Bill Gross Resource Page

BILL GROSS

Manages the world's largest mutual fund, with assets of $242 billion, but his true power comes from serving as consigliere to the world's financial elite.

*Author of the Book,*

*Bill Gross is a founder, managing director and co-CIO of PIMCO based in the Newport Beach office. He has been with PIMCO since he co-founded the firm in 1971 and oversees the management of more than $1 trillion of securities*

Among the awards he has received, Morningstar named Mr. Gross and his investment team Fixed Income Manager of the Decade for 2000-2009 and Fixed Income Manager of the Year for 1998, 2000, and 2007 (the first three-time recipient). He received the Bond Market Association's Distinguished Service Award in 2000 and became the first portfolio manager inducted into the Fixed Income Analysts Society's hall of fame in 1996. Mr. Gross is a seven-time Barron's Roundtable panelist (2005-2011), appearing in the annual issue featuring the industry's top investment experts, and he received the Money Management Lifetime Achievement Award from Institutional Investor magazine in 2011. In a survey conducted by Pensions and Investments magazine in 1993, his peers recognized him as the most influential authority on the bond market in the U.S. He has 42 years of investment experience and holds an MBA from the Anderson School of Management at the University of California, Los Angeles. He received his undergraduate degree from Duke University.
Bill Gross is a lifelong entrepreneur and proponent of solar power. While still in college, Mr. Gross founded Solar Devices, a firm that sold plans and kits for solar energy products. As the CEO of the technology incubator Idealab, Mr. Gross has founded several extremely successful companies, including Overture (acquired by Yahoo!), CarsDirect, and Picasa (acquired by Google). Idealab recently moved into the renewable energy market with Energy Innovations, a sister company to eSolar that focuses on the retail rooftop solar market. Mr. Gross sits on the Board of Directors of the California Institute of Technology, where he obtained his BS in Mechanical Engineering.

- Age: 67
- Source: investments, self-made
- Residence: Newport Beach, CA
- Country of Citizenship: United States
- Education: Master of Business Administration, University of California at Los Angeles; Bachelor of Arts / Science, Duke University
- Marital Status: Married
- Children: 3

Called "the nation's most prominent bond investor" by the New York Times and "the consigliore to the world's financial elite" by Forbes, (who counted him among "the world's most powerful people" in 2009 and 2010), Gross co-founded PIMCO and currently manages its Total Return fund, the world's largest mutual fund and is responsible for nearly $1.2 trillion worldwide. A former blackjack pro, Gross has said he still applies many of his gambling methods for spreading risk and calculating odds to his investment decisions. He is the author of two popular books on investing, Bill Gross on Investing and Everything You've Heard About Investing Is Wrong! : How to Profit in the Coming Post-Bull Markets. There is also a book about Gross titled The Bond King: Investment Secrets from PIMCO's Bill Gross.

Gross has been a keynote at UCLA Anderson events and a commencement speaker.

Bill Gross is often called “the Warren Buffett of bonds of peace” (“the Warren Buffett of the bond world”). As the founder and managing director of one of the world's largest asset management companies – Pacific Investment Management Company, or PIMCO, – Bill Gross manages, the $ 96-billion fund PIMCO Total Return Fund (PTTAX), as well as several smaller-sized funds. Total Return is the largest of the world bond funds, and the fifth-largest mutual funds. However, not so much the size of Total Return, as excellent results, usually demonstrated by Bill Gross, since its inception in 1987, making it operates one of the most visible stars on the financial “sky” of America and the world. Over the past ten years, the average yield of the Fund amounted to approximately 8, 3%. Not surprisingly, the New York Times called the Gross “the most prominent of American investors in bonds.” In December 1996 he was the first among portfolio managers has been introduced in the Hall of Fame Society for analysts on fixed income instruments (Fixed-Income Analyst Society, FIASI) – for the great achievements in the field of financial analysis and portfolio management. Agency Morningstar, tracking mutual funds, twice in 1998 and 2000. Bill Gross prize awarded Manager of the Year in the field of fixed income “ Fixed-Income Manager of the Year , where he became the first to receive this award more than once. Morningstar noted that Gross has earned this
distinction, demonstrating excellent investment skill, the courage to go against general opinion
and commitment to the interests of shareholders needed to achieve outstanding results in the
long term.” In December 2001, SmartMoney magazine included Bill Gross among the 30 most
influential representatives of the investment community. Bill Gross founded idealab! In March
1996 and has served as Chairman of the Board and Chief Executive Officer and as a director
since that time. Bill served as President from March 1996 to March 2000. Since March 1998, he
has served as a managing director of idealab! Capital Management I, LLC. Prior to Idealab, he
started a number of companies. In high school, Bill started Solar Devices, a firm that sold plans
and kits for solar energy products. In college at the California Institute of Technology, he
patented a new loudspeaker design and formed GNP Loudspeakers Inc. After graduating from
the California Institute of Technology, Bill and his brother Larry started GNP Development Inc.,
which made a natural language product for Lotus 1-2-3 called HAL. In 1995, Lotus Development
Corporation acquired GNP. From February 1986 to March 1991, he was a software
entrepreneur at Lotus Development. In 1991, Bill started Knowledge Adventure, an educational
software publisher that was eventually sold to Havas Vivendi. Bill serves on the boards of
directors of approximately 20 of idealab’s public and private network companies, including
GoTo.com, NetZero and Ticketmaster Online-CitySearch. He is also a member of the board of
trustees of the California Institute of Technology.

