

Remick Capital, LLC

Ben Hacker

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You've Never Heard of Me... So...

OSU Alum – Class of 2004

- Major: Electrical Engineering
- Minor: Business / Finance

Have worked for Intel since 2004

- Took Series 65 (Investment Adviser Law Exam) in 2006

Founded Remick Capital, LLC at the end of 2006

- Single Person LLC
- Currently manage money for 13 clients
- AUM just over \$500k

Remick Capital is a Registered Investment Advisor (RIA)

- Discretionary Investment Account management
- Asset fee or performance fee based
- Not a hedge / mutual fund
- Regulated by Oregon Securities Division

My Investing Approach

Value Based Approach

- Value investing does not mean you buy only low P/B or P/E
- Value investing implies 'Valuation' (and buying at a discount)

Moderate Turnover

Focused Portfolio

- Try to buy only my best ideas

Hold Cash When You Run Out of Ideas

- Investing shouldn't be forced; have patience

Independent Analysis

- Do your own analysis and Ignore the crowd (or better yet, take advantage)
- Stand by your convictions
- Admit to yourself quickly when you are wrong; and learn from it

**There are many ways to investing success.
This is my way, but you may find a different path.**

My Investment Process

Step #1 – Idea Generation

- Screening (primarily quantitative – looking for outliers)
 - Low P/S, P/B, P/E and High ROA, ROIC
 - High Insider Ownership
 - 52wk low, 52wk high → What's hated? What's loved?
- Follow good money managers (never be ashamed leverage others' work!)
 - Klarman, Buffett, Greenberg, Berkowitz, etc. What are they buying?
 - Always remember that form 13HR SEC reports only show a % of reality for a manager...
 - Could find some interesting ideas...
- Spend time thinking about business, what are good kinds of business
 - Everyday you spend money; understand where it goes and who makes money
 - 10 good investment ideas on your way to school or work if your eyes are open

Step #2 – Filter out the crap

- Out of every 100 businesses that look interesting you will probably toss out 90
- Do this quickly; bad managements, flawed biz model, etc... just move on to the next
- You'll certainly pass on some good investments, but this is a numbers game

Now the hard part...

Due Diligence

Step #3 – Figure out if it's a diamond in the rough or just a piece of crap

- Read K's, Q's and proxy statements for the last few years
 - Don't just look at earnings and cash flow; make sure you understand the balance sheet
- Follow the money
 - Has management delivered before? Do they have skin in the game?
 - How is their pay structured? Does it make sense?
 - Who are the big owners? Anything suspicious? Anything positive?
- Competition
 - Who are they? What are the advantages of each competitor?
 - Valuations should always be compared; what is the market saying about companies/industry?
 - Read as much as you can about the industry
- Ok, so things are looking good... strong competitive position, good management.
 - What is a reasonable range of values you think the equity/debt is worth?
 - How fast will this value grow?
 - Does this business have risk that correlates with your other investments?
- If all signs are good, buy at a reasonable discount to the low end of your range

**A pretty simple process...
but not necessarily easy to execute on.**

That's My Process... Here's Some Advice

I believe this advice is mostly universal regardless of your investment process:

- Keep learning
 - If you don't know more about investing next month than you know today; you're done
- Share ideas and learn from others but be sure you think for yourself
- Admit mistakes quickly (and of course, learn from them)
- If you must use margin leverage, be very careful... the future is never quite like the past
- Don't underestimate the inescapable truth that markets are very efficient (but not 100%)
- Never compromise your ethics. Ever.
 - It's a small world and word of mouth is the best (and worst) advertising
- Investing is about maximizing your **'real', 'after-tax', 'risk-adjusted'** return
 - These 3 may have different meanings to people, but it's a truism...
- Make sure you track your performance accurately

Questions??

What do you want to know?

Ask away...

While you're thinking; here are some of my favorite research locations:

www.sec.gov (you better know this...)

www.quantumonline.com (bond/preferred tool)

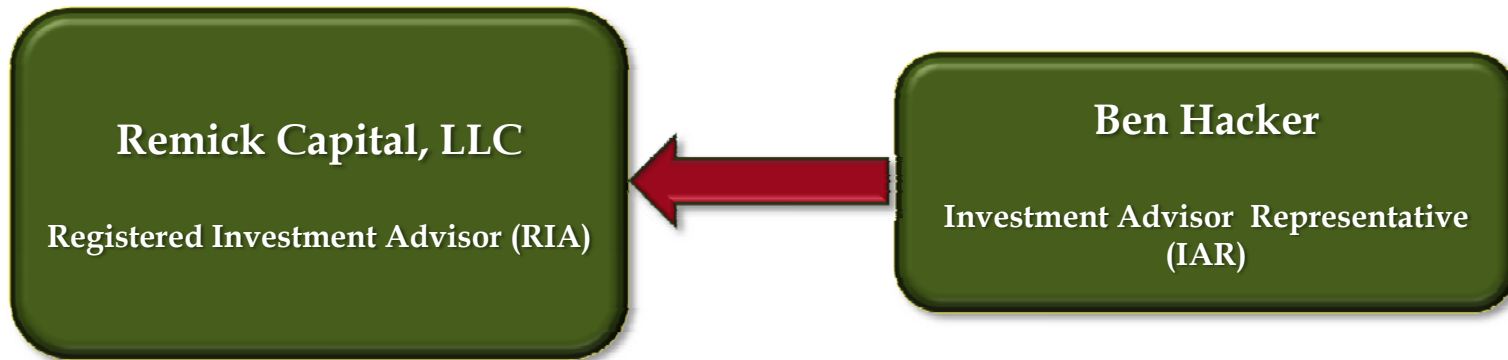
<http://moneycentral.msn.com/investor/finder/customstocks.asp> (screener)

Library (if they have Value Line...)

For more about me and my process → www.remickcapital.com

Backup

Firm Organization



- 100% owned by Ben Hacker
- Registered in State of Oregon

- Remick Capital has *one* representative
- Remick Capital is synonymous with Ben Hacker