

SPEECH DAY 2018

Guest speaker's address – Simon Fenwick

Ladies and gentlemen, members of the Board, teachers, parents and most importantly, boys.

It is a tremendous honour to speak to you today. But when Anthony asked me here, I doubted his judgement. Let me explain why.

At Grammar, we touched upon the concept of, mean regression. That is, most things in life, eventually, revert to the average.

A little history first. I am third generation, at Grammar. First, was my grandfather, Osbourne Fenwick. Tom, as he was known, began at BGS in 1918, as a scholarship winner. He was also, a greedy boy, being Captain of Rugby for two years consecutively.

Second generation, my father John, began at the School, in 1958. After graduating in engineering, he then became a Rhodes Scholar.

The third Fenwick generation, included my brothers, Nick and Jonathan, both of whom, were prize winners. I also had many cousins and uncles at BGS all leaving their mark.

Further, in my 1983 year at BGS, I was surrounded by some terrific blokes. My year group went on to pursue their passion in a wide variety of careers. From medicine to aviation, farming, to business, and the law. Just to name just a few. Even rock stars, that we are very proud of.

My school contribution, however, was textbook average. No prizes, academic, sporting or otherwise for me. I never even podiumed on the lunchtime handball circuit. I was cruel, but living proof, of the law of mean regression.

So, what do I have to offer today? That is the daunting question, that Anthony has left me. Now, not all of you tonight are prize winners. But I want you to know that, your time at Grammar, should leave you with a sense, that you can have a go. At just about anything. It did, for me.

Graduates, I hope I can help with a few insights, from my career, over almost three decades. During that time, I got to meet many of the worlds CEO's and business leaders in my job, travelling the world as an analyst and fund manager looking at potential investments.

Further, one of my old companies was the employer of fine investing minds, such as George Soros, Jean Marie Eveillard and Charles de Vaulx. Names with which you would not be familiar with but are prominent in their global field.

Within a global funds management firm, I got to see first-hand, tremendous changes occurring in business, economics and politics. Do these great changes mean that we have entered a new gilded age where an individual's own character and ingenuity, will be rendered obsolete? My response to that would be no. But I'll get to that, later.

But before I do, please let me divert briefly to my own graduation. I can still remember the feeling in the pit of my stomach, 31 years ago, finishing Year 12. It was a strange cocktail of emotions – part relief, part excitement. Yet also, some apprehension.

However, the optimism of youth is a wonderful thing and so, I was ready for the outside world. I performed a quick inventory, of all the essential items to a 17-year-old mind. Driver's license - check; university course - check; beer - check. Brilliant. I thought I had become a man of the world, the finished article.

There were, however, some major holes, in my new theory. The first setback, I had no money, and without money, there was no freedom. In fact, my father helped me understand, that I was a fiscal lightweight. Meaning, I had to start paying my way. So he organised a labouring job at Darra, pouring large concrete slabs.

The job was hard and monotonous. But the boredom was countered by the fear I had, of dealing with my fellow workers. Many of them convicted violent criminals, who liked to show me their various knife scars and tattoos.

At this point, an epiphany came to me. It finally dawned on me, that university was actually a good thing and I said goodbye to my labouring colleagues and their long rapsheets. Point being, is not that university is the be all and end all. Instead, I became acutely aware, that my life of organised privilege at BGS, had ended abruptly.

This leads into my second problem, after Year 12. I didn't know what I wanted to do yet. Many of you may be in the same boat and that is fine. You still have some time. Some know what they want to do and that is fine as well. But I was undecided.

After some years at university, I eventually developed some interest in investing. I didn't know all the key concepts. However, I did come to adult life, equipped with one asset – curiosity. For that, some was innate, but much I can thank my teachers at Grammar for.

For example, Ron Brilliant, my chemistry teacher. Now, Ron was not you would call, a helicopter teacher. He would often leave the classroom and encourage us to study chemical reactions and extreme heat all on our own. We were lucky to escape unburnt, but the scars from the Bunsen burners and chemicals are etched deep into the woodwork. Ron also etched in his students a taste of independence.

