

Business Principles

Excellence in investing

Our goal is excellence in investing. To us, this means achieving attractive returns without commensurate risk, an imbalance which can only be achieved in markets that are not “efficient.” Although we strive for superior returns, our first priority is that our actions produce consistency, protection of capital, and superior performance in bad times.

Proprietary, in-depth research

Adding value in our markets requires a “knowledge advantage” that can come only from proprietary, in-depth research. We have dedicated a staff of highly skilled specialists to each market and created a research methodology that is consistently applied. Our research revolves around enumerating the elements required for success and identifying investment candidates through which we seek to satisfy those requirements.

Commonality of interests

In order to achieve commonality of interests with our clients, we pay strict attention to potential conflicts of interests, avoiding them if possible and dealing fairly with them if not. We put clients’ interests ahead of our own and treat all clients equally. It is our fundamental operating principle that if all of our practices were to become known, there must be no one with grounds for complaint.

Personnel practices

Our personnel practices must contribute to the achievement of our clients’ objectives. A harmonious workplace and a

spirit of cooperation are indispensable; personnel turnover, office politics and unhealthy competition are to be guarded against. The fruits of our labor will always be shared broadly and equitably with our staff. Employee stock ownership and firm-wide profit participation are key in this.

Communication with clients

Communication with clients must meet their needs and strengthen our relationships with them. We want every client to thoroughly understand our philosophy, approach, actions and results. If what we do ever comes as a surprise to a client, then we have failed in this regard. In reporting our performance, we accurately state our achievements, neither hiding behind excuses for losses nor taking credit for serendipitous gains.