FIVE INVESTMENT LESSONS

ROY LECKIE, DIRECTOR

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Since joining Walter Scott in September 1995, Roy Leckie has experienced the highs and lows of global equity markets, met with the leaders of some of the world's most innovative businesses, and seen how great companies evolve.

Over the course of his 30-year investment career, Roy has navigated several market crises, including four periods where global equities declined by 15% or more (in US dollars). These events helped shape his perspective and have reinforced a long-held belief that, even in the toughest times, the very best companies around the world endure and thrive, whilst many others falter.

Here, he reflects on key lessons he has learned throughout a career shaped by an enduring investment philosophy, global travel, and disciplined investing.

1. STAY CALM, THEN LEARN LESSONS

Avoid knee-jerk reactions. In moments of uncertainty, we take time to assess what has changed, or what hasn't, and we focus on maintaining our investment discipline. We believe this measured approach allows us to make the most of any opportunity, where a short-term reaction might be at odds with a company's long-term potential.

We also recognise the need to learn lessons. With a team-based approach, those lessons are shared, so that each new challenge builds on decades of collective experience. The Asian financial crisis, early on in my career, taught me the dangers of leverage and mismatched currencies on a balance sheet. The TMT bubble reinforced the importance of valuation discipline, and the need to resist getting swept up in exuberance. Each crisis has deepened our resolve and refined our judgement.

2. DON'T JUST CALL COMPANIES, CALL IN ON THEM

There is no substitute for meeting companies in person. Research trips offer far more than management presentations, they give us an insight into corporate culture, emerging leaders, operations and competitive positioning.

We devote a lot of time to planning these trips: carefully choosing who to meet, how to go beyond the polished

messaging and how to cross-check what we hear. That might mean visiting suppliers' factories, speaking with local trade unions, interviewing competitors, or hearing directly from local consumers.

From factory workers in Bangladesh to young focus groups in China, the people we meet give us valuable perspective on motivation, pressure points, and the lived experience behind a company's strategy. These insights are invaluable and, often, it's what is not said that matters the most.

3. ATTENTION TO DETAIL, AND TO THE NUMBERS

From my first day at Walter Scott, the importance of financial analysis has been clear. It's not just about knowing a company's metrics – it's about interpreting the patterns behind them to truly understand how the business operates.

Our analysis focuses on how cash is generated and then flows through to the P&L, cash flow statement and balance sheet. This hasn't changed in decades, neither has our emphasis on team discussion. Debate is critical to developing conviction. To get a stock into the portfolio, it must pass through a rigorous team dialogue and when circumstances change, the shared understanding enables decisive action.

I recall flying to Switzerland with a colleague to meet with the CEO of a company that we had growing concerns about. There were warning signs: a lack of transparency, no recognition of past missteps, and a disconnect between the company's charismatic leader and our expectations as long-term shareholders. That one meeting was enough – we sold the stock the next day.

4. CONSISTENCY ALONGSIDE CHANGE

Over the past three decades, our investment philosophy has remained unchanged: identify high-quality companies around the world, invest with conviction, and allow returns to compound over time. That core approach remains as relevant today as it was in 1983, when the firm was founded.

What has changed is the world around us. Information is now instant and abundant. AI tools can analyse reams of data in seconds. We no longer wait weeks for translated financial reports, they're available on demand. This progress is a net positive, but it has also shifted the culture towards short-termism. That's why it's more important than ever to stand back and filter what matters. Our structured process helps us cut through the noise and stay focused on the long-term drivers of success.

Visitors to our office are often struck by how quiet it is. That's deliberate. We give ourselves time and space to focus on our analysis.

But it isn't all peace and quiet. Our research meetings are intentionally lively, encouraging robust debate and diverse viewpoints. This collaborative approach is vital, as it ensures every perspective is heard and particularly helps newer team members benefit from shared insights.

We train new analysts the way I was trained – through experience and apprenticeship. Financial exams have their place, but the art of investing is learned over time, through discussion, observation and decision-making.

5. BALANCING HUMILITY AND CONFIDENCE

If there's one overarching lesson from three decades in investing, it's the importance of balancing humility with confidence.

Humility means trusting our process, leaning on the team, and being open to learning – always. Confidence means having the conviction to back your research, to take a long-term view and to act decisively when needed.

No investment manager will get every decision right, but through rigorous research, shared insight and a consistent framework, we can maintain conviction, even in inevitable moments of challenge.

ROY LECKIE

Roy is Executive Director, Investment & Client Service at Walter Scott. Since joining the firm in 1995, he has held a range of investment, management, client service and governance responsibilities. Roy was integral to the development of the firm's emerging market capabilities, and he has played a central role in the stewardship of Walter Scott's global and international strategies since 2007. Roy joined the firm's Board in 2008 and is Co-Chair of the Investment Management Committee. He holds a BSc (Hons) in Statistics from the University of Glasgow.

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STOCK EXAMPLES

The information provided in this article relating to stock examples should not be considered a recommendation to buy or sell any particular security. Any examples discussed are given in the context of the theme being explored.

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