Aberdeen University: Back on campus event

Asset Management: a rewarding and exciting career choice

5 November 2014

Alex Barr (MA, Economics and Accountancy, 1992)
Agenda

- Asset Management
  - Introduction to the industry
  - Strategic themes
  - Opportunities or threat?
- Core roles in Asset Management
  - The investor
  - Other roles
- A personal career perspective
  - My steps and mistake made
  - Advice for aspiring graduates
- Aberdeen Asset Management
  - Quick snapshot
  - Graduate Careers
- Questions
Asset Management – introduction to the industry
A simple premise:

- We invest our clients’ **money** or **capital** into **assets** in order to **gain profitable returns** through interest, income, or appreciation in value

**We invest in:**

- **Equities** – Shares in Companies
- **Bonds** – Company or Government/Sovereign debt
- **Property** – Commercial, Residential
- **Hedge Funds** – Global Macro, Long/Short, Event Driven, Market Neutral
- **Private Equity** – Buyout, Growth, Venture Capital, Distressed
- **Infrastructure** – Transport, Renewable Energy, Schools, Hospitals
- **Natural resources** – Gold, Silver, Copper, Oil
- **Esoteric areas** – Music rights for example!
Many types of investor

- Banks
- Independent asset managers: Retail and institutional
- Private Wealth Management firms (‘PWMs’)
- Hedge Funds
- Private Equity Funds
- Venture Capital/Angel Investors
- Governments
- Sovereign Wealth Funds
- Pension Funds
- Businesses/Conglomerates
- Family Offices
- Individuals – you and I
Institutional asset managers: examples

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How the industry measures success: multiple yardsticks

- **Investor outcomes** – performance we deliver to our own clients
- **Assets under Management (‘AuM’)** – more assets means more revenue
- **Profitability** – can we manage assets for more than the cost of doing so (and thus reward investors in us)?
- **Engagement** – are we responsible stewards of Companies we invest in?
- **Staff happiness** – measure by low staff turnover and external surveys
- **Community engagement** – putting something back into the communities in the countries we operate in

May 2014
Aberdeen Taipei staff hosting party for disabled children
Industry seeing record growth in AuM

Global Assets Under Management Grew to a Record $68.7 Trillion in 2013

Key strategic themes for industry

The rise of Passive investing

Global Capital Formation

The shadow banking system

Ageing demographics

Source: Goldman Sachs: From local strengths to global opportunities, Oct 14
Other influencing factors on the industry: opportunity or threat?

- Geopolitics
- Social responsibility
- Regulation
- Disruptive technology
- Transparency
Core roles in Asset Management
The Investor: key attributes

- A constant **thirst for knowledge**
- Can adapt and **learn from mistakes** made: come back stronger
- Out of the box thinking
- Patience and conviction
- Never believing your own press
- **Listening**
  - Ability to understand what’s **not** on the page, or what you’re **not** being told
  - Can respect and **understand risk** (also taking some risk, when appropriate)
  - Finally, and most importantly, recognises that the **team is mightier than the individual**

- There is no one degree or background that is the perfect fit. Successful investors come from a wide range of disciplines
Industry roles: much more than just ‘Investors’

- Leadership
- Risk
- Compliance
- Investment
- Operations
- Legal
- Distribution (Sales)
A personal career perspective
Alex’s career path

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>Age 22, graduate into depths of UK recession</td>
</tr>
<tr>
<td>1992/1993</td>
<td>Temp work getting good names on CV</td>
</tr>
<tr>
<td>1993</td>
<td>Joined <strong>Templeton</strong> in Edinburgh as <strong>Portfolio Accountant</strong></td>
</tr>
<tr>
<td>1995</td>
<td>Move to <strong>London</strong>, to join <strong>Henderson’s US Equity</strong> desk as <strong>junior Fund Manager</strong></td>
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<tr>
<td>1998</td>
<td>Move to <strong>Deutsche Bank’s Morgan Grenfell</strong> business as a <strong>Fund Manager</strong></td>
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<tr>
<td>1998 - 2005</td>
<td>Many roles across the investment business, becoming a <strong>Director</strong> of the <strong>Multi Asset</strong> business</td>
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<tr>
<td>2005</td>
<td>Aberdeen buys parts of <strong>Deutsche Bank’s Asset Management operations</strong></td>
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<tr>
<td>2009</td>
<td>Move to France, integrating Aberdeen’s acquisitions from <strong>Credit Suisse</strong> in <strong>Paris</strong> and <strong>Budapest</strong></td>
</tr>
<tr>
<td>2009 - 2013</td>
<td>Lead Aberdeen’s <strong>Alternatives</strong> and then <strong>Private Equity</strong> business</td>
</tr>
<tr>
<td><strong>Now</strong></td>
<td><strong>Age 44</strong>, running <strong>Aberdeen Private Equity Fund Ltd</strong>, a London Stock Exchange listed Investment Company</td>
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Advice and perspectives to graduates