HIS LIFE

His mother Shirley was a homemaker. The family had two children: son, Craig a year older than
Bill (now the owner of the company’s distribution of food in California) and daughter Lin eight
years younger. In 1954, Gross Sr. Armco was transferred to San Francisco to promote the
company’s fast-growing markets of California and Japan. Bill was amazed the size of this city,
which seemed to him “another universe. In 1962, Bill Gross received a scholarship from the
University of Duke University in Durham, North Carolina. According to Gross, he went to
Durham, with no idea what to study, and chose psychology because he was always interested
in how the human mind.

He hoped to become a player in the basketball team Duke Blue Devils, but here it is expected
soon disappointed, and he had to be content with playing a college team. However, Bill Gross
has taken an active part in the fraternity Phi Kappa Psi, where he earned the nickname “Hatty”
(“cap”) for the cap blond hair shoulder-length. Andrew Ashe (Andrew Ash), also a former
member of the Phi Kappa Psi, recalls that in those days, Bill Gross is constantly inventing
various schemes for earning money.

He once organized a tote, acted as a bookmaker, earning about $ 100, the second time formed
a team of three people to play poker, and they called the “Syndicate”, hoping that by playing
together and distributing risk, players can increase their income. Sam Bill Gross believes that
his financial career began in Las Vegas at the bar for a game of blackjack. For the first time he
faced the casino in the summer of 1965, laboring operator of gaming machine in one of the
towns of Nevada for $ 5 per hour. Passion came very quickly, but that summer, Bill Gross, he
did not play.

To save money, he slept in a car wash in the lake and shaved at the petrol station. Only in the
spring of next year, he first tried to play, with $ 50, and lost them all, making a bet, because he did not know the rules. Returning to college, Gross bought a book called “Victory dealer” (“Beat the Dealer: A Winning Strategy for the Game of Twenty-One”) Bestseller Edward Thorpe (Edward Thorp). This professor of mathematics at the University of California perfectly mastered the techniques of blackjack, using a computer calculated the best card strategies, and then began to apply these strategies to invest in shares, creating a hedge fund. Bill Gross has been fascinated by the ideas of Thorpe and as training played thousands of parties against himself.

After graduating college in May 1966 and received a bachelor’s degree, he went to Las Vegas with a pocket $ 200, settled in the Indian Hotel, where the room cost $ 6 per night and was playing 16 hours a day. Four months later, $ 200 turned into $ 10000. It was his first real money. Now, becoming one of the best traders in the world, Bill Gross argues that the brief period of professional blackjack was crucial to his career as gambling are very much in common with the management of cash. Moreover, there, and here the goal is to properly allocate risk, to calculate the next moves and avoid acrimony, focusing on rates. All this is only a game, “says Gross, and to survive in this business cannot afford to lose courage in front of a considerable sum: the fear and awed the dollar clouds the ability to judgment.

