

THE MM PROFILE

Bryan Collings

Hexam Capital Partners' managing director says the six partners of the firm make up a 'magic' team who are paid on the performance of the business as a whole rather than on the success of each fund and its 50/50 partner Resolution has deep pockets to drive the business ahead. Interview by Gregor Watt



It has been a busy few months for Hexam Capital Partners managing director Bryan Collings and this month should be no different. A native South African and graduate of Stellenbosch University, Collings was, until May, head of emerging markets at Baring Asset Management but left to help establish Hexam, a specialist emerging markets boutique firm, in partnership with Resolution Asset Management.

The finishing touches have been put to the firm's four funds and it is considering a fifth fund but for now it is back to the business of managing money.

The Hexam team is made up Collings' former colleagues at Barings – managers Marina Akopian and Stuart Richards, John Payne, Grant Shotter and Wilfred Willwong.

Collings says: "Resolution wanted to set up a joint venture in the global emerging space and in the resource space and they approached all of us as individuals. I think the opportunity was too much to pass up. The six partners are now good friends. We find it very easy working together."

He says the name Hexam comes from hexagon asset management, the six sides of the hexagon representing the six different partners in the business.

"We do not want to have any more partners necessarily because we feel that the type of magic that we have now as a team, the risk is the downside if we get diluted."

Collings emphasises that the new business is very much a team effort. He says: "We have a lot of history together and you could say we have mutually approved of each other."

This applies right down to the remuneration arrangement the partners have in place. They have agreed to be paid

depending on the performance of the business as a whole and not on the performance of each fund.

"We do not get remunerated at fund level so if one person fund is doing very well and one is not doing well, you would expect a disparity in remuneration. That is not the case. We are getting remunerated at partnership level based on equity and we are pretty much equal partners."

Collings says linking up with Resolution may sound like an odd match (the ownership of Hexam is split 50/50 between Resolution and the six partners) but it has been the ideal partner for the business and if Hexam had to make the choice again, Resolution would be its partner of choice.

"It is very rare, if at all, that you will find an emerging markets resources boutique linked up in a 50/50 joint venture with an FTSE 100 financial services company. That is a phenomenal thing for us because these guys have got very deep pockets. They are putting a lot of money into our funds and they look after all our back-office, legal compliance, research and travel budgets. All expenses go through Resolution and that is why they take 50 per cent. Our 50 per cent is obviously the fund management side, the intellectual capital side and our track record and profile in the market."

Earlier this year, Hexam set up two absolute return funds, Eastern Europe Middle East and Africa and global resources and last month it added two long-only equity funds, the Resolution international emerging Europe fund and Collings' own fund, the Resolution international global emerging markets fund, which he will manage with Shotter.

Born: 1965 in Cape Town

Lives: Saffron Walden, Suffolk, with wife Edelweiss and children Amy, eight, and Aiden, four.

Education: MA in economics from Stellenbosch University

Career: May 2006 to date: managing director of Hexam Capital Partners; 2004-2006: head of global emerging markets at Baring Asset Management; 2001-2004: director of emerging market equities Deutsche Asset Management; 1998-2001: West LB Asset Management; 1994-1998: Liberty Asset Management

Likes: Transparency and integrity

Dislikes: A lack of accountability

Drives: Mercedes

favourite book: The Historian by Elizabeth Kostova

Favourite film: Band of Brothers

Favourite album: Alchemy by Dire Straits (the live version)

Life ambition: To leave something worthwhile behind

Career ambition: To create a globally renowned emerging markets and resources fund management company

If I wasn't doing this job, I would be... Managing and owning a fly-fishing lodge in The Rockies

"We have designed the product around our performance, around the people that we are and around our competencies."

He says the team at Hexam is very much sticking to what it knows best and the make-up of the funds will be very similar to those the team ran at Barings, with one or two additions. The funds allow more modern portfolio management and can now include cash and derivatives.

Collings believes it would be possible to recreate the size of the funds they ran at Barings but they are going to be careful not to get too big. They are initially targeting assets under management of around £2bn and once this is reached, they will probably soft-close these funds. Collings clearly sees a good long-term future for emerging markets.

He and his wife are bringing up a young family in the UK and says they are happy and settled here and have no plans to move back to South Africa.

He moved to the UK in 1997 and says the only divided loyalty that he feels is over rugby and cricket. As a graduate and former rugby player for the University of Stellenbosch, he says: "I am afraid I am a Springbok. Some things just run too deeply in the veins but when it comes to football or any other sport, I always support England and Great Britain."

Collings says he has almost fulfilled his ambition – to create a globally renowned emerging markets and resources fund management company. However, the demands of the business mean that although the Springboks are playing test matches against England this month, he is going to miss both games.