Mercer: Helping Institutional Investors Invest With Confidence - With Jo Holden, Mercers' Global Head of Investment Research & Consulting

Simon Brewer
'Winter is coming' - the chilling watch words of the House of Stark in Game of Thrones, it feels like it today here at the beginning of March in the UK with snow storms descending across northern Europe and mirrored in financial markets that might be processing that more interest rate tightening may be coming and with it a trickier economic climate. Yet business and market cycles are woven into the fabric of capitalism. Despite Central Bank's efforts up to the last 12 months to distort the playing field and allocating capital is an essential requirement of the savings and pension worlds. In the last few episodes, we've been understanding how some of the world's super allocators think about and implement their investment policies and with the growth and complexity and responsibility and sheer size of global investable assets in tandem, we've seen the growth of the pension consultants, Mercers Towers, Aon, assisting these organisations. And today we're going to Mercers and specifically to their global head of investment research, Jo Holden. So Jo, welcome to the podcast.

Jo Holden
Yeah, thanks Simon. It's great to be here.

Simon Brewer
Well, we love to start just with a little bit of context. I think you might be in Manchester, but you've told me already that you were born in Burnley, so I'd just like a little reflection on was it an upbringing where you discussed actuarial matters in investment portfolios?

Jo Holden
It probably wasn't, to be fair, I really think it's probably, if I was going to describe my background, yeah, I mean I had a happy but pretty unremarkable and certainly not a stereotypical city career background. As you said, I sort of grew up in Burnley, which I don't think is particularly famous for producing investment consultants. I don't know if you saw it, the recent Netflix film, 'The Bank of Dave', which was based in Burnley might suggest it's got some potential. I don't know if you saw that actually, but it's pretty true to my recollections of living there. It's well worth a watch. My mom and dad worked hard. They divorced and set up two households just before interest rates peaked in the early 90s, which you can imagine wasn't particularly easy, but I think both parents were very, very centred on my brother and I. We went to a pretty robust comprehensive school. Maths and science was my thing. I had a place at medical school, which I think was probably a much more obvious aspiration than moving into the world of finance. And I guess probably just for the simple reason that you knew growing up in the north that hospitals existed, less so the city. I didn't go to med school and become a world renowned heart surgeon. I just got a bit of a gut feel in the summer post A - Levels that it wasn't for me. And I do

remember my mom marching me into school. She thought I'd gone completely mad. I mean she was a nurse and understood the concept of me being a doctor, but she had no idea what anybody was going to do with a maths degree. School were brilliant to be fair and convinced her that maths might actually be quite a sensible thing to study at university. But I think even at university, I'm not sure there was a great awareness of the different sorts of career paths that you could go into. I think pretty much 99% of people on my course either did accountancy, teaching, or actuarial work, and I think I probably kind of fell into the latter partly because the other two didn't appeal because I was just morbidly interested in the concept of studying mortality as an actuary. So there's something in that really that maybe we'll talk about later about how we attract more people into our industry because there are so many kids sort of across the country who have absolutely no idea what we do and if we genuinely want to increase the levels of diversity with our industry, which my word we definitely still need to do, then I think there is some sort of interesting lessons in that perhaps.

Simon Brewer
Well, we definitely want to come back to that. Now if I've done my research correctly, it looks as if you segued from university into Mercers almost without anything in between. Was that right?

Jo Holden
Almost. I had a couple of years at PWC on their graduate program during their actuarial program, but sort of quickly realised it maybe wasn't for me. Mercer came knocking and that was the first time I realised or came into contact with the idea of investment consultancy, and I guess 21 years later haven't looked back.

Simon Brewer
Well, you definitely are one of the most loyal employees who's been on the podcast. Let's just talk about Mercers at a high level. I think you're owned by Marshall McClellan, but just maybe give us a sense of context, the history, size, activity.

Jo Holden
If you don't know very much about Mercer, we have been around for a long time, as you say. I mean we're part of Marshall McClellan, but Mercer itself has been around for about 75 years and basically we provide advice to institutional investors, which is my part of the business. But we also more broadly give advice on health and career issues to employers. Now within the investment arm, we are a global firm as you alluded in the introduction, and we've got $16 trillion under advice. And in terms of assets and the management in our fiduciary or OCIO business, we have about 415 billion, which makes us the largest of the OCIOs across the globe.

