

Globe Investor

MUTUAL FUNDS

AIM moves quickly to fill post

Bruce Harrop to run \$5.9-billion flagship fund after veteran Richard Jenkins resigns

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AIM Funds Management Inc. yesterday named a new manager for its \$5.9-billion flagship Trimark Select Growth Fund after confirming that veteran stock picker Richard Jenkins has resigned.

Bruce Harrop, manager of the Trimark Global Balanced Fund since 2004, will take over the popular global stock fund.

The Globe and Mail yesterday reported that Mr. Jenkins was reuniting with former colleague Bill Kanko at his private investment firm to run mutual funds for Toronto-based Hartford Investments Canada Corp. Despite naming a replacement already, the resignation of Mr. Jenkins – the third senior manager to leave since last August, in addition to chief investment officer Patrick Farmer – will prompt more net redemptions at AIM Funds, analysts predict.

All of the departed managers had worked together at Trimark Financial Corp. before the British-based parent of AIM Funds Management Inc. bought the publicly traded Canadian fund company in 2000.

AIM Funds “is not happy about seeing people leave,” but the firm still has a lot of veterans of the

Trimark investment discipline, said its chief operating officer, Peter Intraligi. He was referring to the strategy of buying profitable and growing businesses for the long-term, and running concentrated portfolios. “Bruce Harrop, Rex Chong, Heather Hunter, Ian Hardacre, Jim Young and Judith Adams are among them,” he said.

Mr. Intraligi acknowledged there has been a “cultural shift” at the firm in recent years as AIM’s publicly traded parent Invesco PLC (formerly Amvescap) has been streamlining the operations of its acquisitions, and it may be difficult for some managers to adapt to the new environment.

The consistent theme among managers who have left recently is that they are creating or becoming a part of smaller asset managers, he said.

Mr. Kanko now runs the Hartford Global Leaders and Hartford Global Balanced funds for Hartford Investments through Black Creek Investment Management Inc., which he created after leaving AIM Funds in 2004, in addition to a pooled fund for high-net-worth investors.



Richard Jenkins, right, has left AIM Funds Management to work with Bill Kanko at Black Creek Investment Management. Mr. Kanko left AIM Funds in 2004. CHARLA JONES/THE GLOBE AND MAIL

“The intent is to bring on other portfolio managers, and some junior people over time and recreate an investment culture that I was used to,” said the 49-year-old Mr. Kanko, who spent many years at Trimark.

Mr. Jenkins, 43, would only say his departure was prompted by an opportunity to work with Mr. Kanko in a company that focuses purely on investment management. Hartford Investments, a unit of

U.S.-based insurer The Hartford, takes care of designing and distributing fund products as well as sales and marketing. “That will allow Bill and myself and future partners to focus on what we really love to do,” instead of being part of a publicly traded fund company whose focus is getting more assets into the door, Mr. Jenkins said.

Laurie Davis, president of Hartford Investments, said Mr. Jenkins will run

money for Hartford Investments once the non-compete clause in his contract expires in July, but those products have not yet been determined.

The strategy of Hartford, which has been in business in Canada since 2000 and had \$936-million in assets at the end of January, is to hire top outside managers to run what financial advisers consider “core funds” for investors, Ms. Davis said. “We are not looking at the faddish, hot products.”

Independent fund analyst Dan Hallett said the move by Mr. Jenkins to join Mr. Kanko “adds credibility to both Black Creek and Hartford ... the two men are a powerful combination.”

The Hartford Global Leaders fund is on his “watch list” of funds that may be added to his recommended list.

The two other departed AIM managers, Tye Bousada and Geoff MacDonald, have left to form Edgepoint Capital Partners Inc., a new firm backed by Trimark co-founder Robert Krembil.