I quickly realised as I headed into the big bad world, after graduation, that my ability to relate to the opposite sex, was dysfunctional. To redress this, I needed to reboot my conversational skills. Neanderthal grunting was no longer effective. I realised that I had to form words, then string those words, into sentences. Progress was slow. But Rome was not built in a day.

I tried to channel my English teacher, Don Johnson's love of reciting verse. I also learned well from Ian Howlett, our year head, the importance of a good sense of humour. Ian, as some of you might know, is blind in one eye. To put the fear of God into us, before he left the assembly room, he would extract his one glass eye for all to see. He would then slowly place the eye on his table and say, "Behave – I have my eye on you."

The gist of all this, is, when you leave school, do not expect to know everything. Rather, when I was your age, I learned the hard way that confidence is a terrific thing, but only when it is mixed with some humility.

Moving onto a separate topic. In working for my own firm, in New York, I helped guide my partners to leave our old firm and take the risk to start our own company. To do this we had to navigate New

York's famously aggressive business culture. To add to this, our previous employer, threatened us with legal action for having the gumption to leave them and go into business for ourselves.

As a struggling new company, we were pariahs for a while and some service firms and old clients refused to work with us. At times, it was scary and humbling. Especially, as we started, in the jaws of the global financial crisis, and I had little tucked away in savings if things did not work out. Ultimately, with some determination and a lot of planning, we amassed over \$20 billion in client money to invest on their behalf.

In our new firm I was also in charge of interviewing potential members of the investment team and then training them. That means, I poured over hundreds of university applicants, from Harvard to Yale, and more. I got to see and interview the talent pool first-hand, which hopefully gave me a few insights.

Now, one question I often received from job applicants, was, in effect, "how do I future-proof my career". Protect it, so to speak, from a world that is changing, due to new technology. I would argue that this thinking is flawed.

In part because these young candidates, were mostly looking for a particular title, firm or job description, that would place them on easy street. This is also flawed, because, as I alluded earlier, change has always been with us.

For example, living during Roman, Victorian, or Edwardian times, would have been breathtaking. Inventions in steam engines, bridges, navigation, electricity, aviation, cars, splitting the atom, and space travel. I would argue that, these changes exceed what we see now.

That is, scientific and social upheavals, have been with us for centuries. Even your ancient parents, have experienced much of this. Without iPhones these primitive humans once had to hold real conversations, face to face.

The only swiping your parents did was snatching the old rotary phone from your grandparents. Your poor parents. Please have some sympathy for them. Conversely, it's true that during periods of technological change, jobs change, and some even become obsolete. That's partly because, automation and robotics have dramatically improved in the last few decades.

I've seen this, in my career, having closely watched our investments in businesses that excel in boosting productivity. For example, businesses such as Fanuc in Japan, arguably the world's leading industrial robotics company.

These sorts of companies have taken repetitive tasks, then married their software and algorithms, to their superfast robots. These machines lack your intelligence. But they create fear for some, due to the threat of lost jobs. This fear is probably well-founded, but only if your job is highly repetitive. And only if you lack curiosity about improving the jobs outcome for your clients.

So, how to future-proof your careers? Unfortunately, there is no magic wand that I am aware of. This sounds scary. However, life is never about 100% security. For if such a thing were to exist, no change or personal growth, would be possible.

I would suggest that you don't seek protection from change, rather, embrace it. But how? The first and most important advice I would suggest here, is continuing your education, throughout life. I, and

all of you, were fortunate to have great teachers at Grammar. However, a key theme that I will keep referring to, is that your education is not ending. It is only just beginning.

Continuing education can mean all sorts of things. For example, I would urge you in your spare time, to read as widely as you can. Not just your own industry or hobbies, but others, adjacent ones and new ones.

Great fiction, of course, is a must, as it will help your creativity and humanity. Charlie Munger, Warren Buffett's investment partner, referred to this thirst for reading and knowledge as building a "latticework" of knowledge. His concept was to build a broad toolkit of ideas. This prevents us becoming blinkered, making sure that we look outwards, as well as inwards.

You may also, want to attend courses, conferences and seminars. I came to realise that not all of them were helpful, so look carefully at the quality of the topics and speakers. If you see my name, you may want to pass.