Simon Brewer
Right? And OCIO is an outsourced CIO office for those who maybe are less familiar.

Jo Holden

Some people might call it fiduciary management, some people call it delegated. We sometimes call it investment solutions. It's another of those sort of really unhelpful things where there are 27 different variations on a theme, but it's all the same thing.

Simon Brewer
So the 101 question is why do investing institutions need consultants?

Jo Holden
In my opinion, a good consultant facilitates good decisions, particularly a lot of our larger clients know just as much as we do, if not more particularly in some of the more technical areas. Everyone's got their own expertise and I think it's our job to be objective, to challenge, but also to bring that broader context. We do have a good window on the world that we can share with our clients. We talked about the level of assets under advisement that we have at Mercer. Clearly it would take an awful lot of larger clients to make up that number. So, hopefully with just that broader context of global experience, we can bring a lot more resources than individual organisations can provide themselves, particularly around things like manager research, that's my particular area at the moment. We like to think of ourselves as being a productivity aid rather than any replacement for in-house staff or decision makers. But then we can also bring discipline around governance. So I don't think any good investment consultant would say that the value that we bring is by being the oracle on all things investment. I think it's very much about facilitating decision making in all sorts of different forms.

Simon Brewer
And Jo, thinking about new investment demand from your clients, particularly in important geographic regions, are you seeing significantly more interest from your clients for investment management expertise in India, in China?

Jo Holden
Yeah, we certainly are in China, and we're certainly seeing a lot more discussion around it, whether or not all of our clients are at the point of investing, I think it's debatable, it's very regionally specific and it's also very dependent on people's views around ESG issues of which there is a lot more discussion for all sorts of reasons when it comes to China. But we're certainly having discussions, we're having practical discussions. We're also seeing clients thinking about it in different ways. So depending on the size and the sophistication of the client that we work with will depend where they end up. So some are happy to make allocations to China within existing mandates. Some want to carve it out of a particular mandate and then make decisions about what that means for the remaining emerging markets that are there. In India, I think we are seeing some discussion around, but I would certainly say that it's further down the list. China is certainly the bigger issue of the two. We've got clients that are allocating at the moment, but there's a long way to go in terms of it being sort of mainstream for everybody I think.

Simon Brewer
And talking of the whole management universe, can you give us a sense of how many new managers you add and managers you remove each year accepting that there's a fair amount of variability year-on-year.

Jo Holden
Broadly speaking, a rough guess would be around 10 to 15% turnover that we get within our universes if we aggregate up. And look, it's difficult in terms of are we happy with that number, is it too high, is it too low? Obviously we're trying to foster in general long-term relationships between our clients and asset managers. We want to make sure that there are good decisions made at outset and we are keeping managers there within portfolios for as long as possible where appropriate. And our A-rated lists reflect that in the sense that we don't want lots of churn, but obviously there are reasons for taking managers off the list and there are also reasons that we want to go out there and find lots of new and emerging talent. So it's a balance, but broadly speaking it's around about 10 to 15% turnover we would see in our lists.

Simon Brewer
And when managers drop off, which may of course be a euphemism for all sorts of things, what are the triggers that typically lead to you deselecting a manager?

Jo Holden
There are all sorts of triggers and we probably don't have a tick list, but when it needs to happen, it's often fairly obvious. Sometimes managers will just fade away and when you're looking at the new up and comers and you find managers that sort of absolutely have overtaken, then that might be a reason. But in general, we might have a team leave or we might have a star performer leave. Doesn't always mean to say we would downgrade. I mean it depends on the product and the process. If everything is stable and there's a good systematic cultural element to the process, that means that if someone leaves, it doesn't all go away, then that wouldn't be a reason for a downgrade. But sometimes it is. Sometimes products just become not as relevant because particular market dynamics have changed. In general, there doesn't tend to be huge dramatic events that happen that mean that people are taken off our list. Generally it would be a degradation of edge over time. It might be that a team has left, it might be that people start to seep away. It might be that a parent company has been very supportive of investing and developing and evolving a product over time and suddenly that drops off. So I think there's a whole host of reasons why we might downgrade, but that's the point of doing great due diligence at the outset to make sure that we're as confident as we possibly can be, that this is a good long-term option for our clients. So you would hope that it doesn't happen too often.

Simon Brewer
And the thorny and perennial issue of poor performance, how do you reflect on that?

