FGG fund manager in focus: Nikko Asset Management

In the case of the Nikko AM Global Share Fund, the fund manager is in fact a team rather than an individual. We are strong believers that teamwork is powerful when the right culture and values are embraced and there is a good balance between autonomy and collective decision making.

How did you come to work in funds management?

Will Low: In 1986, I was completing my Geology degree but the oil price slump forced me to consider something outside that industry if I was going to work.

One of my course mates was applying for financial jobs, which was the spark for applying to a local asset management firm as a graduate trainee. This was both fortuitous timing and a good reminder that change can present both challenges and opportunities that are not easy to predict.

What was the first stock you bought and why?

Iain Fulton: The first stock I purchased was Wal-Mart back in the 90s. As the low cost operator in its market, Wal-Mart was using its scale advantage to take market share away from local 'mom and pop' operators as well as high priced supermarkets that lacked scale.

Incremental returns on investment were north of 20% and the shares were growing above the market rate making the premium valuation at the time worthwhile given the company's strong balance sheet and room for growth.

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

Johnny Russell: In my early days as an investor, I was given the unenviable task of analysing technology companies ahead of the technology boom. Valuations started out ok but eventually analysts were justifying valuations on all sorts of fictional non-cash metrics.

Loss-making businesses were being valued above bricks & mortar on the basis of number of eyeballs or clicks. Cash acts like gravity and, of course, eventually the laws of gravity prevailed.

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What do you most enjoy about your role?

James Kinghorne: The most exciting and enjoyable part of investment management is identifying and researching new ideas and all that this entails. This includes researching and understanding the industry dynamics and structure, meeting the management team, and analysing the company in detail.

Staying on top of the changing business environment for new and existing holdings is also fascinating. As industries and companies evolve, whether it's due to new technology or competition for example, we need to understand how this affects profitability.

What is the hardest thing about investing and why?

Greig Bryson: The hardest thing is cutting through the noise of economic data, trading statements and opinion pieces. Most of the time, only three or four things really matter when judging an investment case. Does a business have an enduring source of competitive advantage? How long will it last? And, are management good enough at allocating capital to make the most of this?

Best and worst calls?

Will Low: When you have worked in the industry for 30 years, there is plenty of choice. Experience can be a powerful, and at times painful lesson and one of my early investments was in fact an Australian company Memtec Ltd. This was initially one of my worst calls as the profits from their innovative technology took longer than expected to materialise. The saving grace was buying more at its most depressed levels before it was taken out by a US competitor.

What is your favourite charity and why?

The charity that is close to the heart of several team members is CHAS. They offer hospice services and family support for children with life-shortening conditions. It must be one of the toughest things in life to know that your child will die before you. CHAS do vital work to support families and children, and are local to our community – headquartered in Edinburgh and with hospices in Kinross and Balloch. To find out more about Chas, visit the **website**.