But even reading widely is not enough. I'd urge you to raise your voice and ask questions. Groupthink seems almost pervasive in a lot of the press, political discussion and social media. Nurturing your own curiosity and continuing education, will arm you against groupthink. It will allow you to cut through the nonsense and get to the truth.

The second advice I offer in your careers and life is to listen. Surround yourself with great bosses, professors and mentors, experienced colleagues and soak up their advice. Why? These are your next cohort of great teachers.

But what makes a good boss? I've found a few subtle clues, that might guide you on your own hunt. The good bosses don't often praise you, but they will, at times, push you, question you. Good bosses will reciprocate and listen to you but only if you have good questions. Good bosses avoid jargon and buzzwords and they are rarely, flashy people. Yet they had have a tenacity, the ability to lead and an independent streak.

The third point I would like to make today is that your next life chapters will not always be linear. What I mean by that is be prepared for periods of rapid growth, but also know there will be a few flat periods and potholes along the way.

At times work and life can be bloody frustrating. However, frustration will present you some opportunities, just be patient. Rather than expecting perfection, channel your frustration into solving problems for your clients, team members or your family.

Another question I've often had from interviewing university graduates is how do I avoid taking the wrong risks in my career? I am currently reading a book about a Norwegian, called Fridtjof Nansen. Nansen was an arctic explorer, a sportsman, scientist and diplomat. He was a polymath. A good all-rounder.

He summed up the paradox of risk, when he said: "A spirit of daring is deeply ingrained in our nature -- in each and every one of us. But accidents will befall those who are unprepared." In other words, some risks can be categorised as stupid. Whilst, others are essential for our survival and growth as human beings.

For example, while working in London, I took regular holidays in Spain, to escape the gloomy weather. There I admit to doing the running of the bulls in Pamplona on a number of occasions. It was fun, but stupid.

The locals took great joy in seeing me trampled on one occasion and tossed in the air by a set of horns on another. Fortunately, I finally listened to my wife and stopped these annual trips, before I suffered serious injury.

But mostly, I've taken considered risks. Not many, mind you, but important ones where I had to carefully weigh the risks and rewards. For example. While looking at investment ideas, I went inside a nuclear reactors and crawled around in an African mine 3000m below the surface.

Resigning from a well-paid job to try and start my own company with no salary and a lot of naysayers was another risk. Asking my wife to marry me was a risk. Fortunately, she took the risk and said yes.

On the other hand, some risks are unavoidable. They just happen, and you have to deal with them, as best as you can. I remember flying into Boston on the way to New York on September 11. The tragic events of 9/11, happened, around the time you were all born.

Our plane was one among hundreds that were suddenly diverted to Canada, when US airspace was closed by the military. To this day I will remember the skill and bravery of the pilots landing their large planes on a tiny airstrip in Nova Scotia.

They used only their wits and training to manage the very real risk of a mid-air collision. Looking out my plane window, the sky was filled with jets, all spiralling down to land, only few hundred metres apart. That is, all the usual safety rules had disappeared, in the rush to get planes down safely before fuel ran out.

So, ultimately, the difference between a bad risk and a good one, comes with wisdom and preparation. But sometimes, shit happens, you will need to switch your autopilot off. You will get through it with, graft and guts. You will surprise yourself.

You will be relieved to hear, that my sermon is almost over. But I can't leave, without making a few, final points. I will start with this; no amount of money or career success will complete your adventure through life.

Money is important, yet it's only a small part. One day, you will want to build a better community around you, and then, give back. Your time, your sweat, your effort is most important of all. Your action, to roll up your sleeves and help, will always trump any virtue signalling.

This could be via you coaching, mentoring, community groups, charities, volunteering – there is an abundance of options. Your advantages in having a BGS education should not make you feel guilty. Use your education to your advantage. Remember where you came from. But equally, help put back into your community and provide opportunities for others, especially those less well off.

Students, you have reached a tremendous accomplishment, just being here today. Your enjoyment in life, will flow as a direct result of all the effort you put in, your desire to keep learning for yourself, and giving a helping hand to others in need.

I sincerely wish you all the best in your time after Grammar.