



MICHAEL
FARMER
UK



Investor profile at InvestingByTheBooks:

The book *The World's 99 Greatest Investors: The Secret of Success* provides a unique opportunity to learn from the most prominent investors globally. In the book they generously share their experiences, advice and insights and we are proud to present these excerpts. Magnus Angenfelt, previously a top ranked sell side analyst and hedge fund manager, will be presenting one investor per month. For those who cannot wait for the monthly columns, we strongly recommend you to buy the book. The

investor himself writes the first section below and then Angenfelt describes the background of the investor and comments on his investment philosophy. Enjoy.

- Go where there is little risk, but where there is potential for great reward—Opportunity.
- Don't get euphoric!—Wife's wisdom.
- Sell what you haven't got and buy what you don't want—Contrarian.
- Fear God, not man—We're not here forever.

BORN Kent, UK 1944.

EDUCATION Secondary school.

CAREER Farmer left school at 18 and went to work at A. J. Strauss, a metals trading firm in the City. He started as a 'difference account clerk'. Between 1984 and 1989, he managed the non-ferrous metals positions at Philipp Brothers, the biggest global metal trader of that period. He left in 1989 to form the Metal & Commodity Company, a subsidiary of Metallgesellschaft AG, which became the world's largest trader in physical copper and nickel and was floated on the London stock market in 1999. One year later it was sold to Enron. After taking two years off to study the Bible he founded RK Capital Management with two partners in 2004.

INVESTMENT PHILOSOPHY Farmer is a commodity investor specializing in copper. His road to success is concentration, experience, and profound knowledge. He and his team try to be more up-to-date about the copper market – both suppliers and customers – than anyone else. Often being contrarian in this highly volatile market also requires a big portion of guts and stamina. In 2006 the fund was up by 188% followed by 50% decline the year after. Farmer probably stands for one of the most volatile investments in this book. This, despite the fact that he does not deal much in options and futures, but instead trades physical base metals between producers and consumers. Farmer says his faith makes him a better money manager by keeping him humble.

OTHER He is nicknamed Mr. Copper and he is regarded as one of the most successful commodity traders in the world. He and his team manage at present £2.3 billion. In 2011 he topped Bloomberg's league of global mid-cap hedge-fund returns, and was named the most successful small hedge-fund manager in the world. Despite the resent tough and volatile environment in the metal market - when peers has struggle and several closed down the operation – Farmer has the last three years delivered double digits yearly return. Farmer is often responsible for shipping around 15–20% of China's copper supplies. He has donated £2.3 million to the British Tories and in 2012 was appointed co-treasurer of the Conservative Party. He is an active Christian.

Sources: Michael Farmer; RK Capital Management; Bloomberg; Wikipedia.