As the financier in an interview, Las Vegas has taught him that he “can defeat the system using a combination of hard work, ideas that still no one came to mind and the ability to make their daily routine, which others will undoubtedly find tedious. Soon after Las Vegas, in October 1966, Bill Gross for a period of military service, this lasted three years. He wanted to become a fighter pilot, but has not shown the necessary qualities, and was sent an assistant chief engineer on a destroyer stationed off the coast of Vietnam. According to Bill Gross himself, either before or after he had occasion to deal with the case, to which he would be less capable.

HIS BUSINESS

Discharged at the end of 1969, Gross used his card to gain training in business school for university graduates (Graduate School of Business Administration) University of California at Los Angeles. By the time he read the second book, Thorpe called “Beat the Market: A Scientific Stock Market System” (“Beat the Dealer: A Winning Strategy for the Game of Twenty-One”), published in 1967, and dreamed of a career, developing a strategy of investing in the stock market. Received in 1971 a Master’s degree Business Administration, Bill Gross has sent more than 100 resumes in firms engaged in investment, but at first it was all to no avail. The stock market then experienced hard times. In the end, the mother of the Gross noticed in the newspaper Sunday Los Angeles Times ad that an insurance company Pacific Mutual Life Insurance Co. seeking securities analyst with an annual salary of $ 11000. Bill Gross got the job, but it did not meet his expectations.

Rather than analyze the action, he “clipped coupons, ie involved in repayment of the interest payments on Treasury certificates, in the department of bonds. But here he met James Muzzy (James Muzzy) and William Podlichem (William Podlich), and three of them persuaded the Pacific Mutual trust them to manage the bond assets of $ 5 million, Bill Gross, manager of the new fund has, while Muzzy held positions in marketing and Podlich – administration. According to Muzzy, the success of their trio was due, primarily, the fact that everyone was in the right
place and brought to a common cause something of their own, different from the contribution of others. Colleagues Gross at the beginning of joint work, it was clear that he most has the qualities necessary for managing the portfolio, as can quickly and without hesitation to make decisions. Cooperation was strong: currently Muzzy is one of the leaders of PIMCO Global Advisors; a Podlich performs advisory duties in PIMCO Managing Director. Begin to manage fund, Bill Gross quickly realized that he would never make more money on the bonds, if it were just “clip coupons. Need of capital gains earned in addition to interest: total revenue.

He was supposed to be a trader, not an investor in the style of “buy and hold”. Soon after Bill Gross’s methods attracted the attention of Walter Jerky (Walter Gerken), head of investment division of Pacific Mutual Life Insurance. In 1973, he persuaded Jerky Southern California Edison Co., Now the second largest utility company in California trust Grosso bond assets of $10 million fund So Bill Gross was the first client paid him. In 1975 and 1976, annual profit of almost 18% and this success has brought a second client – a telecommunications company AT & T Corp. By 1977 PIMCO assets under management reached $400 million in the years 1980-81. When the bond market was in decline, Bill Gross, despite the outrage of clients, began to conduct trades in higher-yielding securities such as certificates of federal agency Ginnie Mae (Government National Mortgage Association).

Most money managers then thought such investments too risky, but Gross believed that Ginnie Mae securities would go up as soon cut interest rates – and he was right. In 1987, when PIMCO assets increased to $20 billion, Bill Gross has opened its main funds – Total Return Fund. Gross Fund’s success, their high profitability and continuous growth in assets significantly increased the attractiveness of fixed income securities to investors of mutual funds. As noted by Mike Green (Micah Green), President of the Bond Market Association (the Association of the bond market), the name of Bill Gross, perhaps, might be considered symbolic in terms of awakening interest in the bond market.

Bill Gross believes that the portfolio manager for the critical factor is the lack of noise and the reduction of information flow to a minimum. He does not read e-mails, but really necessary, takes the phone, only three or four times a day (not counting his wife’s calls). His motto is: I do not want to be connected, I want to be disconnected: “My motto is, I don’t want to be connected – I want to be disconnected.” Interestingly, the most important and valuable part of the working day is Bill Gross, in his words, not on the trading floor. Every day, between half of the ninth and ten in the morning, he visited a health club near the office, where yoga. Gross argues that many great ideas, including his best decision of 2000, referred to above, came to him when he literally stood on his head.

