

Go East, young man



By Jennifer McNulty

WHEN HE GRADUATED FROM UCSC IN 1983, Mark Headley (B.A. politics and economics, Stevenson College) had a mean fencing game and a deep understanding of the political and economic factors shaping Asia.

The former placed him among the top 20 foil fencers in the country, while the latter propelled him to the top of a capital investment firm with more than \$10 billion invested in Asia.

“Through a real accident of history, I ended up in the asset management industry, which I didn’t even know

existed,” said Headley, who grew up in Berkeley and arrived at UCSC as “a young radical kid—cynical, confused and angry. It’s been a long road to where I am now.”

These days, Headley speaks regularly with UCSC’s legendary fencing coach Charles Selberg, but he spends most of his time managing investments for Matthews International Capital Management, the largest capital investment firm specializing in public companies in the Asian Pacific region.

“I have a tremendous ring-side seat watching the rubber hit the road,” said Headley, who calls the privatization of the Chinese economy “the greatest story of the past 20 years.” The transformation of China, and other nations, has been fueled in part by firms like Matthews, which manage mutual funds that invest in Asian companies.

Headley attributes much of his success to the education he received at UCSC. As a student, he chose a double major in politics and economics because it allowed him to “cherry pick” upper division classes and gain in-depth knowledge of Asia and development theory. “It was my own version of a developing world political-economy degree,” he recalled. Sociology professor Paul Lubeck was influential, and economics professor Alan Richards “had a

Alumnus Mark Headley says UCSC prepared him for work he never dreamed of—investing in Asia



huge impact because he’d ‘de-Marxed’ me. He showed me the dysfunctions of Marxist economics.”

Indeed, well-regulated public markets are emerging across Asia, a region where feudal hierarchies and government interference have historically shaped the financial landscape.

“I’m a huge believer in transparency and the transformative power of public financial systems,” said Headley. “The notion of public equities—stocks traded on markets that people around the world can buy—stands in stark contrast to organizations controlled by individuals or governments.”

By contrast, how much does anybody know about private companies like Bechtel? Nothing, because they’re not beholden to public-sector laws and all of the disclosure that comes with that.”

Headley reconnected with UCSC a few years ago, after attending a lecture in San Francisco by Paul

Lubeck about global politics in the wake of September 11.

Last spring, he returned to campus to deliver a rapid-

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fire lecture on “Capitalism, Development and Sustainability in Asia” to a gathering of undergraduates, graduate students, and faculty. Clearly at the top

of his game, Headley captivated his audience with stories of his work in China, Hong Kong, India, Indonesia, Malaysia, Australia, New Zealand, Pakistan, the Philippines, Singapore, South Korea, Taiwan, and Thailand.

“The trajectory of the banking system defines your ability to grow,” Headley told the group. In China today, workers can get a 30-year mortgage, three credit cards, and buy a car on credit. “People need to have the ability to save and borrow money. It really does democratize the system, because it creates a middle-class that’s well-established, educated, and more empowered. We aren’t seen as colonial invaders, we’re seen as helping fuel growth.”

At UCSC, Headley is eager to help ensure that another generation of students has access to profound, life-changing educational experiences. He has contributed generously to the Global Information Internship Program (GIIP),

an initiative Lubeck launched that sends tech-savvy undergraduates to the far corners of the globe to help resource-starved nonprofits and nongovernmental organizations harness the power of the Internet. He is also chair of the program’s Global Advisory Board, as well as a member of the Social Science Division’s advisory council.

Although Headley’s education may have helped him land his first job in asset management, his success depends on expertise, passion, and keen instincts. When he became active in Asian investing in 1989, Wall Street had a “hands off” attitude toward the region, but he saw opportunity.

Now Headley looks forward to launching an Asian “green capital fund” that will invest in companies steering Asia toward a better environmental future. Facing huge population pressures and rapid growth, the region needs to take the lead in developing new technologies before it’s too late, according to Headley.

“As I learned in Alan Richards’s class, until you’re middle class, you don’t care about air quality. You can’t afford to,” he said. “I think Asia today is achieving a level of wealth where the environment is coming to the forefront. Asia is ripe for a green revolution.”

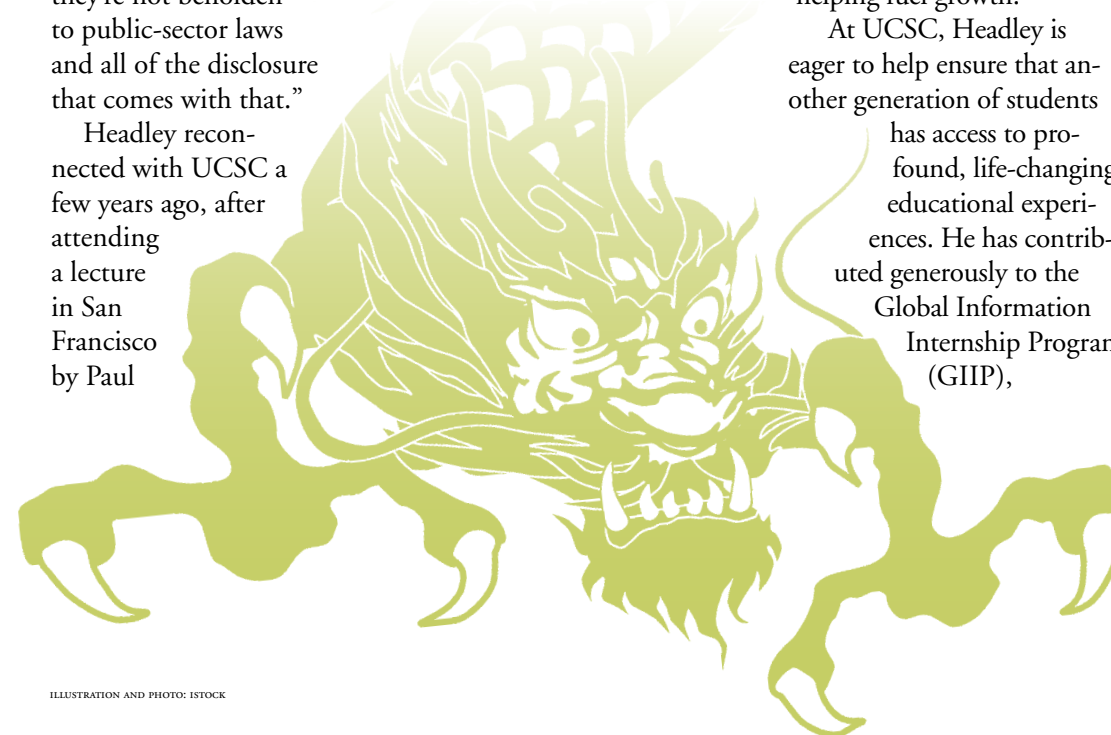


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