

# OUR MISSION STATEMENT

To achieve outstanding risk-adjusted  
performance while providing  
unequaled, personalized service.



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## *Preface*

Benjamin Graham is considered the father of value investing. With the publication of *Security Analysis* in 1934, the book he co-authored with David Dodd, he is credited with establishing security analysis as a profession. In the following pages, we will introduce you to our firm and share our approach to value investing. While we are always striving to improve upon our approach, the basic principles established over 70 years ago serve as our foundation.

Too often the business of investing is known for fads, fashions, volatility, bubbles, and missteps – all of which can be detrimental to investors. We depend on our process to remain objective and believe that EBS’s cohesive, consistent, and business-like approach to investing is an asset that gains value each year.

Intelligent investing is as simple as finding good businesses, run by talented and honest people, for sale at attractive prices. We believe when properly executed, this basic strategy produces superior long-term returns with less risk to the investor. Our pledge to both current and future clients is to never lose sight of the factors that, in our view, produce favorable long-term results.

We recognize that performance and service are the lifeblood of EBS. Our high standard for both requires a continual commitment to people and resources... a commitment we take seriously. Not all investment decisions will work out. Learning from the past and adapting future behavior

is critical. We study hard and learn from lessons of yesteryear, striving to become even better investors with time.

EBS is the result of friends founding a business based on honesty, trust, and integrity. We are an open book and will gladly invest as much time and energy as needed to ensure we are a good fit with a client's investment needs.

We hope you find the pages that follow both informative and thought-provoking.

Dayton, Ohio  
The Principals  
2008

## *Introduction*

Eubel Brady & Suttman Asset Management, Inc. (“EBS”) began with a vision: a disciplined investment philosophy executed consistently over time is the key to successful investment management. Ron Eubel, Mark Brady, and Rob Suttman were convinced that making this vision a reality required a long-term focus and an unwavering commitment to the investment process. Having already worked as a team for nearly ten years, they recognized they shared this vision, and so, in 1993 they founded their own firm. They also knew that their business could only be a success if it were based on the highest standards of integrity and client service. They put their names on the door to underline this very personal promise.

EBS’s principals and employees have taken that initial dedication to integrity, discipline, and consistency, and have woven it into every aspect of EBS’s business.

*Throughout this book we have included some thought-provoking questions that are intended to help you understand your own feelings/beliefs related to investing. If you take the time to seriously consider these questions, you will have a greater understanding of your own investing “style.”*

## The Early Years

In 1982, Ron Eubel was given an assignment by the Dayton-based investment management firm for which he worked: develop an in-house investment strategy that would consistently outperform the S&P 500 while minimizing the risk of a permanent loss of invested capital. Being fresh out of college and not aligned with any particular investment discipline, Ron dedicated the next two years to researching various strategies used by successful investors. In his research, he was especially drawn to the work of Columbia University professor and investor Benjamin Graham. Of particular interest was the success that many of Mr. Graham's disciples achieved in utilizing his "value" approach to investing. These included Warren Buffett (Berkshire Hathaway), Christopher Browne (Tweedy, Browne), Bill Ruane (Sequoia Fund), Charlie Munger (Wesco Financial Corporation), and Walter Schloss (WJS Limited Partners).

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***"Investment is most intelligent when it is most businesslike."***

*– Benjamin Graham*

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Ron noted that, while many investors focused on buying stocks, these value investors were different. Mentally, they were buying the business, not the stock. They often bought when others sold, held securities for the long-term, and sold when others were buying. The unique mentality of these value investors, coupled with their contrary behavior, frequently resulted in investment success.

He digested the few academic studies of value investing available at the time. These studies were compelling. They offered empirical evidence supporting the exceptional investment results produced by value-investing practitioners. These value investors consistently outperformed the markets over the long-term.

Ron emerged from this two-year period of research with the conviction that value investing held the possibility of fulfilling his mandate (outperform the market while minimizing risk). He began managing the firm's assets in 1984. Rob Suttman was there at the time of transition, and the company immediately brought in Mark Brady. The three formed a triangle of responsibility, serving as the Directors of Client Service (Rob), Portfolio Management (Mark), and Research (Ron). Their value investment strategy, coupled with outstanding client service, helped firm assets under management grow to \$7.3 billion in 1993.

## The Founding of EBS

While the predecessor firm was thriving under their investment leadership, Ron, Mark, and Rob were, ironically, growing concerned. The worry was that their ability to make optimal investment decisions for existing clients would be encumbered if the asset base continued to grow. Continued investment success required the flexibility to invest in any company, large or small.

