EPISODE 55:

Micro and Small Cap Manager Analysis

with Acuitas Investments

Robert Morier: Welcome to the Dakota Live Podcast. I'm your host Robert Morier. The goal of this podcast is to help you better know the people behind investment decisions. We introduce you to chief investment officers, manager research professionals, and other players in the industry who will help you sell in between the lines and better understand the investment sales ecosystem. If you're not familiar with Dakota and their Dakota Live content, please check out dakota.com to learn more about their services. Before we get started, I need to read a brief disclosure. This content is provided for informational purposes and should not be relied upon as recommendations or advice about investing in securities. All investments involve risk and may lose money. Dakota does not guarantee the accuracy of any of the information provided by the speaker, who is not affiliated with Dakota. Not a solicitation, testimonial, or an endorsement by Dakota or its affiliates. Nothing herein is intended to indicate approval, support, or recommendation of the investment advisor or its supervised persons by Dakota. Today's episode is brought to you by Dakota Marketplace. Are you tired of constantly jumping between multiple databases and channels to find the right investment opportunities? Introducing Dakota Marketplace, the comprehensive institutional and intermediary database built by fundraisers for fundraisers. With Dakota Marketplace, you'll have access to all channels and asset classes in one place, saving you time and streamlining your fundraising process. Say goodbye to the frustration of searching through multiple databases and say hello to a seamless and efficient fundraising experience. Sign up now and see the difference Dakota Marketplace can make for you. Visit dakotamarketplace.com today. Well, I am thrilled to introduce our audience to Chris Tessin, founder, managing partner, and chief investment officer of Acuitas Investments. Chris, welcome to Philadelphia.

Chris Tessin: Yeah, thank you. Thanks for having me.

Robert Morier: You made it.

Chris Tessin: I did make it.

Robert Morier: Most people who are tuning in… I think we'll probably release this next week. They're going to know what's been going on in the East Coast with the weather. So, I think it's a big accomplishment that you were sitting here at the desk in Philadelphia coming out from Seattle.

Chris Tessin: I appreciate it. It was a bit more treacherous than I had imagined, and I didn't think a simple trip to Philadelphia and Harrisburg would be so. But I'm glad to be here, and I hope everybody in the city remains safe. Lots of trees down.

Robert Morier: There are a lot of trees down. Well, we're glad you're here. We're glad you're safe. We're really excited to have this conversation with you. We have a lot of questions to ask over the course of the next hour. Before we do, I'm going to read your biography for our audience and then we'll get into it. Chris Tessin is founder and managing partner of Acuitas Investments. He serves as CIO and lead portfolio manager of the small and micro-cap portfolios. Prior to founding Acuitas, he served as portfolio manager at Russell Investments with responsibility for the firm's US micro-cap, small, and small mid cap strategies. Prior to his tenure at Russell Investments, Chris held positions in asset management and investment research at Bear Stearns, Schroders, and Lehman Brothers. Chris holds a BA in economics and philosophy from Columbia University and an MBA in finance from Columbia Business School. He is a member of the Seattle Society of Financial Analysts and is a CFA charter holder. Outside of the office, Chris has served on a number of nonprofit boards as president and treasurer. He calls the Seattle area home, where he lives with his wife and four kids. And again, Chris, thank you for being here today in Philadelphia. It really is a pleasure.

Chris Tessin: Yeah, well, thanks for having me.

Robert Morier: Yeah, and congratulations on all your success. It's always exciting for me. I teach at Drexel University's Close School of Entrepreneurship, so we talk about the entrepreneurial mindset all day. We talk about what it takes to found a business, start your own thing, leave something more secure to something arguably very insecure maybe at times. So, it's great for me just personally to be interviewing an entrepreneur and somebody who's really done it as a founder. So, thanks for being here.

Chris Tessin: Thank you. Yeah, no, excited to talk about it. Glad to take it in any direction you would like. But growing, starting, and nurturing Acuitas has been truly a labor of love. It's been an exciting time to be in the markets.

Robert Morier: Oh, good. Well, we're glad you're there. Well, we generally don't substantiate rumors on this show, but we're going to start by asking you a little bit about how the Tessin family approaches Halloween. Because your colleague, Doug Porter, had shared something that I thought was great. Because we were talking before the show started that one of the most interesting things about this industry is that we talk very granularly about portfolios, portfolio management, asset allocation. But one of the jobs, particularly in your seat, is getting to know the people behind the process. And that's also what I love about this show. So, tell us about the process of creating Halloween costumes for the Tessin family every year.

Chris Tessin: Yeah, that's funny. That sounds like my colleague sold me out.

Robert Morier: He did. He did say it would generally be OK, so we may—

Chris Tessin: No, it's quite all right. I think we joke in our family sometimes that the family motto is there's no kill like overkill. And so, when it comes to… it doesn't matter whether it's pumpkins, or Halloween costumes, or birthday cakes when they were little. And now the kids are a bit older, so they don't embrace Halloween to the same degree they did. But there were some good costumes. I think one of my personal favorites was sort of the green army man, which was a lot of time at a surplus goods store. A lot of green paint. I think my child smelled like green spray paint for about a week. Every time I sneezed I'd have a green Kleenex. But it was… that's just, I think, a way to express creativity outside the workplace. But—

Robert Morier: Where did that creativity stem from?

Chris Tessin: I grew up in a creative family and a musical family, and we always had interests outside of work and sports. I spent a lot of my time swimming. I swam in college. I know you did. And outside of that, I really enjoyed music… creating, writing music. And I was able to do that in college and a little bit afterwards. But there was always… I always had an interest in just creating things. It's interesting how that manifests in ways you never imagined when you have kids, of course, because they come to you at, you know, 11:00 the night before and said, I need fill in the blank.

Robert Morier: Yeah. I was thinking about when I was going to ask that question, I was thinking about my own experiences of when my daughter was three going on four, she decided to change her costume the night before Halloween. She wanted to be a mummy. So, the next morning, I wrapped her in toilet paper because that was the extent of my creativity at the time, and put her out into a rainy day, which did not go well for anybody. But she did get to be her mummy. But that's interesting. Did you grow up in a musical family?

Chris Tessin: Yeah, I did. My father played piano. My brother was a music major… vocal performance, music education. So, all my family did musical theater. I was often too busy with sports to engage in theater and musical theater to that degree, but then I ended up actually doing it in college. After my final swim meet in college my senior year, I did a show at Columbia called the varsity show, which is a review… student-run, student-edited. A lot of people have gone on to great things from that show, which is really interesting, in the space of entertainment. And many of us others have gone on to careers in finance and other things, but still think fondly of our days when we would write songs, dance, and make fun of the university culture at the time.

