# STARTING WITH A BROADER OPPORTUNITY SET

Ask the PORTFOLIO MANAGER

## Are you a growth or value investor?

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**The short answer is we really don't give it a lot of thought.**

Our investment process is focused on identifying what we think are the companies with the best growth characteristics that have the ability to compound intrinsic value through time. So, the way we accomplish this, is we don't really start with a benchmark, we don't focus on a value benchmark or a growth benchmark or a core benchmark, but we start with a universe of stocks that's very large.

We have over 11,000 companies built in our systems that we have our proprietary valuation and quantitative tools utilize to identify rank and view and screen on those opportunities. Through that process we're narrowing down that universe to a more manageable opportunity set that we're then doing fundamental analysis on and we're determining the ability for this company to benefit or be impaired by secular headwinds or tailwinds and we're thinking about those growth drivers and the future catalysts and the opportunity sets of these companies and the valuation. We're worried about what our upside/downside risk is in these companies and really thinking about the multi-year compounding that can happen in intrinsic value.

This broader opportunity set, this wider lens that we start with, makes us less focused on whether it's growth or value. Ultimately, we're trying to find the best opportunity set of companies that we think can compound intrinsic value through time, and given our process and our style, that tends to be more highly correlated with growth investing.

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Ask the PORTFOLIO MANAGER

Video recorded 5/17/18.

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**Foreign Securities Risk:** Risks associated with investing in foreign securities include fluctuations in the exchange rates of foreign currencies that may affect the U.S. dollar value of a security, the possibility of substantial price volatility as a result of political and economic instability in the foreign country, less public information about issuers of securities, different securities regulation, different accounting, auditing and financial reporting standards and less liquidity than in U.S. markets.

**Emerging Markets Risk:** Emerging market countries may have relatively unstable governments and economies based on only a few industries, which may cause greater instability. The value of emerging market securities will likely be particularly sensitive to changes in the economies of such countries. These countries are also more likely to experience higher levels of inflation, deflation or currency devaluations, which could hurt their economies and securities markets.

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