More and more stock market gurus are bidding farewell to their jobs. And there’s no one to follow in their footsteps.

The high priest of European fund management is relinquishing control over his two flagship products – Edouard Carmignac (pictured below) in 2008 weathered the storm thanks to risky bets and won many admirers.

Now, at the age of 71, he plans to focus on the investment strategy of his asset management firm based in Paris.

Dr. Doom in Hot Water

Carmignac is yet another of the famed stock exchange gurus to wave goodbye to a public that...
has admired their opinions, pioneering and frequently counter-intuitive as they were. In 2017, «Dr. Doom» Marc Faber got himself into hot water over derogatory remarks about Afro-American people. And three years before, the king of bonds, Bill Gross, was fired by Pimco and hasn't been seen since.

In 2016, Mark Moebius, the emerging markets expert, handed over responsibility for the fund business, introducing a younger generation into the business. Warren Buffett (Berkshire Hathaway) and Larry Fink (Blackrock) are also known to be looking for successors.

An esteemed member of this group of experts also recently passed away – John Bogle, the founder of index funds and the U.S. giant distributor Vanguard.

Seismic Shift

So the questions now is who will follow in their footsteps? Or is the traditional stock market guru about to die out? It isn't just about demographics that the list of professional investors is
shortening.

The investment business as a whole is undergoing a fundamental change. The seismic shift in the business may well remove the financial clout upon which professional investors have based their acclaimed expertise. One example is the level of asset outflows at the Carmignac funds.

**Investors Want a Return, Not a Star**

The star investors who are betting against the market with aplomb are going out of fashion. The success of index products has pushed active investment strategies to the fringes of the business. Institutional investors such as pension funds and banks are managing increasing amounts of money and thus are becoming ever more powerful.

They are not interested in star managers. They want stable returns and low costs and nothing else, says one veteran asset manager. And thus the boom of passive products has firmed.

Today, the machine has taken over – rendering freaky behavior by star managers on Harley Davidsons and in the red-light district even more obscure. Digitization and strict governance are the major concepts discussed in the business since the collapse of banking in 2008. Today, more than half of the equity business in the U.S. is traded by machines.

**Man Machine**

It has become highly unlikely for an individual investor to make the «one big deal» at a time when companies span the globe with a tightly knit network of process chains and as news makes its rounds within seconds with the help of social media.

It took a stock guru – **Paul Tudor Jones** – to realize the changing tides In 2016, he said, «no man is better than a machine, and no machine better than a man with a machine.»

**Learning Machines**

**Michael Appenzeller**, a Swiss fintech entrepreneur, agrees. He builds portfolios with the help of artificial intelligence. «The world has become too closely interconnected and the financial markets too complex for a single person to be able to make competent investment decisions. Therefore, we use learning machines that support human beings in making investment decisions.»
The Stock Guru – An Endangered Species
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This suggests that the stock guru of the future will have to share his claim to fame with a machine. In fact, he or she may even have to let algorithms take center stage. The funds of Renaissance Technologies, for instance, are widely admired, but the founder of the firm, mathematician James Simons, is virtually unknown.

Anonymous Gurus?

Remaining anonymous has also become something of a habit among activist investors, who some see as the gurus of tomorrow. Cevian, a Swedish holding company, is currently pursuing the sale of Swiss logistics firm Panalpina at all costs. But apart from its founder, Lars Foerberg, no one among the driving forces behind the firm has emerged to publicly defend their strategy – they prefer to remain anonymous.

At the end of the day, it is not the trader as such that is biding his farewell, but the individual investor. When Carmignac handed his Patrimoine funds over to David Older and Rose Ouahba, he said that he was happy to be able to support such a talented team in the management of the business.