Robert Morier: What were those days at the university like? You studied economics and philosophy, so what were you thinking as it related to just career? I get that question a lot from students at an undergraduate studying entrepreneurship, economics, and philosophy. Was it law, or did you end up—

Chris Tessin: No, I ended up doing economics and philosophy. I was interested in finance. Columbia is a liberal arts school. Very much focuses on the core curriculum as you're going through your education, and you're able to take classes in a wide variety of disciplines, which I really enjoyed. And the philosophy side, I enjoyed the reading. I remember reading years later, I think that George Soros was a huge fan of Karl Popper and his falsificationism. And there were... I found lots of parallels in finance and philosophy, but mainly it was a good way to learn how to write. Lots of papers, and lots of thinking more broadly than economics, was a bit more numbers, and charts, and graphs. And so, it was interesting because a lot of us from that program went into finance, and we didn't have the natural finance background. I'd never had an accounting course, for example, before business school. But it was a great way, and a great place to learn to think.

Robert Morier: Yeah, that makes sense. Also argue... make an argument. You know, you're making cases now for portfolio managers for the portfolio, and I know over the course of your career you've had to make lots of cases for managers, particularly earlier stage, which we'll talk more about. So, I can imagine with the writing, also the critical thinking, and making the case.

Chris Tessin: Yeah, yeah, there's no question. One of my closest friends is also in the business and went about in a very roundabout way. He actually went on to get a PhD in philosophy, and then came around and now does multi-manager investing with a former professor at Columbia. So, lots of ways to reach the same place.

Robert Morier: I agree. I was a history major, so I know it well. Well, your first two roles out of school were with Lehman Brothers and Bear Stearns. So, I look forward to talking to my students about the history of those two organizations in the financial industry.

Chris Tessin: I promise I had nothing to do with the downfall of both.

Robert Morier: And for our guests, or for our audience, rather, who are cross referencing the years that you worked there, you had nothing to do with any of the events that took place, but they were wonderful training grounds, particularly at the time that you were working there. So, when you think back on that experience, coming out as an economics and philosophy major, using those two organizations and the programs that they were able to offer you to train you how to do that analytical work, what were those years like for you? I know you did your business... you got your MBA in between.

Chris Tessin: No, it was a great training ground. I started at Lehman Brothers just before they went public, and they, as a junior portfolio manager and analyst in a new asset management division that they were building. And it was really wonderful because I was the only junior person in the group. It was a very small group. It was exciting. It was sort of at the advent of computing, so there was… hey, you're young. Teach us Excel. And of course, we hadn't even learned Excel in school yet. And so, it was like the Spies Like Us, doing surgery on the fly with the book under the table. But so many things you learn on the fly, and in business. I had wonderful mentors there that taught me about investing and analysis. I started off mainly on the fixed income side, and then through business school and some other experience I moved to the equity side and equity research at Bear Stearns, which was the last place before I moved west to Russell, and then Acuitas. And that equity research was a very intense… what some people view as sort of a typical Wall Street, you know, lots of late nights, taking cab. My wife was an investment banker at the time, so we'd share cabs home at 2:00, 3:00 in the morning. We would write… I was covering Amazon for the first analyst I worked for back when it was $12 a share and had a chance to meet leadership there and work with them. It was a really exciting time. And most of… the takeaway from it is I gained a host of skills from learning to write a note on a merger in a couple of hours for distribution the next morning to learning to present to clients and doing in-depth analysis. But mostly, you remember the people you work with, as you know.

Robert Morier: Absolutely. So, you were in New York City for a number of years. What ultimately precipitated the move to Seattle?

Chris Tessin: Well, my wife is from Seattle. And so—

Robert Morier: That always… that always helps.

Chris Tessin: That's right. And I love Seattle. It's a wonderful city. I grew up in the Midwest. I grew up in Midland, Michigan, Dow Chemical's headquarters, where my dad worked for 45 years. And I loved New York City. I was there for 14 years in business school and afterwards. And then we were married and pregnant with our first, and we had to make a decision about where we wanted to stay and grow our career. And so, we thought about moving out. It was either kids and strollers in the city or move to the suburbs. And it was also sort of a post-9/11 environment where we were starting to think about house, yards, kids, those sorts of things, and moving out. We looked at a number of different cities. I remember going to Austin to visit a friend. It was 112 in the shade. And so absolutely loved the city, but at the time, it wasn't the place for us. So, we moved where we had family. And four kids later and a business, here we are.

Robert Morier: Yeah. And nearly eight years as a portfolio manager at Russell Investments, so congratulations. What does it mean to be a portfolio manager at Russell?

Chris Tessin: You know, Russell really prides itself on in-depth manager research. And I think that's where we cut our teeth. And we have this common heritage among a number of the investment individuals at Acuitas, and we really embraced that and learned a lot about depth of fundamental research on investment managers there. And then the portfolio management role is, really, the final decision on allocation when it comes to the portfolios. Of course, Russell was founded as the first pension consultant, and then moved into this asset management business. And my time there was great… again, worked with many outstanding people and outstanding minds. Great people to learn from, and building these portfolios, structuring them, and hiring and firing managers for clients' benefit. And then, really, the move to Acuitas and starting to think about launching my own firm was precipitated by feeling like there was an opportunity in the market a time where we started to see demand for slightly more esoteric strategies, large plans, allocating to spaces like small and micro-cap, and thinking that multi-manager is a solution that creates an efficiency for them. And it could be possible to launch a firm that focuses uniquely on this space.

Robert Morier: On the inefficient space… the inefficient areas of the market.

Chris Tessin: That's right. And so micro-cap, for example, was our flagship and first product, and I managed assets with micro-cap managers previously at Russell. But really, the genesis of it was having a client say that they were interested in this, and the firm didn't want to move forward with launching a new product in the space. Of course, every product needs shelf space, and every product… then if it's on the shelf, it needs to be dusted, and cared for, and all these sorts of things. And you never know if it'll grow. So, at a large firm, I think it's harder to embrace new and smaller products. They often go through an 80/20 their existing products. So, we thought there was a real opportunity in the space and left to start Acuitas with no clients and raised some external capital to make a go of it.

Robert Morier: Tell us about that process because obviously a lot of our listeners, being part of this Dakota ecosystem, are fundraisers. So, they're trying to raise assets for the first time with new products, or it might be a product that's been out of favor for a while, so they're going back to the market. Either way, it can be an uphill battle. What were those first few months, few years like for you at Acuitas?

