
One Very Lucky Fund Manager

That's me I'm talking about. The lucky fund manager. And it's not because we're having luck on the markets. We're well-placed for a much lower Aussie dollar. We don't own any consumer discretionary stocks (yet). We're prepared for China to hit the skids* and don't own any resources stocks.

Given many of these issues have come to the fore recently, one would expect substantial outperformance, yet we're only a few percent better than the market. On the investing side, we haven't yet had much go our way.

So why am I the lucky fund manager? Well, we had net inflows into the Value Fund in September. It wasn't a huge amount of money but it was net *in*, when most fund managers are dealing with substantial net flows out.

It's a clear sign that our investors are genuinely long-term, genuinely contrarian and genuinely prepared to let me do my job. This mightn't seem like a big deal to you but ask any fund manager and they'll tell you it's something they dream of at night. It allows us to be patient, invest in illiquid stocks and focus on the business, not the stock price.

I'll take some credit for this. I have explained our approach clearly and encouraged some people not to invest because their expectations aren't right, but I still count my blessings every day.

If the returns don't improve over the next three years, I'll sack myself and wind it up. But there will be no cause for complaint; our investors are giving me every chance.

**China won't hit the skids because of a global recession, but more on that later in the week*