What we have learned over the last century as value investors.

Robert Q. Wyckoff Jr., *Managing Director*
Tweedy, Browne Company LLC

It's easy for a firm to lose its way once it decides to tinker with its methods. Tweedy, Browne's history let the firm innovate yet remain true to its roots. "These guys are absolute spiritual descendents of Ben Graham," says Charlie Munger *(Vice Chairman, Berkshire Hathaway Inc.)* "They are like Buddhists or Tibetan monks who absolutely bought into the catechism."

Keepers of the Flame | Worth Magazine | *April 1997*

Price Matters. Never give up on value investing.

Investment success doesn't come from "buying good things," but rather from "buying things well."

The Most Important Thing | Howard Marks | *2011*

"We must recognize, however, that intrinsic value is an elusive concept. In general terms it is understood to be that value which is justified by the facts, e.g., the assets, earnings, dividends, definite prospects, as distinct, let us say, from market quotations established by artificial manipulation or distorted by psychological excesses. But it is a great mistake to imagine that intrinsic value is as definite and as determinable as is the market price. Some time ago intrinsic value (in the case of a common stock) was thought to be about the same thing as "book value," i.e., it was equal to the net assets of the business, fairly priced. This view of intrinsic value was quite definite, but proved almost worthless as a practical matter because neither the average earnings nor the average market price evinced any tendency to be governed by the book value ..."

Security Analysis | Benjamin Graham & David L. Dodd | *Second Edition 1940*

“The notion that the desirability of a common stock was entirely independent of its prices seems incredibly absurd. Yet the new-era theory led directly to this thesis. If a public-utility stock was selling at 35 times the maximum recorded earnings, instead of 10 times its average earnings, which was the pre-boom standard, the conclusion to be drawn was not that the stock was too high but merely that the standard of value had been raised. Instead of judging the market price by established standards of value, the new-era based its standards of value on the market price. Hence all upper limits disappeared not only upon the price at which a stock could sell but even upon the price at which it would deserve to sell.… An alluring corollary of this principle was that making money in the stock market was now the easiest thing in the world. It was only necessary to buy ‘good’ stocks, regardless of price, and then let nature take her upward course. The results of such a doctrine could not fail to be tragic.”

Security Analysis | Benjamin Graham & David L. Dodd | *Second Edition 1940*

"The principal dynamics in the world's capital markets revolve around a tug of war between feeling secure and making money. In the end, the feelings generally win out. A substantial amount of money can thus be made if a value investment manager is willing to spend the bulk of his or her professional life feeling depressed, isolated, and afraid, waiting for the forces of mean reversion to relieve the stress, at which point the value manager will sell and use the proceeds to rebuild anxiety. Is it worth it? This question of course, is philosophical, but the money on the table is considerable, and the question deserves serious thought.."

Lew Sanders | *Chairman, Sanford Bernstein*