



Our Edge in Small-Cap Value

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Deep experience, an intimate knowledge of management teams, and an interactive research process define our U.S. value equity team's edge—plus the fact that we're all pulling the oar in the same direction.

Watch the video or read the recap below.

There are two things that I think really give us a distinct edge in our investment process.

The first is the level of experience that our team brings to the table. In many cases, the analysts have covered their sectors for many, many years. I've looked at small-cap industrial companies for 25 years. My colleague, Jamie Shurtleff, has a graduate degree in healthcare policy, so, he brings a very deep background to his coverage of healthcare.

We complement that with a very deep institutional history as well. Having done this for a very long time, there are very few companies we've not only not owned, but almost none that we've never seen or researched at one point. We know managements very intimately, have talked to them many, many times. So, we're able to react very quickly to opportunities.

The second piece of that is our very well-defined and interactive research process. We're all acting on the same aspects of an investment that we're looking to make, and we flush that out really through a collegial but challenging investment process. It's really through rigorous debate and interaction that we think we bring out the best of our ideas and challenge ourselves to make sure we're making the right decisions.

I think a very important part of our investment process is that we're all pulling the oar in the same direction. When we enter an investment meeting, we immediately are thinking about the exact same things. There's a very consistent approach to our analysis. We're all defining things like quality, valuation, on the same page.

And so, we're not spending time really having to discuss what makes the investment attractive. We're able to get very quickly into the meat of it and really discuss things like valuation points and certain specifics of the investment.

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