Jo Holden
Yeah, no, of course. I'm sorry. I should have mentioned that at the start, that isn't a reason for downgrading a manager as far as we're concerned, unless it's unexpected. Managers will not outperform every quarter. Managers will not outperform every year. And it's important that we understand how

those patterns might occur when we're doing our research upfront. But yeah, I mean if it's unexpected and it is pointing us towards a failure of process or risk controls then yeah absolutely that would be a reason for thinking about a downgrade. But no, on its own a period of under performance that might be expected according to philosophy and process or approach is not a reason for downgrading. Doesn't mean we don't kind pressure for it sometimes, but again, that stands to us as an investment consultant to make sure that our clients are absolutely understanding any sort of patterns of performance or cyclicality that might come with a particular manager appointment. I guess particularly when it's high conviction manager on those peaks and those trusts might be quite pronounced at times.

Simon Brewer
So I think people often underestimate the gruelling process that's involved when a firm like Mercer's undertakes detailed due diligence. I mean I've sat on the other side of the table when the spotlight has been put over the process when I've been involved and it's not for those who are ill-equipped or less equipped. So it's a two-way street. But I guess the other part of this is that when you are looking at managers every month throughout the year, other than the data that you'll have scrutinised, what are the key other characteristics that you are looking for to help get them accepted?

Jo Holden
There are a lot of things that we look at, and I guess again that point that I made around fostering long-term relationships with investment managers. That goes for us as much as it goes for our clients. The longer you've known a manager, the more that you are on top of all of the elements that made their process good. I mean, that's not to say that we wait years and years before we give someone our highest level of conviction [inaudible 00:15:21] ratings, but the longer we've known a manager, clearly the more under skin we are. We don't have a checklist and this is where the experience of our researchers absolutely comes to the fore. But if I was to try and answer your question by thinking about what common characteristics might we typically see amongst our highly rated managers, I think it's probably best described as a sense of purpose, a shared sense of purpose amongst the teams that we rate highly. That could be cultural in the sense that it's just apparently obvious that a team are all working to the same aim. That doesn't mean they're all thinking the same because we want teams that bring diversity of thought into the process too, but they might have that common aim and it's very apparent. Or you get a sense or you see evidence in the fact that a team, they hurt when things aren't going well in terms of performance. And of course that can be financial, but actually it's more about it hurts from a passion perspective or they show real empathy with their clients when they're going through a downturn or there's a real intellectual issue for them that they're really trying to solve or unpack when performance isn't working. But there's a real sense of either it hurts or there's a commitment to roll up sleeves when things aren't going as planned and that shows in a team that's well oiled and working towards that same sense of purpose.

Simon Brewer
You and your colleagues have written some quite interesting work and you sent me one of them, which was essentially placing this environment in a historical context. Mind it, I think it was Churchill who said,

‘the further back you look, the further ahead you can see’. There appears to be a shift in climate. Just, maybe, encapsulate how you are thinking about the world and what that might mean.

Jo Holden

Whenever we sort of put these papers together, particularly when times are difficult, it leaves you sort of thinking, gosh, who would be a decision maker? I'm going to say our clients do not have an easy job and I think if we look at the paper you refer to, we wrote it towards the backend of last year and it was a year of flux. We'd had a bear market, governments that were I think probably starting to face up to sort of extraordinary levels of debt. We had inflation ballooning, the sharp rises in interest rates, but also a war in Europe that still feels, it's horrible to say, I mean it really gave us a wake-up call on some of the sort of more complex geopolitically sensitive supply chain issues which affect so many things, not least some of the maybe good progress that have been made on all things sustainability and climate.

So yeah, I mean I think flux was probably the word that we used the most when we were starting to put that paper together, and essentially what we do at the end of every year when we're thinking about what's going on in the world and putting together this themes and opportunities document, because then by theming it's almost a way of translating things into more pragmatic and implementable ways. I mean it's grouping, isn't it really, aside from anything. So we had three themes for this year and beyond. We had history rhyme thinking about things like inflation, high interest rates, things like the resources conflict that I've mentioned with the war, but really just thinking about those in the context of lessons learned in previous years but with the benefit of a much wider toolkit. I mean we have much more in our toolkit than perhaps colleagues might have had in the seventies when we have some of these issues that we're facing now. The second of our themes is position for transition, which is fairly obvious and it's been a theme of ours for the last few years actually. And I think what we're trying to do here is get real about what transition, particularly with reference to climate, what it actually means, but against a bit of a pushback in some regions. I guess we're thinking about the states in particular on ESG issues. And then our third theme was we called degrees of freedom and that was really about governance and the fact that the more well organised a decision maker is, and I talked about governance and discipline on that a couple of minutes ago, that being well organised can actually be a pretty powerful tool. I don't know whether it's still said. It depends on where we are in the cycle, that diversification is one of the only free lunches. I actually think good governance is higher up that list when it comes to thinking about easier fixers to help us make good decisions.

