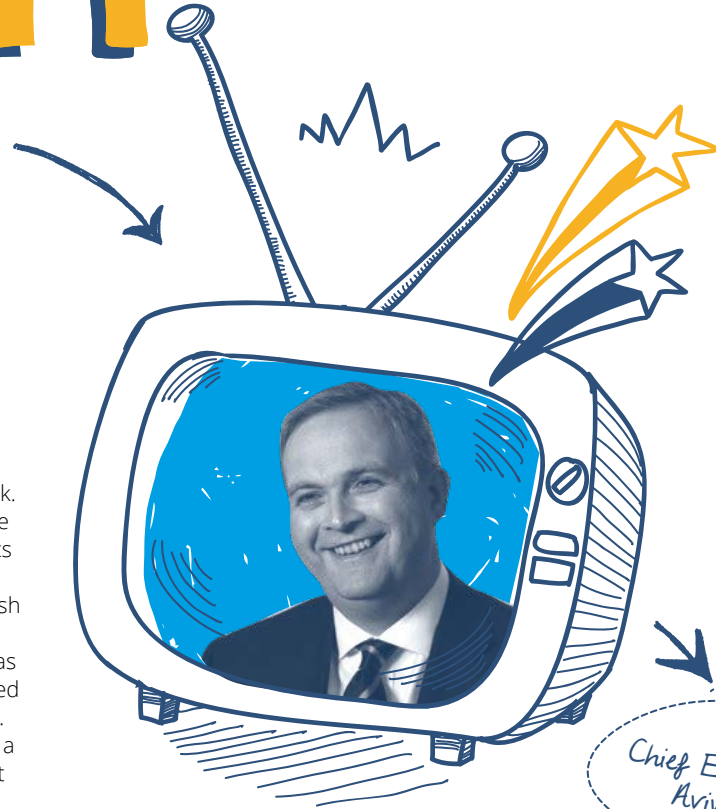
Euan Munro



WHAT LED YOU TO FINANCIAL SERVICES?

I was brought up in a mining area in Fife in Scotland where most kids ended up working for the dockyard. But if you did really well at school you might end up working for a high street bank.

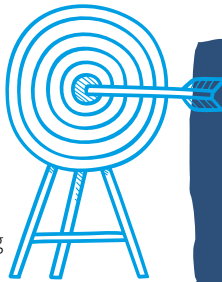
Nobody ever said that just across the river there were great job opportunities in Edinburgh. I studied physics in Edinburgh and did a Post Graduate degree in actuarial maths at Herriot-Watt university, with Scottish Provident as my sponsor. My first role was in their investment division on the graduate programme. I was supposed to rotate around departments, but I enjoyed investment so much that I fought to stay where I was. At the age of 24, with my first child on the way, it was a big career risk to put my foot down and fight for what I wanted, but it was definitely worth it and I haven't looked back.



Chief Executive Officer, Aviva Investors

WHAT KEEPS YOU IN INVESTMENT?

I'm quite a competitive person, but only if I know I have a good chance of winning. I love investment because you can check every day how you are doing against the market and your competitors. It really drives me.



WHAT KEEPS YOU AWAKE AT NIGHT?

Not much. A difficult but important lesson to learn is that there are some things in life you just can't control. While geopolitical risks are a big worry at the moment, there is not much I can do about them.



WHAT MAKES A GOOD FUND MANAGER?

You need quiet self confidence. A fund manager has to pit his or her wits against competitors every day. You need to believe that you can do it or you don't stand a chance of persuading anyone else that you can. You also have to be realistic and honest about when you are right and when you are just lucky, then discount the times you were lucky and learn from the times you were right. You have to want to constantly learn and improve.



WHAT LESSONS HAVE YOU LEARNT ALONG THE WAY?

When my dad died at 53 he had got a good balance between career and family. He

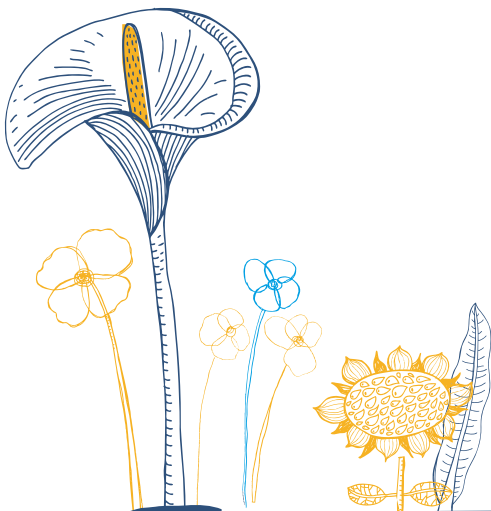
had put effort into the local church and died fulfilled in a way he would not have been had he only been successful in his career. I have a tendency to overwork so it's important for me to maintain a link with my local church and spend time with my family in order to maintain that all important balance between work and real life. I think everyone benefits from having a certain breadth in their lives. At the end of the day the people who like you for you, and not for what you can do for them, are the most important, and the sooner you recognise that the better.

