

The view from here

Your average sheep is a biker on meth compared with portfolio managers. Professional stock pickers often clump together and lose money on the same stocks. But **Bill Kanko** peers out at the world in his own way. At the former Trimark Financial (now Invesco Trimark), he perfected the firm's style of holding relatively few companies. He later founded his own shop, Black Creek Investment Management, and, in 2006, he started managing the Hartford Global Leaders Fund, sold by the Canadian arm of the U.S.-owned Hartford Financial Services Group. The \$155-million fund gained 0.7% for the year ended Aug. 31, compared with a loss of 15.2% for the average global equity fund. Kanko, 51, tells *Andrew Bell* how he pulled it off.

Bad markets suit me. I've generally had better performance versus peers in more difficult market conditions, over the past year and in 2000 to 2004 as well. We tend to focus on global leaders in their field, and they gain market share in tough times. We didn't own a lot of financials; we didn't own a lot of commodities over the past year.

There's probably 50,000 public companies out there, which nobody could cover. So we just say: Let's find 20 or so good investment ideas.

I want to see track record passion for the businesses. Sometimes you meet CEOs who are in it for themselves.

Warning signs? If you see a downtrend in research and development or capital spending or advertising, it suggests short-term thinking.

Deflation or inflation? We firmly believe in both diversification and the unreliable nature of any economic forecasts, especially our own.

Most successful funds are managed by portfolio managers who are well into their 50s and 60s, so each year we continue to learn and get better at what we do.

Keeping all of your money in Canada is reckless. Canadians are unknowingly making massive personal wealth decisions

based on a narrow area of the world market. It means your standard of living, exchange rate, pension funds, tax levels, employment, and potential inheritances are all related to commodities and financial services. That's not proper diversification.

I don't get hung up on market cap, and that's nice in terms of flexibility. We can be in or out of a holding in half an hour. It used to take me three or four months when I ran \$13 billion at Trimark.

I like European lodging giant Accor because its many formats should allow it to gain share in Europe's fragmented hotel market.

I like Adidas because aging populations in developed countries are becoming much more active. As wealth increases in emerging countries, participation in sports will increase there, too. Adidas will experience margin improvement at Reebok, acquired in 2006, as it integrates operations.

I just spent two weeks in China with the family. There's hypercompetition everywhere. Banks are lending like there's no tomorrow.

I don't give a stock a second thought after I've sold it. You can't carry regrets around in this business. It'll bog you down.

