

GETTING TO KNOW HEAD OF CREDIT RESEARCH, GREG STOCK



GREG STOCK

Head of Credit Research

28/02/2019

Greg Stock is the Head of Credit Research at Perpetual Investments covering the bank and financial sector and is a credit signatory. Greg is also a senior portfolio manager responsible for trade execution and portfolio construction for Perpetual's bond fund, absolute return fixed interest fund and exact market cash funds.

Greg has almost two decades of experience in investment management, accounting and risk management. He has researched and analysed credit markets on both the buy side and sell side for over a decade as well as through multiple cycles.

What was it that initially drew you to this type of work and what has kept you here?

Financial markets interested me from a young age from when I studied maths, macro and micro economics and all the psychology intrinsic to the way markets function. I enjoyed the challenge of trying to figure it all out. In my youth, I was a middle distance runner competing at state and national level. I enjoyed the challenge of improving my personal best times and aiming to beat the competition and win. For those reasons, I have always been drawn to funds management and I love the challenge in this type of work.

So much has changed in our industry over the last two decades and markets have been so volatile. The challenge to navigate all the changes for our investors, and provide them with solid risk adjusted returns, keeps me focused. Whilst a competitive industry, it is distinct from a competition though. Risk adjusted returns are what

matters most to me, and to our investors.

Who has had the biggest influence on your career?

Influence on my career relates more to my experience as an investor, rather than my executive career sense per se.

Observing financial markets through cycles is where I have learnt the most, to read the risk signals.

Reading, viewing and watching some interviews, thought pieces and insights from global investors and commentators (like Druckenmiller, Hintze, Chanos) has helped identify where pockets of risk have built up and which sectors have become vulnerable.

What was your very first job?

I tried to get my first job when Australia was last in recession. While I was at university, I did some tutoring and pizza delivery and vacation work at Price Waterhouse. My first full time job was at Price Waterhouse auditing mainly in the banking and financial services sector, studying at the same time to become a Chartered Accountant.

What's the best piece of advice that you have received?

Buyer beware ('Caveat emptor'). Financial markets are full of risks and there is always someone wanting to sell you overpriced risk. Not overpaying for risk is the challenge and having a querying mindset and maintaining a skeptical disposition especially in bull markets is the key.

With your wealth of experience in research and portfolio management, looking back, what do you think are the main things that have changed over the years?

The automation of markets, and the speed and availability of information and data, has made them more efficient. There appears to be little edge there now, leaving time instead to the important aspects of how to interpret the data, read the risks it contains, and position portfolios.

Market participants appear more short term focused than ever and the constant bombardment of news and views has made it somewhat more difficult to carve out a space of patient prudent investing.

What is something people don't know about you?

My family pets are Weimaraners, we show and breed them too. Dogs are great pets for kids and Weimaraners are a fantastic breed.

What do you see as the biggest challenge for the next 12 months?

The biggest challenge will be to invest with a risk aware mindset, sifting through the noise of the markets and media and investing for sound risk adjusted returns.

As we progress through the later stages of the business cycle, with yields still near all time lows, the challenge is to identify and invest in the industries and individual credits that will fare better than others.

This content has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL 234426. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Any views expressed in this document are opinions of the author at the time of writing and do not constitute a recommendation to act.
