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GIVING PRAISE WHERE PRAISE IS DUE

At the end of March 1998 I joined Canada Life to be part of their new investment management operation in Ireland. We named the new business Setanta Asset Management and I'm delighted to say that in the coming weeks it will celebrate twenty years in business.

One of our early tasks was to recruit four graduate trainees. I cannot remember exactly how many CVs we looked through and how many graduates we interviewed but there was one interviewee that we all said we automatically had to have as part of the team.

Here we are twenty years later and many people have joined and left Setanta (I stayed over seven years) but there is now only one person left from that original team and that is the graduate that none of us had any doubts about.

I'm still friends with that graduate and we still meet up regularly. At our most recent chat over lunch he told me a story that made me think about one of Warren Buffett's well known quotes:

It is better to hang out with people better than you. Pick out associates whose behaviour is better than yours and you will drift in that direction.

I want to highlight his story because it shows the character of the individual we are talking about and I also think it helps to explain why I am convinced that he has an above average chance of extending a good investment track record into an excellent one.

The story he told me was about travelling home one evening after work on a busy train. He was sitting down when he noticed two young men walking up and down the train making racist comments about some of the passengers. He didn't like these bully boys intimidating passengers and he thought something needed to be done. Luckily another passenger stood up and said to the bully boys that he was an off duty member of the Garda Siochana (policeman) and he advised them to shut up or else they would be in breach of section such and such of some law. Unfortunately the two bully boys did not decide to shut up and stay quiet, they became aggressive and started pushing around the Garda. It was beginning to look as if it could get nasty so the Garda appealed to the other passengers for help. My friend immediately jumped up and grabbed one of the two bully boys thinking that lots of the other male passengers would also do the same. To my friends surprise none of the other passengers responded to the Garda's appeal for help so the two of them were left on their own to restrain the two bully boys. The bully boy my friend was holding was struggling and kept trying to reach into his pocket. My friend was worried that he might have a knife in that pocket so he knew he had to hold on to him for dear life. Given that nobody else had got up to help, the Garda shouted out that somebody should at least contact the driver of the train and also ring the Gardai to make sure there would be help at the next stop. My friend says that he was worried that he would not be able to hold the

bully boy for the fifteen minutes until the next stop but luckily the Garda kept asking for other passengers to do their civic duty and help with the struggle. Eventually a couple of other passengers finally joined in and helped grapple with the bully boys until they arrived at the next station where on duty members of the Gardai were waiting to arrest them.

Hearing the above story was confirmation of what I had come to appreciate over the last twenty years. My friend has an incredible strength of character, he has a willingness to do what is right, he has enough self confidence to be different and yet he retains a humility that means he never suffers from the dreaded failing of being over confident. In other words he has what it takes to be a great value investor. (I invested my Additional Voluntary Contributions to my Setanta pension in the Setanta Global Equity Fund so he is one of the team I am expecting to give me the money I need to have an enjoyable old age!)

Naturally enough he has his weak points, he is human after all, but supporting Liverpool FC is surely a sign of madness! That madness however might be an asset in the world of investing so I just hope he goes on to prove me right and that in years to come he will take up his rightful place among the top performing fund managers in the world!

So who is this mystery man that keeps a low profile..... his name is Rowan Smith.



Well done Rowan for standing up against racism.