Chris Tessin: Well, starting a business, I think sometimes it felt like you're stepping off of a diving board into a pool what you hope… at night… and hoping there's water in the pool. And then I gave that analogy once, and my wife reminded me, she said, oh yes, and you were holding the hands of your children… your four children, as well, as my youngest had just been born. But no, it was very exciting. We had a lot of confidence in our ability to gather assets. I had one of my mentors in the space, I talked about the idea with him. And I said, this is what I'm thinking about, but I don't personally have the capital to start the business. And he said, well, there's no shortage of capital in the world, but there is a shortage of great ideas. And I think this is a good idea. And that really gave me the confidence to push forward. So, we ended up speaking to venture capital groups and others about raising money and ended up going with raising money from friends and family, and really using angel investors to fund it for the first few years. And that turned out to be… turned out to be great for us. And those individuals that invested early have been great supporters of the business, in addition, because of their experience in the industry.

Robert Morier: For our audience who may be less familiar about Acuitas, would you mind giving an overview of the business? You had mentioned micro-cap is one of the areas that you're focusing on, but just a little bit more of a holistic view would be great.

Chris Tessin: Yeah. Acuitas Investments, we are a boutique multi-management firm that manages money in a small and micro-cap globally. That is our purview. Our flagship initial product, and the majority of our assets, are in US micro-cap. We have extensive experience in small cap, as well. We also manage international small cap and emerging market small cap products for clients. And really, the packaging is less important to us. The research and the purview is probably what's most important. So, what we wanted to do with the business is create an efficiency, especially for large clients, that these areas may represent a single line item. But to gain the exposure that they'd like, they might have to hire multiple managers. And so, to do that, of course, takes resources. And when it's a smaller allocation for a large plan, it makes more sense to outsource it. And of course, it's not a single decision. As you know, building a portfolio, it has to be monitored and nurtured managers. It's a very dynamic space. So, you get something that's a smaller allocation, but much more dynamic, requires that additional oversight, and multi-manager represents a tremendous efficiency. So, we have clients that don't use multi-manager anywhere else. They've never used fund of funds, but they use Acuitas and have had a great experience with it because of the efficiency we bring. And of course, we do the same thing that they do in many cases. We interview investment managers, we look at what the active management space looks like and speak the same language. So, I think that we can be, in many cases, a sort of an extension of staff for plans.

Robert Morier: That makes sense. How early stage, then, are you going in these managers? So, if you think about Acuitas' approach to the sectors that you're mentioning, particularly small cap, whether it's emerging markets or us micro-cap, how small will you invest? And how do you define that small, if you will, emerging manager definition?

Chris Tessin: In general, I'd say for emerging manager, we let the client define it. For us, we're more interested in the alpha. Really, what's important to us is sourcing alpha and finding great investment managers. And often, when we find a great investment manager, we can target them on the areas where they're going to have the most impact. So that may be down the cap spectrum. What we do that's unique is, in many cases, we will source and seed new products. And so, it doesn't necessarily mean the investment manager. We're not looking to do venture capital and be the source of assets for the firm. We're more interested in the product. But this also means that we've been involved in many investment managers where we are day one. In some cases, we're the only assets. We have a product they're looking to spin out, and we're going to remain with them as a client. We're not taking an ownership stake, but we are willing to be very early and even alone with the number of managers in the assets foreign investment manager. I think that's unique. And when you remove some of these hurdles that are often false perceptions of safety… the five-year track record, the $500 million in assets, et cetera… because we retain the knowledge that we can freeze a portfolio's assets. If a portfolio manager leaves, or the hit by a bus scenario that sometimes people worry about, we can freeze the assets and move them efficiently through a transition manager or on our own to another investment manager that we have in the bullpen. We're not as worried about the worst-case scenario. And we feel those early days where a product is particularly, and even sometimes a firm, a boutique… has lower levels of assets, that's where the excess return is. That's where our research pointed. And so, we've been much more aggressive about that. So, the vast majority, over 90%, of the products that we've allocated to in a space like micro-cap, and this is true in international markets, as well, we've been the seed assets for the product. And I can go more into that later.

Robert Morier: Yeah, no, we're interested in hearing more about it. Just talking about the ownership, have you ever taken ownership, or have you ever participated in the revenue growth of these early-stage managers?

Chris Tessin: No, no. I think we know firms that have done it, and it represents a potential conflict. It's a different business. And I think it would be a business that would be separated from our core business because it affects the decision making of once you take an ownership stake, then you have to make the determination of how and when you would fire them. That's obviously going to impact your ownership stake, as well. So, we've never done ownership stakes in managers. We're really only interested in generating returns for our clients.

Robert Morier: That makes sense. I used to work with a US micro-cap manager named Sam Didio, and he used to say that US micro-cap is the private equity of public markets.

Chris Tessin: Yeah.

Robert Morier: So, I'm just curious. Before we talk about manager research process, which we're very interested in, what's the case? Could you give me the case, I should say, for micro-cap, whether it's domestic or abroad? Because it is such an interesting asset class. Not part of a lot of policy benchmarks. It can be perceived as an off-policy bet, if you will, an allocation. So, I'm really interested to hear what's the case from your perspective.

Chris Tessin: That's a great point, and I do believe that it does straddle this public-private market. When we were at Russell, they came out with the micro-cap benchmark. And it gave investment managers a tool to measure themselves better, and it gave plan sponsors a measure of what is this space? What do these companies look like? And that's grown. There are companies now that are $1 billion that are true micro-cap companies in market cap. And so, it has evolved. There are essentially two ways to look at micro-cap in a portfolio. Some people use them as a return kicker for their small cap. It's the smaller end of small cap. Because for many plans, the small cap is actually larger than they would imagine. Doesn't look like the small cap benchmark. Managers tend to get by bigger stocks. It becomes more mid-ish, SMID. And so, it's a way to bring down market capitalization of their small cap exposure. And then there is the private equity alternative sort of as a proxy for private equity, which we've written about extensively and have information on our website about. But this is another way that… and we have a large client that uses us, actually, in their private equity portfolio. We are a liquid alternative for private equity. And it makes sense in the size and the makeup of the companies in the index of how it mirrors and correlates most highly with private equity. But really, the most compelling thing about the space is the alpha opportunity. I mean, it is the richest corner of the equity markets for excess return. If you're going to manage money and you want inefficiencies that active managers talk about, down the market cap spectrum is where you'll find them. I worked in equity research for a number of years, and let's say you cover a large company like Microsoft or something. There are dozens of analysts that cover just that company. There are firms that are dedicated to research on that one specific stock. But you go down the cap spectrum to a micro-cap company, sometime there are no analysts. If you go and meet management, and sit down with the CFO, and take a tour of the factory or whatever, get a mint at the end, you're a royalty. Because many people are not asking these questions. And so, to get the marginal piece of information for the largest companies is really challenging. To understand the company and their ability to execute on their plan for the smallest companies and talk to leadership, it's easier. And we often liken it to… I use the analogy of micro-cap managers are a bit like major league hitters versus minor League pitching because they're in a much richer space. And so, we really think that it's not just the case for the asset class. Like you want to have exposure to small. And now is a really interesting time because small is… we think small is truly undervalued relative to large. But that's not always the case. It isn't just a tactical allocation. It's much more the alpha case.

