
“Fostering a Culture of Risk Taking and Entrepreneurship”



BERKSHIRE
SECURITIES INC.

Son & Templeton

Wealth Creation & Preservation

- Business Owners and Partners
- Over 28 years combined experience in Investment Industry
- Winner of National Distinction Award from IDA in 1998



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“Fostering a Culture of Risk Taking and Entrepreneurship”

- If you don’t control risk, it controls you.
- “Risk comes from not knowing what you are doing.”
- There may be more risk in being an employee than in being an employer.
- There are two places to sign a cheque.



Cycle of Dependency

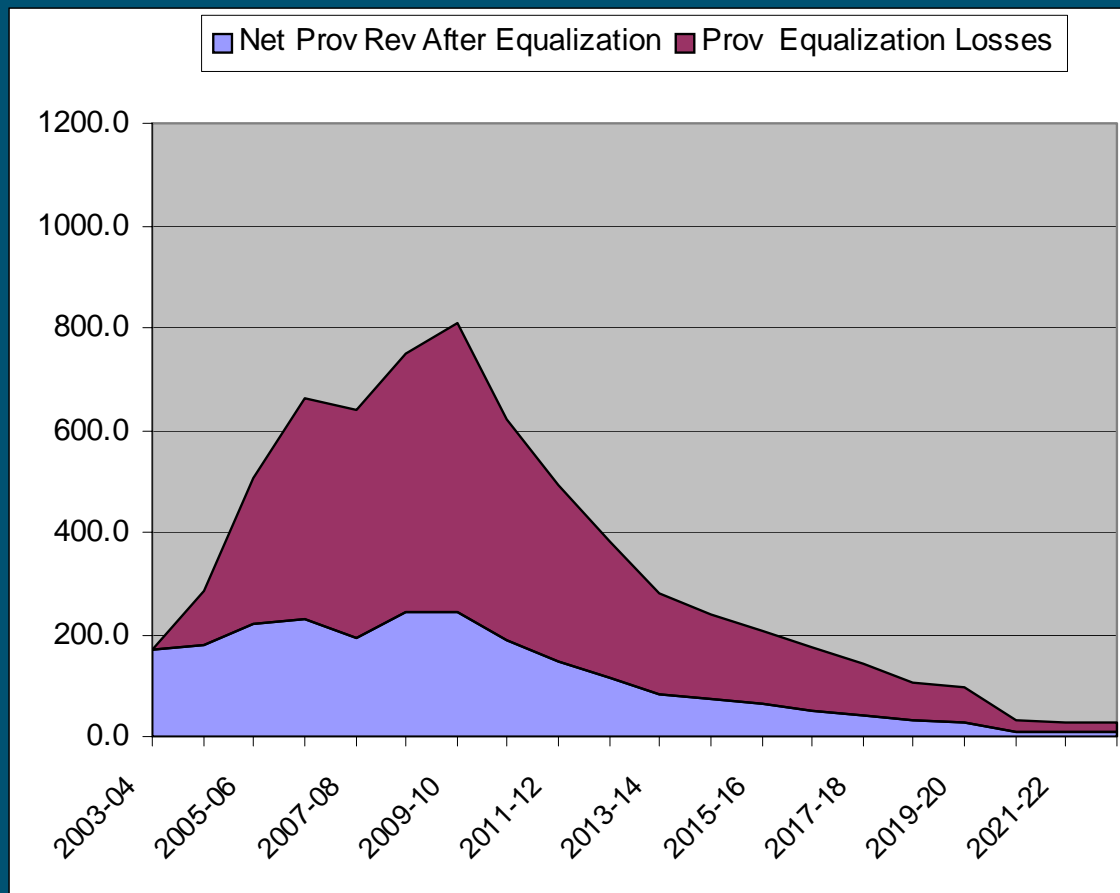
- “Being entrenched at the bottom of the Canadian ladder in a cycle of dependency underscores the need to improve our place in Canada.”

Royal Commission on Renewing and
Strengthening Our Place in Canada



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Government of Canada Principal Beneficiary



Wealth Creation Formula

- Set a goal
- Use other people's brains (find a role model)
- Use other people's money
- Pay yourself first
- Invest for the Long Term



To Be Owners

- Think like owners
- Behave like owners
- Own well managed businesses
- The population base is needed to make the businesses viable



Idea # 1 - Set a Goal

- **Establish a private sector economic development organization for Newfoundland & Labrador.**
- It must be good for shareholders.
- It must be good for the member companies.
- It must be good for our communities.
- Good for our labor sponsors & workplaces.



Rule 2 - Find a Role Model

- In Manitoba, the Crocus Fund already exists.
- The fund has \$176 million in equity and is invested entirely in businesses in Manitoba.
- There is a 30% tax credit and it is RSP eligible.



“The Pitcher Plant Fund”

- An Income Trust with Newfoundland and Labrador Liquor Corporation (NLC)
- A resource unit based on water flowing over Churchill Falls



Breaking Dependency #2

- The Government Pension Fund is about \$2.2 billion.
- The University Pension is about \$900 million.
- We hire consultants who recommend managers to manage the assets.
- Why are there no managers in our province?
The fees generated on these two accounts alone is something over \$15 million annually.



Rule 1- Set Goal

- To work with the School of Business at Memorial University to develop the skills to manage financial portfolios in our province.



Rule 2 - Find a Role Model

- Sauder School of Business at University of British Columbia has a Portfolio Management Group.



Quotes

- “The PMF has given me an amazing career and life long friends. I am incredibly grateful that my career was jumpstarted by many dedicated mentors, summer employers and faculty supervisors. Wall Street teaches tough lessons about value, risk and reward. The PMF laid the groundwork for me to learn those lessons.”

Pennie George, Lehman Brothers, NY



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Successful Investing

- “To invest successfully over a lifetime does not require a stratospheric IQ, unusual business insight, or inside information. What’s needed is a sound intellectual framework for decisions and the ability to keep emotions from corroding that framework.”

Warren Buffett

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Let's Break the Cycle of Dependency

- Let's work with the province to create an environment and a vehicle where Newfoundlanders and Labradorians can invest in businesses in their own province and grow personal wealth through equity ownership.
- Let us work with Memorial University on a Portfolio Management Foundation.



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Thank you from

Bruce and Jim Templeton



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