

Remick Capital, LLC

Ben Hacker

Oregon State University - Investment Club

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Who Am I?

OSU Alum – Class of 2004 (EE, Minor in Business)

Have worked for Intel since 2004

Founded Remick Capital, LLC at the end of 2006

- Single Person LLC
- Currently manage money for ~25 clients
- AUM just over \$2m
- Charge 1.00 to 1.25% of assets as a fee

Remick Capital is a Registered Investment Advisor (RIA)

- Discretionary Investment Account management
- Not a hedge or mutual fund
- Regulated by the Oregon Securities Division

What I Do

Investment Research

- Read 10-Q's, 10-K's, run screens for ideas
- Research market structure, economics, business trends
- Study psychology and read books

Portfolio Management

- Decide on proper mix of investments, and position weightings
- Decide which stocks, bonds or option investments to buy at which prices

Day to Day Business Activities

- Accounting, performance reporting, statement creation
- Write quarterly letters and a few external blogs / research items (only occasionally)

What I Don't Do

- Insurance, financial planning, client recruitment

Approach and Process

Value-Based Approach

- Agnostic to asset allocation
- Focused portfolio
- Generally low turnover
- Independent analysis
- Go where others are unwilling to go

Investment Process

- Screening
- Reading about psychology, markets, economics, business, and anything really
- Reading 13HR filings
- Message boards with other investors
- Filter bad investment ideas quickly to find the gems

Discussion Topics

Good investments come from having an edge

- You need to understand why the person selling you shares or bonds is giving up value
- Forced selling (margin calls, client redemptions, etc)
- Uneducated (selling for non-fundamental reasons)
- Differing time horizons (does the seller value liquidity, short term performance more than you?)

Find situations where you have an edge

- Don't fall into the trap of believing you are always smarter than the next guy
- usually, the other guy is pretty smart

Valuation

- Discounted Cash Flow analysis – helpful, but don't trick yourself into false precision
- Book Value / Replacement Value – don't ever forget about this
- Why has the market traded at about 15x P/E and generated returns ~6.5% above inflation

Some Advice

General Advice

- Keep learning
- Challenge all accepted dogma
- Admit mistakes quickly; learn from them
- Separate process from outcome
- Understand the dangers of leverage
- Realize that markets are very efficient, and why sometimes they aren't
- Never compromise your ethics. Ever.
- Make sure you track your performance accurately
- Use your imagination, most major events in history were unthinkable to many
- Learn market history (for US and abroad)

Backup

Recommended Reading

"The Intelligent Investor" – B. Graham

"The Making of an American Capitalist" – R. Lowenstein

"When Genius Failed" – R. Lowenstein

"Moneyball" – M. Lewis

"Margin of Safety" – S. Klarman

"Fooled by Randomness" – N. Taleb

"The Big Short" – M. Lewis

"The First Tycoon" – T.J. Stiles

www.sumzero.com

www.valueinvestorsclub.com