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*“At the time we were concerned that size would inhibit our ability to produce the investment results we were striving for.”*

*– Mark Brady*

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The investment process developed by Ron and Mark focused on investing in the best opportunities, regardless of size or market capitalization. It happens that many of the inefficiencies (and hence, opportunities) in the stock market exist away from large companies. Consequently, as the size of the predecessor firm grew, capitalizing on those inefficiencies became increasingly difficult. The three leaders wanted to close the doors to new clients. The owner of the firm felt differently.

Ultimately, loyalty to their existing client base was more important than gathering new clients. Along with a few colleagues with whom they had worked for many years, and who shared their vision, the three left their secure positions and struck out on their own, risking their own capital

and reputations on a new venture: EBS. This determination to put client interests first has not changed since that September day in 1993 when EBS opened its doors.

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*“EBS is the result of friends founding a business based on honesty, trust, and integrity.”*

*– Rob Suttman*

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## Value Investing Basics

Benjamin Graham's principles of investing, first described in his 1934 book, *Security Analysis*, provides a foundation for what many today refer to as value investing. In his book, Graham (with co-author David Dodd), contends that out-of-favor stocks can become underpriced in the stock market. Astute investors could take advantage of this phenomenon and increase the likelihood of producing strong investment returns.

In 1984, Warren Buffett gave a speech at Columbia University, now dubbed, "The Superinvestors of Graham-and-Doddsville." In his speech, Mr. Buffett outlined the investment results of nine different entities. All nine experienced a high degree of long-term success, employing the strategies outlined by Graham and Dodd. Buffett describes this common strategy as the "search for discrepancies between the value of a business and the price of small pieces of that business in the market." He goes on to say these investors "simply focus on two variables: price and value."

Up to that point, very little academic work had been done to validate the claims of Graham and Dodd. And although Buffett's evidence suggested that success using these strategies was more than sheer luck, the investing public as a whole was not convinced. The rise of other more popular investment strategies created a great deal of debate as to whether or not value strategies yielded higher returns than other strategies. In 1994, Josef Lakonishok, a professor at the University of Illinois, Andrei Shleifer, a professor at the Harvard University, and Robert Vishny, a professor at the University of Chicago, published a seminal study on the merits of value investing. Their article, "Contrarian Investment, Exploration and Risk"

provided compelling evidence that value investing works. Furthermore, when compared to what has become known as growth investing, value strategies outperformed by a wide margin. The authors go on to suggest that this outperformance has a strong possibility of persisting because of the “suboptimal behavior of the typical investor.”

Their study examined investment returns from all companies listed on the New York Stock Exchange and American Stock Exchange in relation to ratios of price-to-book value, price-to-earnings, and price-to-cash flow between 1968 and 1990. They considered value stocks as those with low price-to-book value (assets less liabilities), price-to-earnings (income after all expenses and taxes), and price-to-cash flow (net cash generated by the business) ratios, while those at the opposite end of the spectrum are considered to be growth stocks. This distinction is typical of how growth and value stocks are differentiated by Wall Street. Other researchers have gone on to test these strategies by including other factors such as the size of the company or using international stocks (versus domestic stocks) and the evidence regarding the merits of value investing is gaining wider acceptance.

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*“There will continue to be wide discrepancies between price and value in the marketplace, and those who read their Graham & Dodd will continue to prosper.”*

– Warren Buffett

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Two primary tenets of value investing are “margin of safety” and “intrinsic value.” Simply put, value investors seek to exploit the opportunities presented when a business is priced, through its stock, at a discount to its intrinsic value (the price a knowledgeable person would pay for the entire company). The philosophy of value investing holds that buying a business at a discount to its intrinsic value (e.g., buying a dollar for fifty cents) provides the investor with a margin of safety – the difference between the intrinsic value of a stock and its market price. Investors prosper as intrinsic values rise and valuation discounts shrink.

To determine the intrinsic value of a business, it is important to have a reasonable understanding of its assets and liabilities, free cash flow, capital investment needs, return-on-capital capabilities, and competitive position. Investment decisions are based on simple and definite arithmetic reasoning from statistical data (versus complex models with many variables).

Value investing employs a bottom-up approach (i.e., focus on the company first, macroeconomics second). There is a keen focus on business risk and little weight given to short-term market fluctuations. A common belief among practitioners of value investing is that the market exists to serve investors, not instruct them. Some days the market is despondent—other days euphoric. An investor does not have to buy in euphoric periods nor sell in depressed periods, but must be equipped with the proper temperament.

