



## Quick Q & A Special Edition – 5th Anniversary

### **Q: Osbon Capital is five years old. What have we learned?**



### **A: Service never goes out of style.**

An anniversary can be an ideal time to catch your breath and reflect on past accomplishments. But in the money management world, opportunities to relax are few and far between. Our 5th anniversary in early May was greeted with a quick 7 percent slide in the Dow in five days. Happy anniversary!

Abrupt changes in the markets have been a theme through our formative years, as the Dow graphic above demonstrates. We’ve seen 14,000, 6,500 and everything in between. But there’s much more to our five year history than the turbulent market. We can’t control markets, but we can control how we build portfolios, serve our clients, and plan for the future.

**Osbon Capital is small in size, but rich in resources.** Our goal has been “excellence,” not to be the biggest or fastest growing money management firm. We are not interested in bragging rights that come from big headcounts and legions of clients. Our index investment strategy is expandable to any level of assets under management, but we are committed to keeping our client list short, select, and well-served. I don’t want so many clients that I must add so-called client service managers to respond to client needs, or sales people to propel growth. Our growth strategy is investment



compounding and client referral. Real client care is not scalable like an assembly line. I thrive on my everyday personal and professional contact with clients. It's a true boutique firm and I wouldn't have it any other way.

**Osbon Capital is a private firm for private clients.** The company is closely held in my family and has no debt. We are beholden to no external shareholders, nor to the grow-or-go sales quotas seen in many larger firms. In the last five years, we've seen the dangers of public ownership on Wall Street, and I saw the disconnects between client and owner interests when I worked at large public firms before I formed Osbon Capital. Debt can exacerbate these disconnects, potentially elevating lenders above clients. We're not interested in that business model.

**Osbon Capital thinks long term.** As I look ahead, I have many plans, but no plans for exit. Our clients come to us with generational aspirations and time horizons. That's our outlook as well. It perplexes me to see money management firms built on a premise of fast growth followed by acquisition or merger, when clients expect and value longevity and stability in their relationships with trusted advisors. I expect you agree.

A lot has happened in five years. For instance, our son Max has departed for college, earned his degree, and accepted a job with Bloomberg in New York City. Maybe someday he'll take the helm here, or perhaps our daughter Victoria, a budding lemonade entrepreneur at age 11.

That's it for my anniversary musing – private, small, built for service and here for the long term. Sounds like a plan.

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**Next time:** Can investors control risk?

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*Chart and data from CNBC.com, reflecting daily closing values of DJIA for five years ending June 1, 2010.*

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