

Access and Insight

An Interview with Anthony Scaramucci,
 Founder and co-Managing Partner, SkyBridge Capital

EDITORS' NOTE Anthony Scaramucci is also the host of *Wall Street Week*. He is the author of *The Little Book of Hedge Funds: What You Need to Know About Hedge Funds but the Managers Won't Tell You*, and *Goodbye Gordon Gekko: How to Find Your Fortune Without Losing Your Soul*. Prior to founding SkyBridge, Scaramucci co-founded Oscar Capital Management, which was sold to Neuberger Berman, LLC in 2001. Upon Neuberger Berman's sale to Lehman Brothers in 2003, he



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served as a managing director in its Investment Management Division. From 1989 to 1996, Scaramucci was at Goldman Sachs & Co., where in 1993 he became a vice president in Private Wealth Management. Scaramucci earned a B.A. in Economics from Tufts University and a J.D. from Harvard Law School. He is a board member of Warrior Gateway, The Brain Tumor Foundation, and Business Executives for National Security, and is a member of the NYC Financial Services Advisory Committee. Scaramucci is the recipient of the Ernst & Young Entrepreneur Of The Year® 2011 New York Award in the Financial Services category.

COMPANY BRIEF SkyBridge Capital (skybridgecapital.com) is a global investment firm with approximately \$13.4 billion in assets under management or advisement as of June 30, 2015. The firm offers investment services for commingled funds of hedge fund products, customized separate account portfolios, and hedge fund advisory services. SkyBridge provides investment management products, including long-only mutual funds, portfolio management, and advisory services addressing every type of market participant. Headquartered in New York, the firm also has presence in Seoul, Korea, Zürich, Switzerland, and Palm Beach, Florida.

Where do you see the economy today and is it really stable when you look at growth?

My view is that the next President of the United States is going to be a very successful one. There is a tremendous amount of pent-up demand; there is a tremendous amount of pent-up capital that needs to be invested in equipment and research and development, and all of this has been on the sidelines during the current administration.

We're going to get a surprising amount of growth going into 2016 and 2017.

There is a healing process after the financial crisis. It typically takes 10 years; we're in year 7-plus now so by 2016 into the 2017 inauguration, the economy is going to pick up in a way that will surprise people.

How do we have the longest peacetime recovery? Because we had an artificially inflated economy after the crisis that allowed us not to fall off the cliff, and as the economy heals

itself, we're going to get stronger than expected growth.

What has been the secret to the success of SkyBridge?

Any entrepreneur that is being honest recognizes that some of his success is providential. We were struggling in 2009 after the crisis. Had we not made the acquisition of the Citibank Fund of Funds – and there was a lot of luck involved – I don't know if we'd be in existence today.

I think we've been forced to look at things differently. We were on the verge of bankruptcy so we had to start thinking another way.

Did you know early on that this was going to work? At what point did you know you had something with SALT?

The idea came about in March 2009 at the bottom of the markets. Victor Oviedo (Partner and Head of Business Development) entered my office and said we should do it. I thought he was nuts. I said it could be a good farewell party.

When we got the first SALT conference in May of 2009, there were 400 people in the room. We had done little marketing for it and it had gotten little exposure. We didn't have the speakers we have today, but I knew we were onto something – there was a dearth of trade conferences in our area; and we're a direct beneficiary of the regulatory environment because the bigger banks, due to the regulatory restrictions on them, could not do what a smaller business like ours could do in that space.

We benefitted from all of those exogenous factors, as well as great execution by our Partner Victor Oviedo, and Director Kelly O'Connor.

There is so much talk about activist investors today. Is this a good or bad trend?

There are hit-and-run activists and then there are those who get involved in something and really think about the business the way they would like the management team to think about it. It's almost like a family-owned approach. They think about what they would do if they held the business for 50 years.

My attitude is, a guy like Barry Rosenstein, and guys like Dan Loeb or Carl Icahn, are in the category of activism that I like.

Are there hit-and-run activists out there? Are those hit-and-run activists making a bad name for the longer-term, healthier activism? Icahn takes a position with Tim Cook. He was told by his buddies that Tim Cook was not going to be a good manager and they have to blow him out of there. Icahn had dinner with him and told his buddies to scram, announcing that Cook is a great manager and the company will do well under his stewardship.

This is the kind of activist I like.

You've also put your focus on Wall Street Week. What is the vision around this and why was it of interest to you?

Our firm needs to be known for two things: access and insight. These words are the resonating anchors for the firm.

For SALT conferences, we want our clients and people we know to have access to world leaders and information. As it relates to investing, we require a \$25,000 minimum and one has to be accredited, but we're also trying to reach out to the mass affluent.

In terms of insight, the country and the world, frankly, are overloaded with information, but the average person doesn't know what to do with it. So when Louis Rukeyser's *Wall Street Week* became available, we determined that it looked like an interesting experiment and wanted to see if we could explain super complex things to people in a way they could understand.

Thus far, for more than 15 weeks, the show has done just that. The ratings are off the charts. We have beaten *Face the Nation* in this market several times. There is a lot of interest in the show.

As the company has grown, has your role changed?

I see my role at SkyBridge the same way I saw it on the first day, which was to try to put a culture in place, to set some kind of example of leadership through my hard work and, hopefully, attract people who want to work as hard as me at the company. ●