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***“The market is there to serve you and not to instruct you. It is not telling you whether you are right or wrong. The business results will determine that.”***

*–Benjamin Graham*

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The typical value investing practitioner marks time in years and decades. Wall Street and the media mark time in minutes, quarters, and occasionally in years – but never decades. Thanks to the Internet and “financial entertainment” channels, investors have access to and are bombarded by more information than ever. Much of the news flow is merely noise and is designed to play on human emotions. Pure statements of fact seldom improve ratings!

A practitioner of value investing must be confident and well informed, as he or she is often investing contrary to popular opinion. (Value is seldom present when everybody loves something.) While not a contrarian discipline by design, value investors do often find themselves in a contrarian position. Given this, when wrong on an investment, there is plenty of public evidence to cement the folly in the minds of investors. Conversely, when right, the investor might be viewed as brilliant – in reality, neither is true.

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*“The market’s pricing mechanism remains based to such a degree upon faulty and frequently irrational analytical processes that the price of a security only occasionally coincides with the intrinsic value around which it tends to fluctuate.”*

*– David Dodd*

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Many investors are apprehensive about stock market volatility (especially downward volatility). A value investor sees such volatility in a positive light; in a volatile market, stock prices swing more rapidly than does a company’s underlying value. For example, many investors cannot sell a stock fast enough once its price starts to fall, which drives the price down to bargain levels. The opposite happens in a fast-rising market; stocks can quickly reach or exceed a price consistent with the business’ intrinsic value.

Today, there is a voluminous amount of academic research supporting the validity of value investing. This research is the backbone for a number of individual and professional investors. Many of the most successful investment records produced have come from investors using principles established more than 70 years ago. However, the patience, discipline, and conviction required for these strategies keeps value investing “out of favor,” just like value stocks themselves.

In the appendix, there is a list of studies, articles, and books that expand upon the idea of value investing.

*How do you define investing? Is it limited to stocks and bonds or do you have a broader definition that might include your home, your cars, or education (your own or your children's)?*

*What factors drive your decision making when it comes to investing?*

## EBS's Approach to Value Investing

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*“The number one idea is to view a stock as an ownership of the business and to judge the staying quality of the business in terms of its competitive advantage. Look for more value in terms of discounted cash flow than you’re paying for. Move only when you have an advantage. It’s very basic. You have to understand the odds and have the discipline to bet only when the odds are in your favor.”*

– Charlie Munger

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At EBS, we are investing in a business rather than simply buying a stock. We make value-minded decisions in buying and selling an interest (stock) in these businesses.

The investment world is generally separated into two distinct camps: growth and value. Typically, growth managers are viewed as those who are willing to pay a premium to own fast-growing companies. Value managers tend to be classified as buyers of statistically cheap companies. Our perspective is different. The core of our investment philosophy considers value and growth as part of the same equation. Growth is the aspect of what you are going to get at some point in the future, and value is how much you must pay today to receive it.

We are not interested in stocks that are selling for low “price-to” measures if we do not see an opportunity for the value of the business to grow.

Likewise, revenue growth is meaningless unless it is accomplished in conjunction with a return on the capital required to achieve the growth. We have found that many companies destroy shareholder value by concentrating on revenue or earnings growth without regard to the amount of capital deployed. In our analysis, we attempt to distinguish between the capital a company needs to grow the business versus what is needed to sustain the business.

All things being equal, we favor companies that are franchise-type businesses that possess durable economic qualities. Such businesses have a competitive advantage that is difficult to replicate or dislodge. Often these companies have dominant market positions, are low-cost producers, and have strong brand-name recognition and pricing power. These companies are capable of generating consistent, above-average returns on capital far into the future with a minimal amount of additional capital needs.

## Our Process

Our first objective is to understand the intrinsic value of the companies that we evaluate. Both quantitative and qualitative factors are assessed. The former is factual and the latter – well – art. For example, understanding intrinsic value requires an assessment of future earnings and cash flow... not the quarter-by-quarter gyrations, but the long-term sustainability or growth of those earnings and cash flow.

The EBS research group typically begins its quest for a company by screening a data set and comparing companies within the data set against absolute criteria as well as peers. Companies of interest are then further scrutinized to determine if their business characteristics are suitable and thus warrant a full-fledged investigation. We start by dissecting the financials, annual reports, and proxy statements.

