

Letting performance speak for itself

Andrew Ang of J O Hambro Capital Management (JOHCM) explains how the firm is counting on its numbers to help it expand its footprint and deepen penetration across Asia.

An active asset manager with 14 out of 15 of its established UK and Irish-registered funds ranked in the top 25% of their industry peer groups is one to pay attention to. And so is one that has

dent in the crowded wholesale space in Asia seems justified.

“We are a performance-driven house,” says Andrew Ang, JOHCM’s Singapore-

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notched up 36 straight quarters of net new money.

As a firm used to delivering outperformance, London-headquartered JOHCM’s confidence about being able to make a

based Asian sales director. “Whether talking about private banks, or institutional or retail investors, they all invest with the aim of achieving maximum returns or good performance.” In particular, it is no surprise to him that there



ANDREW ANG

J O Hambro Capital Management

has been growing interest from Asian buyers in JOHCM’s strong-performing European funds, enabling it to gain some

traction in Asia six years after it first established a presence.

INVESTMENT AUTONOMY

JOHCM's approach is clear: no house view, no CIO, no stock buy-lists, no model portfolios and no investment committees.

As a result, its portfolio managers enjoy a level of autonomy that has allowed them to invest in companies as they see fit, subject to the usual compliance and regulatory framework.

The JOHCM equity funds business, set up in 2001, today manages just over USD38 billion worth of assets. But performance trumps scale.

The firm has earned its credibility by consciously adhering to a strategy of not allowing itself to grow too big to handle.

Being too large can be an impediment to successful long-term investing.

"When funds become too big their performance can suffer from a lack of nimbleness that prevents investment in the best opportunities within the stock market," explains Ang.

"We determine our capacity for each strategy at launch," he adds, "so that when we reach capacity for each fund, we will close it."

DISCIPLINE OVER SCALE

The firm's motto – aiming to be the best, not the biggest – carries through to its staff numbers, too.

JOHCM has 35 investment professionals and just over 100 other employees across the rest of the business.

The average industry experience of its investment professionals is 21

years, meaning many have seen and lived through several business cycles and crises.

"Our model is really like a boutique of boutiques," notes Ang, reiterating that this is due to individual teams of PMs having their own views and processes for the strategy they run.

This has enabled it to create a track record of outperformance borne out

land as well as in Malaysia. But, again, it is the firm's wider capability that Ang wants to emphasise.

One area of expertise is Japan, where industry veterans Scott McGlashan and Ruth Nash have more than 60 years' collective investment experience.

Through their JOHCM Japan and JOHCM Japan Dividend Growth funds, they are continually on the look-out for

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of high conviction in an industry where active fund managers are often criticised for failing to generate market-beating, long-term returns for their customers.

ASIA TRACTION

As JOHCM looks to gain more success in Asia with local investors, Ang says he is seeing interest slowly pick up in its Asia ex-Japan equity funds, along with some queries into its UK equity funds and the JOHCM European Concentrated Value Fund, run by talented stock picker Robbie Wouters.

"In the past, Asian investors saw the UK as part of Europe, but with the Brexit vote, people may start to look at the UK differently," he explains. Geographically, the firm is looking to develop a bigger brand name in Thai-

land as well as in Malaysia. But, again, it is the firm's wider capability that Ang wants to emphasise.

Japan has undergone significant changes since Prime Minister Shinzo Abe took the reins in 2012.

McGlashan and Nash think the medicine is working, says Ang.

One question that does continue to crop up among Asian investors, however, relates to JOHCM's relatively limited resources in the region.

"We prefer B2B partnerships where our distributor has the reach and the channels," states Ang.

He expects performance to win out in the end. "I think this should be a bigger consideration than brand." ■