Robert Morier: You mentioned talking with leadership. I couldn't agree more. I mean, you do go into those relationships, particularly your managers. Since they're going down market cap, they have the ability to get those meetings not with the head of investor relations, but with the founder, the CEO, or the CFO. Which begs the question as to whether or not there is an impact element to this. Are you engaging, or are your managers actively engaging with these managers, where there's… I hate to use the word activism, but—

Chris Tessin: Suggestivism.

Robert Morier: Great word. Maybe that's the title of our podcast, suggestivism with Acuitas.

Chris Tessin: It actually has a lot of impact. We have managers that specifically do this… managers that we've used that say, for example, in international markets, put your financials in English. Get out on the market. Talk to these places. Go to these geographies. Spread the word about what you're doing. You have a great company, and but you have a CEO who doesn't travel. Or you have a geography that doesn't know about you. You haven't ever been through Boston. You haven't ever done a road show. You haven't… or at least changed the way that you communicate about what you do. Because it isn't just, build a great company and expect everybody to knock on your door. And there are investment managers in micro-cap, they definitely, with their investment into the company, they have communication with leadership. And that means that they can say, hey, this part of your business is a drag. You need to monetize it and move on, explore strategic options. We're not generally activist, and our investment managers are not generally activists, but they're absolutely suggestivists in that they communicate with them. And it depends on the type of investment manager, obviously. There's a whole range of types of styles and sub styles. But there are some that do get involved.

Robert Morier: Putting the cart a little bit ahead of the horse, but I'm just curious. When you're constructing the portfolio, do you find that there's sector concentration in the micro-cap space? Or is there more tech? Is there more telecom? Is there more of a certain sector just as a result of market dynamics? I would have said interest rates before, but just considering what's happening in the current environment, do you find that there's a challenge in you allocating to managers as a result of maybe some inherent biases from a sector perspective?

Chris Tessin: We don't necessarily look at taking sector bets from a tactical position. There are managers who have preferences, themes that build up within. There are also the challenges of active management, especially when you manage to an index, as you know, for example, the growth index and its large exposure to health care and biotech stocks. Managers often aren't comfortable with 15% to 20% biotech stocks. They view it as a binary outcome for many of these names. And it's not the same fundamental analysis that they do as simple as income statement, balance sheet, and understanding management. It's approval processes, and it's efficacy of the drug, and all those sorts of things that need to be taken into account, often better in the hands of medical professionals and specialists in the market that do this. In the value space, for example, financials is a really large allocation. So, managers have to have a view on banks. And we have managers that detest small banks. We have managers that are exceptional in purchasing them and understanding where we are in the cycle, and which companies and geographies are going to outperform. So, there are definitely the biases of active management that the underlying managers have to manage against, and tech, health care, financials, some of the big ones of the allocations in the space. Health care is a perfect example of, down in small and micro-cap, a weight that has moved significantly that managers some find a great challenge. And they've taken a range of approaches to it… everything from some have taken a basket of stocks in the space to gain exposure to areas where they don't traditionally pick to just ignoring it and going active. And we really think micro-cap is a space where you let the sales out. put up the spinnaker and head. It isn't a place where you do overly risk control the portfolio. So, our managers are active. And if anything at the margin, we're pushing them for more concentration than we are balance. Because as a multi-manager, we can balance those things. You get the seesaw, and you can place the managers in different places and find the disciplines, put them together effectively. We don't need the managers to try and balance the exposure and hug the index.

Robert Morier: So, they're taking the concentration. Are they giving up the liquidity?

Chris Tessin: Not necessarily. Some of it depends on where they operate. They're not into such illiquid names that we find we really have a problem. We've never had an issue with liquidity of the underlying managers with flows or otherwise.

Robert Morier: So, talk about the beginning of this process, sourcing these managers. Where do you find them?

Chris Tessin: All places. I think the biggest thing is just to have an open door, and to let people know that you're willing to talk to them early days. They often don't believe you because it's hard to get meetings. I mean, we know people are inundated. And you use resources like Dakota, which we actually use, in order to find out more about the plan sponsors that you can target and talk to. And for us, using a database for the investment managers, like an eVestment, that's just a first step. Running a screen is the easy part. You really need to know who's out there and have an ear to the ground. And that means looking beyond the stated products into who's also able to run the products? So, some of our best ideas have come from small cap managers that we talk to about running a more concentrated smaller product. And it isn't just spaghetti against the wall. It's often managers that we really think would excel at it. And we could know that by, perhaps… in our early days, for example, prior to founding Acuitas, I had an analyst I worked for run numbers on some managers that we liked and the performance of their sub-$500 million market cap names. One manager, what we found was that 80% of their alpha was generated by these names and their small cap product. This was a small cap value product. And so, we went back to him and said, well, we just want that. That's it. And he said, well, I don't know if I would do that because I could only run $100 million in it. And it's probably not something that… I'm a one portfolio manager, three analyst kind of investment firm. That might be stretching resources. But if we think about it, and then down the road, many of these managers think, OK, but this is also a farm team. This is also the bench for my small cap. These grow up to be your best names. So, we can have multi-year discussions about these things. It isn't just a one and done thing. But early in our life, we did an interview and said, we often think that the first years of an investment manager are the best years. And we want to be there because everyone comes to you with… they've got the three-to-five-year track record. They've got a couple hundred million in assets. They've got the marketer with the great hair and the great handshake. And they come in, and they say… and we saw it a million times in our previous organization. But the same goes everywhere. And they come in and say, here you are. Here it all is. What I want is the returns that you just put up for the last five years, but I don't get that. I get today forward. And you're managing more money. It's harder. You're buying bigger names. Perhaps the exposures aren't the same as they were in the early days. Those are important things to look at. So, we're willing to go it alone in the early days. Do the research, and then invest early with an investment manager.

