

## Our Core Principles

- Excellence in Investing
  - Our primary goal is excellence in investing. This means generating superior returns while minimizing risk of capital loss. We prioritize the achievement of superior risk-adjusted returns over other organizational goals such as growth in assets under management and/or short term profitability.
- Transparency and Communication
  - We believe that investors are less likely to make ill-timed buy and sell decisions if they understand an investment manager's philosophy as well as the rationale and logic of the investment process. As a result, we are committed to openness and transparency: We use our website and blog and investor letters to regularly communicate the evolution of our investment strategy, market views, and portfolio positioning, as well as highlight the soundness of our philosophy.
- Investing Alongside our Clients
  - In Warren Buffett's words, we "eat our own cooking." Eudora personnel are strongly encouraged to make their financial market investments through an investment in our mutual fund or a firm-managed account. The firm's portfolio manager currently has the vast majority of his liquid net worth invested in the Eudora Fund.
- Profitability with Integrity
  - Our firm's profitability must come only through operating with integrity, generating superior investment results, and open communication with our client base. We therefore reject asset gathering at the expense of returns, or obfuscation that results in confusion. Above all, we prioritize the long term interests of our current clients.