

# TALKING WITH

## Stephen Snowden

Stephen Snowden, Head of Credit, Fixed Income at Kames Capital talks job satisfaction, being outspoken and Breaking Bad with Victoria Hasler at Square Mile.



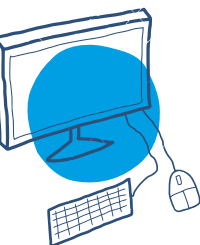
### WHAT GOT YOU INTO FUND MANAGEMENT?

I didn't really know what I wanted to do when I left university, other than that I didn't want to be an accountant. I thought I would enjoy something stock market related but I had no idea what the specific roles were or whether I would be well suited to them. I got my lucky break with Kames Capital (then Aegon) in 1994. Back then the idea of gap years was pretty foreign to us so I finished university on the Friday and started work on the Monday.



Head of Credit, Fixed Income

### WHAT KEEPS YOU IN FUND MANAGEMENT?



I like it. Obviously I have the odd day when I don't, but for the most part I enjoy it and find it fun. I'm quite a competitive person and enjoy trying to outperform my peers. Beating your fellow man is so much more fun than beating the computer. And of course if you do well you earn good money for it, which I think is more important when you come from less. Growing up in an environment with little money makes you appreciate it more.

### WHAT MAKES A GOOD FUND MANAGER?

I don't think there is a right or wrong answer to this - I have seen very different approaches to be successful. The important thing is to approach fund management in the way that suits you best. Shoehorning a fund manager into a specific style that they are not accustomed to is unlikely to work. Personally I believe that time management is very important. I also believe that if you are not naturally competitive then this is probably not the right profession for you.

### WHAT HAS BEEN THE GREATEST CHALLENGE IN YOUR CAREER?

I think they all centre around people - in the end people, not the markets, are what kill you. For example, a terrible boss can hamper everything you do. Someone once told me that every relationship has a parent and a child role. Sometimes your boss can play the child and you have to behave like an adult to be able to tolerate their behaviour. Every industry is blighted by people in positions of authority who shouldn't be, and too many people have to tolerate incompetence from those above them. If this is the case then you have two choices: change things from within or leave. In life generally you choose to accept things or not. If you can't or don't want to accept something then you have to move on. Don't sit there being unhappy because you will end up wishing your life away.

### HOW DID YOU GET INTO CORPORATE BONDS?

Basically there was a complete lack of credit analysts in 1998, just as the asset class was taking off in Europe. I was offered a pay rise and a company car to shift from US equities to corporate bonds, and that's a pretty big incentive for a 26-year old...



## WHAT IS THE KEY TO JOB SATISFACTION?

You have to do something that you enjoy, and not just do it for the money. It's so important because you have to get out of bed every morning to do it and if you don't enjoy it then it's just miserable. People who hate their jobs are generally only in it for the money. It's fine to like getting paid, but you have to enjoy the job for itself as well. I shall encourage my kids to do whatever they want rather than whatever is perceived to be the best job at the time.

## WHAT LESSONS HAVE YOU LEARNT IN YOUR CAREER?

- 1 Learn from your mistakes. A professor at university once told me that he preferred his students to get their assignments wrong because then they learnt two things: why they got it wrong and how to do it right.
- 2 Don't dwell on your mistakes. You will make better decisions if you start each from a clean sheet.
- 3 Run your own race. People do things in their own way.
- 4 Don't tolerate inappropriate behaviour. Yes you might lose every battle, but eventually you will win the war.

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

My biggest weakness is being outspoken, so I suppose I should tell myself to mind what I say. On the other hand, I wouldn't have got where I am today without being outspoken. For right or wrong, I speak my mind and people have now come to expect that level of sincerity from me. Most people appreciate hearing the truth, although it can sometimes come as a bit of a shock. In the long run it's better for business to be honest with people. People should stand up and make themselves heard, although perhaps they should do it a little more cleverly than I have. I'm still working on that.



## WHO DO YOU RESPECT?

In fund management I'd have to say Ashton Bradbury. Fund management is a young man's game now. You need experience, but you also need energy. Unfortunately as your experience goes up, your energy tends to decline. Each year of experience will always be additive but the marginal benefit diminishes. If I no longer had the intensity I needed to be a fund manager I would stop. I think you know when it's time to get out.

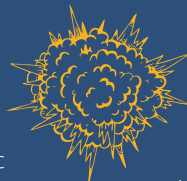
## HOW DO YOU RELAX?

I've always been active and I think that exercise helps you cope with stress. I took part in Square Up in the City (a white collar boxing tournament) and have carried on boxing since then. I swim as well. I also enjoy lying on the sofa watching box sets like Breaking Bad.



## What worries you?

I'm a father of 3 young children who will inherit a highly indebted nation with a chronic unfunded public sector pension time bomb. There is a growing older population running up these debts, but a smaller number of young people to pay for the mess, and young people will end up with a lower standard of living than those they are being asked to pay for. Old people are living beyond their collective means and voting in



a government and regime that facilitates that. It's not sustainable, and it's unfair that the younger generation are expected to pay for it. I wish that young people would mobilise themselves and say enough is enough. Young people usually drive economies, but at the moment they can't because they can't get jobs. There needs to be a new policy balance between the interests of the young and the old. That's the problem with democracy though – it only works if younger people vote.



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