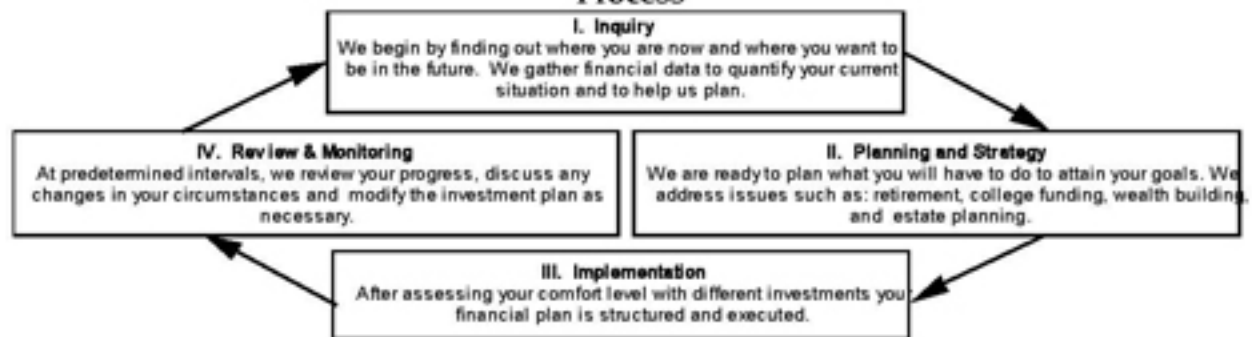


## The Process



## INVESTMENT PHILOSOPHY

Investing is a process, not a one-time event! Investing requires patience and discipline. Investing is not chasing the yield or the latest office gossip. Investing understands that the market performs in cycles. Attempting to time the movement in and out of a market according to those cycles is at best a guessing game. Keep it simple! Invest in good quality companies that have demonstrated a long track record of earnings growth, have solid and experienced management, clean balance sheets that do not utilize unusual accounting methods, and innovative and proven products.

For the patient investor, the capital markets are an excellent method for the creation of wealth over time. Unfortunately, many people are afraid of the stock market because of previous experiences caused by one or more common errors. Part of our responsibility is to *educate* clients on how to invest successfully in the stock market and to help them avoid those common errors.

Whether we like it or, not all investments have some element of risk. Risk can take on many shapes: market risk, opportunity risk, company risk, inflation risk, etc. Understanding and controlling risk can create opportunities. While we can't eliminate risk, we can develop appropriate strategies for reducing portfolio risk that will keep you on the right track. TCM believes that you must be an active owner of assets and investments must be based upon sound fundamentals given certain economic factors.

- Define your *needs* and tolerance for risk
- Set realistic goals and avoid those investments that are currently popular or promise too much.
- Be *resolute*. Emotional decision-making and attempts to "time" the market often cause losses.
- *Time in the market* is more important than timing of the market.
- Every investment has risks; *understand* the risks associated with each investment as well as the rewards.
- Understand the elements of each investment and how it fits into your portfolio strategy.
- Capital preservation must take precedence over capital appreciation.