

Heads we win, tails we don't lose too much

J O Hambro Capital Management's investment decisions are based on worst case scenarios rather than the best-case options' focus of other firms. In an interview with Hubbis, Ben Leyland, Senior Fund Manager, JOHCM Global Opportunities Fund, explains why this is and how they pick stocks



BEN LEYLAND
J O Hambro Capital Management

THE PERCEPTION IS THAT YOU NEED A HUGE TEAM to manage a global fund. However, Ben Leyland, Senior Fund Manager, JOHCM Global Opportunities Fund argues otherwise. He runs his fund with a team of three people and believes this is an ideal way to ensure everyone's on the same page and believes in the investment ideas they produce.

However, Leyland admits that his team taps into the J O Hambro family of fund managers to get insights and leverage their deep regional expertise when evaluating specific areas, sectors, and geographies that interest them.

The firm prefers multi-national businesses listed in developed markets and looks for companies that will stand the test of time. It is those companies that Leyland and his team are confident with when assessing the terminal value, and when evaluating the intrinsic level of worth of the investment.

Ideally, they lean towards businesses that have high barriers to entry, are structurally sound, and can stay ahead of their competition. The firm seeks out companies with strong balance sheets, identifies the merits in each, and then they work out their worth on that basis.

What differentiates J O Hambro Capital Management is the fact that they base their investment decisions on worst case scenarios. Leyland believes that when you're biased towards businesses that are already priced for worst case scenarios, this allows the client to benefit from any upswing in that business. ■