Robert Morier: So, what do you want from that first meeting, then? If you know it's the first… it's that day forward, do you want a story? Do you want to know the person? Do you want to understand their character? What exactly are you looking for in those first one or two meetings? I think it's so easy for marketing people… and I don't have as much great hair, but I think I have an okay handshake. But I've got a good pitch book. And I've got a pretty good narrative. I don't know if it's a good story, but it's a good framework. So, what do you look for in that first meeting?

Chris Tessin: We were once speaking to a consultant, and they asked us, well, how, in an hour, can you tell if they're a great manager or not? And we chuckled and said, well, an hour, that's like the handshake. That's just a nice to meet you. So, it's really the beginning of the process. And the initial meeting, we're just information gathering. So initially, it is, send us the information. Send us the portfolio. Send us, yes, the slide deck, et cetera, but a pretty slide deck does not a great manager make. There are lots of great slide decks and terrible investment processes. And there are many small investment managers that can barely put a sentence together, can't market their way out of a paper bag, but are exceptional investors. And so, to get to that requires a number of conversations. It requires analysis into the attributes of the portfolio, and how they make decisions, and really in-depth research. So, it's really the multiple meetings. It's the entire process, the multiple meetings. Initially, we want responsiveness, and access to information, and access to the key individuals. We want to speak to the portfolio manager. We want to speak to the analysts often independently at some point. We want insight into the structure, the organization, the ownership structure of it… all those sorts of things. But those, in a lot of ways, are boxes to check. And then we're diving into process. And we'll understand that through the names in the portfolio. Some of us have done stock level research before. So, we try to understand the framework around the decisions of the individual names. Managers love to talk names, but they all sound brilliant. This name is great. It's a 20% grower. It's cheap because no debt on the balance sheet. That's interesting. One takeaway from that, this is just an aside, but those great characteristics that most active managers talk about… I've got this great name. They're going to do this. They've got growth and low levels of… high quality, and low levels of debt, et cetera, those attributes are all great indicators perhaps in large cap more than down the cap spectrum. The quality of the company down the cap spectrum actually has a higher correlation with excess returns. So, they're not loaded with debt. Loaded with debt for a large company like GM means you could build a new plant, and employ a bunch of people, and grow your business. For a micro-cap company, it may take you one step closer to bankruptcy. So quality matters more. The attributes of the securities that they buy matter more. What we want to understand from an investment manager is how self-aware they are, how much knowledge they have of the space that they operate in, and the characteristics it takes to win. And that's the context that we bring from years and decades of manager research.

Robert Morier: You must be such an interesting meeting for micro-cap, and I'll tell you why. Because most micro-cap managers that I've met, when they're telling stock stories, nobody's ever heard of these stocks before. But you have in all likelihood at some point or another. So, it must make for an interesting conversation. And also, I think it's a good thing. It creates a discipline for the portfolio manager. A lot of times, when I've heard asset managers present, they're presenting as if they're operating in a silo and they're not going to be part of a multi-manager portfolio with other micro-cap managers, or with other small cap managers. So, the understanding, or at least maybe the perception is initially that they're going to be going at it alone, they're going to be completely diversified and r squared of… very attractive. So, it's going to be completely uncorrelated from the rest of the book. But that's not the case for you. So, there's a lot of thought that must have to go into those early meetings with you as to what you hold relative to what your peers hold.

Chris Tessin: Yeah. And managers are often convinced… there are many ways to win for investment managers, as you know, having conducted manager meetings. And so, managers are convinced often that the way that they've managed money that their specific discipline and their specific substyle is optimal for whatever reason. And it may be the case that… I often give the example of a small growth manager, for example, and this pertains to the international markets as well as it does US. But the very high growth markets, the high momentum managers with high turnover that they win every 10 years or so, and they are in a wasteland until they're on the cover of Barron's. Because that corner of the market tends to win in more narrow environments. And when those factors pay, you can have 100% return kind of years and 50% excess returns. But you need to be very patient. In a multi-manager portfolio, you can use a manager like that at a lower weight and balance it, but they're also, like you said, they are marketing to plans as a standalone manager, as well… often maybe as a growth where the manager, or the plan already has a corner value or something like that. But the danger is that your eyes are drawn to that manager right after 2003, right after 1999. And you say, wow, geniuses! Why did I not have this? Put this in the portfolio. As opposed to understanding, we just had the environment. And I remember a narrow environment in 2007 where the high growth paid, and some of the high growth managers didn't get the boost that they thought they did. And that was an environment that favored them. We can talk more about this later in buy and sell disciplines, but it was an environment that favored them where they didn't excel. And that's something you need to understand, as well. So, we try to remain objective by stepping back and understanding what kind of animal these managers are. They are self-aware. But by beating their index, generating excess returns, they're hoping to draw eyeballs and meetings. And we're very much trying to understand how… what their discipline results in in different environments, and how they would fit into a portfolio long term. Because we're not traders of managers. We're investors, and we really look for a long-term relationship with them.

Robert Morier: In addition to self-awareness, what other characteristics will you look for in a meeting… those first meetings really trying to get to know someone?

Chris Tessin: Yeah. Well, I think access and honesty are two big ones… really understanding how the firm was launched, what the goals of leadership are, where these products fit into the portfolio. I think it's harder sometimes with larger organizations because a smaller product, whether it's their small cap product or a micro-cap product, non-US, US. These products, they start out small. They're a less important part of the business. And sometimes, a product person comes along and says, don't need it anymore, and that happens. So, we want to understand the commitment to the space, whether it's emerging market small cap or US micro-cap. And really, the process for us is gathering the information. Can start with a simple slide deck and start with a portfolio. Can start with… sometimes for us it's a paper portfolio because we're talking about products that don't exist yet and starting early with those. And that begins the dialogue, and then begins the fundamental manager research process. And there's really no secret to that. So, in the earliest days of our communication, we just want access and insight into their discipline. And it can be helpful when you have a really responsive marketer who's knowledgeable about the space and the area that you operate in and understands how they fit in the context of other managers. That's valuable. And there are really only… there are a handful of great marketers out there who understand the offering and where it fits into the world.

