

Why I work with quality money managers

I was fortunate to learn early in my career that working with good money managers is one of the fundamental keys to successful long term investing. Investors want (and need) money managers working for them who have the ability to first, preserve their invested capital and second, consistently deliver value. **Charlie Munger** (Warren Buffett's business partner and vice chairman of Berkshire Hathaway) was once asked what he looks for in a good money manager. He highlighted four basic things:

"Integrity" – "If you stand for nothing... you will fall for everything that comes along." Many people today are looking for shortcuts and they'll go to great lengths to try and find them. In the investment world... there simply are no shortcuts... all we have are basic, fundamental principles that have proven to deliver value to investors over time. I work with money managers who believe and understand those principles and have the integrity to stick to them.

"Experience" - We all know, the more experience someone has... the better quality decisions they tend to make. And it's for this reason that I only work with people who have been working in this business at least 20 years. They have a tendency to make far fewer mistakes, which is exactly what my clients want.

"Intelligence" - In order to make a quality buying decision... an investor must completely understand the business they are purchasing. It's no secret that companies are growing larger and more complex with numerous divisions and moving parts. In order to be able to determine if today's stock price represents good value... a money manager needs to understand a business, inside out and backwards. That means carefully thoroughly completing all of the research that's required and using the information gathered to determine the company's true value. I strongly believe that anything short of this... is purely speculation.

"Dedication" – Sometimes money managers simply need to stick to their guns and do what they know is right, even though it may not be popular at the time. At the height of the technology bubble in 1999, it would have been easy for someone to compromise their principles, especially when many investors were selling profitable, well managed businesses in order to buy in to the frenzied speculation that was the Technology sector at the time. Managers who patiently stuck to their guns were presented with great opportunities to buy quality businesses

at bargain prices... and the fruit of those rational decisions continue to deliver value to their investors in years following.

Brian Golly