

Our investment principles

- Flexibility is an important part of our investment process, and we look to create a portfolio of businesses, not a portfolio of stocks.

We combine macroeconomic analysis with fundamental stock-picking to identify the best business models. Our process promotes debate and fund manager flair.

- Our managers work together closely as a team and use a number of internal and external research sources to support their macroeconomic decisions.

But we add most value through strong fundamental analysis. We endeavour to meet company managements regularly. We seek to fully understand the business model, its demand drivers and any potential risks. An uncertain environment makes the need for this type of analysis all the more important.

- Our strength lies in our high-conviction stock-picking abilities. We buy companies, not indices.

We look for long-term, robust business models, rather than following short-term market trends. We make meaningful investments in quality companies with sustainable business models: companies that demonstrate strong management; strong market position and product; good cash-generation.

If we cannot find a suitable stock, even if the sector has some merits, we do not invest.

- We explore themes to their fullest extent. We look everywhere for opportunities, but often find more value in the small and mid cap arenas.

We believe that these companies offer better long-term returns.

- We invest for the long term. Companies are retained in the portfolio through volatile periods, so far as the long-term story is still intact.

We are always weighing-up short-term risk against long-term potential.

- We do not buy or sell stocks because the rest of the market is doing so.

Sometimes weakness in a stock can provide a tremendous buying opportunity. We only sell on a significant change in fundamentals; management changes or shortfalls. We do not allow stocks on the periphery of the portfolio to drift.

If we are in doubt, we sell out.

This process is borne out by the long-term track record of our funds

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