

Scaramucci's Story

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

EDITORS' NOTE Anthony Scaramucci is also the author of four books: *The Little Book of Hedge Funds*, *Goodbye Gordon Gekko*, *Hopping Over the Rabbit Hole* and *Trump: The Blue-Collar President*. Prior to founding SkyBridge in 2005, Scaramucci co-founded investment partnership Oscar Capital Management, which was sold to Neuberger Berman in 2001. Earlier, he was a vice president in Private Wealth Management at Goldman Sachs & Co. In 2016, Scaramucci was ranked #85 in *Worth* magazine's *Power 100: The 100 Most Powerful People in Global Finance*. In 2011, he received Ernst & Young's "Entrepreneur Of The Year® – New York" Award in the *Financial Services* category. He is a member of the Council on Foreign Relations (CFR), vice chair of the Kennedy Center Corporate Fund Board, a board member of The Brain Tumor Foundation and Business Executives for National Security (BENS), and a Trustee of the United States Olympic & Paralympic Foundation. He was a member of the New York City Financial Services Advisory Committee from 2007 to 2012. In November 2016, he was named to President-Elect Trump's 16-person Presidential Transition Team Executive Committee. In June 2017, he was named the Chief Strategy Officer of the EXIM Bank. He served as the White House Communications Director for a period in July 2017. Scaramucci holds a B.A. degree in economics from Tufts University and a J.D. from Harvard Law School.



Anthony Scaramucci

You have been involved in a number of different areas over the last few years, including serving as Communications Director at The White House. What brought you back to SkyBridge?

I put my heart and soul and my entire life into SkyBridge. It was a unique circumstance when a friend of mine ran for president, happened to win the presidency and then offered me a job in his administration. I love this country and have had a great life experience after having come from a blue-collar neighborhood. This is the definition of the American dream.

Unfortunately, in our country, you have to sell your business to go serve the president so that's how the whole sale came about, but I never really wanted to sell SkyBridge and I

always thought that if I serve one, two, three years in the government – it turned out I only served 11 days – I would have returned back to this business or a form of the business.

I am a business person and I am an entrepreneur. I'm not a politician. If you look at my life, I have spent 30 years in business since I left law school. I have never run for office. I've never done anything political other than the fact that I've financially supported political candidates, which a lot of people on Wall Street do.

SkyBridge has had good performance. It is a unique platform because we've democratized large aspects of the hedge fund industry. For me, it has been a phenomenally rewarding experience. We're launching new products and I would say that five years from now, if things go our way, our business will be at least twice its current size.

How deeply are you engaged in SkyBridge's business today?

I'm as involved in SkyBridge today as I was the day I started it, but I know my lane. I think everybody has a different leadership skill. I think books that impacted me were things like *Lincoln on Leadership* by Douglas Phillips or *The Servant Leader*.

I'm the type of guy who doesn't believe in autocracy. I believe in a hub and spoke system, so I have a great investment management team. I never tell them what to do. They have full autonomy, but they do report to me and we do interact and I do offer them my services.

I've got a great SALT team. They've built an amazing brand in the conference space. They will come to me for editorial ideas. They will come to me for suggestions or to ask me to pitch somebody to speak or sponsor the event but, at the end of the day, it's their business. So, I've given them a great deal of latitude and autonomy.

When you founded SALT, did you know that it had the potential to grow to where it is today?

There are a lot of entrepreneurs who read your magazine and they will know what I'm about to say is 100 percent true if they're being brutally honest.

A lot of your success in life is providential. There's a great line about entrepreneurs – you run off a cliff, and as you're descending, you're trying to build an airplane to escape the fall. That's what entrepreneurs do.

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FIRM BRIEF SkyBridge Capital (skybridge.com) is a global investment firm with approximately \$9.5 billion in assets under management or advisement as of July 30, 2019. The firm offers hedge fund investing solutions that address a wide range of market participants from individual investors to large institutions. SkyBridge takes a high-conviction approach to alpha generation, expressed through a thematic and opportunistic investment style. The firm manages multi-strategy funds of hedge funds and customized separate account portfolios, and provides hedge fund advisory services. SkyBridge also produces a large annual conference in the U.S. and Asia known as the SkyBridge Alternatives Conference (SALT). Headquartered in New York, the firm also has a presence in Seoul, London and Palm Beach.

