



## A Peek into the PRIME QUADRANT®

**PLEASE JOIN US**

**THE PRIME QUADRANT CONFERENCE**

**2015**

**NOVEMBER 12, 2015**  
9:00am – 6:00pm  
Arcadian Court

**SOME OF OUR SPEAKERS**

 <p><b>SAM ZELL</b> Founder and Chairman of Equity Group, pioneer of the modern commercial real estate industry</p>	 <p><b>LEON BLACK</b> Founder, Chairman and Chief Executive Officer of Apollo Global Management</p>	 <p><b>MARC LASRY</b> Co-Founder and Chief Executive Officer of Avenue Capital Group</p>	 <p><b>JACK C. BOGLE</b> Founder and Chairman of Vanguard, creator of the first index fund</p>
 <p><b>PAMELA MEYER</b> Deception detection expert and bestselling author of <i>Liespotting</i></p>	 <p><b>WILLIAM N. THORNDIKE JR.</b> Bestselling author, Founder and Managing Director of Housatonic Partners</p>	 <p><b>CANDIDA WOLFF</b> Executive Vice President and Head of Global Government Affairs of Citigroup</p>	 <p><b>JOHN BADER</b> Chairman and Chief Investment Officer of Halcyon Asset Management</p>

### Upcoming Events

#### Investor IQ Series

September 2:  
*A Primer on Cash as an Asset Class*  
(Only 1 seat remaining)

November 12:  
**The Prime Quadrant Conference**

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### 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.



*The Prime Quadrant Conference is quickly filling up! To avoid disappointment, [REGISTER TODAY](#) to reserve your spot or call (416) 324-5416 for more information.*

## STORIES OF INTEREST

### [Your Troublemaker May Be Your Best Investment](#)

New research suggests that your rebellious kids will grow up to out-earn the docile ones.

### [The Truth About the Death of Cash](#)

Many have predicted the eventual demise of cash. Is there any truth to it, and why does it matter?

### [Long-Term Investors Keep it Real](#)

When it comes to real assets, why investors (not just the managers) need to think in competitive terms.

### [Time is an Investor's Ally, Not an Enemy](#)

Humans have difficulty letting time work on their behalf, and the tendency to prognosticate doesn't help.

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](#) now available at Amazon, Barnes & Noble and Indigo.

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## THE WAY WE SEE IT

### Muddy Investment Lessons



*An excerpt from a longer post written by Mo Lidsky*

My wife said, “Don’t do it!” My kids said, “Don’t go.” My partners said “You’re out of your mind”. Yet, I ignored their voices of reason. I even roped in four daring (and slightly reckless) colleagues to join me. There we stood, at the sunny foothill of Mount St. Louis, facing our first ever Tough Mudder.

For the uninformed, Tough Mudder is an endurance competition, in which participants attempt to overcome 22 military style obstacles along a 17 km



run through the peaks and valleys of a ski resort north of Barrie, Ontario.

Quite remarkably, and to the shock of all those that know me, I completed the course, even with time to spare to watch the stragglers, who were (inexplicably) more pitiful than me. The days following this grueling challenge included much limping and dragging my bruised little body around, as it was still revolting against the torment it endured. A friend witnessed this sad sight and asked, “So what did you get out of it?” It was a great question. I was about to reply with a pithy, ‘teamwork’, ‘good experience’, ‘great exercise’ or some other cliché. But decided to consider what lessons I actually took from this experience, lessons which I could bring into my daily life as an investor, partner and an advisor to other investors.

I shared with him five investment insights that I gleaned through my mud-drenched ordeal.  
*(For anyone interested in the full copy of this posting, please email [mo@primequadrant.com](mailto:mo@primequadrant.com))*

The last of these insights occurred to me as my team and I approached the finish line. There was only one challenge standing between us and the cold beer dispensed to those completing the course. On the surface, the last obstacle seemed rather mild - a short sprint through a series of gates and a wet patch of mud. Though, what hung from the top of those gates were live electric wires, doling out 10,000 volt shocks to each of the crazy participants that run through.

Until then, I was mentally prepared for every obstacle. They may have been challenging, but they were knowable. I knew what was involved in traversing countless monkey bars, scaling up a high wall, carrying massive logs, squeezing through tight crevices or diving into ice water. This obstacle, however, aptly named Electroshock Therapy, was different. This challenge introduced the fear of the unknown.

What is the effect of having 10,000 volts run through your body? What if I trip and fall or get tangled in the

wires? Is my heartburn from last night's dinner the "pre-existing heart condition" they warn about?

Thankfully, I was able to cast aside these anxieties and charge ahead. After experiencing a mild shock and temporarily losing feeling in my right leg, I emerged on the other end -triumphantly, high-fiving the members of my team that (perhaps naively) followed me into this ordeal.

This experience reminded me that some investors, when excited about an opportunity, tend to overvalue their prospects of success. This is what psychologists have referred to as the *optimism bias*. Conversely, others are paralyzed by the unknown, failing to act because they can't perfectly foresee the future.

Clients are often asking us, "Are you sure about this?" To which we usually respond that, "The only thing we are sure about is that there is nothing we are sure about." Yes, we must do all the planning, analysis and due diligence that we possibly can. Though, once that is complete, the last step is having the courage to act upon the information, despite the fact that the outcome cannot be known with certainty.

By definition, investing has an element of unpredictability and the future is unknowable. Failing to accept reality will leave investors paralyzed in front of what may just be a short final sprint, over a small patch of mud, with the risk of nothing but the unknown ahead.

Muddily yours,

Mo Lidsky

**"The greatest good you can do for another is not just to share your riches, but to reveal to him his own." — Disraeli**



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**PRIME QUADRANT®**  
BETTER INVESTMENT DECISIONS

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