



A Clear Look at Transparency ***Transparency isn't just for publicly traded companies***

Over the last few years, the word “transparency” has become a staple of the investment vocabulary. In this post-Enron-Worldcom-Adelphia era, investors, analysts and regulators have called upon corporate leaders to, simply, tell it like it is.

Transparency is really nothing more than what-you-see-is-what-you-get (WYSIWYG). For publicly traded corporations, it means financial statements and forecasts that clarify, not obscure, what is really happening in the business. It means disclosing real or potential conflicts of interest. It means sharing the straight scoop even in the absence of shareholder lawsuits, a throng of reporters or Congressional subpoenas. It means more cotton and less spin.

There's no question that WYSIWYG is a good thing for investors seeking to make informed, rational portfolio decisions. After just a few years of this movement, we can see unequivocal progress. For large, publicly traded companies, WYS is, more than ever, WYG.

Taking transparency farther

This progress is an important step in the right direction. As a private family investment office, we'd like to see the investment management industry make similar strides toward complete transparency. We believe that investors, making high value, multi-generational financial decisions, deserve clear and unspun information not only from companies that issue stocks and bonds, but also from providers of investment services.

We believe in an open door, open book, no surprises approach to wealth management. We demand this of the money managers, brokers and other service providers we work with. And our clients should expect and demand the same of Osbon Capital.

Beyond blind faith

As consumers, we strive for WYSIWYG on a daily basis. When we find a mechanic or plumber whom we can trust for clear explanations, reliable solutions, and pricing that's in line with the value delivered, we hold on tight.



It is self-evident that providers of investment services – money management, brokerage, research, and investment products – should meet the same, if not higher, standards for accountability as plumbers and mechanics. Still, few investors demand a high level of transparency from their providers. In general, investors know relatively little about what happens behind the tall dark drapes that surround the investment industry.

Wealthy individuals tend to trust on somewhat blind faith that service providers have client interests at heart. In some cases blind faith is rewarded with fantastic service and excellent value. In other cases investors:

- Pay for services they don't need or use,
- Are persuaded into proprietary products when equivalent or superior products are available at lower costs,
- Fund legal – but unconscionable – kickbacks from brokers to investment advisors, or
- Pay markups without any accompanying benefit.

The OCM Difference

The pursuit of transparency could be a powerful marketing message for a wealth management business, but at Osbon Capital Management, it is much more.

OCM was created as the family investment office for John Osbon and his family. The family's assets are invested solely by OCM in accord with the principles of the firm. So the owner of the business has a vested and deeply personal interest in transparency and the protection of value it provides.

The symmetry of interests between OCM and our clients is complete. By selecting investment service providers who offer impeccable service and expertise without hidden agendas and potential conflicts of interest, OCM protects both the Osbon family and all clients of the business.

At OCM, we don't believe blind faith is a valid basis for any investment decision. We believe in rigorous due diligence. We painstakingly research all entities with which we do business, selecting only those that share our commitment to transparent operation and clear value. Our research explores much more than costs. We seek partners we can trust. We seek providers who dismiss dubious industry practices such as kickbacks and soft dollar remuneration. We seek firms at the leading edge of technology and information.

This due diligence effort is time-consuming, but pays a tremendous benefit: an end to that uneasy feeling that the faint noise in the background is the sound of one's own lunch being eaten by a supposed ally.



A prime example

Breckinridge Capital is a value-driven, transparent provider that we are pleased to utilize for our clients. Breckinridge manages customized municipal portfolios at a fee that is in line with the lowest cost, uncustomized mutual funds. Bonds are acquired at favorable prices, thanks to the firm’s buying power, extensive buyer/seller network, and information edge. Most importantly, Breckinridge places bonds directly into client accounts with no markup. While this practice seems like the only reasonable way to serve clients, it contrasts with standard investment banking policies that include undisclosed markups on bonds as they enter investor accounts.

By identifying and working only with providers – like Breckinridge – that share our belief in transparency and fair and equitable treatment for all clients, Osbon Capital is part of an important movement in the wealth management industry. Call it WYWIWYG: what-you-want-is-what-you-get.

Transparent	Not transparent
Fees only for services delivered	Artificial bundling of services, such as trading and research making it impossible to pay strictly for services used
Selection of securities based solely on price, performance and risk/return characteristics	Limited or conditional access to some securities; or persuasion to choose proprietary investment products
Execution of trades at best available price, with no markup	Execution of trades at one price, and placement of securities into client account at a higher price
Commission-free trades	Commissions and ‘soft dollar’ arrangements
Market-driven arms-length transactions	Transactions between related parties creating real or potential conflicts of interest

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