



A Peek into the PRIME QUADRANT®

We are pleased to announce two new speakers who will be joining the Prime Quadrant Conference on November 2, 2016.

Only 300 seats remain. To request an invitation, click [here](#).



MARY SCHAPIRO

Mary Schapiro served as the 29th Chairman of the United States Securities and Exchange Commission (SEC). She was the first woman to serve as SEC Chairman, and the only person to have served as Chairman of both the SEC and the Commodity Futures Trading Commission (CFTC). Mary has also served as CEO of the Financial Industry Regulatory Authority. She is currently serving on the boards of General Electric, the Promontory Financial Group, and the London Stock Exchange. .



PIERRE LASSONDE

Pierre Lassonde co-founded Franco-Nevada Mining Corporation in 1982. The company was acquired by Newmont Mining Corp in February 2002 and Pierre became President and Vice Chairman in 2007. He served as Chairman of the World Gold Council from 2005 to 2009. In 2008, Pierre led an investors group bringing back Franco-Nevada to the public market with a \$1.2B IPO and became its Chairman. The current market capitalization of Franco-Nevada is over \$5B.

Upcoming Investor IQ Series

July 14, 2016:
Investment Lessons From Fraud

August 15, 2016:
Common Investment Mistakes

September 20, 2016:
Manager Selection Workshop

What is the PQ?

In financial terms, the Prime Quadrant is the optimal zone in which you achieve the highest return per unit of risk.

STORIES OF INTEREST

[Superforecasting for Active Investors](#)

What separates skilled investors from unskilled ones?
Humility and open-mindedness.

[The "No" Advisor](#)

The latest stunt in financial services: self-directed investors, who are now looking to hire "validators."

[Multitasking: Giving The World an Advantage It Shouldn't Have](#)

"If you don't know how to think, you'll always be a one-legged man in an ass-kicking contest." - Charlie Munger

[Building Failure Into Your Success](#)

"Winners are comfortable admitting to themselves what they don't know."

THE WAY WE SEE IT

This past week, we hosted one of our IQ Series, on the topic "A Primer on Risk." Below is an excerpt from Mo Lidsky's presentation.

The 5 P's of Risk Management

Purpose

One of the most effective ways of managing your personal risk is ensuring that there's absolute clarity on one's own needs, aspirations, and the various dimensions of risk.

- *Risk appetite*: Figure out how much risk is required to get what you want (i.e. required rate of return).
- *Risk tolerance*: Figure out how much risk you can actually stomach (i.e. volatility you can put up with).
- *Risk budget*: Based on tolerance and appetite, decide on how much risk you will actually take (i.e. liquidity).
- *Risk management*: Ensure that the risks you've budgeted for are not being exceeded.

Price

Besides failing to diversify among good opportunities, one of the unhealthiest risks investors can take on is overpaying. When you underpay for an asset, you reduce the amount you could lose if it performs poorly. Conversely, when you overpay, you increase your risk of losing capital. While risk is



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.

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

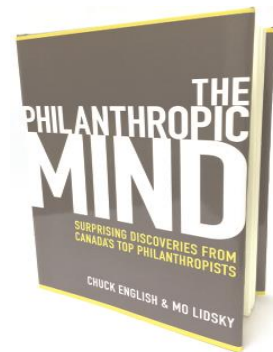
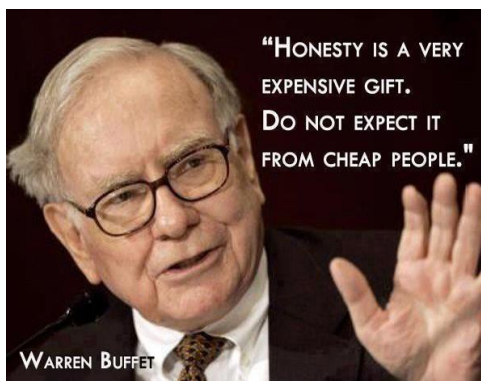


[The Philanthropic Mind](#) is also available on Amazon, Indigo and Barnes & Noble.

not always properly priced into an asset, risk is always a function of price.

People

Partnering with good people is one of the best risk-mitigating strategies. Likewise, partnering with disingenuous or corrupt individuals may be the most efficient way to compromise your capital.



Patience

The more time you have the less likely the vagaries of the market will affect you. As well, avoiding making any decisions in a hurry allows investors time to think things through, consider all the alternatives and make the best decision among them.

Prudence

Prudence involves only taking risks which pay you, but don't kill you. The risks of playing Russian Roulette may be lucrative but it can also end your life. Conversely, overpaying for a good asset may not end you, but it certainly won't pay you. Prudent risks always demand both criteria.

"An investment in knowledge pays the best interest."

- Benjamin Franklin



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