Simon Brewer

Let's just pause on one of those, which is a higher rate environment has unfolded quite quickly. If there are historical parallels, it could be that in fact it persists and whilst you get some relief on inflation, it proves to be transitory and we go through a cycle where in fact, negative real rates persist and fixed income investing, as we know, was a very dangerous asset class to be in the 1970s. How when you write about that, does that then follow to a discussion and a possible action with clients?

Jo Holden

There's never a single right answer with clients accepting that, by the way, is one of the things that differentiates a good investment consultant, particularly when the world is in flux is the term that we used earlier and the world is certainly a lot more complicated than it was in the seventies. We are expected to have opinions, paid to have opinions by our clients. So we do do a lot of work thinking about stress testing the sorts of solutions we could put in front of clients, advising them to stress test those solutions themselves, but making sure that the clients understand the various options that are in front of them. They understand the pros and the cons, but also showing that we've done a huge amount of work behind the scenes to make sure that our actions are workable, they're pragmatic, they've not been developed in some classroom or a vacuum. We'd spend a lot of time reading and listening and forming opinions in house, but we also spend a lot of time discussing our ideas with asset managers who can at the end point for solutions for our clients. We know that our clients understand the pros and cons, but we also know that there are implementable things that they can do and ways of measuring whether or not those things have been the right things to do. The other thing that we're increasingly having to do when we're thinking about building solutions to problems for clients is recognizing that everybody always has more than one problem. So if you are a defined benefit investor, you're worried about inflation, you're worried about cash flow, but you also might have sustainability goals. So the more solutions that we can put together that cover lots of different goals, the better. It's not always just about a risk return outcome, it's also about governance and what's manageable and the sorts of things that clients can actually practically get to sort of work within portfolios given their own time constraints. So it's multifaceted, but I think we're thinking harder and harder about making things as simple as we possibly can do, but also as sort of pragmatic and implementable as we can do too.

Simon Brewer
Okay, thank you. The research process is I guess a lot more complicated because the inclusion and growth of private assets is suddenly requiring, well, more skills, different skills. How do you organise yourself public versus private?

Jo Holden
The view partly through a series of acquisitions that we would have a specialist alternatives brand. We don't have people in boxes. We have people who have moved, their career paths have moved between traditional and alternatives. There's a consistency of approach, there's a consistency of philosophy, but we were recognizing very much we do need deep specialisms in each of the different areas. Now, moving forward, we all work as one organisation. We are very clear about the fact that the total portfolio approach is what most of our clients are looking for. So we don't want people to be too focused. And I think increasingly we're also hearing lots from investment managers about their own strategy and focus and thinking about that hybrid that will exist, does exist, will exist to a greater extent going forward between public and private. It's about making sure that you recognize where a consistency of philosophy in terms of the sorts of firms and strategies that you're looking for is important. But then also just making sure that we do have the right level of due diligence, expertise, and process across a wider sort of remit I guess within alternatives.

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Simon Brewer

Do you think the skill set of somebody who has studied and practised in the public equity universe is transportable or not appropriate for somebody scrutinising the private asset landscape?

Jo Holden
We've certainly got examples of people who've moved across and I think particularly in the fixed income space actually we probably do have more people who've moved from corporate credit and going across into private debt together. If you were to draw the Venn diagram of traditional credit and private credit, maybe the bit in the middle is bigger for credit than perhaps it would be for equity.

Simon Brewer
You've written about the dangers of Groupthink. I'm conscious, having sat on investment committees, the larger they are, the less effective they generally also are. Tell me why you are even writing about the dangers of Groupthink?