Once preliminary hurdles are overcome, understanding the free cash flow that a company is capable of producing is paramount. The free cash flow, or cash flow available after routine capital expenditures, is what is most important. In the end, we must be convinced that the value of the cash flows of the company is sufficiently greater than its current market value – or, number of shares outstanding times the market price per share.

In order to achieve predictable future cash flow, the management team must be committed to the long-term health of the business. We prefer management teams that are focused on multi-year time horizons (versus quarters). Ideally, a management team's compensation aligns them with

shareholders' interest. Insider ownership and corporate culture are also key considerations when assessing the prospects for future success.

In our opinion, return on capital, for most businesses, is an appropriate measure of management's ability to allocate capital and reinvest the cash produced by the business. Decisions to reinvest capital in the business, make an acquisition, pay a dividend, or repurchase shares has a significant impact on a company's return on capital; the success or failure of these decisions is often reflected in this metric.

The following is an example of why we place an emphasis on understanding management's behavior. Let's say that a company's capital structure is comprised solely of common equity (no debt) and that this hypothetical company earns a 15% return on equity (ROE), on average. If this company has \$100 million in equity on the first day of the first year of operation and reinvests all its earnings, it will have approximately \$200 million in equity at the end of the fifth year of operation. Said another way, over the next five years, this company's management team will be responsible for deploying and acting as a steward of an additional \$100 million of equity. How the management team deploys this additional \$100 million will determine future cash flows and "return-on" numbers (i.e., ROE).

Last but not least, we are cognizant of capital flows. Excessive amounts of capital flowing into an industry and/or sector often leads to overcapacity and erosion of pricing power. This generally creates an unfavorable scenario for investors.

## Portfolio Management

Identifying attractive investment opportunities is only part of the job. After investment ideas have been identified and approved, portfolios typically of 25-35 stocks are constructed. The same stocks are often held across several styles of management.

Our styles of management are defined by market cap and equity exposure. Examples: Small-cap, Mid-cap, All-cap, Smid-cap, Balanced 80, Balanced 60, etc.

At many firms, analysts provide lists of their favorite stocks to portfolio managers. The portfolio managers, in turn, are responsible for constructing portfolios from the approved lists. EBS's research group makes all investment decisions, serving as the analyst and the portfolio manager.

The core members of the research group have been the same since the firm's founding. It is this consistency that has afforded us a level of independence and a degree of continuity in which we pride ourselves. Newer members of the research group are eased into our investment process, and are given ample time to become expert in our process and philosophy. Much of our talent is "home-grown", further allowing us to instill that level of independence that we hold in such high regard.

Each member of the research group is a generalist – with certain areas of expertise. This is by design. Often when an analyst specializes in a given sector or industry, he or she feels compelled to offer an idea within that

space because of the perceived need to add value. In reality, there could be a better investment opportunity outside of that analyst's narrow scope.

Each management style is diversified across several sectors in which we have identified attractive businesses at attractive prices. We do not manage to a benchmark. Said differently, we will not invest in sectors or industries that we feel are either over valued or poor business models, just to match index sector weightings.

## Time Horizon

Our typical investment time horizon is 3-5 years. Many in the investment business refer to this as a market cycle. It oftentimes takes a time frame of this length for our businesses to approach what we believe is their intrinsic value. As long as the business is continuing to deliver a consistent return on capital during our ownership, shifts in market sentiment alone will not affect our decision making. As long-term investors, we are not trying to determine when sentiment will change.

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*“Look at stocks as parts of businesses. Ask yourself, ‘How would I feel if the Stock Exchange was closing tomorrow for the next three years?’ If I am happy owning the stock under that circumstance, I am happy with the business.”*

– Warren Buffett

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There have been periods of time in the past, and there will be periods of time in the future, when the negative sentiment surrounding a business persists for a number of years. This pessimism can keep the stock price depressed even while the business is performing well. Our long-term focus allows us to take an “owner’s” perspective of the business.

*What is your investment time horizon? What are the factors that could cause you to change that time horizon?*

*How would you define your own temperament? Are you a patient person? Would you consider yourself a patient investor?*

## Risk Controls and Sell Decisions

Our primary risk control is the low price-to-value relationship of a security rather than the imposition of trading rules such as a “stop-loss.” By purchasing securities at a discount to their intrinsic value, the margin of safety that exists should mitigate the risk of a permanent loss of capital.

