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## Value Investing Standards

### Buy Cheap

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A true value investment exists when a company's stock can be bought substantially below its value if it were a private company. We want to invest when we judge a security to be selling at a discount.

### Buy Safe

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Value Investing means identifying investments that are cheap but not weak. We look for companies with strong financials, competent professional management and strong relative competitive positions. In short, we seek companies currently out of favor but which are positioned to prosper over the long term.

### Buy With Knowledge

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Value Investing requires an in-depth understanding of the companies we invest in. We only follow companies with businesses we understand. We only invest in companies we have thoroughly researched. At Lakeshore our investment decisions are based on our own bottom-up proprietary research.

### Buy On Merit Not Market

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True Value Investing focuses on the company and its long-term prospects, ignoring short-term general market conditions.

### Hold for the Long Term

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We buy companies we believe are positioned to prosper over the long term and we will hold them indefinitely if they perform. We take our time when we take a position, but once we do, we will buy without regard to short-term market movements, often averaging down as we build a position.

### Portfolios Are Concentrated

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Since we are not trying to buy the market but in-depth researched companies, there is less need to diversify.

### Sell Strategy

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Typically stocks are held indefinitely. We only sell if our original thesis is impaired, performance outstrips fundamentals or if there is a market event, i.e., a merger, acquisition, etc.