Jo Holden
Quite often a lot of that criticism or the conversation is centred towards asset managers. We do generally tend to find there's not a huge amount of diversity when it comes to decision makers within the asset owner space, either, look, there are all sorts of different ways of measuring diversity from what we're looking for is cognitive diversity. Again, being a defined benefit pension trustee isn't always easy to find lots of people to put their hand up to do that. There are all sorts of things that contribute to why we maybe don't have a huge amount of diversity, but I just worry in a situation where we don't have a huge amount of diversity, things are moving very quickly. Can we work hard enough to make sure that you're making decisions with integrity, with empathy, with compassion, all of the things that make more rounded decisions, or do we have no choice but to go with the opinion or the decision making of the loudest and most knowledgeable person in the room? And I say I've heard enough maybe comments or thoughts about how we went through the LDI crisis to just make me think, could we think about helping clients with a better framework for decision making or trying to get more diversity of thought into their framework of decision making that might be useful.

Simon Brewer
Don't you think there may be an even bigger challenge, It's just the human challenge that we oscillate between greed and fear. You get a huge backup in yields. I've actually read that UK pensions and funds in aggregate have moved to a surplus, I don't know whether that's right. And a rational person not drawn up in this surge yields would've gone, oh my gosh, we've been searching for yield, now we have a solution. Let's just take a deep breath and let's change our allocations. As opposed to, oh my god, the UK economy is coming to a crunching end.

Jo Holden
I can imagine that there might be lots of trustees listening to this podcast and saying, what on earth is she on about exactly? To your point, we're all in surplus now, so I'm sure we did very well. And that's not my point. I'm not criticising, necessarily, the decisions that were made and sometimes you don't even know if you've made a good decision in the world of investment until a very long way down the road.

The situation that our clients were in during the LDI crisis was scary, possibly not what a lot of them have signed up to. And I think making decisions in those very high pressured environments, if you go back to what I said right at the beginning about our job is to facilitate our clients to make good decisions, then I think we have to stop and just have a little think about how we might help clients make better decisions on whether or not how can we facilitate given a lot of the stuff that we do, thinking about asset managers and diversity in decision making are the lessons that we feed into that process there in terms of helping that group thing if it exists.

Simon Brewer
And the other challenge that you have is you have a fiduciary responsibility, but you are also trying to balance the world of sustainability and all that goes with it. But investment return is absolutely key. And then you come to sectors where whether it's natural resources or energy where there are strongly held views, but return is absolutely vital for the lifeblood of those pensioners whose assets these pools represent. How do you approach that? I'm not suggesting that's easy.

Jo Holden
No, it's not, but on a personal level, it makes me a bit touchy actually when I'm going to ask this question about fiduciary duty and ESG. Apologies to people who you are listening, who have maybe heard me say this before. I don't actually think that there is a conflict between ESG or sustainability and fiduciary duties, and I think a lot of people get very hot under the collar about it quite unnecessarily. There are risks and there are opportunities associated with sustainability in ESG, just like there are risks and opportunities associated with duration if you're a fixed interest manager. Now fiduciary duty is about risk management, but of course it's about return enhancement and all sorts of other goals as well that you might be sort of working for. But for me it's about risk management and ESG is a risk management tool like it is not about someone telling investors what to invest in or sometimes what not to invest in. It's about being aware of the risk implications of ESG or sustainability and making informed decisions. To me, there is no conflict whatsoever because I'm not saying that to be an ESG informed investor, you must be doing X, Y, and Z. You just need to be aware of the potential implications like you are with any investment related factor.

Simon Brewer
Well you managed that without a hint of touchiness. It is a recurring discussion around investment committees and with clients and we have to have that conversation. As you look at the map of opportunities typically in traditional asset classes, but some of them have extended the arrival of newer investment stars and themes. Are you intrigued that portfolios could look quite a lot different to decade hence? And if so, how might that be?

Jo Holden
I don't think that their asset allocations will look that different in 10 years time because as you mentioned a little bit earlier, a lot of them are now in surplus. So I think we'll have a lot more buyouts et cetera then or if we don't have buyouts, we'll have runoff portfolios that don't need lots of innovation and change within them. Whilst we might not have portfolios that are full of Bitcoin and AI and all sorts

of things, or that indeed asset allocation is derived by typing something into Chat GPT, I'm hopeful that we will have more forward-looking portfolios when we're looking at addressing challenges like climate change, et cetera.

Simon Brewer
You've written about the power of collaboration and at one level, one would find that's not a controversial topic. I think you might have some particular perspectives, is that right?

