



By **Jeff Prestridge**

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**W**HEN the email came in, I nearly dismissed it. Yet another press release, I thought, to add to the hundreds I receive every day.

But this one had a somewhat cryptic message and an attachment which I was urged to read.

'Anthony found this the other day,' the sender said. 'Fancy a chat with him?' Curiosity got the better of me.

I'm pleased it did. It was a copy of an investment article I had written 30 years ago when I worked for a rival newspaper (and yes, I was still wearing shorts!) and John Major was Prime Minister.

Last week, I had that chat with 'Anthony' and what a privilege it was. The man in question is Anthony Bolton, in his heyday during the 1980s, 1990s and through to 2008, one of the best UK fund managers of his generation.

He was the individual who ensured that the funds he ran – Fidelity Special Situations and sister investment trust Fidelity Special Values – lived up to their 'special' labels, delivering handsome profits to those who invested for the long term.

Now run by Alex Wright, both funds continue to make money for investors, albeit as in Anthony's era, not always in an upward straight line (the lockdown of 2020 hit both funds hard).

Anthony was loved by many long-term investors. But in the City and big business circles, he occasionally ruffled a few feathers, obtaining the nickname of the 'Quiet Assassin' in 2003 when he led a successful shareholder campaign to prevent Michael becoming chairman of newly merged media group ITV.

His modus operandi as an invest-



**HANDS-ON MANAGER:**

Fund favourite Anthony Bolton

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**'Be true to your investment style'**

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My 1994 article was specifically about the launch of Special Values – Special Situations had been formed 15 years earlier with Anthony at the helm.

Thirty years ago, I was in awe of him – he was my investment poster boy, a friend of the retail investor. And his eye for an investment opportunity continued for a long time thereafter.

Over the next 13 years, he held court over both Special Values and Special Situations before deciding to move to Hong Kong and front up a Fidelity China Special Situations investment trust.

Although this Far Eastern adventure proved less special for investors, no one can dispute his investment record in the UK. He outsmarted the market.

Over his 28-year reign at Special Situations, he delivered annualised returns averaging 19 per cent, compared to 13 per cent for the FTSE All-Share Index. At Special Values, the equivalent average returns were 16 per cent and 9 per cent. An advert for the virtues of active fund management.

Speaking to him last week, it was as if time had stood still. It was the same Anthony Bolton before me – a little greyer maybe (he's now in

# My reunion with a Special fund manager who delivered 605% gain in 13 years

And if you'd trusted him with £1,000 in 1994, it would be £27,400 today..

his mid-70s) but articulate and as razor sharp as ever. Although he still does work for Fidelity, his energy is directed towards writing operas – his latest, *Island of Dreams*, was performed last summer at the Grange Park Opera near Guildford in Surrey.

'I found your 1994 article in an old scrapbook,' he says. 'I only ever kept the important stuff.' Flatterer.

We went on to talk about the birth of Special Values. 'The idea to launch it was mine,' he says.

'Back in 1994, Fidelity only ran unit trusts. We didn't have any investment trusts, which were very much the domain of Scottish investment groups.

'I was a fan of them [better protection for investors when share prices are falling and the ability to borrow to increase equity exposure] so I presented the case to launch one to my boss Barry Bateman and the green light was given. Special Values was born.'

At the start, it had £44million of assets under its wing. Today, it is

capitalised at £1 billion. Someone who invested £1,000 30 years ago would have seen their investment grow to just short of £27,400. Under Anthony's 13-year stewardship, it delivered a gain of 605 per cent.

Today, Special Values and the £3billion Special Situations fund are managed by Alex Wright who was born in 1979, the year Special Situations was launched.

He has been running the two since September 2012 and January 2014 respectively, assisted by Jonathan Winton. He joined our con-

versation. Alex says: 'One of my first recollections of Anthony when I joined Fidelity in 2001 as a research analyst is that he agreed to buy the kit for the company's five a side football team. We called it Special Situations and we played on Tuesdays for nigh on 20 years.'

Anthony quips: 'It was one of my best investments.'

The investment approach of the two funds has changed little over their respective lives. Like Anthony did before, Alex is constantly looking to invest in undervalued UK businesses in the expectation of an upward rerating further down the line.

Among top holdings for Special Values and Special Situations are tobacco stock Imperial Brands plus banks NatWest and Standard Chartered. In contrast, the first annual report for Special Values in 1995 identifies advertising agency WPP, computer software Misys (now private company Finastra) and Mirror Group (now Reach) among its big stakes.

'I believe fund managers should always be true to their particular investment style,' says Anthony. 'No one should be a contrarian investor one moment then be a growth investor the next. Why was I a contrarian? It's because I felt more comfortable doing completely different things to everyone else. It's in my nature.'

Like Anthony, Alex is a big believer in meeting the management of companies he is keen to invest in or seeing businesses

**'I felt comfortable doing different things'**

which may give useful information on a rival company that he holds in the funds. Two to three meetings a day are normal – a trademark of Anthony's investment style.

Anthony believes he had it easier as an investment manager, saying: 'Fund management today is more competitive. When I was running money, you could visit companies that weren't seen by rival managers – and maybe identify an investment gem before anyone else.'

'Today, there is greater use of technology, more analysts scrutinising stocks and, of course, funds that track stock markets rather than try to beat them [passive investments]. Yet, I still believe there is a great opportunity for contrarian investors to make money for investors.'

Alex agrees. 'The consensus view is that the US market is the place to be,' he says. 'But consensus is dangerous and there is a risk it could all change.'

'It's interesting that when I meet people, they ask me whether I am depressed because all the noise is about US equities. My answer is an emphatic "No". The two funds I run have outperformed the FTSE All-Share Index over the past year and I will strive to keep this going.'

Back in 1994, Anthony told me that Special Values 'should provide investors with a good long-term investment story'. How right he was. Thirty years a good long-term investment story.