

WISE CAPITAL MANAGEMENT

Opportunities in
long-term investment







A leading money manager of pension funds and high net worth clients, Wise Capital Management has experienced significant operational growth in recent years. Today, Wise Capital Management manages more than \$175 million in assets.

SAM WISEMAN, CHIEF Investment Officer, one of the company's founders lauded with years of industry experience, took his unique market strategies to build Wise Capital Management. The firm was formed in late 2000, began bringing in client money in 2001 and has added institutional accounts since 2005.



Since that time, Wise Capital Management has multiplied its assets under management several times. “We’ve been on the up and up even with the recent market downturn,” Wiseman beamed.

Wiseman now owns 100 per cent of the company, having previously bought out his former partners.

Wise investment philosophy

The investment philosophy at Wise Capital Management involves sufficient diversification. More specifically, the company tends to own securities across every major sector of its portfolios, Canadian or global. “Most Canadian managers do not diversify enough and contain risk blind spots.”

“We’ll try to hold the best securities that fit

our criteria at that time, so that is very important. We don’t chase the sectors that are popular at the time,” Wiseman explained. “We are long-term investors, we look ahead five years when we look at companies and that enables us to take a longer term view of the market when we are finding opportunities.

And as value managers, Wise Capital Management differentiates itself with its “quantitative approach with a fundamental overlay”, adding, “There is no one else in Canada who does that.”

“That of course is paid off with high, long-run returns. We are not trying to be just an average manager in every period; we are trying to, over the long term, have the best performance.”

As a long-term investor, Wise Capital Management looks for long-term opportunities and,



recently as the price of commodities, like oil, became too cheap to fuel long-run demand, the company bought during this time because these prices became very cheap. As such, in 2008, Wise Capital Management didn't "run and sit on cash", and although the company performed worse during this time, it has been "probably the best manager in country since that time", according to its statistics.

"We're long-run investors and we'll take that volatility if necessary because that's where the value is," Wiseman said.

Competitive landscape

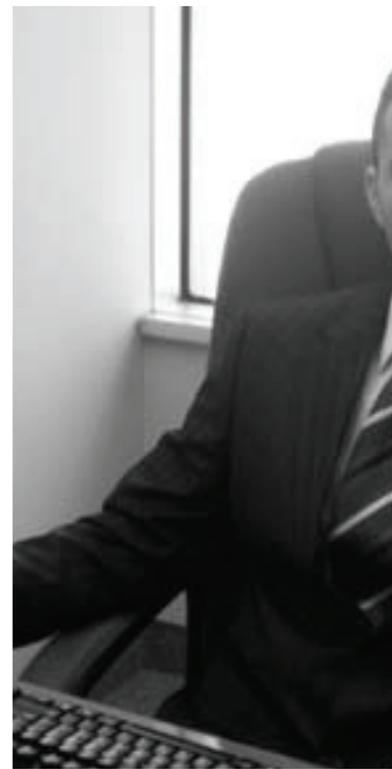
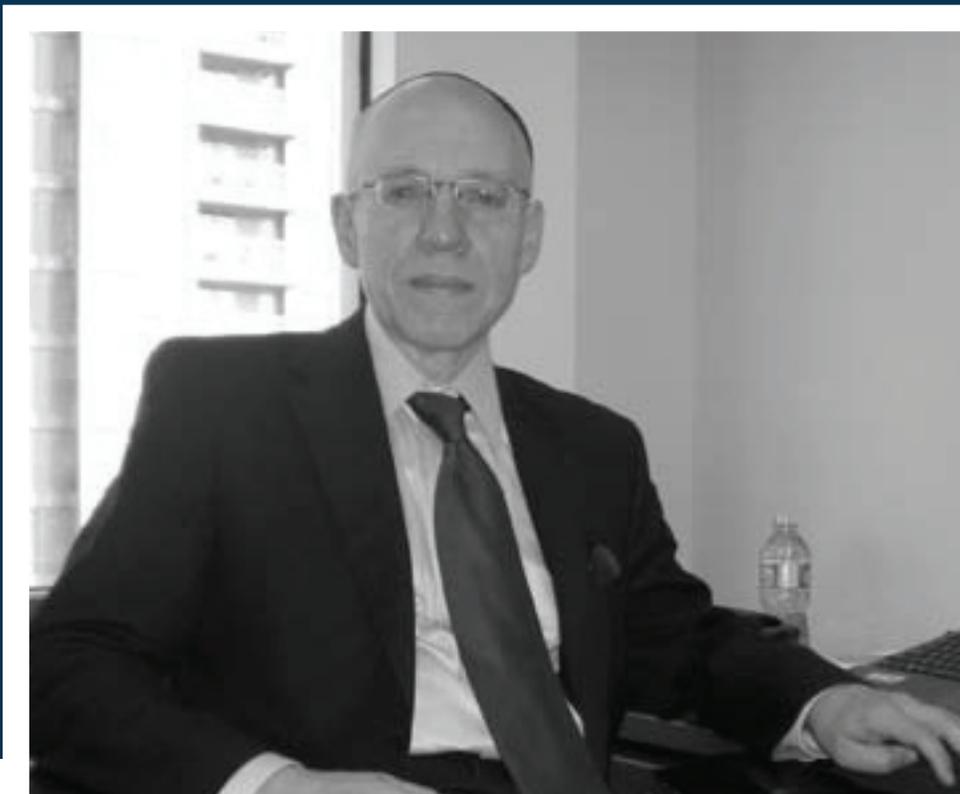
While the clientele base of Wise Capital Management is open, as a portfolio manager the company specializes in pension funds, which makes up the

majority of its assets, and high net worth, wealthy individuals, the majority of its clients.

"We have complete discretion and portfolio managers of our calibre have a very consistent strategy and public track record," Wiseman added. "Brokers cannot possibly have a public track record because they are always doing something different for everybody all the time, and have to get permission for every trade.

"We're completely different than brokers, which are primarily transactions oriented even if they are fee-based. As a portfolio manager, we take a fixed fee, all our costs are open, and we cannot take any brokerage commissions, so we farm everything out to institutional brokerage desks."

Perhaps an element that served as a more



SAM WISEMAN

significant competitive edge for Wise Capital Management was that the economic recession had little impact on the company's growth.

"We possibly no economic recession in Canada and, given my long history, I've seen recessions such as this erased from the books when they revise things out years later," Wiseman said. "I'm not sure if there was a recession in Canada, but all markets did get sucked into the global down draft which took place in late 2008."

Future goals, future growth

With the growth it has experienced in recent years,

Wise Capital Management looks to continue this trend in the years ahead.

"We plan to concentrate on our main channels, which is to continue to add institutional money and clients, and secondly, that we will take in high net worth clients, however we will be raising our minimum as well as interviewing the clients to make sure it is a good fit," Wiseman explained. "We want to make sure we are taking in the right kind of clients that meet our philosophy."

That philosophy includes serving clients who offer a solid time frame for equity strategies to work out, clients who are patient investors, and