

COMMUNICATION, CLIENT-FOCUS, AND CONVICTION

A conversation with Private Wealth professional Anthony Messina, CFA, CA, CPA



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Anthony Messina is the Head of Private Wealth, President of Guardian Partners, and Managing Director for Guardian Capital Advisors LP. He shares his thoughts on trends in the wealth management industry, reflects on his early career days, and provides advice for young professionals.

CAREER HIGHLIGHTS

- Senior private wealth professional with over 25 years of industry experience
- Bachelor of Business Administration, Accounting and Finance, Schulich School of Business
- Chartered Financial Analyst
- Chartered Professional Accountant, Chartered Accountant
- Member of MacKay CEO Forums
- Director of Villa Colombo Vaughan

How has the rapid rise in interest rates affected your valuation framework for equities and other asset allocation decisions?

Rising rates affect companies and industries differently. Some are more interest-sensitive than others, while others have debt that is more sensitive to rising rates. There are many variables and circumstances to consider. Generally, as uncertainty increases, there is more focus on measurable things, such as revenues, cash flow, and margins.

Rising bond rates made a shift to shorter duration and cash more attractive. Adjustments arising from cash flows in and out of portfolios followed this. Higher than normal cash levels were also favoured. Every client is different in their risk tolerance. 2022 was an unusual year, with both bonds and stocks posting negative returns, which has been followed by a market that lacked direction in early 2023.

Are you increasing exposure to alternatives in client portfolios? What are your target exposures? How will you obtain those exposures for clients?

Our target exposure to alternatives ranges from 0 to 35 percent. Both market and private alternatives are considered, but we don't invest in liquid alternatives for clients. The first consideration in discussing alternatives is liquidity. Some clients need their portfolios fully liquid, while others can tolerate illiquidity. Our use of alternatives can dampen volatility, whereas some alternatives have the profile to provide excess returns. We have had an overweight to alternatives for the last eight quarters, so it is not a recent change in our approach.

What are the significant risks that keep you up at night?

Communication with clients is our number one priority. The financial media may not provide the whole story or may emphasize things that have a low probability. We want to ensure our clients understand what the markets are doing. This allows us to ensure that client portfolios are aligned with our thoughts on the market and the client's risk tolerance. The markets have a trend of moving upwards over the long term, but the short term does see periods of negative performance.

We generally sidestep some things that don't make sense from a long-term perspective, although they may get a lot of attention in the shorter term. Past examples include cannabis, crypto, and pandemic stocks.

What was your experience like during the last recession?

It was probably the scariest part of my investment career. The reason why I felt the most fear was because the banking system was showing signs of cracking. Unlike in 2000, when it was mainly the new internet companies being affected, in 2008/2009, some institutions that had existed for hundreds of years fell apart. They were cornerstones of Wall Street. That recession was also a good reminder of the purity and importance of risk management.

What must Canada do to help CEOs improve their Canadian operations?

The country is more resilient when industry policies focus on growth and development. Things like clear energy policies, support for technological developments, or even specialty manufacturing policies can help smooth some of the bumps the global economy presents. Corporate and personal taxation policies have become a bit disconnected from encouraging entrepreneurship and development within our borders.

Given your range of experience in wealth management, how has the CFA charter helped with your career growth and transitioning between different roles?

The CFA charter is the gold standard in the investment business. Being a charterholder gives you a certain level of instantly recognizable credibility. It is a sign that an individual has a certain level of core finance knowledge and follows a robust ethical standard.

FUN FACTS

Do you prefer working from home or at the office?

Since I am always on the road to meet clients or have meetings in our offices, I prefer to be home only one or two days a week. The pandemic has been beneficial by providing more freedom and flexibility for people to do what they prefer.

What is your motto?

Hard work beats talent when talent doesn't work hard. You can be the smartest person in the room, but if you don't work hard, you will not achieve your goals. Alternatively, you may not be the smartest person, but if you work really hard, you will be rewarded.

What drew you to the wealth management industry?

It is the client-service nature of the role. My background of working in assurance started with small business clients. The role involved conducting audits, and I had the chance to converse with the owners and talk about their businesses. I enjoyed being that trusted business advisor. Later in my career, I evolved into a more corporate finance role and transitioned into finance while pursuing my charter. Wealth management is about being a good advisor in things beyond finance or investments. You must understand your client, but don't expect your client to understand you.

What is your advice for someone transitioning from accounting to wealth management?

My advice is to remember that your career often does not often go in a straight line. If you like something, you must bring yourself to do it. But while on that journey, there are often forks in the road that you don't expect. Be open to also taking a road that was not planned.

Toronto is an excellent place for finance and offers many opportunities in the wealth management industry. There are also many global opportunities available. You have to open up your mind. Do not put pressure on yourself sometimes and do not settle for the comfortable. Try to work hard, improve yourself, and engage with influential leaders you see value in working with. Eventually, success and monetary rewards will follow you.

What is one piece of advice that has helped you in shaping your career?

Having a mindset of continuous improvement and learning is very important. My mentors were good at encouraging me to improve myself and conduct periodic self-assessments. I always ask myself, "What can I do better?" Find the thing you want to improve in, because there is always something. It can be either professionally or personally.

Can you share a pivotal moment in your career?

There was a point in my career when I started working at the predecessor of what is now Guardian Partners, and I got into the ultra-high-net-worth space. That was when I discovered that I enjoyed working with multi-family offices and providing them with advice. I thought it was a great space because it was underserved in Canada. The Big Five banks dominate so much of the marketplace that it forces the rest of the players to try to differentiate themselves and find their niche. 🌍

This interview was conducted in March 2023 and was edited for length and clarity.

Kevin Zhao, CFA, CPA, is a manager at KPMG's Deal Advisory practice with a focus on financial due diligence. He is a volunteer member of CFA Society Toronto's Member Communications Committee