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The Big Interview: Hiring Tiffany Hsiao Was a ‘No Brainer’, says Artisan Partners’ Colson Finding exceptional talent at the heart of business.

Lauren Mason / 14 December 2020

Editor Lauren Mason talks to managing director and CEO of Artisan Partners Eric Colson, who also serves as the chair of the board of directors of Artisan Partners Asset Management.

Artisan Partners, which was founded in 1995, has \$148bn of assets under management across nine different investment teams and 19 portfolios. Its latest hire was top-performing Chinese equity manager Tiffany Hsiao, who left Matthews Asia to join the firm at the end of August.

Artisan Partners looks to hire separate management teams with strong long-term track records, who are looking for greater autonomy to run their own mandates without the day-to-day responsibilities of founding and running their own company.

“We see between 30 and 40 fund managers per year and, over the last quarter of a century, we have only brought in nine teams,” says Artisan Partners’ CEO Eric Colson. “We are not a deal shop - we are really looking for that individual who has spent a number of years somewhere and who now wants to spend the rest of their career investing and operating with stability.”

Ready to Grow in China

In September this year, Artisan Partners added a 10th management team to its bow, having hired Matthews Asia’s Tiffany Hsiao.



Artisan Partners’ CEO Eric Colson

“We are starting to see the blend of the long-term equity or fixed income strategies with traditional asset management, to create products that are going to be highly differentiated. But to do that, they need to manage liquidity and have the freedom to maintain a genuinely very long-term time horizon,” the CEO says.

“At Artisan, you won’t see a very constrained product that has a tracking error relative to an index. Those types of strategies are exposure strategies and you can get them really cheaply.

“We are looking for strategies that are highly differentiated, a strategy that isn’t built for scale or to compete on fees, and is a strategy that genuinely offers a high-value add to compete on excess return.”

The Right Fit

Colson says Hsiao is a “great example” of the type of manager the firm favours, given she has a strong long-term track record and a differentiated approach to investing in her field.

“Over the last couple of weeks, she has

really been rounding out the investment team and has brought in another talented investor that she is working with,” the CEO explains. “We are establishing the office in Hong Kong now and are looking at a few more individuals to build out the team, while fine-tuning the documents.

“This is a great example in terms of what we look for. It is really going through lots of individuals and waiting for the ‘no brainer’ opportunities. Tiffany is an example of this. It goes far beyond doing a deal for deals’ sake. It is patiently waiting for the right type of talent to come along.”

Humble Beginnings

Wisconsin-based Artisan Partners was originally launched in 1994 by Andy and Carlene Zieger, who realised that in the US at that time, fund managers had two choices: to run money as part of a larger integrated organisation with a CIO, a house view and centralised research; or to launch their own boutique organisations.

“At the end of the day, when managers do this, they are also running an organisation; they are arranging the legalities, they are building out the accounting group, they are arranging the lease on the building, they are building out marketing capabilities, and then you also have to invest,” Colson says.

“There were a lot of talented people at that time who didn’t want to be in a large organisation but they didn’t want to run their own. While there are a lot of ways to do this now, the concept was fairly novel in

the 1990s.”

Beginning with a US small-cap fund and an international growth fund in 1995, the firm gradually acquired a number of autonomous teams. Colson joined the firm in 2005, having previously worked alongside the firm as an executive vice president of Callan Associates, where he provided business and investment advice to asset management firms.

Today, the firm has \$148bn of assets under management across teams including US value, international value, sustainable emerging markets, growth and credit. The firm also has a team named Antero Peak, which uses thematic idea generation.

“We don’t have a flagship strategy in the sense that we are known for a certain way of thinking. We find groups that may have a value approach or growth approach, or maybe they invest in credit or emerging markets. They all have their own view,” Colson explains.

“We think there are a lot of different ways to make money. That is why, if we find an individual, we give them their own autonomy, we let them develop that view and structure their team, and then develop their strategy. When you look across the nine different teams, they all run money with different philosophies and via different structures.”

Latest Hire Two Years in the Making

Prior to Hsiao, the last hire Artisan Partners made was Rezo Kanovich, who joined the firm in October 2018 from OppenheimerFunds.

Kanovich is now the sole portfolio manager for the Artisan Non-US Small-Mid Growth strategy, including the Artisan International Small-Mid fund.

“Rezo grew up in the Republic of Georgia where both parents were school teachers. During the crisis he moved to Israel then made it to the United States. He worked his way through college and got into the industry.

“He has a very interesting global perspective on investment management, and he has an unbelievable work ethic. We are very fortunate to attract the interests of people of this calibre.”

In terms of future plans to expand the business, the CEO says nothing is set in stone and there is never any rush to launch a new product. However, he points out there is always scope to add new strategies to the firm if the right manager comes along.

“A lot of firms try to engineer products where they think there will be loads of demand, and just try to make it work. We are really taking our time and finding the right people who fit the organisation, and who are coming to us to build the rest of their career,” he explains.

“Out of the nine teams that we have, they are the only teams we have ever had. We have never had a tenth or 11th who came and no longer work here.

“When hiring we don’t have a specified view on the product, we really just look for great people.”

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