

# You can't buy this kind of experience

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Tyler Anderson, National Post

Barry Critchley, *Financial Post* · Wednesday, Jun. 16, 2010

Fittingly for someone who has 16 great grandchildren, James Stuart celebrates his 90th birthday on Sunday. When he returns to work the next day, he'll probably be the oldest active portfolio manager/broker in the country's investment industry.

And Stuart, whose name adorns the firm, Stuart Investment Management Ltd., where he has worked for the past 23 years, shows no sign of easing up. He arrives before the markets open and leaves around 4 p.m. In fact, this interview was delayed because Stuart attended a meeting of the firm's investment committee. As long as his health holds up, he plans to be at work for many more years. "I should be thinking about retirement but it just hasn't happened yet," he declared yesterday.

Later, he added that "retirement would be pretty boring," noting that his clients and his work colleagues, especially Helen Altimari, his investment assistant for the past 22 years, keep him returning to his downtown Toronto office.

Stuart has been in the investment business for more than 50 years. He started in 1955 at Burns Brothers and Denton (now part of BMO Capital Markets) and worked for a number of other firms before going on his own in 1987. Indeed, he was forced to set up his operation back then or retire because his former employer had a policy of its employees having to pack it in at age 65. About 2½ years back, Stuart sold his firm to Cornerstone Capital Partners, a firm owned by Jamie Kiernan and Patrick Farrell and which also has a registered investment advisor status in the U.S., though the Stuart name remains on the door.

Stuart manages investments for individuals, non-profit groups and pension funds. The firm, which is both a portfolio manager and broker, defines its investment style as disciplined, conservative and long term. In other words, no get-rich-quick schemes. It is classic old-style value investing -- indeed the firm sells some of its investments when they reach so-called intrinsic value and will often buy back in if and when the stock falls. "It's a continuous harvesting and locking in of profits," said Farrell.

The firm doesn't engage in market timing, has limited (15%-20%) fixed-income exposure and is fully invested, mostly in dividend-paying, large-cap stocks, most of which are in Canada. The reason: Stuart's clients, many of whom are also in their golden years, depend on regular flow of income to meet their day-to-day needs. Farrell said the clients are loyal, with death being the main reason why their relationship with Stuart ends.

Utilities, oil-and-gas producers and Canadian financials (it has no exposure to U.S. financials) are the key sectors in which the firm is invested. Nordic American Tanker Shipping -- which according to its website has a "unique business model," combining high

dividend payout and low financial risk -- is one of its more exotic investments.

Stuart, who will be honoured at a reception tonight, is still collecting awards. Last month, he was awarded the 65th Anniversary Medal of the Great Patriotic War of 1941-45 by the President of the Russian Federation "for his services to aid the Russians on the Murmansk run during WWII." The medal was presented at the Russian embassy in Ottawa.

One of Stuart's grandsons, Toreigh, is in the investment business. He is chief executive of Man Investments Canada, which has two main products: managed futures and fund of funds.

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