



**VISION**

*“To make the World a better place by safeguarding clients’ assets, maximizing their performance, and clearly explaining the process and the results.”*

**COMPANY OVERVIEW**

18 Asset Management is an independent investment management boutique focused on managing equities solely for institutional accounts. Clients deal directly with key decision makers as all portfolio and business decisions are made in-house. Firm leaders are industry veterans with a demonstrated ability to build strong companies and investment teams and deliver performance results. 18 AM is known for creating non-benchmark oriented portfolios with a focus on styles, and portfolio management using a systematic process. The firm is based in London, Ontario, Canada.

**POINTS OF DIFFERENTIATION**

**INDEPENDENCE**

18 AM is 100% independent. Clients benefit knowing that all business and portfolio decisions are made in-house.

**BOUTIQUE FIRM**

18 AM will remain a small company in terms of staff and clients. Being small allows us to foster a strong Culture and to provide clients with personal service.

**OUTSOURCING**

Outsourcing of non-investment activities is a strategy designed to avail 18 AM of world class expertise while managing its internal staff complement.

**NARROW CLIENT SET**

18 AM focuses solely on the institutional market. An expected client set of 20 – 40 clients allows 18 AM to provide superior client service.

**PRODUCT FOCUS**

18 AM has started with Canadian equity portfolios. A focused product strategy will be considered in the future. Fewer products mean fewer distractions.

**INVESTMENT PHILOSOPHY**

18 AM uses a systematic, disciplined investment process built on research and experience and a focus on styles.

**FUND CAPS**

A mandate’s capacity is set at a low industry level, allowing clients maximum performance opportunities.

**FEE STRUCTURE**

18 AM fees are negotiable. We will consider fees based on performance according to client preference.

**CULTURE**

**PASSION**

We are excited about the opportunity to contribute to an investment committee’s execution of their fiduciary duty, a pensioner’s ability to retire with dignity, and to a Foundation’s ability to meet or exceed their granting targets.

**CONVICTION**

We so strongly believe in our mission and our investment approach that our own money is invested alongside our clients’.

**TEAMWORK**

We are friendly, inclusive, collegial, collaborative, and respectful. We are proactive, and always act in service of others.

**RELATIONSHIPS**

We value building strong, long term relationships, with clients, with service providers, and with each other.

**EMPOWERMENT**

As an independent company, our employees know they have an impact on the company’s strategic direction and success.

**COMMUNITY INVOLVEMENT**

We are involved in our local communities. Giving back is central to our Vision of making the World a better place.

## INVESTMENT PHILOSOPHY

### STYLE FOCUS

We recognize the benefits from both style adherence and style diversification. Our portfolios are designed based on specific style considerations, so that we can offer clients investment solutions based on their style needs.

### FUNDAMENTALS MATTER

The key performance drivers of a stock are its balance sheet and income statement qualities and its risk characteristics.

### SYSTEMATIC APPROACH

With so many stocks to choose from, a systematic approach gives us the ability to gather the fundamentals, assess them and objectively determine the attractiveness of stocks versus each other. Objectivity and discipline are integral to our process.

### HUMAN JUDGEMENT MATTERS

A systematic approach needs to be complemented with “human touch” while still maintaining the discipline of the approach.

### SELL DISCIPLINE

We manage risk by selling stocks based on known factors. Our selling process is a discipline. The client benefits as we do not hold losing investments.

### INTUITIVE BEATS COMPLEX

We utilize straight-forward pure models versus esoteric and complicated. Sell disciplines maintain style adherence. Client-centric risk management metrics are used.

### RISK MANAGEMENT

Risk management is critical and must be applied at every step of the investment process. We focus on client-centric risk measures using loss-based measures instead of mathematical or statistical terms.

### TRANSACTION COST MANAGEMENT

Transaction costs need to be managed. These costs are measured, monitored and managed prior to trading and assessed after all trading processes are complete.

### MANDATE CONSTRAINTS

In our view, it is important to understand the use and limitations of mandate constraints within risk management strategies. Any constraints should be prudently established based on the mandate objectives to avoid closet indexation.

### CAPPING THE FUND

Potential returns are inversely related to the size of the Fund. Therefore, the Fund has to be capped to maximize alpha.

### FULL TRANSPARENCY

Clients have the right to know how their money is managed. Our reporting is straight-forward and answers the questions that need answering.

## CURRENT PRODUCTS

### All-Cap Canadian Equity

*Inception: August 31, 2010*

### Canadian Equity

*Inception: December 31, 2013*

*For more information on our products, please refer to the Portfolio Fact Sheets.*



**Jeff Brown, CFA**  
President & CEO



**Doug Crocker, MA Econ**  
Chairman, Advisory Committee

This document is for information purposes only.

## 18 ASSET MANAGEMENT®

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