

Key notes



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Threadneedle Overview - Mark Burgess, CIO; Leigh Harrison, head of equities; Jim Cielinski, head of fixed income and Don Jordison, head of property

Threadneedle a business that covers all the major asset classes

- A large and credible player in the market
- But small enough to move quickly and react swiftly to change
- 59% of assets in equities, 30% in fixed income, 8% in property and 3% in cash
- Final proof is in the numbers – look at the long-term track record of the group in all asset classes

Three characteristics that define equity team and process

- Teamwork and close working together are vital to bring out the best in fund managers
- It is quality of thinking that is important rather than quantity of information
- Team relies on bottom up fundamental stock research and selection

Characteristics of a typical Threadneedle stock

- Strong franchises and good cashflows
- Strong market positions
- Ability to fund their own expansion
- High returning businesses
- Businesses that are stable across the cycle and are long-term value creators

Threadneedle is not just a domestic investor most of its investments are outside the UK

- Important to have the right sort of people rather than large numbers of staff per se
- Important to have a global perspective when it comes to constructing client portfolios

Group has strong track record in fixed income

- Expertise across high yield, emerging markets, investment grade, macro and commodities
- Vital to be flexible and have this knowledge across the piste in today's markets
- Risk is as high as it has ever been and new world order is emerging and gap between emerging and developed markets blur
- Fixed income team doesn't just look at its own market, takes inputs from other asset classes too

UK commercial property team a 50-strong organisation

- Many of team have worked together for 16 years
- Asset class has income and diversification benefits for multi-asset portfolios