Jo Holden
We talk a lot about engagement and collaborative initiatives and how the power of many voices is stronger than the power of one. There is no doubt that that is true. On a more pragmatic level, if we look at some of the things around net zero and engagement and smaller to mid-size asset owners, really trying to get their heads around how do I engage? How do I collaborate? Because we see all the larger investors doing it, we see these big initiatives. We might also, if we were being critical, perhaps see lots of tick boxing that goes on about all sorts of things that people have signed up to. But is it really moving the needle and does collaboration always really involve that many hundred thousands of smaller to mid-sized investors? I'm not sure that it always does. I co-chair the investment consultant sustainability working group in the UK and one of the things that a group of us on there are thinking about at the moment is how we could actually think about more pragmatic frameworks to cut through all of these collaborative initiatives and really focus on how asset managers could step up to the plate to sort of help smaller to mid-size clients with that engagement piece. Instead of saying, we're handing all of this engagement and collaboration over to our asset managers and leaving them to it, how do we actually get smallest to mid-size investors involved in this? And I think the managers and consultants have to facilitate that just because there's a tangent of something kind of in there that says that that might be a more pragmatic way of affecting change than maybe one or two larger investors doing it together. And that's not to criticise the larger ones. It works, of course it does, but collaboration doesn't always involve everybody and I think there might be better ways of working on that.

Simon Brewer
So Jo, you mentioned something that has been echoed before by a couple of guests, which is the importance of neurodiversity in constituting a board or an investment committee. There is of course a recognition of the gaps and deficiencies that have been very evident over decades in terms of minorities, in terms of women, and again, not an easy solution, just maybe the two or three things that you would like to see in approach or that you are drawing in the way that you are running your organisation that you think others should be thinking about.

Jo Holden
So I think the first thing is a recognition that it's not easy, it's not easy to define, it's not easy to measure. There are lots of different ways of defining diversity. We've always had cognitive diversity at the heart of our manager research process, which is entirely sensible, but then he can pick that apart and start to think that it's also a very easy label for people to hide behind. We're very cognitively diverse. We're all

the same age, we all went to the same school, we all go on holiday together. But of course we think very differently. You do see that a lot. I think I have a niggle, fairly deep rooted niggle about lots of initiatives related to diversity that actually sometimes disenfranchise the people that you're looking to benefit. And the more and more I think about it both in terms of the way that we're looking at asset managers and their sort of culture and also the way that we run our own teams, I think inclusion probably has to come before diversity. And again, it's really difficult, isn't it, because I'm not an expert at all and I'm sure there'll be lots of people screaming, - I was almost going to say at their radios, people don't listen to podcasts on radios, do they? That kind of maybe shows my age but you get my point. - Off the bat of our investment, for a couple of years ago in London we did a diversity workshop for asset managers. We were really just trying to gather data on opinions about how asset management organisations work. And we asked all sorts of questions around diversity. But then we asked one about inclusion and we had a hundred plus participants in this workshop kind of survey that we did. And we asked a question about how inclusive people felt their organisations were. And we only split the data by male & female when we were doing this, we only had one level of diversity, but it was something like 80% of male participants felt that their organisations were inclusive and it was like less than 50% of women felt that their organisations were inclusive. It could be very diverse on the face of it, but if people don't feel included, it's not working, is it? And I think if we could work more on being inclusive and having a reputation for being an inclusive industry, we would then attract a more diverse cohort of people who want to come and work with us. And the other thing that came up within some of the work that we've done is that I think the asset management industry is broadly attracting and promoting people at a 50-50 gender split. We're doing much better than we were. But if you're just bringing people through at 50-50, like you're not going to change anything. So what do we want to achieve? And are we comfortable with some of the things that we might have to do to achieve that and actually do the people you're trying to target feel comfortable with that too? So I think we could have a much more honest conversation about it.

Simon Brewer
Great. Well, as I move to some concluding general questions, I realised that I didn't go back on a really interesting, and the only guest of over a hundred who said that they were somewhat obsessed with mortality data.

Jo Holden
Yeah, probably not anymore. This one I was what, 18 or 19 and probably considerably more geeky than I am now. I suspect.

Simon Brewer
Why?