WHO HAS INSPIRED YOU?

My biggest inspiration has probably been my Dad. He studied physics at Edinburgh University and went into teaching, eventually becoming a headmaster. I watched his career as I was growing up and quickly realised that as he became more senior he was more able to do things his way and he thrived. That was what first taught me that autonomy is a good thing.

Professionally, my first boss, a fixed income fund manager, was a big inspiration. He was very patient and explained the intricacies of markets to me. It was a good learning experience, and I fell in love with investment as a result.

I'm also inspired by people who challenge convention and drive through improvements and reforms. One of my favourite books is *A Team of Rivals*, which is about Abraham Lincoln. He managed to build a cabinet from people who stood against him as presidential candidates. In many ways it was quite dysfunctional, as there was always the possibility that any of them would stab him in the back given half a chance, but he knew that it was the only way to drive reform.



WHAT IS THE MOST EXCITING THING ABOUT WORKING AT AVIVA INVESTORS?

There are lots of exciting things. The business is large in terms of assets under management and diverse in terms of asset classes and, most importantly, there is a really good range and depth of investment skills in the underlying teams. However, historically this has not been made the most of commercially. The business has, in the past, been very much skewed towards the insurance company and we didn't have the commercial propositions for the retail market. There is the opportunity here to take a really good investor business and turn all the great inputs into a commercial success. It's like working at a £290bn start up.

WHAT ARE YOU PROUDEST OF ?

Building one of the biggest mutual funds in the world at Standard Life Investments. I really enjoyed it. Aviva Investors is still early in the journey but I love the building phase.

It means a lot to me to create a pleasant and enjoyable working environment for the people working with me. I haven't stabbed anyone in the back to get to where I am - I couldn't be proud of myself if I had.

HOW DO YOU RELAX?

When I'm in London, my focus is on work. Evenings will tend to involve client meetings, interviews with potential employees and so on. I love being in cities and do try to make the most of what London has to offer when I can. But for me nothing is more relaxing than sitting in the garden in my house in Scotland. I like to sit outside and watch the birds in the morning, take in the wildlife, walk the dog. I even enjoy running the kids around to rugby matches and the like. For me it's important to be able to escape from the City sometimes.

WHAT IS THE KEY TO JOB SATISFACTION?

I believe in autonomy. If people don't feel they have the ability to change what they are doing or how they are doing it, then it can become degrading.

People also want to feel that they are doing something worthwhile for society. I could have done better financially through working in a hedge fund running a smaller pot of money, but I truly believe that great investment solutions should

not just be the preserve of the affluent. We all need to feel that we are doing something important when we come into work each day.



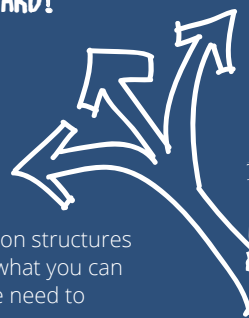
WHAT DO YOU STILL WANT TO ACHIEVE?

At Standard Life Investments I, and the team around me, defined a new style of investing through the Global Absolute Return Strategies fund. At Aviva Investors I want to create a revolutionary firm that delivers the results that investors want. I'm not interested in merely managing volatility. The current focus on fees is a red herring. What matters is delivering the results that clients want. I feel like I have moved from a revolutionary fund to a revolutionary firm, and that's exciting.

WHAT ARE THE CHALLENGES FOR THE INDUSTRY GOING FORWARD?

To produce useful outcomes for clients, demonstrate value for money - this may not necessarily be the lowest price - and to demonstrate a societal value. This means engaging with the companies in which we invest. As an industry we need to be responsible shareholders.

The fund management industry has a great future. People are fed up of getting zero returns on their savings at banks. Pensions are now largely held outside of traditional pension structures and this is only going to be exacerbated with the lower limits of what you can hold in them. There are huge opportunities for our industry - we need to seize them.



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