



™ The Definitive Source of Value Investing Ideas

October 1, 2013

Dear Bulldog Investment Company Interns:

Some years ago as an undergrad at Yale I was fortunate to take David Swensen's seminar on investment management. It was there that I was introduced to some of the approaches used by great investors to generate market-beating returns while taking on no special risk. The study of various ways for finding great ideas has fascinated me because there truly are many different paths to investment success.

How is it that even though the objective of all investors is roughly the same -- to make money -- the ways to getting there *necessarily* differ? The answer lies in the fact that each of us is different, and investing is an intensely personal endeavor. Our investment approach should match as closely as possible our skills, interests, and, perhaps most importantly, temperament. Otherwise, we may be tempted to abandon the strategy at precisely the wrong moment -- when Mr. Market disagrees with us most intensely. The latter also happens to be the moment at which our prospective investment returns tend to be highest. It is only possible to stick with our approach in the face of massive opposition if we retain conviction despite Mr. Market's disagreement.

My hope is that The Manual of Ideas will assist you in finding the approach(es) which suit(s) you best. The book discusses some of the nuances of value-oriented investing, pointing out the rewards and pitfalls of each strategy. Insights from more than a hundred interviews with thought-leading investors flowed into the book.

As a student in David Swensen's class in the mid-1990s, I benefited greatly from the insights of visiting portfolio managers. Over the years, interactions with Dave Sather and other great value investors have added many new pieces of wisdom. Now it's your turn: As a student at Texas Lutheran, your investment journey is already well on the way toward long-term success. As you continue on that journey, I wish you not only success but also fun, humility, and fulfillment.

Warm regards,

John Mihaljevic

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