Investment Management Philosophy

We take great care in being stewards of capital and providing our clients with the best investment management services to achieve their investment goals. We are focused on providing clients with the best assets at the lowest prices. Our investment process is designed to be repeatable. Our tenants of investment management dictate the following values:

Risk Control

While we strive for superior returns, our first priority is producing consistency of returns, protection of capital and superior performance in bad times. We define risk as a permanent loss of capital and place the highest priority on preventing losses. Our goal is achieving superior returns with below average risk.

Inefficient Markets

Efficient market theory states that prices are correct on average, over time. It does not claim that security prices are correct at all times. These statements imply that skilled investors may be rewarded for the cost of building their own information. We want to provide capital where it is scarce.

Rigorous Analysis

In every aspect of what we do, we recognize that success happens when preparation meets opportunity. We are always diligently seeking to identify future opportunities and to be patient enough to realize their value over time.

We do our own in-depth research to reach independent conclusions to clarify our decision-making. Our process for organizing and interpreting data makes it much easier to buy when an asset's price has declined relative to its peers or the security markets in general. Conversely, we must be able to say "no" to those overpriced assets even if it is unpopular. A willingness to be patient and contrarian is vital.

Valuation Discipline

Investing in the right assets is critical, but not as critical as paying a fair price for those assets. We want to buy with a margin of safety and sell when that margin of safety has been eroded. We understand mean reversion, the most powerful mathematical axiom that exists and use it as a guidepost to help us to alleviate asset price risk. Price is also the acknowledgement that we pursue low fee vehicles that capture tax considerations.

Partnership

We strive to do business with institutions that share our values and are competitively and financially advantaged and, importantly, want to continue in this manner. While we educate our business partners about our values, we in turn, focus on listening and collaborating with these firms to ensure we honor their values.

Stewardship

We seek to represent our profession and ourselves with the utmost integrity as fiduciaries. Our commitment to ethics, accountability, and transparency is ingrained in our culture. Further, as part of First Foundation, we embrace its key values to listen, respect, collaborate, innovate and serve our clients.

INVESTMENT MANAGEMENT