



**FUTURE GENERATION**  
INVESTMENT COMPANY

## **FGX Fund Manager in focus: Ben Griffiths, Director, Eley Griffiths Group**



### **How did you come to work in funds management?**

I started my career in stockbroking as a trading floor operator and then institutional advisor. I was always an avid stockmarket investor and an opportunity came my way in 1993 to join the equities investment department at Mercantile Mutual Investment Management, later to become ING Investment Mgt. I was fortunate to serve a nine year 'apprenticeship' here, being exposed to all facets of investment management, from shares/options dealing, stock and technical analysis through to portfolio management.

### **What was the first stock you bought?**

In 1980 I bought my first parcel of shares- Ansett Transport Industries Limited. I was very familiar with the business, an aviation and transport group, and liked the fact that the Ansett family had a big shareholding in the company. If something went wrong then they would hurt as much as I! I never factored corporate activity into my original investment thesis but I should have. A number of corporate raiders at the time made a play for the group with it ultimately being acquired by TNT at a nice premium to my average entry price. I acquired an early appreciation for the importance of a company's dividend policy too.

### **Most important investment lesson learnt?**

In matters of finance one must be patient. For as long as I have been investing in stocks, either here or internationally, the best gains I have booked have come not from a quick trade over 2-3 months but rather sensible-sized positions carried over a number of years. The inevitable sell-offs providing an opportunity to add to the bet. Eley Griffiths Group first started acquiring stock in IRESS at ~\$1.90 in 2003 and periodically ever since. They have raised fresh equity only twice during this time (which we participated in) and today the stock price is \$13.07. I can report very few sleepless nights with this holding!



## **FUTURE GENERATION** INVESTMENT FUND

### **What do you enjoy most about your role?**

The diversity and variety that comes with this role. When you are managing money, every day is different, whether it is the meetings you are scheduled to have, the market conditions you are about to encounter or the strategic decisions you inevitably have to make when managing a pool of money on behalf of investors. From time to time this role takes you out of the office into the real world and these excursions are nearly always value adding. At Eley Griffiths Group we undertake around 800 company contacts per annum. A wealth of information is gained from this activity.

### **What is the hardest thing about investing and why?**

Without doubt the hardest part of being a good investor is being a good seller. I have read the biographies of some of the world's most successful equity investors and nearly all of them concur on this one point. Invariably you can get away with being a piecemeal buyer of your stock positions but the cleverest exits are done quickly and when your investment thesis or process signals SELL. I have worked hard all my career at being a better seller. I am still refining this part of my repertoire.

### **Best and worst calls**

**Best:** Buying Domino's Pizza Enterprises (DMP) at ~\$12 on the eve of their expansion into Japan. Holding the stock, trimming on share price overshoots and buying on aggressive sell-offs thereafter. We banked a number of nice dividends and then commenced our exit of much of the position at prices > \$70. Last sale was \$56.90.

**Worst:** in the late 1990's I managed a resources portfolio and we had a big shareholding in a company called Discovery Petroleum. It was well managed and produced reliable, recurring cash flows for many years. It didn't have much exploration success so I sold it more or less out of boredom. Within months the share price moved higher on new investors discovering this very appealing story, culminating in UK oil giant Premier Oil PLC acquiring the business for a share price in excess of where I exited the register (lesson: never cite boredom as a reason to quit a stock)!

### **What is your favourite charity and why?**

Diabetes Australia and their exciting venture, Diabetes for Kids Fund, would be my favourite charity and I am delighted that it is a constituent charity within the FGX structure. Sturt Eastwood and his team at Diabetes Australia do a mountain of terrific work for youngsters afflicted by the ravages of diabetes. Keep up the superb work Sturt and team!