



A Peek into the PRIME QUADRANT®

We are pleased to announce that Mario Gabelli, Chairman & CEO of GAMCO, will be joining us for our 2017 Prime Quadrant Conference.

11.1.2017

Save the date and stay tuned for more announcements!

pqconference.com



Mario J Gabelli

Mario J. Gabelli is Chairman and Chief Executive Officer of GAMCO, a publicly listed global financial firm, managing over \$40 billion. Among his many awards, Mario Gabelli has been recognized as Morningstar's Portfolio Manager of the Year, Institutional Investor's Money Manager of the Year, and a member of Barron's Financial Magazine's All Star Century Team. Gabelli has been a frequent commentator on CNBC, Bloomberg, CNN, and Louis Rukeyser's Wall Street, and he has been featured by Institutional Investor, Business Week, Fortune, Forbes, Money, and Changing Times. As a member of the Forbes 400, Gabelli is also deeply passionate about giving back and serving as a member of the Board of Columbia University, Boston College, Roger Williams University, the American-Italian Cancer Foundation.

Upcoming Investor IQ Workshops

March 8, 2017:
Investment Planning

April 25, 2017:
Diversification

May 25, 2017:
Performance Measurement

June 28, 2017:
Financial Fees

July 19, 2017:
Gold & Commodities

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

[The Power of Brutal Honesty](#)

Trust the surgeon who admits his errors, not the one who claims he doesn't make any.

[The Hierarchy of Investment Difficulty](#)

There are thousands of stocks to choose from and the probability that you can consistently pick the best ones is extremely low.

[Think Savvy Business Owners Make Savvy Public Investors? Not Necessarily](#)

Why do accomplished and rational owners become emotional (and often inferior) investors?

[Expert Opinion](#)

In another great Howard Marks memo, he reiterates the truism that there are no facts about the future, just opinions. [Caveat: it's a long but worthy read]

THE WAY WE SEE IT

Below is an article written by Mo Lidsky, Partner and Senior Managing Director at Prime Quadrant.

[The Brilliance of Avoiding Stupidity](#)

He has repeatedly claimed that his wealth is largely due to his ability to avoid mistakes rather than identify opportunities.

While I am somewhat skeptical about Warren Buffett's humble assertion, it is true that avoiding danger and removing harm - i.e. being less stupid - is generally safer than intervention, which may have side effects and unintended consequences.

Buffett's partner, Charlie Munger, made the same point in a letter to Wesco Shareholders, where Charlie was Chairman at the time. He wrote, "Wesco continues to...

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.

Mo Lidsky's most recent book [Partners in Preservation: How to Know your Advisor is Truly Protecting your Wealth](#) is now available on Amazon!



PARTNERS IN PRESERVATION

HOW TO KNOW YOUR ADVISOR IS TRULY PROTECTING YOUR WEALTH

MO LIDSKY

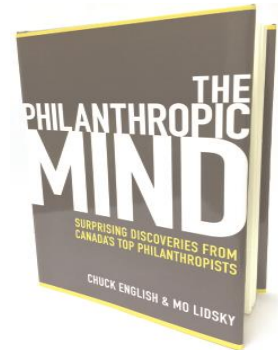
[In Search of the Prime Quadrant: The Quest for Better Investment Decisions](#) is available at Amazon, Barnes & Noble and Indigo.



profit from always remembering the obvious [rather] than from grasping the esoteric... It is remarkable how much long-term advantage people like us have gotten by trying to be consistently not stupid, instead of trying to be very intelligent.”

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

The German mathematician, Carl Gustav Jacob Jacobi, is often quoted for saying, “invert, always invert”, suggesting that solving difficult problems or making important decisions may require an inversion of perspective. That which cannot be grasped forward may be deciphered when viewed backward.



Blogger Shane Parish recommends this simple tactic. “Think about what makes life good. Now, invert the process and think about what would make life bad. Knowing what would make life bad gives you a shortlist of what to sidestep.” Thinking either forward or backward can result in action. However, thinking in both directions can reduce the likelihood of harm and folly.

People always try and mimic successful people. In reality, you can learn more from those who went bankrupt in the global financial crisis than from those who made fortunes in the preceding bubble.

It is said that ‘common sense’ is one of most oxymoronic expressions, since it is anything but common, and foolishness is far more pervasive. Thereby, merely learning to sidestep foolishness can actually put you ahead of the pack.

However, since the economic machine of most industries does not profit by avoiding and removing, only by adding or acquiring something, few are incentivized to advocate for the subtraction of stupidity. This is particularly pervasive in financial services.

Thanks to the uniqueness of our conflict-free business model, we have tried to instill best-practices of both addition (i.e. intelligent intervention) and subtraction (i.e.

avoiding stupidity) in our culture. And the results speak for themselves.

Through the postings ahead, I will share some of the most commonly-made investment mistakes in the hope that it will help you make better investment decisions.

“A majority of life's errors are caused by forgetting what one is really trying to do.”

- Charlie Munger



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