- Never too early to start thinking about career. **Don’t take the ostrich approach**
- Use your **Careers service**
- Consider everything – and don’t rule out setting up your own business: we are in a **new dawn of entrepreneurship**
- Always have a **Plan B**
- Apply for **Internships** … and apply early
- Network
- Understand your competition – it’s global. So, bring something special to the table – understand what makes you different, what makes you special
  - Learn everything you can about this industry and who the players are
- Consider what you have done for the **community** and those less fortunate than you
- If you are set on one path **be clear about your reasons**. If not, be flexible and adaptive and recognise others may have a better understanding of your fit for a role
- Have a family friend or industry contact read your application forms and CVs. Embrace the use of a ‘devils advocate’
- Slowly develop an understanding of financial markets. Cramming for interviews never works!
- The **world really is your oyster**. Aspire to working and living in the areas of the world that that will drive global growth and capital formation
Aberdeen: A little bit about our business
An overview of Aberdeen Asset Management

• Independent global asset management group
• Listed on London Stock Exchange since 1991 – market capitalisation now £5.3 billion (US$8.6bn)
• Active manager of equities, fixed income, property and investment solutions
• Long-term investment philosophy and disciplined investment process
• Team approach and local presence are key – 33 offices in 26 countries across the world
• Diverse client base both by channel and nature of client
• Our assets now total £331.2 billion*
• Significant equity ownership by management and staff (4% directly or through deferred awards)

*As at 31 Aug 14
A diversified asset base

<table>
<thead>
<tr>
<th>31 Aug 14</th>
<th>£bn</th>
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<tbody>
<tr>
<td>Equities</td>
<td>111.3</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>72.2</td>
</tr>
<tr>
<td>Aberdeen Solutions</td>
<td>127.3</td>
</tr>
<tr>
<td>Property</td>
<td>20.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>331.2</strong></td>
</tr>
</tbody>
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### By asset class

- **Equities**: 34%
- **Fixed Income**: 22%
- **Property**: 6%
- **Aberdeen solutions**: 38%

A priority is to build on the increased scale and diversity of our distribution relationships.
International reach: 33 offices across the world

AuM by domicile

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>United Kingdom</td>
<td>57%</td>
</tr>
<tr>
<td>Americas</td>
<td>13%</td>
</tr>
<tr>
<td>Europe ex UK</td>
<td>20%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>7%</td>
</tr>
<tr>
<td>Middle East &amp; Africa</td>
<td>3%</td>
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Sales & Distribution
Miami
New York
Philadelphia
Toronto

Sales & Distribution
Amsterdam
Copenhagen
Frankfurt
Helsinki
London
Madrid
Oslo
Stockholm

Investment centres
Budapest
Edinburgh
Geneva
Jersey
Luxembourg
Milan
Paris
Zurich

Property centres
Amsterdam
Copenhagen
Edinburgh
London
Oslo
Stockholm

Investment centres
Bangkok
Hong Kong
Singapore
Sydney
Taipei
Tokyo
Melbourne

Investment centres
Bangkok
Hong Kong
Kuala Lumpur
Singapore
Sydney
Tokyo

Investment Centre
São Paulo

Property centre
Singapore

Representative offices
Seoul
Shanghai

Global reach, local understanding, independent thinking

Source: Aberdeen Asset Management, 30 Jun 14
This is the Aberdeen culture

• Simple, effective and shared processes are at the core of what we do
• Individual effort – we do our own research
• Regional teams are based locally – decision at greatest point of knowledge
• Low turnover – within our portfolios and within our investment teams
• We function best in teams – collective wisdom
Aberdeen: Graduate recruitment
Application and selection

• Online applications form (closes 16 November)
• Face to face competency and careers focus interview with a Manager and a member of the HR Team (November – January)
• Offers in February
• Internship May – September (8 weeks)
• End of the rotation line manager will complete a performance review
• Final interview with Graduate Recruiter and Senior Manager
• Meeting with Martin Gilbert, CEO (after the scheme)
Graduate and intern opportunities

**Graduate Programme**

- Only available to graduates who have completed an internship with Aberdeen
- Two year rotational programme (four month rotations)
- Based in London or Edinburgh with at least one rotation in another UK office and one in an international office
- Training and development programme, including professional qualifications eg IMC
- Permanent role guaranteed at the end of the scheme
- Competitive salary and benefits package

**Rotations and Training**

- Year 1 rotations – Investment, Distribution, Operations/Risk
- Year 2 rotations – Tailored towards your career path
- Year 1 professional qualifications – IMC
- Year 2 professional qualification – Tailored towards your career path, eg CFA, CIMA, CIPD
- Formal induction programme
- Training including: Communication, presentation, time and workload management, career management, excel, PowerPoint, Bloomberg
IMPORTANT INFORMATION

• The value of investments and the income from them can go down as well as up and you may get back less than the amount invested.
• We recommend that you seek financial advice prior to making an investment decision.
• Issued by Aberdeen Asset Managers Limited. Authorised and regulated by the Financial Conduct Authority in the United Kingdom.