Robert Morier: Well, the other side of our audience that tunes in are asset allocators. And one of the things that I've heard from those audience members, as well as our guests, is that manager research and asset allocation are not taught in very many places. They're not taught in business school. There are a few chapters at the CFA levels, and there aren't really a lot of programs, even executive leadership or executive management programs, out there that teach the art and science of manager research. So, this takes us into our next suite of questions which I think are important because it really is asking you, in a way, to teach us what is the typical manager research underwriting process like? We talked about sourcing. But when you think about due diligence… well, let's say idea generation sourcing through due diligence, and then ultimately into execution, we'll talk a little bit more about asset allocation particularly given your extensive experience. But that manager research process, I don't want to say it's bespoke. There are a lot of characteristics that are involved that are very common and that we'll find amongst most of our guests. But still, every time we get to hear it from someone like yourself, it's a master class. So, we would welcome one as it relates to your underwriting process.

Chris Tessin: I think it really begins with the idea generation. I'll start there, and then we can go more into the manager research. But idea generation, really, you have to cast the broadest net possible. It isn't fair to just run a search based on… especially based on performance numbers. Because what you'll get is dependent on the environment you just came through, of course. And so, I think that's a mistake of so many folks of looking in the rear-view mirror and not spending enough time on the discipline and understanding how it's a very nebulous thing how good an investment manager is. But on the front end, what you can do is cast a broader net. So, when we looked at the initial purview of managers when we were coming out with the micro-cap index many years ago, we had 12 managers that we identified in the space like US micro-cap. And now there are 75 plus in the databases, but there are more than double that out there in existence and definitely many more that are willing to manage capital in that space. So, casting a broad net means going beyond the database. And it's a challenge for plan sponsors because when you're doing a search, of course, you're going to get… you get brand names, you get big managers, you get people with the proper track record, you get… but many of our best investment managers had none of that before we allocated to them. And they turned out to be the highest alpha generating products that we owned. So, you have to be willing to have those early conversations. And I would say for plan sponsors, it's hard because it's hard to gather the breadth and interview a range of investment managers, understanding what's out there, and evaluating who is. And that's why we try to create this efficiency at Acuitas with the multi-manager products because it's simply hard. If you just ran a screen in even emerging markets small cap or a space like that where there aren't as many managers in the universe, you have to understand who's really out there and who's capable of managing in order to then draw down to the most efficient set you would allocate to. And that's true for us. It's true for any plan sponsor. But it takes dedicated effort. And so, I think by being what I think… we're the only multi-manager that really focuses on small and micro-cap. And I think it's to our benefit because there are a large number of managers in the space. But many, many more are running SMID, mid, large, areas that we don't focus on. And by focusing only on small and micro-cap, we're able to narrow it down to a degree and cast a much broader net when it comes to idea generation.

Robert Morier: That makes sense. So once the idea has been set, you have the manager in the office. You've done those first two or three meetings. You know who they are. You see the self-awareness, the authenticity, the humility, and now it's time to start kicking the tires. How do you do that when you do have a universe that is relatively more narrow? So that same type of competitive peer group analysis might be a little shallower. So how do you go about that?

Chris Tessin: Yeah, I think the next phase, once we've started the manager research process, that is in-depth analysis of both quantitative and qualitative attributes of the manager, both very important. And we want to understand it also in the context of… we joke about the fourth dimension, which is time. Because a manager at t plus 1 is not the same manager at time 0. Assets impact performance. I think we've all heard that. But to understand it best, you need to look back at… you can look at the research. My former colleague and mentor Paul Greenwood wrote The Perils of Research many years ago about small managers doing better than larger managers, especially in a place like small cap. So, focusing on managers and the richest corner of the market is important, but looking at their attributes not just in the context of what does it look like now, but what will it look like over time, and how will assets impact that? Because at capacity, we're capacity junkies. And at capacity, we're much less interested in the manager. And it's not their capacity number. They might say they could run in their small cap product $5 billion, and we'd say, well, you might be able to, but we don't want to be around for that. For us, if you had a small cap product, we might be interested until you're $1 billion, or $1 billion and a half. Or it depends on the manager and the strategy concentration, all those factors. Quantitatively, we're asking the questions about what they buy, talking about names with them. We're asking about decision making… buy decisions, sell decisions, ownership structure of the firm, all these sorts of things. We have these in a formal document. We rank each of these attributes formally. We take it to an investment committee internally, and we present it to the investment group, where there are four of us… my colleague, Dennis Jensen, and Doug Porter, and Matt Nieman, who are both analysts and portfolio managers. And so all of us have a great deal of experience with investment managers and can poke holes in each other's stories, but someone is responsible for bringing that to the investment committee. And then we all ask questions about specifics of the investment manager. And so there is a high bar to reach that level of proposal to investment committee.

Robert Morier: Once it gets to investment committee, is it consensus? Is it a benign dictatorship? How does it work in terms of the final say?

Chris Tessin: We generally don't move forward unless there's agreement on… it's a very flat group. And no one is afraid to speak up, and I think we generally don't move forward with a manager unless we've all approved it. And then there's, of course, another bar for the portfolio managers who have the final decision of who goes into a portfolio and who actually gets assets, but we're generally not taking a manager to… because we don't have any consulting, we're only interested in investing with the manager or not. So, if we're taking a manager as far as investment committee, we are interested in allocating to that manager. We're generally not doing… if we're having multiple conversations with you as an investment manager, we're generally interested in investing at some point. We may not have the assets for the product today, but the goal is to allocate to the managers who we have on our buy list.

Robert Morier: It sounds like you could write a great white paper on capacity and capacity limits only because it's something that, obviously, as you know well, because you ask it. You have to. But it's an obligatory question in every RFP, and really, every first or second meeting is even if you have $10 million and you think you have a capacity of $2.5 billion, or $5 billion, you're still being asked how you think about capacity even if you don't have the number.

Chris Tessin: Yeah.

Robert Morier: So, I'm taking this towards more of the sell discipline of your process. You've given us a very interesting and insightful approach to how you ultimately come to the conclusion as to investing in a manager, and we're going to talk about how that all comes together in a second… how you size them. But before you size it, let's just say something's not working out. If it has to go… it could hit capacity, so it sounds like that's a trigger. But I always think about this quote from this author I love. His name is Barry Hannah. He wrote the short stories called Airships. And he said, you need to see a bit of hell now and then. And when you see that hell, you've seen those managers who you thought they were going to do what they said they were going to do and they don't, how do you get back to that joy?

