



## A Peek into the PRIME QUADRANT®

We are pleased to announce our two new speakers for this year's Prime Quadrant Conference.



*Tom Claugus is the Founder, President and Senior Portfolio Manager of GMT Capital, one of the best performing funds over the past 23 years. Tom also founded and continues to serve as chairman of GMT Exploration LLC.*



*Dan Gardner is an award-winning journalist and best-selling author of *Superforecasting: The Art and Science of Prediction*, *Future Babble*, and *Risk: The Science and Politics of Fear*.*

### Upcoming Investor IQ Series

May 25, 2016:  
A Primer on Risk  
**(RSVP quick. Limited spots available.)**

June 28, 2016:  
Investment Lessons From Fraud

July 14, 2016:  
Common Investment Mistakes

August 15, 2016:  
Manager Selection Workshop: Part 1

September 20, 2016:  
Manager Selection Workshop: Part 2

**JOIN US ON NOVEMBER 2, 2016.**

To reserve your spot, email [reva@primequadrant.com](mailto:reva@primequadrant.com).

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### STORIES OF INTEREST

#### [The Munger Operating System](#)

Legendary investor and polymath Charlie Munger shares his insights on how to live a life that really works.

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### What is the PQ?

In financial terms, the Prime Quadrant is the optimal zone in which you achieve the

## [Is your hairdresser more educated than your financial adviser?](#)

In the U.S., the minimum level of education needed to become a broker or investment adviser is lower than the education requirement needed to become a hairdresser or an electrician. In Canada, we're not much better.

## [Performance vs. Outcomes](#)

In a world where analysts focus so much time on analyzing performance, it's no wonder we struggle to predict outcomes, or even distinguish the two.

## [How to Be Wrong as an Investor](#)

As George Soros once said, "I'm only rich because I know when I'm wrong. I basically survived by recognizing my mistakes."

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## THE WAY WE SEE IT

*Apropos to our last article, below is an excerpt from Sam Hinkie's letter of resignation, former General Manager and President of Basketball Operations of the Philadelphia 76ers.*

### The importance of intellectual humility



Lifelong learning is where it's at. To walk down that path requires a deep-seated humility about a) what's knowable, and b) what each of us know. We hire for this aggressively. We celebrate this internally. And we've been known to punish when we find it woefully lacking.

We talk a great deal about being curious, not critical. About asking the question until you understand something truly. About not being afraid to ask the obvious question that everyone else seems to know the answer to. And about the willingness to say three simple words, "I don't know."

Tesla's Elon Musk describes his everyday stance as, "You should take the approach that you're wrong. Your goal is to be less wrong." The physicist James Clerk Maxwell described it as a "thoroughly conscious ignorance—the prelude to every real advance in science." Bill James of the Boston Red Sox added a little flair when asked whether the learnings available via

highest return per unit of risk.



Being in the Prime Quadrant requires seeing the big picture and making intelligent choices, from among all investment options and strategies, to best meet your goals.

**Prime Quadrant is an investment research and consulting firm that helps high-net-worth Canadians make better investment decisions.**

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[In Search of the Prime Quadrant: The Quest for Better Investment Decisions](#) is now available at Amazon, Barnes & Noble and Indigo.

examining evidence were exhausted: “we’ve only taken a bucket of knowledge from a sea of ignorance.”

*"You should take the approach that you're wrong.  
Your goal is to be less wrong."*

- Elon Musk

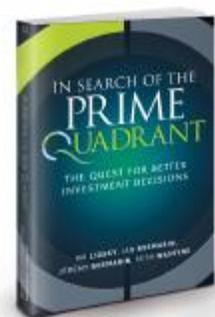
A way to prop up this kind of humility is to keep score. Use a decision journal. Write in your own words what you think will happen and why before a decision. Refer back to it later. See if you were right, and for the right reasons (think Bill Belichick’s famous 4th down decision against Indianapolis in 2009 which summarizes to: good decision, didn’t work). Reading your own past reasoning in your own words in your own handwriting time after time causes the tides of humility to gather at your feet. I’m often in waist-deep water here.

The other reason to keep track yourself is you’re often the only one to see the most insidious type of errors, the ones the narrative generating parts of our lizard brains storytell their way around—errors of omission. You don’t have a wobbly understanding of just the things you got wrong, but [even] the things you got right but [just] not right enough.

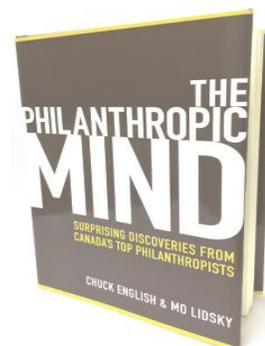
To read the rest of the letter, click [here](#).

**“More important than the will to win is the will to prepare.”**

**- Charlie Munger**



[The Philanthropic Mind](#) is also available on Amazon, Indigo and Barnes & Noble.



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