GEORGIAN
CAPITAL PARTNERS

WHAT WE BELIEVE
(About Our Industry)

What is the Georgian opportunity?

- We believe that private investors need and appreciate:
  - Personal attention.
  - A clear, sustainable and enjoyable relationship.
  - Superior and dependable investment results.
  - Achieving clear objectives, income or capital growth, or both.
  - Flexibility and liquidity in their portfolios.
  - Investment fees that are fair; preferably aligned with the success of their portfolio.
  - Dealing with a firm with the best ability and integrity – combined.
- We believe that it is extremely difficult for a private investor to find a firm that satisfies these needs.

Why is this so?

- Because, surprisingly, ‘street products’ and firms are not generally in the best position to meet these needs; Specifically,
  - Mutual funds are impersonal, often large, have high fees, and entry and exit charges – usually the actual portfolio manager is unknown to the investor.
  - WRAP products are impersonal and expensive; and managed by a third party; not the broker / sales person, who represents them.
  - Brokers / investment advisors are (normally) not researchers or investment managers – the best are capable at sales of a myriad of ‘products’, rewarded by volume / activity commissions.
  - Banks are in the banking business, and are very big; with the best employees seeking promotions – not long term private relationships. Investments are large and generally through a subsidiary.

- Investment management companies: many started as independent, private groups and have now sold out to larger companies – a generational phenomenon whereby partners retire.

  The remaining good companies have succeeded in attracting sizable assets, making superior performance difficult; to the disadvantage of many clients.

What is 'the answer' for a private client?

- In brief, applying the following criteria:
  - A partner-owned, independent firm, with an experienced team, whose incentives to outperform are clear.
  - A firm of small to moderate asset size – within which the client's portfolio and total relationship are important.
  - A firm clearly knowledgeable of private clients, whose portfolios are managed to reflect their needs and specific objectives.
  - A firm (preferably) with a diverse and deep level of expertise, and a clear vision of their own business plans, and the importance of private clients within this context.
  - A firm with understandable and consistent investment beliefs and disciplines.
  - A firm with a culture of trust and teamwork, energy and ideas.

Georgian Capital Partners

This is the opportunity we see in our industry. We meet these criteria, and seek excellence. We invite your ideas and comments, as always.

David Knight
Georgian Capital Partners
Scotia Plaza
40 King Street West, Suite 3405
Toronto, ON M5H 3Y2

Tel: (416) 640-4100
www.georgiancapital.ca

January 2010