
PAUL F. MILLER, JR.



19 OCTOBER 1927 · 9 SEPTEMBER 2017

In September 2017 the APS lost one of its most enthusiastic and engaged members. Paul F. Miller, Jr., was elected to membership in 2005 and served as a member of Council and chairman of the Investment Committee from 2007 until 2016, a period during which the Society's investment performance ranked among the best in the land.

Members of the Society who knew Paul only in his later years may not be familiar with his life story. It is one of hard work, extraordinary business accomplishment from an early age, service to his community and to society, lifelong friendships, and devotion to family. His is a true American success story.

Although Paul grew up on Philadelphia's Main Line, his early life was not one of plenty. In 1931 his parents' economic circumstances forced them to move in with his mother's parents, where they lived in close quarters for 11 years. Growing up, Paul always had at least one job, sometimes two or three.

Immediately after graduating from Lower Merion High School he enlisted in the U.S. Coast Guard. He was only 17. A year later, after the war was over, he was discharged and enrolled at The Wharton School of the University of Pennsylvania with the help of the GI Bill.

There was never a question about where he would attend college. Paul's affinity for Penn began at an early age and endured for the remainder of his life. His father, an alumnus, took Paul to football games from the age of five. During the Depression, Paul, Sr., went back to Penn part time to earn an M.A. in economics. He then became an adjunct professor. During Paul's high school years, his father's fellow graduate students, and later his students, were regular guests for Sunday dinner.

Paul's early years at Penn were relatively carefree. He joined Beta Theta Pi, made friends, had lots of dates, and played on the varsity soccer team. Eventually he became a strong student. During his senior year, while waiting tables at the Kappa Alpha Theta sorority house, Warren Shafer caught his eye. They married on June 14, 1952.

When Paul graduated he won a coveted spot in the Federal Reserve Bank of Philadelphia's two-year training program for distinguished young graduates. The program combined on-the-job training with two years of graduate school at Penn.

Subsequently, Paul was recruited by Drexel & Co., a prestigious, old-line Philadelphia investment bank. Until the passage of the Banking Act of 1933, it had operated as a partnership in common with J.P. Morgan. There, he built a nationally recognized investment research department. Its work appealed to large institutional clients whose business fueled Drexel's growth and profitability for many years. In

1956, at the tender age of 28, he was invited to become a partner of the firm. The local press referred to him as the boy wonder of the Philadelphia financial community.

In the mid-sixties Drexel merged with the New York firm Harriman Ripley. Still only in his thirties, Paul was given the title of president of the new firm. However, his life and work quickly became more complicated. His duties pulled him away from investment analysis, and, increasingly, he felt that he was being spread too thin. He missed having time to do the kind of thinking that had drawn him to investments.

By the summer of 1969 he was ready to take the biggest gamble of his life. He and three Drexel colleagues decided to form a new firm. Its name would be Miller Anderson and Sherrerd (MAS). Their goal was to build a business managing assets for a relatively small number of large institutional clients such as endowments, foundations, and pension funds.

It was a gutsy move. Paul's father told him he was crazy to leave Drexel. While Paul and his partners were well-known and respected in the investment community, they had no clients or leads when they resigned from Drexel. They had families to support and very little start-up capital. If they were to succeed at all, they needed to do so quickly.

What they did have was a keen understanding of the direction the institutional investment management business was headed, away from large bank trust departments and insurance companies toward smaller, focused investment firms owned by their partners. They also had youthful self-confidence, determination, and a bit of luck. The most popular industry publication of the time, *Institutional Investor Magazine*, published a very positive cover article on the new firm early on in its life.

Things worked out. The firm filled its client roster relatively quickly. Importantly, it produced solid investment results and attentive service for its clients. Eventually, it grew to become one of the largest and most successful privately owned institutional asset management firms. In 1996, nine years after Paul retired, it was acquired by Morgan Stanley.

Later as he reminisced about his life with a characteristic mixture of understatement and pride, Paul wrote: "So that's the story of Miller Anderson and Sherrerd—a wonderful twenty-six years for a pioneering firm but no more than a meteor across the sky of time." For many of us who worked with Paul at MAS, it was much more than that.

