

We Seek “TIP-Quality” Businesses

COMPANIES THAT MEET OUR INVESTMENT CRITERIA ARE RARE

Generally, TIP-Quality Businesses share the following characteristics that we believe will allow us to earn above-average rates of return for our clients, with below-average risk over time:



- Returns on owners’ capital above cost and a history of consistent revenue and free cash flow growth
- Expanding competitive advantages in a growing industry
- Attractive reinvestment opportunities independent of the macro-economic environment



- Ownership of the right businesses is our first line of defense against bad investment outcomes
- Correlation analysis to determine if we are being appropriately compensated for active risks
- Conservative capital structures able to withstand various interest rate environments and downturns



- Our trust is not given; each management team needs to earn it
- Proven ability to allocate capital in ways that maximize value per share
- Reasonable compensation and incentive structures tied to the long-term success of the business