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*(These notes are to the best of my recollection and trusty ink pen. Discrepancies are due to my error in understanding & transcribing.)*

**Jeff Auxier, Auxier Focus Fund – 'Value of Cumulative Research (Over Time)'**

*Jeff is the founder and portfolio manager for Auxier.*

* Influences:
  + Call to Buffett in 1982
  + Graham - 'The Intelligent Investor', SEC Filings, Annual reports
  + Templeton - 'The Humble Approach'
  + Fisher - 'Conservative Investors Sleep Well'
  + Robert Pamplin - Pres. of Georgia Pacific (Jeff's first job was mowing for him)
* Frame work to endure
  + Rational business approach
  + Margin of Safety
  + Double play (dividends + depressed price) vs. torpedo
* Investing - craft of the specific
  + Focus on the important and knowable
  + Determining odds of outcomes
  + Price dictates capital allocation
  + Get away from Wall Street
  + Long term focus is invaluable
  + Ego & emotion are the enemy (Isaac Newton & South Sea Bubble)
  + Compounding most underappreciated concept
* Understand accounting - the language of business
  + Importance of ledgers
  + lesson from Pamplin - your brain is the calculator
  + Ben Franklin - the idea of a 'moral ledger' as well
* Misperception of risk
  + Buffett quote - risk is not knowing what you are doing....
  + Carlos Slim quote - I never take risk
  + In 2009, the distressed debt market had 50% loss protection (1930's worst case was 5%)
  + Diversification does not work when there is easy money and assets are inflated
  + Research the entire capital structure (could go to 0)
  + Adequate compensation for risk taken
  + Risk of easy money bubbles
  + Avoid hottest companies in hottest industries
  + Want *inspired* management in an *uninspired* industry
* Crisis is Opportunity
  + Since 1947, recessions occur less than 5% of time
  + 91'-98' Small Banks were #1 asset class
* Q&A
  + Best ideas now?
    - Tesco at less than real estate value
  + How many stocks do you hold?
    - Normally 20-30
  + When should you sell?
    - At estimate of full value
  + What do you like about Avon?
    - Going into emerging markets, where they will have more consumption