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*“You can’t precisely know what a stock is worth, so leave yourself a margin of safety. Only go into things where you could be wrong to some extent and still come out OK.”*

*–Warren Buffett*

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Here is an example, illustrating the margin of safety concept, that Mark Brady likes to use: Imagine that a person purchases a home in a desirable locale for \$300,000 that has a replacement cost of \$500,000. If the home buyer can wait for a favorable housing market, he or she can expect to one day sell the house for an amount near the replacement cost. If, however, the home buyer runs into unexpected difficulties and needs to sell the house tomorrow, he or she may only be able to find a buyer at \$220,000, resulting in a short-term loss of \$80,000.

Had the buyer been a speculator and presumed that home prices would continue to rise... just because they had in recent times, he or she might have paid the full replacement cost of \$500,000. In this case, the unforeseen sale would have resulted in a loss of \$280,000.

EBS's goal is to buy a security at a discount to its intrinsic value so that, if the unexpected happens, our clients (like the person who bought the house for \$300,000) will face minimal losses. Stocks trading at a discount to intrinsic value should have decreased odds of sustained losses.

Other risk controls include limiting our investment in an individual security and managing exposure across industries and sectors.

After the initial investment, we continue to closely monitor the business, the industry, and the overall economy to identify developments that may call our initial investment thesis into question. If that happens, the investment thesis is rigorously re-evaluated. We have the discipline to remain with a security if we believe our thesis is correct, but also to sell it if we determine that our thesis is no longer accurate.

A security is usually sold when it approaches full value based on our estimates, the long-term outlook for the business has deteriorated, another security is more compelling, or we determine that we have made an error.

## Returns and Taxation

Our goal is to produce absolute returns of 12-15% annualized over a market cycle, which is typically 3 to 5 years. Rarely do these returns come in even doses; rather, they are often lumpy and somewhat unpredictable. We do not, consciously, try to beat market indexes over short periods of time; we believe that our investments will prevail over the long haul. Due to our typical holding period, turnover usually ranges from 15-25% per year.

Because EBS manages individual accounts rather than mutual funds, an investor's taxes are based on the activity specific to their account versus taxes associated with fund-wide gains. Longer holding periods also allow EBS's investors to take advantage of the difference between long-term and short-term capital gains rates. Moreover, longer holding periods allow for deferred tax liability, as investors do not have to pay the tax on a gain until the security is sold. EBS strives to work closely with each investor and his or her tax advisor, should the investor want to harvest losses or gains in an EBS-managed account.

*Do you measure a portfolio's success by seeing if it "beats" the market?*

*If the stock price for a company has gone up by 50% over the last 6 months, do you buy it? If the stock price for a company has fallen 50% over the past 6 months, do you buy it?*

## **EBS's Independence**

EBS's investment philosophy demands objectivity with respect to all investment decisions. The founding partners realized from the start that, in order to meet this goal, EBS needed to be free of the conflicts of interest that can often arise between an investment management firm and its clients.

One such conflict is reporting to a parent firm, which may require its subsidiaries to generate a certain amount of revenue each quarter or to refer clients to other firms affiliated with the parent firm. To avoid this conflict, EBS always has been and remains completely independent. All owners are active employees.

Another such conflict can be the use of so-called "soft dollar" arrangements, in which an investment manager directs client trades (and the client's commission dollars) to a particular broker in exchange for other services such as proprietary research from that broker's firm. EBS believes this is contrary to the best interest of our clients, and has never entered into such an arrangement.

*How do you define risk? What are the factors that affect the level of risk you are willing to take?*

*What level of investment loss do you think your long-term financial plan can sustain? At what point do you decide to change investment strategies?*

## Group Think

We work diligently to avoid a “herd mentality” or “group think,” as we call it in our shop. Group think occurs when large numbers of people begin to believe the same thing, irrespective of the underlying fundamentals, thus creating a self-fulfilling outcome. Many individuals feel safer failing with others rather than failing alone. Misery loves company.

There is evidence of such behavior dating back to the early 1630s when the Dutch were enchanted with tulips. The tulip market imploded in 1636. In the early 1700s, the South Sea bubble swept through England and ultimately imploded as had the tulip market. A lesser-known bubble during the 1700s was the Mississippi Scheme. The outcome was the same. A more recent and perhaps more widely known example was the technology bubble of the late 1990s – this bubble’s fate was no exception.

Another aspect of herd mentality is to only own recognizable securities; we sometimes own a few, but we frequently own names off the beaten path. Being based in Dayton, Ohio, helps us avoid group think, as we are far removed from the Wall Street herd.