BILL GROSS THE AUTHOR

Bill Gross has written two books on investment. In 1997 came the work of “Everything you’ve heard about investing – not true!” (“Everything You’ve Heard about Investing Is Wrong!”), and a year later – Bill Gross on investing (“ Bill Gross on Investing”). He is also the author of numerous articles on the bond market, a frequent speaker at various media and publishes a monthly investment forecast, which can be found at PIMCO (www.pimco.com). In addition, Bill Gross is a member of the Los Angeles Society of Financial Analysts (Los Angeles Society of
Financial Analysts). Bill from those who like to fight and win, displaying a rare faith and perseverance.

HIS BUSINESS PHILOSOPHY

Bill Gross points out that the success of investments in the long term, whether it is stocks or bonds, depends on two main factors: the ability to formulate a “secular” (secular, ie, secular, Long-term) forecast and ensure the “correct structural composition” of the portfolio. “Secular” outlook, according to Gross, should cover demographic and political trends, structural changes in the U.S. and world economy for the period of three to five years. This avoids the destructive “emotional shock caused by fear or greed.” It is these emotions cause investors to commit serious errors when the market is experiencing “irrational” periods. Relying on long-term prognosis, Bill Gross defines duration of the portfolio, and then makes changes in its structure depending on short-term trends. Regarding the structure of the portfolio, then, according to Gross, it includes the formation of principles designed to obtain higher yields than can be expected at a given level of risk.

As examples of institutions, investment structure that is effective over time, Bill Gross leads banks and insurance companies. First take short-term loans and issuing long-term loans, creating interest spread, almost guaranteeing them profits in the long term. The latter attracted a steady flow of funds, being able to roughly calculate their future liabilities. This approach also allows us to generate reliable income. An example of such a financial structure is Berkshire Hathaway, controlled by Warren Buffett (Warren Buffett). Experts say that over time, Bill Gross in the management of the assets transferred to the use of increasingly sophisticated instruments, demonstrating the freedom of thinking and a willingness to take risks associated with interest rates, currencies, highly profitable securities and emerging markets. All this sharply distinguishes it from most other fund managers. According to Eric Jacobson (Eric Jacobson), an analyst from the agency Morningstar, Bill Gross does everything complicated way “and” more aggressive than most portfolio managers do.

BILL GROSS QUOTES

1. Americans now know that housing prices can go down and they can go down by 10, 20, 30, and in some cases, 40 or 50 percent. We know they can go down. However, five years ago, we thought they could only go up.
2. Bernanke and company are trying to reflate the economy with almost stated objective of inflation at 2 percent and higher in order to provide some type of safety margin for a future recession. That is where they want to go.
3. Human nature means that institutions at some point lose their sense of mission. That sense of vulnerability drives Pimco.
4. If he continues to believe that a flat curve is indicative of economic weakness, the hand-off may be one in which we stop at 4.5 percent.
5. Pay per click was just the beginning. The real evolution is pay per action.
6. We can have a big impact not only in the U.S., but also in the developing world.
7. It is all about the price. It is the only thing that matters.
8. As long as the stock market does what it does, and keeps going up, the wealth effect is
going to transmit into a strong U.S. economy and preclude the Fed from easing rates.


10. Higher energy costs plus higher interest rates increases the risk of recession.

BILL GROSS IN NEWS

1. Gross Reduces Treasuries for First Time in Year from Fund?
   http://www.businessweek.com/news/2012-03-09/gross-cuts-total-return-fund-s-treasury-
   holdings-for-first-time-in-a-year

2. Gross Says Greece Weakens Bond Contract Sanctity: Tom Keene?
   http://www.businessweek.com/news/2012-03-09/gross-says-sanctity-of-bond-contracts-is-
   diminished-by-greece-s-debt-swap

3. Bill Gross says CDS will be triggered?
   http://www.forexlive.com/blog/2012/03/09/bill-gross-says-cds-will-be-triggered/

4. Gross: Pimco’s Active ETF For Small Investors?
   http://www.businessweek.com/news/2012-03-01/gross-pimco-s-active-etf-for-small-investors

5. Survive until Market is Ready IdeaLab's Bill Gross Advises?
   http://www.forbes.com/sites/shelisrael/2012/03/07/survive-until-market-is-ready-idealabs-
   bill-gross-advises/

