

Ben Graham Centre's 4th European Value Investing Conference

October 17, 2024

[Conference 1, Eurobank Hub](#)

[8 Iolkou Str., Nea Ionia](#)

[Athens, Greece](#)



IMPROVING LONG RUN INVESTMENT PERFORMANCE

www.greekvalueinvestingcentre.com



Mission of the Conference

- to promote the tenets of value investing as pioneered by Benjamin Graham;
- to expose Conference participants to the various value investing methods used by practitioners;
- to encourage and support academic research and study in the area of value investing.

The Conference will provide a forum to explain, discuss and debate the principles, practices and various applications of value investing from a global context.

Conference Organizer and Chair

George Athanassakos

Founder & Managing Director, Ben Graham Centre for Value Investing,
Ivey Business School and Greek Centre for Value Investing





A Message from the Director

I am a firm believer in stock picking. I think stock picking with the right process and the right temperament works. Unfortunately, academics have paid little attention to value investing and stock picking over the years and so they lack a basic understanding of what value investing is, and what value investors do. An area of significant misunderstanding is the way risk is defined.

But what is the right definition of risk in financial markets? Finding the answer has become even more important in recent years because the number of retail traders is at a record high. Retail traders may not understand the risks they are exposed to when investing in companies. Over the past 10 years, between 10 and 15 percent of all US trades have come from retail accounts. In 2023, that figure stood at 25 percent.

Finance academics define risk as volatility, whereas value investors define risk as the probability that adverse outcomes in the future will permanently impair the cash flow potential of a business leading to permanent (long-run) impairment of capital. Which is the right definition? It all depends on your investment horizon. The investment horizon plays a key role in the discussion of what is an appropriate measure of risk because different horizon investors assess risk differently. But if maximizing terminal wealth is of importance to investors, and it is difficult to argue otherwise, then the latter is the right way to look at risk.

Harry Markowitz defined risk as the standard deviation of returns (volatility). William Sharpe, on the other hand, argued that in a well-diversified portfolio, the only risk that matters is beta risk. Both professors have been recipients of a Nobel prize in Economics and have had a lasting impact on academia and the notion espoused by (short-term, CFA holding) financial analysts and academics that short term fluctuations in the value of a portfolio are important and the only risk that matters.

But truly how much should you worry about this short-term volatility? Not much. As Charles Munger used to say “If you’re investing for 40 years in some pension fund, what difference does it make if the path from start to finish is a little bumpier or a little different than everybody else’s so long as it’s all going to work out well in the end? So, what if there is a little extra volatility?”

Recent research by Javier Estrada of IESE Business School in Spain bears this out. Estrada concludes that “Investors should learn about the detrimental impact of reacting to short-term volatility and focus on the end game instead”. He shows that in the US, the mean terminal wealth of investing in stocks over a 10, 20 and 30 year period is 59%, 146% and 299% higher than investing in bonds. In Canada, the corresponding figures are, 41%, 88% and 131%. For the world markets, they are 49%, 116% and 231%, respectively. It is true that the volatility of terminal wealth across all holding periods is found to be higher for stocks than bonds in every market examined and thus stocks are riskier when risk is measured by volatility. But,



interestingly enough, the higher volatility of terminal wealth from stocks is mostly on the upside. Stocks have both higher upside and more limited downside than bonds.

Why then are stocks viewed as riskier than bonds? It may be the wide acceptance of volatility as a measure of risk at universities and academia's influence on the CFA program. There could also be institutional, as well as behavioral reasons.

In a perfect world, both the investor and the mutual fund manager will have long term horizon and volatility would play no important role. But what if the investor has a short-term horizon and detests (panics in the face of) short term volatility? In this case, the mutual fund manager will have to consider short term volatility if he does not want to lose funds under management and possibly his job. He will have to abide with the desires of the investors and focus on short-term volatility, thus contributing to the focus of the mutual fund industry and financial analysts in the short term.

Perhaps most of us are speculators (e.g., seeking to make a quick profit from short-term stock price movements) and not investors (e.g., taking a long-term approach to managing our portfolios)! In 2022, for example, 60% of Robinhood revenues came from the trading of options by retail investors. And as Howard Marks has said, "Much of the risk in investing comes not from the companies, institutions and securities involved. It comes from the behavior of investors".

On behalf of the Ben Graham Centre for Value Investing (Europe) and the Greek Centre for Value Investing, I would like to welcome you all to the 4th European Value Investing Conference. The Conference will provide a forum to explain, discuss and debate the principles, practices and various applications of value investing from a global context with emphasis on the European markets.

I proudly welcome our panel of professional value investors Mr. Richard Oldfield, Mr. Alex Rauchenstein, Mr. Robert Robotti, Mr. Jan Hummel, Mr. Paul Lountzis, Mr. David MacNicol and Mr. Dede Eyesan, who will speak about value investing around the world and who are a living testament of what I have described. They will tell us how they put what I detailed above into practice in their own portfolios in a global setting.

