



**FUTURE GENERATION**  
GLOBAL INVESTMENT COMPANY

## **FGG fund manager in focus: Arik Star, Portfolio Manager (Global) at Ellerston Capital**



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

After completing university (I won't say what year), I had the opportunity to spend a few years working in the USA in merchant banking. I returned to Australia and worked in project structured finance. I was referred to a role at the Thorney Investment Group as an analyst, focussed on listed small cap Australian companies. This opportunity was my start in funds management.

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

FAI Insurance. It was the mid 80's, the stock market was flying high and it was the decade of the brash Australian entrepreneur. Having developed a keen interest in the market even though I was only in high school, a family friend suggested investing in FAI. I remember making a significant return and selling out. That was luck more than smarts but I was hooked.

### **What is the most important investment lesson you've learnt?**

There are many but having the right team around you and the self-awareness to know when you are wrong and then doing something about it is high on the list. If the story has changed, if the thesis is wrong it's important to be able to cut your losses and cut them quickly so you can move on to the next opportunity. If you don't you could spend a disproportionate amount of time trying to nurse a wound that may not heal.

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

The perpetual pursuit of the next great investment opportunity, and the journey that it entails. The opportunity to meet new people, in different countries, working across diverse industries, with different cultural backgrounds and to learn from them is a privilege.

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

Staying the course when your conviction is strong and the market hasn't agreed yet. Companies are dynamic and managed with strategies that are long term in nature. Markets have become increasingly short term. So there is a significant mismatch. The ability to be objective yet see through the market noise and back your conviction can be very hard at times but extremely rewarding.



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

In Melbourne where I live and in most cities that I travel to, what I find striking is that such extreme wealth cohabitates alongside poverty. In many ways it is shameful that particularly in wealthy Western countries this is a reality. Organisations like the Salvation Army that help those people down on their luck and less fortunate than others make a big difference.