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SALT was exactly that. We were dying in the 2008/2009 financial crisis and we knew we needed something, so we decided that we were going to hold a conference. The financial crisis was literally rocking our world. I'm a gallows humor kind of guy so I was calling SkyBridge the "bridge to nowhere."

Once all the big banks left the conference space and were not doing conferences in Las Vegas because of government pressure, we filled in the vacuum that was created. We exploited that.

We didn't realize we had something in the beginning, but once we realized what we had, we decided to blow this thing out and do it as big as we could.

Here's the other thing. I'm a collaborator, not a competitor. Michael Milken was our first keynote speaker. He spoke at our 10-year anniversary event and we'll never put our conference before his conference because I have enormous respect for him and what he has done. He has arguably the largest, most successful conference in the United States. We're in a different lane. There are elements of entertainment at our conference. There are elements of politics at our conference and, obviously, there is a focus on alternative investment management.

My point is, and I think it's a point that people really need to understand, there's room for everybody at the table. This is a very abundant world and we can all be successful if we are trying to figure out ways to collaborate.

What opportunities do you see for growing SALT?

We have done 10 SALTs in the United States and we have done three SALTs outside of the United States – two in Singapore and one in Tokyo. Those conferences were amazing for business because the people in Singapore didn't know who we were. Now they know who we are and we raised money from there. We raised money in Northern Asia, Korea and Japan as a result of those events.

Now that I'm back, we've decided to do a conference in Abu Dhabi. The Middle East and North Africa are fast-growing regions economically and have tremendous geopolitical relevance as well. We wanted to continue building relationships there and expose our partners to exciting opportunities in these regions. We think Abu Dhabi will continue to grow as an international financial center and are looking forward to hosting SALT at the iconic Emirates Palace.

What have been the keys to attracting and retaining top talent at SkyBridge?

You have to take care of your people. Never take the last dollar for yourself. This is an open-door system. I believe in a slap-up, kiss-down culture. What does this mean? There are some firms that I've seen where everyone's kissing up to the boss and then they're slapping down subordinates. That doesn't fly with a guy like me.

Does the attention you get in the press bother you, especially when some of it is not correct?

Here's the thing – you learn about yourself. When you're involved with the press and you're toppled or demolished, you learn a lot about yourself. I guess I'm sort of lucky because we all have different genes and makeups, but I think God left out the self-conscious gene for a guy like me.

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Never was that more true than after I got bounced out of the White House because it was pretty humiliating.

I've heard it all. Anybody that tells you that it doesn't bother them, they're also telling a fib. Of course, I read some stuff that was painful. I read some stuff and said, "Okay, wow, he may be right."

So, yes, it is painful sometimes. I'm not going to say otherwise. But it's usually only painful when I know what the person is saying is true.

Are you able to take moments to reflect and appreciate what you have built?

I don't want to be complacent and I don't want to pat myself on the back, but I also want to tell you that the happiest people I meet are the ones that come at life from a point of view of gratitude and appreciation. I wake up in the morning and say, "My God, I'm a very lucky person." My parents loved me, were hard-working, a little tight on money – not a big deal – you learn that you don't really need a lot of money.

That's the other irony in life. When you become wealthy, you can catch a fever. You have to be very careful because the fever can become like a measuring contest with other people – my house is bigger than your house or my life has to be perceived as better than yours.

That's actually a bunch of nonsense. You can't live your life like that. So, for me, I wake up in the morning and say "Wow, I'm very lucky, I'm very grateful." But I also don't wake up complacent. I'm not resting on my laurels.

With all of the challenges and issues facing the country, are you optimistic about the future?

You can't be pessimistic about the future because, even though Washington has gotten so much wrong, America has gotten so much right. The great irony is that we created such a free market foundation to our system. We have all this great microeconomic activity that continues to innovate and build the system.

People are worried about healthcare going to 35 percent of the GDP, but it's not going to happen because there is so much innovation that is reducing costs, improving efficiency and making healthcare better.

You have to bet on human innovation. ●