I am also delighted to have as keynote speaker at the Conference Mr. Lowry, Managing Director, Head of European Investments, Hamblin Watsa Investment Council, who will give us a view of the European financial landscape which is different from what we are exposed to in our everyday norms.

I would like to thank you all for joining us and hope you have an enjoyable experience at the Conference.

Dr. George Athanassakos

Founder & Managing Director, Ben Graham Centre for Value Investing,
Ivey Business School and Greek Centre for Value Investing



Panel of Speakers

The 4th European Value Investing Conference offers a panel of speakers with a proven record of success in the field of value investing. Featured speakers participating at the Conference are:

Keynote Speaker

Jamie Lowry, Managing Director, Head of European Investments, Hamblin Watsa Investment Council (A Subsidiary of Fairfax Financial Holdings)

Panel of Value Investing Professionals

Richard Oldfield, Founder, Oldfield Partners LLP, London, UK

Alex Rauchenstein, Partner and Chief Executive Officer, SIA Funds AG, Lachen, Switzerland

Robert Robotti, Founder and Chief Investment Officer, Robotti & Company Advisors LLC., New York, NY, USA

Jan Hummel, Chief Investment Officer and Founder, Paradigm Capital AG, Grünwald, Germany

Paul Lountzis, President, Lountzis Asset Management, LLC, Wyomissing, PA, USA

David MacNicol, Founder, President & Portfolio Manager, MacNicol & Associates Asset Management Inc., Toronto, Ontario, Canada

Dede Eyesan, Founder, Jenga Investment Partners, London, UK



The Ben Graham Centre's 4th European Value Investing Conference

Conference Agenda

09:15 am – 10:00 am	Registration & Coffee
10:00 am – 10:15 am	Welcoming the Delegates, Introductions and Opening Remarks George Athanassakos – “Defining risk: It all depends on your investing horizon”
10:15 am – 10:20 am	Keynote Speaker Introduction Introduction by: Fokion Karavias, Chief Executive Officer, Eurobank SA
10:20 am – 11:05 am	Keynote Speaker Jamie Lowry – “The Management of Value”
11:05 am – 11:25 am	Q&A
11:25 am – 1:25 pm	Value Investor 1st Panel Presentations and Q&A
11:25 am – 11:55 am	Richard Oldfield – “Simple But Not Easy, Revisited”
11:55 am – 12:25 pm	Alex Rauchenstein – “Strategic Value Investing”
12:25 pm – 12:55 pm	Robert Robotti – “Restoration of the Fallen - Banquet set for the Decade of Stock Pickers Outperformance (Especially the few left)”
12:55 pm – 1:25 pm	1st Value Investor Panel Q&A
1:25 pm – 2:25 pm	Light Lunch
2:25 pm – 4:55 pm	Value Investor 2nd Panel Presentations and Q&A
2:25 pm – 2:55 pm	Jan Hummel – “Has Value Investing in Europe changed since the Great Financial Crisis?”
2:55 pm – 3:25 pm	Paul Lountzis – “Differential Insights”
3:25 pm – 3:55 pm	David MacNicol – “Marrying Value Investing with Momentum Investing using Public and Private Securities”
3:55 pm – 4:25 pm	Dede Eyesan – “Current Perspectives on Value Investing in Emerging Markets. From Poland to Vietnam.”
4:25 pm – 4:55 pm	2nd Value Investor Panel Q&A
4:55 pm – 7:00 pm	Concluding Remarks followed by Reception



Keynote Speaker



Jamie Lowry

Mr. Lowry is Managing Director at Hamblin Watsa Investment Counsel, a wholly owned subsidiary of Fairfax Financial Holdings Limited. He is responsible for European investments. He is currently Vice-Chairman of Grivalia Hospitality and a board member at Praktiker Hellas. Prior to joining Hamblin Watsa in 2016, he worked as an equity analyst and fund manager at Schroders Investment Management, London. He was a founding member of the Value Investing team at Schroders managing \$15 billion in Global equity assets. He is a Chartered Financial Analyst and holds a BSc in financial and business economics from Royal Holloway, University of London.

Panel of Value Investing Professionals



Richard Oldfield

Mr. Oldfield founded Oldfield Partners LLP, a boutique investment management firm, in 2004. He is chair of Shepherd Neame Ltd, a trustee of a number of charities including the Prince's Trust, the Amber Foundation and Clore Duffield Foundation, and president of Demelza Hospice Care for Children. Between 2007 and 2014, he was Chairman of Oxford University Endowment Management Ltd. and Oxford University investment committee. He is the author of the book *Simple but not easy*, a book about investing published in June 2007 with a second edition in 2021.



Alex Rauchenstein

Mr. Rauchenstein was born in Aarau, Switzerland. He holds an Executive MBA for international Wealth Management from GSIA Carnegie Mellon University and an MBA from the University of Geneva. In addition, he is a Chartered European Financial Analyst. Until December 2005, he was Head of the Investment Process at Centrum Bank, a specialized Privat Bank in Vaduz (Liechtenstein). In this position, he was responsible for the coordination of the strategic asset allocation, sector-, fund- and stock selection process. Before joining Centrum Bank in 1999 he spent three years setting up and then managing the Eastern European Equity Fund for UBS Asset Management. Mr. Rauchenstein acquired a very solid finance education at UBS Zurich, where he started his career in 1989 with a trainee Program. He formally joined Strategic Investment Advisors Group, as General Manager of SIA Funds AG in January 2006.