Chris Tessin: That's great, yeah. One of our analysts at one point said, investing with a manager, it's like a client asked us, do you fall in love with managers? And this person shook his head and in a sort of cynical, joking comment, said, you know, sometimes it's like having a roommate. It's exciting early on. You're great friends. And then all of a sudden, they start leaving their socks on the floor, dishes in the sink, those sorts of things. You're going to see under the hood—

Robert Morier: I like that. That's a good white paper… be a better roommate.

Chris Tessin: Yeah, that's right. How to be a better roommate. You're going to see under the hood with these managers. So, you want to get to it in the early days. And there are managers where we've allocated that over time did not embrace the opportunity to the degree that we felt they did. There was… or that we wanted them to. And that meant buying down in stocks that initially maybe had some overlap with a small cap product for a micro-cap product, but eventually, not enough unique names, not enough effort into the product. Eventually, we parted ways. We want a multi-year relationship with these managers, and many times we get them. There are a whole host of reasons for selling. Capacity is clearly one of them. If we think buying and allocating to managers when they're early in their life cycle is core to our discipline, and I think has helped us generate the returns that we have for clients. But as they approach capacity, we'll have the discussion. And we try to let managers know early on, this is our discipline. You're free to go fill up with assets as you grow, but we're generally less interested in the product as you're less able to maneuver the boat.

Robert Morier: Interesting. How about sizing? So, the real art, I guess you could say… maybe not. Maybe it's a quantitative process for you, as well. But when you think about sizing these managers as part of a multi-manager portfolio within the same asset class, but what does that process look like from you and… you and the team's perspective?

Chris Tessin: Good question. And I think sizing is dependent on the manager's discipline as much as it is the characteristics of the manager. So, there's art and science to it for sure. You can find balance within a portfolio on a number of characteristics. We often try to… we talk about eliminating the uncompensated bets. So, if, for example, we don't have a view and don't want to make a tactical decision on things like sector, overall, we'll be more neutral on sectors than not. But we're also… we know that these managers have the sales out. They're concentrated products. And even in aggregate, we're not likely to have exactly index-like allocations. But there are characteristics, like I talked about earlier, that we do think pay. So, for example, quality pays… ROE, ROA, those sorts of characteristics. Higher quality for these smaller companies tends to outperform lower quality. Companies with earnings outperform companies without earnings over time. That's not to say we'll have a zero allocation, but in aggregate, you'll get these characteristics. So, we sit down as a team with the investment managers and look at how to balance them in weights in the portfolio. But we also have to take into account the type of manager that they are. So, for example, I talked about that high growth manager. A really high growth manager that tends to win in a more-narrow environment might be a lower weight because there's higher volatility in the returns. And so, you might have them at an 8% or 10% weight, and they could, given the right environment, be your greatest performer, but you'll see the other side of that. And you might see a longer dry spell. And so, you will weight them accordingly. Whereas others might be more of an anchor in the core space, a more diversified portfolio, and more diversified could be 50, 75 names for our managers sometimes, and could be higher. But generally, those managers can serve as an anchor, a fulcrum on the seesaw, if you will. And then you can go out the spectrum with managers. It isn't as simple as value core growth and equal weights. I think we saw clients, especially early in my career, that were almost trained to demand balance. So, you need to have 40% value managers, 40% growth managers, and 20% core, or something like that. And if you vary from that, well, then you're taking a style bet. And it's like, no, no, no. You could have that and have a massive overweight to fill in the blank… growth, value, sectors. So, we're really looking for a high-quality portfolio that has factor balance, exposure to the characteristics we want, which in some case generally result in higher forecast growth, higher quality of the portfolio, lower levels of debt, especially in these small and micro-cap spaces. And we are able to balance some of the characteristics like sector exposures, et cetera. But in the end, really, the focus is alpha. The focus is excess return. And so that comes from the deep manager research and the extensiveness of the process before you get to that stage.

Robert Morier: That's very helpful. Thank you for sharing all that. I'm not going to ask you which of your strategies is your favorite because I feel like it's asking… it's like asking you who your favorite kid is.

Chris Tessin: Yeah, I love all my children.

Robert Morier: Exactly. But if you had to think about the opportunity set right now in emerging markets small cap relative to international small cap relative to US micro, where are you finding some interesting areas of opportunity today as it relates to your overall portfolio suite? You have to have some prioritization, I would assume, when you're talking with clients. So how would you prioritize that today?

Chris Tessin: Well, I think it's a really… it's an outstanding time for small and micro-cap in general. And globally, I think we're excited about… we've seen appetite for emerging market small cap, for example, from plans that are now in the advent of thinking about it in terms of small and large, which it's like the early days of the US when people went from thinking of just the S&P to thinking about, well, now maybe there's large and small. And we'll think about it in that context and recognize the alpha potential of small. There's great opportunity outside of the US and among our international managers and our emerging market small cap managers. In the US, it's also a really opportune time. Micro-cap, as an example, is still 25% off its high, and large cap, the Dow is hitting new highs. And so, you have this bifurcation in the market that leads to an opportunity that we think our managers are optimally set to take advantage of. So, I think we're excited about a lot of things. We had a great year in 2023, and we had managers that were exceptional for us. And we saw a little bit of a bounce in the smallest markets at the end of the year, but there are some things that are setting up really well for 2024. And some of the risk factors that have moderated a little bit in the broader context of the macro environment mean a better active environment for our managers.

Robert Morier: I love your open-door policy, but I am curious. Any active searches going on now?

Chris Tessin: We're always looking. I would say that we have… in some ways, I think of ourselves as a solutions provider for the end client. And so, we will have clients… in some cases, very large plans… ask us about certain asset areas and asset classes. And we've done work. We've done some great work in emerging market small cap not just on specialist managers in that space, not just broad managers, but country and regional specialists, and things like that that we can put together. We have in US small, we don't have a current product, but we've been doing some work there that's been outstanding that leverages not only our history allocating to the space with decades of experience there, but also managers that we know for a long time in micro-cap often those emerged from superior small cap products and processes. So, we've been doing some work there, as well. But really, if there is a manager in these products, small and micro-cap, we want to know you. And we've gotten to the point where people recognize our expertise in the space, have recommended managers to us. We like to have an open-door policy. Don't be afraid to reach out. Same thing with plan sponsors. If you're just looking to understand the space and we can be of any support for you, and understanding what managers look like down there, and how folks allocate, and what liquidity looks like, and all that sort of thing, we are glad to be a resource.

Robert Morier: Well, I'm going to ask you a question that I'm sure you ask most of your managers, which is, what's your competitive edge?

