

In this industry, it's always about people

By JP du Plessis, head of fixed interest at Methodical Investment Management

When the global financial crisis hit in 2008, I was working for a boutique fund of hedge funds manager in London. Over the previous ten years, I had been managing money in the UK, gaining experience in different global markets.

I had travelled a lot, too – meeting some of the world's finest hedge fund managers and seeing how they generate returns for their clients.

But towards the end of 2008, London was a pretty grim place. People were losing their jobs, businesses were shutting down, and everything just felt depressed. The dull, grey winter weather didn't help.

In early 2009, I made a trip back to South Africa. It was intended just to be a visit, but I arrived in a country where people were basking in the sunshine, and almost no one seemed that bothered by the crisis that was all-consuming where I had come from.

I was also reminded how you meet so many people from all walks of life in this country. In London, almost everybody works in finance or is providing a service to financial companies. In South Africa, I was engaging with people doing all sorts of different things.

It was incredibly energising.

Many people, both then and now, disagreed with my decision to move back at that stage. After all, despite the optimism around the 2010 World Cup, this was the start of Jacob Zuma's presidency. But I realised this was the environment I wanted to live and work in, and I have never regretted that choice. I have been rewarded with a great lifestyle and really engaging work opportunities.

My decision to join Methodical three years ago was not dissimilar. When I was approached with the opportunity to start and run my own fixed-income business within the firm that Ross and Edo were building, the payoff was not guaranteed. In many respects, I was starting from scratch.

But while that was daunting, it was also what I really wanted to do. The places I had felt most at home in my previous jobs were those where we were entrepreneurial and innovative – where we had a relatively small client base and strong relationships with the people whose money we were looking after.

This was a feature of the Methodical business, and I found that refreshing.

I enjoy talking to clients. Many advisers have decades of experience in the market. They know what they need for their client portfolios and how they want to meet the needs of their clients.

The Methodical fixed interest franchise has already grown fourfold, and a big reason for that has been working closely with clients to understand what they are trying to achieve and how to meet those objectives best. One of the advantages of fixed income is that you can engineer outcomes to a greater degree than you can with other asset classes, so it is possible to manage the risk profile to suit what clients are looking for.

I know all of the investors in the Methodical BCI Income fund on a first-name basis. I am not managing money for faceless people. The advantage of that is that everyone investing in the portfolio understands what we are trying to achieve.

Of course, how I run money will not suit everyone. But by focusing on transparency, liquidity and risk, I aim to deliver the kind of performance that I know these clients are looking for.

Being small, we are also able to be flexible. We run segregated mandates for certain large clients who want something specific. For example, we have a blended strategy where we hold a 50-50 split of global and local fixed-income assets.

As the fixed-income business grows, we might add a global fund too. Again, this is based on what our clients are asking for. There is growing interest in being able to offer a lower-risk offshore option for investors.

Being at Methodical has allowed me to think about opportunities like this – how I want to develop a fixed-income business over the long term. Managing money is, after all, about showing longevity and consistency. And when people are entrusting you with their hard-earned cash, you have to show that you are looking after it and intend to do so for a long time.