

m square<sup>2</sup>

**M Square**

Investment Managers



## Intro

We decided at the inception of M Square to specialize in finding the best managers in the world, in each asset class, in each geography. We believe it is very hard to consistently generate superior risk-adjusted returns, which demands focus and specialization and only a small number of truly talented and aligned investors can do it over long periods of time. It is our job to find them and it is our desire to be long term value-add partners to those we find.

M Square builds customized global portfolios that seek long term capital appreciation for large Brazilian families and institutions. Portfolios are tailored to each individual client's objective, diversified across asset classes, and implemented through rigorous manager selection.

## Our Approach

We scour the world looking for real insights and attractive investments while meeting with the best investors globally. We work diligently to source extraordinary talent, and ultimately generate real returns for our clients.

We invest for the long term. Once we make an investment, our aim is to remain invested for decades to come – alpha generation only significantly impacts performance over long periods of time.

We are ready to partner with a fund early in its life and develop a relationship from inception or close to inception.

We look to build mutually beneficial relationships based on open and transparent communication.

## Investment Philosophy

Three pillars underly our investment philosophy: alignment of interests, proven talent, and meaningful access.

### Alignment

We look for managers who seek to establish long-term partnerships, have significant personal investments in the fund, exhibit relentless focus on performance and present a business mentality compatible with ours. M Square carries a strong preference for firms that only manage one strategy, as opposed to fund platforms. We believe the world's most talented investors are rarely found inside big structures, and most have a preference for independent boutiques in which they are relevant partners, have

greater alignment with the results they produce (“eat their own cooking”) and have greater control over their destiny.

The degree of alignment of a manager and their team can also be seen through their passion when discussing an investment thesis, their obsession with the firm’s and their reputation, their discomfort during a cycle of poor performance, their care and fairness in building their investor base, as well as various other factors relating to fund size and fee structures.

## Talent

For us, talent means people who develop real insights. Exceptional investors who are able not only to analyze data, but also to make decisions with excellent judgement. We look for managers with a sound investment philosophy and rigorous investment processes, who deploy deep research with truly long-term horizons, and who have invested through different economic cycles. Talent should also be present across the firm, not only should the portfolio manager be differentiated, but also the people they attract to their team, from investor relations, to analysts, to operational staff. We believe that smart people like to work with smart people. Talented managers also make mistakes, and they learn from them. Being talented and generating differentiated results does not mean making money every day, it means being more right than wrong, and learning from your mistakes. Curiosity, consistency and constant learning are key qualities of managers who we have found to be extremely talented. When we find talent early on, we are excited to invest and partner with them. We do not need a portfolio and a track record to assess talent, we focus on getting to know the manager, and their thought process through deep conversations with him and those who know him better and longer than we do.

## Access

We believe that meaningful access is fundamental to the investment process. We evaluate the transparency and agility of both the manager and the team responsible for investor relations when clarifying points. The depth of disclosure through documents and investors letters is valued.

We expect to be treated in the same way we treat our clients – with transparency, open and unrestricted access to the manager him/herself. We do not value quantity of interactions but timely and high-quality interactions. We prepare for our interactions and make sure that we use the time of our managers wisely. The lack of meaningful transparency may lead to poor decision-making that may cause permanent loss of capital. We would rather pass on an investment than not have the information we need to make intelligent investment decisions.

## About us

We are investors - passionate and dedicated students continually seeking to find better answers.

We honor the trust given by our investors by working hard and doing the right thing. We are accountable for our work and results, constantly looking to evolve in order to do more and better tomorrow. The responsibility of managing the wealth of others is huge and we treat it with the utmost respect and care.

Caring<sup>1</sup> is how we treat our investors' capital as if it were our own. It is why it makes sense for us to spend so many nights on planes and weeks away from our families to invest in the best managers in the world, and not in the ones who come knocking on our door. Caring is believing that money is not fungible, that every dollar is not equal. That having great people as our clients motivates us to go the extra mile. Caring is being able to say that we like all our clients and our investment managers. Caring is the belief that over time great work leads to great results.

We consider our journey special, and we feel privileged to have been chosen by the right companions.

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<sup>1</sup> Borrowed and adapted from one of our managers, who we have been invested with since Day 1.