7. Bill Gross: Interest rates in US, England & Europe to stay down for five years


8. Gross Fund at 66% Premium Shows Pimco's Allure?


9. Gross Says Pimco's ETF Designed to Meet Needs of 'Mom-and-Pop


11. Gross Says ISDA Yet to Make Final Call on Greek Default-Swaps?


12. Greece Pushes through Debt Swap as Euro Chiefs Ready Rescue

http://www.sfgate.com/cgi-bin/article.cgi?f=/g/a/2012/03/09/bloomberg_articlesM0LZAU07SXKX01-M0MOB.DTL
13. Gross Rebuts Cooperman on Treasuries Citing Risk for Stocks?

http://www.businessweek.com/news/2012-02-24/gross-rebuts-cooperman-on-treasuries-citing-
risk-for-stocks.html

14. Gross Rebuts Cooperman on Treasuries Citing Risk for Stocks

http://www.bloomberg.com/news/2012-02-23/gross-says-mortgages-make-sense-while-fed-
suppresses-yields.html

15. Pimco Bid to Extend Gross Brand Leaves Advisers Cold

http://www.bloomberg.com/news/2012-03-02/pimco-s-bid-to-extend-bill-gross-brand-to-active-
etf-leaves-advisers-cold.html

BILL GROSS IN ARTICLES

1. PIMCO | Experts - William H. Gross


2. Bill Gross | CrunchBase Profile

http://www.crunchbase.com/person/bill-gross


4. Bill Gross: Free Money Ain’t Really Free

http://blogs.wsj.com/marketbeat/2012/02/01/bill-gross-free-money-aint-really-free/

5. Bill Gross Warns Of Financial Market Implosion and the End Of Economic Life As We Know It

http://articles.businessinsider.com/2012-01-04/markets/30587724_1_paranormal-pimco-credit

6. America’s debt is not its biggest problem


7. Bill Gross’s big bet on Operation Twist

http://www.ft.com/intl/cms/s/0/c2b7f5ba-f5b1-11e0-be8c-00144feab49a.html#axzz1omrmQp6s

8. Famed Investor Bill Gross Calls For Massive Taxpayer-Backed Mortgage Refinance Initiative


9. Are Investors Losing Faith in Pimco’s Bill Gross?

http://www.cnbc.com/id/45689529/Are_Investors_Losing_Faith_in_Pimco_s_Bill_Gross

10. Q&A: Pimco’s Bill Gross Forecasts the 2010 Economy - TIME

http://www.time.com/time/business/article/0,8599,1951623,00.html


12. Bill Gross Explains what is Different about Chime. in: “You Can Follow A Part Of A Person”


13. "No Way Out" of Debt Trap, Gross Says: U.S. Living Standards Doomed to Fall


14. Treasury’s Got Bill Gross on Speed Dial


15. Bill Gross, the $747 billion bondman, declares the death of equities

Minutes"

http://www.youtube.com/watch?v=gSqQPghYuM

3. Gross: Why Pimco Dumped Treasuries from Biggest Fund

http://www.cnbc.com/id/42013272/Gross_Why_Pimco_Dumped_Treasurys_From_Biggest_Fund

4. Pimco’s Bill Gross says savers are at a disadvantage for years

http://www.youtube.com/watch?v=L3mOrrjc8TY

5. PIMCO’s Bill Gross speaks to Tom Keene on U.S. credit downgrade

http://www.youtube.com/watch?v=yxXWUf0xYqQ

6. Pimco’s Bill Gross talks the bond market, U.S. deficit and Greece

http://www.youtube.com/watch?v=HPYvGLr0Xns

7. Bill Gross’s Paranormal Activity


8. Bill Gross endorses Ron Paul, 1/31/12

http://www.youtube.com/watch?v=K8AOQaqaeeM

9. Bill Gross & Mohamed El-Erian

http://www.youtube.com/watch?v=LzWbPYFDKzU
10. Pimco’s Bill Gross on Bloomberg Television
http://www.youtube.com/watch?v=KmSrg-Mlv2E

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12. Pimco Bond Guru Bill Gross Moves into Equities
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13. Bill Gross: It has been a Fixed-Income Decade - Morningstar Video
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http://www.youtube.com/watch?v=gouaqrlMGIE