Jo Holden
I don't know. I think it was just a morbid fascination. I mean, come on. I was the girl who wanted to be a brain or a heart surgeon from being about 11 or 12 years old. I don't know whether you‘ll want to keep this in here or not, but the very first job that I wanted, my mother was horrified. They have the things at primary school about what job would you like to do? And everyone says doctor or a lawyer. I wanted to

work on the tripe stall in Burnley market because they had this amazing glass tank that all this horrible yucky, I didn't even know what it was, I was six or seven years old, that was just gruesome. So I think there was an element of just general morbid fascination in all sorts of things when I was a small child that does not persist, just to be clear. I certainly don't have a morbid fascination now, but come on, when you do maths at university, there's not a great deal of interest. So perhaps you look for the macabre in things for a bit of general interest.

Simon Brewer
My wife also studied maths at university and also worked for a management consultant, not an investment consultant. Maybe there's some parallels, but from glass tanks to glass ceilings. Have you run into glass ceilings along the way?

Jo Holden
I really haven't, although I once made that comment to someone and was accused of having Stockholm Syndrome, having worked with Mercer for such a long time, it was an interesting thought, but genuinely not representative of my experience. And I think, Simon, it goes back to those thoughts I had around inclusivity. I have never been treated as anyone other than me. And I think I've had fantastic mentors throughout my career, great female role models in very senior positions at Mercer, which I guess have always helped, but always great male role models also who have, I think, seen what I could bring to the organisation for me, not because I was female. Perhaps I've been incredibly lucky and worked in a great organisation, but no, I genuinely, genuinely haven't. But I appreciate that I'm possibly unique in that respect.

Simon Brewer
I don't think you are, but you would be unique if you hadn't had, along with lots of our guests, setbacks. And I just wonder when those have come along, whether it's the promotion that didn't happen or another how you've dealt with setbacks.

Jo Holden
It's easy, isn't it? You're starting your career or you are climbing the ranks and you get very focused on you. And I think probably one of the best pieces of advice that I got was just to occasionally take a step back and be a little bit self-aware, but also to think about the fact that you work in a great organisation with lots of other great people and it's easy to focus on your own attributes and not think about those around you. I can't think of anybody who hasn't been knocked back for a promotion or hasn't failed an exam or whatever else it might be. Not going to be very glib and say those things make me stronger, but I think those things can push you to achieve more, even if it's just a competitive edge around, I'll show them next time round. And I think those sorts of things in terms of sort of improvement, what you're doing can certainly sort of help if you have had a knock back.

Simon Brewer
And finally, because Campion and myself have two daughters, and we've talked a lot about women in finance and the importance of promoting that theme. What advice would you give to young women

listening to this podcast where you've said some really illuminating things. What advice would you say if they're thinking about a career in finance?

Jo Holden
I'm not sure it would necessarily be specific to finance, but I think it's just about having the confidence to be yourself. Maybe that advice also is to young boys out there thinking about a career in the art industry. I think gone are the days of a stereotypical industry representative within finance. It is probably a lot more diverse and eclectic than we are given credit for. I think we thrive on bringing lots of different people into the industry. So yeah, I mean absolutely be yourself, but don't be afraid to find something and really push at something that really interests you. There is no doubt that my career was enhanced or that I got to where I got to by finding things that either I was very good at in some circumstances or that nobody else wants to do and you can make a niche out of, always something I talk about when I'm asked for career advice. Yeah, I think just have the confidence to be yourself. And if it's not, again, doesn't sound too cliche, to be your authentic self when coming to work.

Simon Brewer
Got it. And that's super and that's a great place to end. I always take a couple of important points that have been made in this conversation. Two you made, one earlier and I'm going to repeat is that it used to be diversification was the only free lunch. You are actually making another point nobody's made before, which is good governance might be the only free lunch out there, and that comes back to the ESG and just how important that G is. So that's number one. And that in your world particularly, clients typically have more than one problem. Now that's not limited to your world, but it is interesting how the thinking should therefore adjust to solutions for more than one and how that might work. And this is a very complicated and difficult business in the investing world that shows us up for our frailties. It's been very helpful to understand Mercer's approach, you know this work, and I thank you very much Jo for being with us today on a cold March day.

Jo Holden
Thank you. It's been an absolute pleasure. Thanks Simon.

Simon Brewer
Thank you for listening to the Money Maze podcast. For more information or to subscribe, please visit themoneymazepodcast.com. Hope to see you next time.