

Investment Outlook

PACIFIC INVESTMENT MANAGEMENT COMPANY



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Carborundum Non Illegitimi

How do you say good-bye to the Chairman of the Board? I suppose it depends on the Chairman, but it's probably never that easy. While I'm not exactly experienced in such matters, it's especially difficult to bid farewell to Ott Thompson. He's retiring after nearly 15 years of leading Pacific Investment from its infancy to full maturity. That's a long way and a major achievement, and it brings to the surface a myriad of memories and emotions for all of us that were a part of his journey. There's a touch of sadness for how he'll be missed, a touch of melancholy for moments that we shared, a touch of joy for what is yet to be. All of these emotions and more. But this is not a tombstone or a requiem for a financial heavyweight. In the first place, Ott will continue to sit on the PIMCO board for years to come. Secondly, like his career, this should be upbeat - more of an affirmation than an epitaph. Ott's business and personal life has always had an upward slope, and like Sandy Koufax or Sugar Ray Leonard, he's retiring from PIMCO and Pacific Mutual at the zenith of his career.

In a world of increasing specialization and segmentation, Ott was somewhat of an anachronism. He was, to be sure, more of a manager of people than of assets - a rarity in the investment business at any time, but even more so during the past decade. He was part of that dying breed who knew more about people and organization than he did about hard cold facts. Real estate and mortgages were his background, and sometimes when the conversation got around to the intricacies of the bond market, you knew he'd have preferred to have gone fishing with the boys. I think that hurt him sometimes, but I also think he was sure and confident of his role and that this knowledge more than compensated for the lack of detail. Ott Thompson was the prototype of Ronald Reagan and the antithesis of Jimmy Carter. He was a manager's manager and it showed through and through.

Ott's attributes were exactly what was needed for PIMCO to grow and prosper. Like a veteran jockey, he sensed all of the horse he had beneath him and let it have its head. He