Chris Tessin: Our competitive advantage, I think, is our depth of research and our process. And that relates directly to the people that we have. Every individual… at Acuitas, we are a four-person investment team, and everyone is exceptional. Everyone loves researching investment managers, and diving into the data, and having discussions. It is the most intellectually stimulating thing I have ever done because you see from a mile high all these wonderful minds focused on their own unique processes with the belief that what they are doing is more exceptional than what the next person is doing. And it's not necessarily about ego as much as it is about their passion. And that passion is infectious. And we think we can bring that, especially in an area like small and micro-cap where these managers, they do have an advantage. They really can find the gems. And so, helping them discover, allocating money to them in their early days, helping them grow, and seeing them create the next generation… now we're onto multiple generations. We have people that are sons of founders, and daughters of founders, and we have managers that have spun out two or three times that we have followed. We have managers that were on the third, fourth iteration of our allocations that have been exceptional for us. Others that were truly emerging managers and diversity managers where we were the first assets to the manager that we're incredibly proud of and provided them access to large plans. So that's really exciting. But really, the competitive advantage, I think, is the investment process of the diligence, and reaching out, and doing the research early in the cycle for these products, being willing to be first to resource, to source and allocate to these investment managers, and diving in deep. And I think it's the sort of thing where it's a little bit like Warren Buffett and his key to success. And he said, read 500 pages a day. He's like, I know I'll say it, and no one will do it, but the in-depth research that we do, in a way, anyone can do, but no one will. And I think that's an advantage for us.

Robert Morier: I think that's wonderful. Thank you for sharing all that. It's been really interesting and insightful getting this context from you with all of your experience. Congratulations on all your success with Acuitas. We have a couple more questions that are more about you but thank you for sharing all of that insight into the process. And one of the questions that I'm always interested in, it's a quote that I pulled from last year that I'm carrying into 2024, but it's, what you are is an expression of history. And I'm always so interested. As you said, you've been with some of these managers now for multi generations, and you've seen them through the highs and lows. But where does your history show up in your life today?

Chris Tessin: Yeah, I think we were all products of our own history. Our experiences color our present initiatives. And when I look at investment managers, I think about the things that have gone wrong. I think about the things that have gone right. And there's a great benefit to that. There's also benefit sometimes to saying, OK, I understand all the things that could go wrong, but I still need to move forward. Because it's like the quote, I can't remember exactly what it is, about there's magic in action. Things will fall into place that you never imagined. And that was the case in founding Acuitas. There were things that fell into place that I never imagined… people that helped us launch. The same thing with delivering for our clients or our managers that we sourced that we wouldn't have imagined knowing or allocating to in our early days that have been exceptional for us and helped generate our alpha. We always look at things in the context of the environment that we're in. To note more directly, when we talk history, we often talk about years of, oh, this is summer of '07. This is like… and I know you've done that, too. And cycles of when there's opportunity, much like, oh, we had a really dry spell for fill in the blank value, which we had come through in the not-so-distant past. Does that mean that value is done? We also saw white papers on is small cap dead, and people giving up on small cap allocations. We know that these things cycle. So small cap is not dead. Small cap has underperformed. There's great opportunity in the space… opportunity for alpha in small and micro-cap globally, and I think that colors our experience. But we're able to focus on the discipline of researching and allocating to managers with the benefit of history in our own life experiences.

Robert Morier: I asked you earlier where your creative… where your creativity came from. Where does your entrepreneurial spirit come from?

Chris Tessin: I think it comes from my family. I think my father and mother were both very involved, and my father worked at Dow Chemical for 45 years. But they also had a host of other ventures. They owned properties and had opened a health club at one point; an arcade, which was fun for a middle schooler; a health food store; all sorts of different things. And so, they were… I think, a little bit of their fearlessness in stepping off that ledge rubbed off, and I always wanted to try and do something, build something like Acuitas. I didn't know I'd be surrounded by so many great people and be supported by so many folks, which has been, really, the magic of all of it. But I think that's where it initially came from. They asked in business school… I think one of the essays was write your own retirement speech. Or your own wake, or something like that. I was like, this is morbid.

Robert Morier: That eulogy has been coming out more and more these days.

Chris Tessin: Right, exactly.

Robert Morier: We're getting a little closer to it.

Chris Tessin: Yeah, yeah, exactly. I'm a little less comfortable writing that now, but I talked about in that launching an asset management firm. And so, I think I had the genesis of the idea for a long time before the people around me helped to make it real.

Robert Morier: In addition to your colleagues, who were some of those people who were some of those mentors? You mentioned early on in your career back in the Lehman, Bear Stearns days. But if you think about the folks, in addition to your family, who helped you along the way.

Chris Tessin: Yeah, well, there were a lot of great people. I mean, my very first job at Lehman Brothers, Nick Rabiecki was a great mentor in teaching me about portfolios and about how much relationships with people matter in the industry. Just simple things like relationship with multiple salespeople that can provide you access to the best bonds, and ideas, and source ideas, and really understand what you're looking for can be a benefit. And in my Russell days, Paul Greenwood has been a great mentor for me, who's now CEO of Pacific Current Group, a venture capital group that is a multi-asset manager boutique. And like I said, Paul gave me that quote of, there's no shortage of capital out there, and helped me take that first step. There have been lots of folks that… and the colleagues I work with now, my business partner, Dennis, has great context into what are the characteristics that make a manager work that they require in a certain environment. A deep value manager requires something very different than a high growth manager, and they're disciplined to actually have success. And so, you need to suss that out in the investment process. And so, I think in anything you do, you need to continue to seek knowledge and surround yourself with people that make you better. And I'm just really blessed to be in that position.

Robert Morier: That's wonderful. Or find a good book.

Chris Tessin: Yeah, that's right, or find a good book.

Robert Morier: Yeah, that's great.

Chris Tessin: No question. Lots of great books that we've drawn from.

Robert Morier: Well, there were a lot of great insights in this conversation. Thank you again. Congratulations on all your success.

Chris Tessin: Well, thanks very much. I appreciate it.

Robert Morier: If you want to learn more about Chris and Acuitas Investments, please visit their website at www.acuitasinvestments.com. You can find this episode and past episodes on Spotify, Apple, or your favorite podcast platform. We are also available on YouTube if you prefer to watch while you listen. If you'd like to catch up on past episodes, check out our website at dakota.com. Finally, if you like what you're hearing and seeing, please be sure to like, follow, and subscribe. We welcome your feedback, as well. Chris, thank you again for joining us today. And to our audience, thank you for investing your time with Dakota.