

Adrian Day

ADRIAN DAY ASSET MANAGEMENT

OUR APPROACH TO INVESTING

Our overall approach to investment management involves several key factors.

- * **FLEXIBILITY**: We select whatever types of investments appear suitable at any particular time, rather than artificially restricting our investment horizons; thus, we invest in stocks, bonds, cash, currencies, metals.
- * **GLOBAL**: Similarly, we take a global approach, seeking value around the world; ever mindful of currency risks, we nonetheless will invest in quality assets overseas, where they are cheaper, high yielding or faster growing.
- * **DIVERSIFICATION**: Though we eschew the totally "balanced" approach, which ensures mediocrity, we will always maintain adequate diversification among assets, countries and currencies to provide protection against the unexpected.
- * **VALUE**: In everything we buy, we seek value, meaning assets that are selling at low prices in relation to their book value, or earnings.
- * **PATIENCE**: If one has selected carefully, one must be prepared to give investments time to realize full value; constant trading can produce excess volatility as well as high costs.
- * **TRADING**: For more aggressive accounts, we also buy stocks for short-term trades, perhaps based on anticipated developments or because the stock is oversold. In such cases, we will be quick to cut short any losses or take exceptional short-term profits.
- * **GOALS**: Every purchase must be undertaken with particular targets in mind; if a company does not meet these targets or a security does not perform the way one expects, these goals must be re-evaluated.
- * **PYRAMID**: We look at total investment assets like a pyramid, which requires a foundation of solid, long-term assets on which growth and more speculative investments can be added; the base must come first.
- * **HIGH YIELD**: High-yielding assets (consistent with quality), with income reinvested, will frequently produce the greatest total return over a period of years; we look for yield in global equities as well as bonds.

All accounts are managed individually and on a discretionary basis. The **Global** Accounts are invested primarily in equities with excellent long-term growth potential. According to your objectives and level of risk tolerance, the account may be designated Conservative, Growth or Aggressive. More conservative accounts may also include bonds and other income vehicles. We also offer accounts with a focus on specific market sectors: **Gold** and **Resources**. The overall approach to all accounts is similar, although the balance of asset types and particular securities will vary, as well as the management style (e.g., readiness to make short-term trades in more aggressive accounts).