To remain objective, we rely on our investment process. Our independent research is more valuable to us than street research. It is laborious, but worth it. Wall Street’s short-term focus on earnings is simply incompatible with our longer-term focus on corporate value. Adhering to our discipline keeps us focused on absolute values as well as relative ones. We are sometimes viewed as contrarians because we often zig when others zag.

*Do you believe it is the financial media's mission to share unbiased facts? Or, do you believe it is the financial media's mission to create sensationalism and improve ratings?*

*Are you comfortable owning investments that market followers disdain? Said another way, are you comfortable being a contrarian?*

## Historic Market Events

The importance of our investment tenets is now apparent when we look back at different periods in the U.S. stock market's history. In 1987, for example, the investment team continued buying stocks after the market experienced one of its worst single-day declines on record. This event, commonly referred to as Black Monday (October 19, 1987), ended with the Dow Jones Industrial Average down 23% for the day, yet it closed in positive territory for the year. Why did the team stay the course? In our opinion, the “crashing” stock market was a liquidity-driven event (too many sellers; not enough buyers) that did not reflect the underlying fundamentals of America's businesses. While it was impossible to predict when the chaos would subside, there was no question that business values had become disconnected with share prices. The only logical decision based on the long-term business prospects, despite the short-term uncertainty, was to invest in businesses that represented favorable price-to-value relationships.

In the early 1990s, the team was faced with a great deal of economic and financial unrest – not only in the U.S., but around the world; the Savings & Loan crisis in the U.S. was at the forefront. Again, this created a stock market downturn that dragged down quality businesses beyond reason. The team invested in many of those businesses at deep discounts to their intrinsic value.

EBS did not invest in the technology companies that drove the stock market to historic highs in the late 1990s. We determined that most of these

technology companies were priced far higher than the intrinsic value of the businesses. Furthermore, many of the businesses produced little to no free cash flow, which made determining their intrinsic value nearly impossible. While our clients missed the dramatic short-term gains in these stocks, they also missed the equally dramatic (and, for some, devastating) losses when the proverbial “bubble” burst.

## Client Relationships

EBS's consulting services professionals work with clients to help them determine the investment approach most consistent with their financial needs and tolerance for risk. Under Rob Suttman's leadership, our consulting services group maintains regular contact with clients, and at all times works to better understand each client's situation. An investment professional and a member of our administrative support staff are readily available to address client requests, questions, or concerns.

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*“Understanding our process and perspective is a key part of a sustainable relationship.”*

*—Ron Eubel*

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As value investors, our outlook may at times be different from many other investors. When markets look desperate, we often see opportunity. When markets are climbing rapidly, we may be selling securities that the media loves and may be challenged to find new, compelling investment ideas. We strive to work closely with our individual clients to communicate our perspective, especially in times of unrest. If an individual is invested in equities long enough, he or she may have the occasional sleepless night. Through communication and education we attempt to keep these nights to a minimum. We cannot control the markets, but we can share our perspective and rationale, which we hope will offer comfort in times of turmoil.

*What qualities have led to your own success? Do you look for those same qualities in the management teams of the businesses whose stocks you own?*

*Does a good business equal a good investment?*

## Client Characteristics

Over time, we have come to realize that our investment discipline is not for everyone. The securities we typically invest in are unlikely to be the hot stock of the day or praised by the media's prognosticators (entertainers). Investors who feel the need to re-evaluate their investment approach over short periods of time (e.g., weeks, months, or quarters) may find themselves uncomfortable with EBS's longer time horizon.

If, on the other hand, you...

- take a long-term, disciplined approach to investing;
- are comfortable not following the Wall Street crowd;
- appreciate the historical, statistical, and empirical merits of value investing;
- embrace the mentality of investing in a business, not buying a stock;
- value a core investment team that has been together for over 20 years; and
- seek personalized, professional service;

then EBS may be able to help you achieve your investing goals.

We sincerely appreciate your interest and thank you for taking the time to research our firm. While we hope to have successfully conveyed the characteristics and qualities of EBS in the preceding pages, the only way to really get a feel for EBS and its employees is to stop by for a visit or give us a call.

*Whether you are able to visit our offices or not,  
we encourage you to give us a call today.*

**Eubel Brady & Suttman  
Asset Management**

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**[www.ebs-asset.com](http://www.ebs-asset.com)**

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*Notes*

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## **DISCLOSURES**

The information and opinions provided by third parties have been obtained from sources believed to be reliable, but accuracy and completeness cannot be guaranteed. The information contained in this publication is not intended to meet the specific needs of any individual investor.