

THE HOUSE THAT LA TROBE BUILT

Greg O'Neill, chief executive of La Trobe Financial Services, tells ALISON BEVEGE how growing up in a farm and working with his dad helped shape his views in life.



In 1984 Cyndi Lauper topped the charts with "Girls Just Wanna Have Fun", Bill Murray was slimed in *Ghostbusters* and the Macintosh computer made its debut.

It was also the year that a young Greg O'Neill joined his 62-year-old father, Ray, at La Trobe Financial Services, a national mortgage lender and funds management firm.

The company, founded by Ray in 1952, had eight employees and \$40 million in funds under management when Greg joined, and the father-and-son team grew the business together.

Today, it boasts 145 workers, controls \$1.6 billion in assets and services 27,000 customers throughout Australia – a sterling effort for a business whose name is not widely known.

Standing at a commanding height of 183cm

(or six-foot-four) Greg O'Neill, 48, looks every inch the steady captain who steered La Trobe through the most difficult economic waters for a generation.

When crisis struck in October 2008, many of the finance industry's biggest stars had to freeze mortgage fund and property trust redemptions.

But La Trobe's Pooled Australian Mortgages Fund remained open throughout the turmoil.

"We believe we were one of only two funds in Australia that didn't close for redemptions during the global financial crisis," Greg said. "We're very proud of that."

The silver-haired chief executive said the fund's structure was changed in 2002 to set a minimum investment term of 12 months, and this was what set them apart.

"Most mortgage funds are structured to give daily redemptions," he said. "They say you can put your money in today and have it back tomorrow – but the underlying asset is not a 24-hour mortgage. So they are really designed to fail, particularly when there is a liquidity crisis ... mortgage funds aren't at call – or they shouldn't be."

Greg grew up in the city of Traralgon, a regional hub nestled in Victoria's fertile La Trobe valley, 160km southeast of Melbourne.

His uncles were all dairy farmers from Gippsland, but his father took a different path and founded La Trobe Financial Services.

Greg, the youngest of five siblings, was born in 1963 and as a child he quickly learnt that country people put others before self.

"You have to do that because often your neighbour's car will break down and you'll pitch in to help them. It's a different outlook on life you take growing up in those areas and it becomes part of your DNA."

As a boy, Greg was a natural at basketball due to his height, and he enjoyed playing sport and attending school. He learnt to love economics as a teenager through a gentle lesson expertly applied by his father.

Ray dabbled in Hereford beef cattle. One day he offered young Greg the chance to buy one.

"I was 14 or 15 and I had about \$300," Greg said. "My father said 'Would you like to buy a beastie?'"

"I bought one and he gave me back about \$800 in six months. I thought: this is fantastic! I didn't have to clean one window or pull up one weed."

It was a lesson he never forgot, especially as he toiled in the gardens of local farmers in his first part-time job while he finished Year 12.

At age 16-and-a-half Greg traveled to Melbourne to complete an undergraduate economics degree at Monash University. Many graduates went on to work at the Reserve Bank of Australia, but that path did not appeal to the tall youth.

Instead, on finishing his degree he drove a butcher's truck around Melbourne for four months, delivering meat to restaurants. After a brief stint selling computers, he decided to use his economics qualifications and landed a position at Advance Bank Victoria.

Greg's father repeatedly tried to woo him to the family business, but kept offering his son low-ball salaries. "I said 'no' three times until he said 'I'll match your wage'," said Greg.

So in 1984, Greg finally joined the firm as a marketing officer, working his way to become chief executive in 1997.

The father-and-son team proved a winning combination and Greg has been there happily for 27 years, growing the company alongside his father, until Ray passed away in 2007 at the age of 84.

"He and I were blessed with a working partnership," said Greg. "He laid strong foundations and I brought modernisation."

When he was in his early thirties, Greg accepted a dinner party invitation that changed his life forever.

Kate Allen, a manager from computer firm NEC sat down at the table, and it was love at first sight.

"Like all good things, you know when you know," Greg said.

The pair were married within a year – and two years later they had children. Soon they had three under age three. Then Katie fell pregnant again and they had twins.

"We had five under five. There were two years there where I don't remember a lot of it, but I remember turning up to work. It was living hell – we weren't sleeping ... but we got through alright."

True to tradition, O'Neill's children have followed him into basketball, including one daughter who is talented enough to have made the Victorian state team, playing recently in the East Coast Challenge.

His love of the hoops led him to become chairman of the Melbourne Tigers, part of the National Basketball League, between 2005 and 2009, during which time the club made all four finals and won two national championships.

Ray O'Neill never retired from La Trobe as he loved the company he had founded. When asked where he would be in the future, Greg replied that, like his father before him, he'd still be working.

"I enjoy it," he said. "I'm not the sort of person who can sit at home. I don't like boats, I don't like racing, I don't like gambling: this is pretty much it."

"I'd like to think I would have a CEO in here ... and my position would change slightly – but I'll still be involved in La Trobe very much." **FS**

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