I first encountered Paul in the early seventies when he and I were speakers at an investment conference in New York. I was a young financial economist at the time and he was already a giant in the world of investing. Although I did not know him, I knew about him. Paul and

his partners enjoyed a reputation for quality, smarts, and class. The young firm they had founded was a beacon, an inspiration for many young investment professionals, myself included, who yearned for a future in the field, outside of the traditional confines of banks and insurance companies. I also learned that day that Paul was an outstanding speaker: confident, at ease, thoughtful, provocative, humorous, and self-effacing—a tough act to follow. Little did I know that several years later he would ask me to join the firm and become his partner. When he did, I jumped at the chance.

MAS was a special place, in no small part because of the example that Paul set. In many ways it was like family. Although his only title at MAS was partner, he was our patriarch. His spirit and values pervaded the work place. He urged us to take our work, but not ourselves, seriously. His honesty and integrity rubbed off on all of us. He was benevolent, generous, and understanding. He cared about us, and we knew it. His door was always open, except at nap time. He was one of the best listeners I have known. Throughout our relationship, he gave me very good advice whenever I sought it, which was often, and sometimes when I did not, which, thankfully, was less often. He encouraged teamwork, and he never second guessed.

He was also a lot of fun. His bonhomie was contagious. He loved to dance and sing at MAS holiday parties. He did both well. He also had the world's best memory for jokes and a gift for telling them. He smiled easily and often.

As his younger partners took on more of the responsibility at MAS, Paul devoted more of his time and energy to service to his community. Penn was always at the forefront. Early in his career he taught there. He became a trustee at 39. He soon chaired the board of what is now Penn Medicine. In 1978 he was chosen to chair the university board. Later, he led Penn's first \$1 billion plus capital campaign.

Over the years Paul served on the boards of several large not-for-profits including the Ford Foundation, Colonial Williamsburg, the World Wildlife Fund, and the Pew Charitable Trusts. But his interests were also local. He took great pleasure from his service to the Squam Lakes Natural Science Center, the Appalachian Mountain Club, and the Barbara Sumwalt Museum of the Useppa Island Historical Society. Throughout his life he had a keen interest in the workings of real businesses. He served with distinction on the boards of Hewlett-Packard, Rohm and Haas, and the Mead Corporation, to name a few.

Paul and Warren explored the far corners of the earth together, sometimes with corporate or foundation boards, often with family and friends. When they returned he shared his experiences with his

colleagues at MAS, opening our minds to people, places, and possibilities we might otherwise not have imagined.

Not only did he expand our world view, he encouraged us to get involved, to share our time and resources with causes and organizations that interested us. With his support I was elected to several boards where my service overlapped with his. In those settings I saw firsthand the respect and affection his colleagues had for him. They sought his opinion and valued his judgment. He was a natural leader and a great guy. I was always proud to be his friend and his partner.

Paul was never bored. He had a curious mind, and an expansive, mostly liberal, world view. His interests included gardening, hiking, boating, fly-fishing, photography, astronomy, painting, reading, poetry, history, economics, education, the environment, and technology. He pursued each with gusto. He never considered himself an expert, but he was more than a dabbler.

A highlight of his later years was his election to membership in the APS. As a lifelong seeker of useful knowledge, its mission and programs appealed to him. So did its people. He enjoyed the experience immensely.

Nothing was more important to Paul than his family. He and Warren were inseparable. For almost 60 years, summers at his beloved Squam Lake with his children and grandchildren were especially joyful for him. Later, the family also gathered annually for Christmas and spring holidays on Useppa Island in Florida. To see Paul with his grandchildren was to witness mutual adoration.

Paul lived an extraordinary, happy, and useful life. He made many organizations, including the APS, better by sharing his knowledge and judgment, his spirit, and his treasure. Over the course of his life he influenced and inspired many to become better people and more engaged citizens. He was my role model, mentor, and very close friend for 39 years. I, and others whose lives he touched, will always remember him and value his presence in our lives.

Elected 2005

RICHARD WORLEY
Founder and Managing Partner
Permit Capital, LLC