Robert Robotti

Mr. Robotti is the Founder and CIO of Robotti & Company Advisors LLC, a registered investment adviser, and president of Robotti & Company LLC, a registered broker-dealer. He started his career as an accountant and CPA auditing Tweedy, Browne and other legendary value investors. He then served as CFO of Gabelli & Company. Building on his exposure to other prominent value investors, Bob founded Robotti & Company in 1983. The firm's success in outperforming the S&P 500 over time has been due to

his and his team's ability to identify companies trading at a significant discount to intrinsic value. While investing across a wide range of industries, Bob has been particularly active in the energy industry for his entire career. Bob currently serves on the boards of Tidewater (NYSE:TDW), AMREP (NYSE:AXR) and chairs Pulse Seismic Inc. (TSX:PSD). He was a member of the Securities and Exchange Commission's Advisory Committee on Smaller Public Companies, established to examine the impact of Sarbanes-Oxley Act and other aspects of the federal securities law. Bob graduated with accounting degrees from Bucknell University and holds an MBA from Pace University.



Jan Hummel

Mr. Hummel is a Swedish national residing in Munich, Germany. Mr. Hummel holds an MS degree from the Stockholm School of Economics and an MBA degree from Harvard Business School, Boston. He is the CIO and founder of Paradigm Capital AG, a private investment company which manages more than 1.5 bn USD including the Paradigm Capital Value Fund, which was established in 2007. Paradigm Capital is profiled in the book "Value Investing From Graham to Buffett and Beyond" by Bruce C. Greenwald. Mr.

Hummel is also featured in the famous "Value investing with legends" podcast by Columbia Business School. After Business School Mr. Hummel was an investment banker with Merrill Lynch in New York and London. He then spent eleven years making private equity investments in Germany and the Nordics. He was an operating principal in more than 15 private equity transactions. Mr. Hummel is a member of the Swedish Economics Society and a Conventor of the Peutingen Collegium, Munich.



Paul Lountzis

Mr. Lountzis serves as President of Lountzis Asset Management, LLC, a multi-family office he founded in 2000 based in Wyomissing, PA and New York City. He has more than thirty-five years of experience in the investment industry, beginning his career with Royce & Associates, a New York City-based investment advisory firm managing the Royce Mutual funds. Afterwards, Mr. Lountzis spent nine years - with the last five as a partner - at Ruane, Cunniff

& Goldfarb, Inc., an investment advisory firm managing more than \$9 billion, including the Sequoia Mutual Fund. At Ruane, Cunniff & Goldfarb, Inc., Bill Ruane assigned him to conduct a number of specific research projects for the consideration of Warren E. Buffet, Chairman and CEO of Berkshire Hathaway, Inc.



David MacNicol

Mr. MacNicol established MacNicol & Associates Asset Management Inc. in 2001, after an extensive 20-year career in the investment management business, working for Canada Trust, Cassels Blaikie / Citibank, Connor Clark and Cumberland Asset Management. Although he has experience in all aspects of the investment markets, his areas of expertise include North American equities, offshore and international investing and research, Real Estate, Private Equity, Hedge Funds and similar alternative asset class strategies. Mr. MacNicol will demonstrate how his team marries Value Investing with Momentum Investing using Public and Private Securities. Mr. MacNicol is registered with the Ontario Securities Commission as a Senior Portfolio Manager and the SEC in Florida. He has an Engineering Degree (Mechanical) from the University of Western Ontario, a Canadian Investment Management Designation and F.C.S.I. He has been married to Diane for over 35 years and together they have three adult children. In his spare time, he enjoys playing golf, watching NHL Hockey and NFL Football.



Dede Eyesan

Mr. Eyesan is the Founder and Portfolio Manager at Jenga Investment Partners Ltd, a London-based and FCA-authorized investment company with a global equities investment strategy. He has a generalist mandate but concentrates on the consumer, industrial and financials sectors, searching globally for growth companies that are undervalued and unloved by the market. He also leads the Firm's research efforts and has published several papers and authored the book, Global Outperformers. Prior to founding Jenga IP, he founded an investment club, managing money for university friends while studying Accounting and Finance at the London School of Economics.



VALUE INVESTING

FROM THEORY TO PRACTICE



GEORGE ATHANASSAKOS

Foreword by Prem Watsa

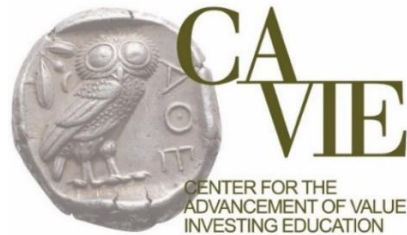


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