"FIGJAM"

Perspectives: September 11th, 2025

A friend in the investment industry explained the acronym 'FIGJAM'. The polite translation is 'Damn I'm great; just ask me'.

I offer today's Perspective to you as a negative-positive-positive in the context of managing our fund investors' life savings. Warren Buffett stated '*the first rule of investing is don't lose money, and the second rule is to never forget the first rule*'. One cornerstone of our investment approach is to identify (1) great businesses and amazing leaders to learn from and invest with AND (2) terrible companies and poor leaders to avoid at all costs.

There are a number of important benefits to us identifying and keeping track of terrible companies and poor leaders. First and foremost, we will avoid wasting precious money, time, and energy. We can then focus even more on great businesses, amazing leaders, and finding more of each. Lastly, poor leaders often show up at other terrible (or destined to become terrible) companies, and they also tend to surround themselves with other poor leaders. Keeping track of them serves as an early warning system.

The chart trajectory of this listed investment holding company suggests a tale of two halves – a lot of hype, followed by a lot of BS.

Source: Google Finance

Some details from their latest publicly available annual report:

- Two of its non-executive directors earns more money than *any* of the three executive directors.
- It took us a fair bit of jumping around in the financial footnotes to find the existence of a very large loan to management. This loan used to be high interest-bearing, and has recently become non-interest bearing – with zero explanation.
- Its financials are unnecessarily and exceedingly complex.
- Disclosure on an important metric, the *directors'* valuation of their investment portfolio of stakes in a large number of private companies, is wholly insufficient.
- There is a disconnect between the brilliance of their cover letter writing with the clear lack of performance of their achieved financial results.
- Directors are trading in leveraged short-term derivative instruments on the shares of the company.

One important detail that is *not* in their publicly available reports:

- Over 20 years ago, we were invested in a different listed company where a poor leader showed up and caused havoc. We added their name to our internal database of poor leaders. Many years later, this same person showed up as an executive director of this listed investment holding company.

Our work continues…

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