



BOSTON FINANCIAL MANAGEMENT

INVESTING WITH CONVICTION

BFM's Philosophy: Above-average businesses, if purchased at reasonable valuations, will produce above-average stock returns over time.

KEY INVESTMENT TENETS



INVESTMENT PROCESS: DEFINING A HIGH QUALITY UNIVERSE



Quantitative Evidence of Historical Quality

- High and stable returns on capital
- Profitable growth
- Low financial leverage
- Consistent record of cash flow generation
- Use data to generate proprietary quality rank

Qualitative Due Diligence

- Competitive analysis
- Business model review
- Growth opportunities
- Identify fundamental drivers
- Quality of management team
- Is the advantage sustainable?

Waiting for the Right Opportunity

- Finding what others are missing
- Estimate intrinsic value and expected return
- Identify catalysts
- Manage risk drivers of portfolio
- Invest with path to mid-teens IRR

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