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Jim Kiely
Senior Consultant

Jim Kiely retired from JANA in February 2017.

Jim was a Senior Consultant and one of the primary points of contact with JANA's Western Australian clients.

OBSERVATIONS FROM A JANA VETERAN

Retirement gives you time to ponder. In order that the musings that this period of reflection generates are not completely lost, the good folk at JANA thought it might be a sensible idea if I put down in words some initial impressions and lessons that have struck a chord with me over my 19 year career at JANA.

I suspect readers would expect me to begin by observing that the investment world was a very different place when I joined John A. Nolan & Associates (now JANA of course) in the late 1990's. And sure, in some ways it was, particularly in the areas of technology and communication. In my first year at JANA we did not have email, with most correspondence being by post or fax. I remain unconvinced whether the insidious invasion of our daily lives by email, and the mobile phone as well, represent positive developments, but more on that later.

Delivering positive outcomes for our clients

What has not changed, whether it be the 1990's or today, was that our prime purpose as a business was to make money for our clients, or as we say today, 'deliver positive outcomes'.

The same basic precepts that applied then, still apply today. Investors must understand investment markets, how they work, where opportunities exist and where risks lurk. There will always be plenty of noise and hyperbole surrounding the markets, and investors need to look through and beyond these distractions and identify basic investment principles. In my experience the asset consultant plays an integral role in this process.

There are no shortcuts in the investment process

I learnt very early in my time at JANA that there were no shortcuts to this process. It requires rigorous research on both the markets and the people who operate within them. This has been the integral component of JANA's investment process since the company was founded in 1987.

Almost as importantly, we have to understand our clients and the principles that drive their view on investing and what outcomes they expect from their particular investment strategy. I use the word 'particular' here because every client is different and there is never one strategy that fits all.

I was very fortunate in my time at JANA in being able to develop long-term relationships with my client base. This continuity of service relationship was a key factor in facilitating an understanding of my clients and their specific objectives. I cannot stress enough the importance of regular dialogue and communication – the key to any successful relationship whether it is work or otherwise.

This industry is challenging but provides fortunate opportunities

Yes, there is a lot of hard slog required. But it would be churlish not to acknowledge that there are many benefits as well. When I spoke at my retirement function, I made particular reference to the great opportunities that my career at JANA has given me.

I have had the good fortune to be exposed to so many intelligent and visionary people in my time at JANA, and I am sure this applies to all of us that work in this industry. In fact we can underplay this at times. This is an industry where we are challenged every day and where we should learn something new every day – what a great environment for personal development.

One feature of the asset consultancy business that can prove very challenging is that your performance is subject to continued scrutiny. There is nowhere to hide if your advice isn't working. Client investment outcomes are readily known, and are constantly monitored and compared, increasingly in the print and online media. JANA has always espoused the importance of taking a longer term view when setting investment parameters and reviewing outcomes, but long-termism is not a fashionable concept in today's world. It's important that we continue to work with our clients and their stakeholders to look beyond the short-term.

Having said that, it is very gratifying when we can see that we have been able to add value for our clients and their stakeholders – which for the large part of JANA translates to superannuation funds and their members. As more people of my age move on to the next stage of our lives – the 'third act' as actor Mel Gibson calls it – the focus on being able to build an appropriate retirement foundation will only increase.

It's not all superannuation of course, and at JANA, we have always had a diverse client base. I again have been very fortunate in being able to provide advice to a number of charitable foundations. To be able to play some role in facilitating the research programs of these organisations which are aimed at improving the health outcomes of the community at large is truly a gratifying experience.

The art of investing

Finally, one specific observation on the art of investing that I have gleaned from my time in the industry.

There are any number of factors that contribute to a successful investment. From my perspective, perhaps the key factor is that there must be a thorough understanding of what we are investing stakeholder funds in.

It sounds pretty basic, but it is a factor so often ignored. There are a lot of smart people in the market place who will come up with ideas with a fancy acronym (often utilising a letter from the ancient Greek alphabet) and which sound bulletproof, but are often built on a house of straw.

No matter how attractive an idea might sound, unless the asset consultant who is advising the investor, and the investor, who is investing stakeholder funds, fully understands how a product works and how it can make (or lose) money, it is best to walk away, even if this means being very different from the rest of the market. The experiences of the GFC offers many examples of this. Be wary of the expression, 'taken as read'.

Final thought

I made reference to the impact of email at the start of this article and will readily admit to being a compulsive user. However, one of the smartest and most competent board members I had the good fortune to advise was the CEO of a large financial organisation, who confided in me once that he only turned his email on for 30 minutes at the end of the day. His reasoning was that if a matter was so urgent that it didn't fall within this timeframe, 'My people will ring me or perhaps even come and talk to me personally'. Email was his tool, not his master.

Good investing.

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