



Quintas looking for opportunities in times of crisis

The volatile nature of the world markets ensures many investors have shied away from committing any sort of capital for the last three years. Some use the volatility as a reason to retreat, while other companies are looking at the opportunities

One such company is **Quintas** Wealth Management, based at Blackpool Retail Park. Investment Director, David O'Shea, is one of the drivers of a series of products that investors and financial advisors are rapidly signing up to. The keyword that David continually emphasises is "relevance", to the market, to investors and to their forecasts.

David's economics background coupled with trading on international markets in Switzerland and Italy for 12 years shows his pedigree. But pedigree meant nothing when the markets collapsed in 2008. Then the trend was for people who got more money to go back into the same markets, which increased the risk. The majority of Irish investors put money into equities and property, which both collapsed. Restoring confidence is crucial now.

"It's a completely different landscape now. I have never seen so much disagreement between analysts, economists and traders in terms of where the markets are going or what is the most appropriate action.

"We (**Quintas**) see risk everywhere but we also see opportunity. We are trying to encourage people to have relevance in their investments, it's no longer good enough to have people invest in equities and hope in 20 years they are going to be higher. That has been the extent of what has been offered Irish investors.

"The financial advisor needs to come up with strategies, ideas, and products. The investor needs to take more responsibility

for their portfolio. People don't have a plan, they know where they are now and they know where they'd like to get, but as events change you need to change your mind," he said.

David says Irish investors are not being offered choice in their products.

"Our approach is a little bit fresher, we have a focus on making sure our products are relevant. That is borne out by the fact that since the turn of the year, we turned quite negative about where markets were going. We have been encouraging people to reduce their risk, buy volatility and look for investment in assets that prospered when times were difficult."

It took a while for the **Quintas** forecast to come to fruition, initial buoyancy wasn't truly reflective of what was actually transpiring in the market.

"For a few months, we were wrong because markets continued to rally, but we were proved correct at the start of the summer when the market began to fall. We are in a balance sheet recession, with three players in the economy: government, companies and consumers. The only people who are spending at the moment are government, that is not self sustainable. Markets weren't consistent with what was going on in the real economy. That's where we saw the opportunity, in this volatility.

"Forecasting is difficult, we have a view, we are not saying it will be right all the time but we back it up with research and risk control. There is no middle ground at the moment, a small minority are buying into the idea there are opportunities and we have those who are totally risk averse. What we are missing is people who usually allocate a bit to risk and bit to safe investments."

Investors have been encouraged to take ownership of their portfolios. If there is a direction they want to take,

then David says they should pursue this.

"Markets don't move in a straight line," he said.



David O'Shea, Investment Director and James McCarthy, Investment Analyst, at **Quintas** Photo: Miki Barlok

"They never have, yet people still believe they do. We encourage people to innovate in terms of their ideas and structure of their investments. We are launching a product at the moment that will profit from upward and downward movements in gold, that sort of innovation is important. We are always looking for relevant ideas and we place these products in people's portfolios."

Quintas received the award for Best Distributor Performance Ireland at the Euromoney Structured Retail Products Awards in Milan. The Cork company beat off competition from all the major Irish banks for the wealth management services they offer.

"Now with that award we can point to a track record, we have launched 14 or so products in the last three to four years, eight have matured with an annualised return of 20 per cent.

"In the last year we have moved away from simply providing products to our own investors internally to now broadening out and offering the products to financial advisors, they can, in turn, offer these to their clients. We can offer something unique for investors to repair their

portfolios, it has been a tough three years and the investment portfolios have fallen. The view is we are going along in a sideways movement but it is volatile. This will be a trend in most asset classes for a longer period than people might expect. As a result our products and ideas are based around this.”

Seeing what is on offer in other companies proves it for David.

“A lot of other investment firms have been talking about darkest hour being before the dawn for about three years now. The option for people is let’s go into long-term equities and property. Equities mightn’t go anywhere but in five years time you will be in exactly the same place. It’s not necessarily a bad thing if markets are moving sideways, you need to have products that benefit you. At the moment those products don’t exist in the Irish market, that’s what we offer to people.

“We are at a point we can go to people with a significant amount of confidence with how we do our business. There is really a lack of opportunity for Irish investors, there needs to be more innovation and risk control. We don’t claim to have all the answers, we like to think we have some of them.”