

Principles-Based Investing™

Core Economic & Investment Principles

An investment decision-making, framework that combines time-tested principles, rigorous global research, and an in-depth evaluation of risk dynamics.

Principle of Applied Wisdom

How We Seek to Build a Resilient Investment Strategy

- The world is uncertain but not chaotic.
- Reasonable decisions can reduce exposure to high-risk environments.
- Applying wisdom principles may not eliminate risk, but it can improve the chance of successful outcomes.

Principle of Human Productivity

How Wealth is Created

- Productivity is the combination of human creativity and natural resources.
- Wealth is created as a result of human productivity.

Principle of Leadership & Governance

Where Wealth is Created

- The manner in which leaders govern (governments, corporations, etc.) significantly influences the productivity of the people they lead.
- Environments with greater civil and economic freedom tend to provide more fertile ground for investment due to increased human productivity.

Principle of Inherent Value

How to Find Opportunities

- Investors *and* markets are not always rational.
- Eagerness for gain, or fear of loss, can drive investors into bubbles and crashes.
- Opportunities or risks can be identified when a disciplined valuation process is used to determine the inherent value of an investment.

Principle of Uncertainty

Why We Plan, Save and Invest

- The future is uncertain.
- Provision against uncertainty is a reason to plan, save and invest.

Principle of Instability

How to Manage Risk

- Markets and economies are not stable.
- Due to instability, provisions against uncertainty may fail.
- Risk needs to be managed through diversification and an appropriate allocation of wealth and risk.

The above principles are general in nature and not intended as specific advice.

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Our Principles:

Applied Wisdom

How We Seek to Build a Resilient Investment Strategy

Uncertainty

Why We Plan, Save & Invest

Human Productivity

How Wealth is Created

Leadership & Governance

Where Wealth is Created

Inherent Value

How to Find Opportunities

Instability

How to Manage Risk

Our Applications / Solutions:

- ✓ Implement a principles-based investment decision-making framework, focused on long-term risks rather than short-term volatility
- ✓ Risk-balanced solutions for long-term investment planning
- ✓ Higher productivity levels (lower taxes, favorable demographics, etc.) and environments more conducive to human flourishing
- ✓ Growth and inflation levels that tilt towards favorable environments (fiscal policies, indebtedness, civil freedoms, etc.)
- ✓ A disciplined valuation methodology in order to avoid “chasing returns”
- ✓ Diversified solutions that seek to avoid the pitfalls associated with concentration risks (cap-weighting).

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