

## Long term value investing

### A passion for value

We provide asset and fund management for private clients. By reviewing this website, you will learn about our value investment philosophy and the people behind Kraemer, Schwab & Co. AG. We also encourage you to read about the many timeless principles that govern successful investing. We have been value investors ever since our company was founded in 1983. It is our only business and it is how we invest our own money.

### Value investing

It is our belief that the market is at times inefficient: occasionally stock prices reflect more investors' sentiment rather than a company's profit. Over time, inefficiencies are corrected and prices realign with intrinsic values. Value investors seek to buy companies whose shares appear underpriced relative to the underlying fundamentals; stocks often characterized by high dividend yields and low price-earning-ratios. The discount of the market price to the intrinsic value is called the "margin of safety". The intrinsic value is the discounted value of all future cash flows available to shareholders. We try to invest in outstanding companies at "sensible prices" rather than in average companies at bargain prices. Strict discipline, patience, focus on long term absolute returns are key tenets of our approach. The main proponents of value investing are Benjamin Graham and Warren Buffett.

### Contrarian Investor

Most investors look favorably upon stocks rising in price and reject those falling. This conventional model causes them to overlook quality companies whose prices have fallen in overreaction to events that are transitory in nature. As contrarian investors, we emphasize profits over common opinions and try to think independently and long term rather than letting herd behavior and short term psychology cloud our judgement.

### Buy and Hold

We employ a buy-and-hold strategy of carefully selected stocks. Once bought, we are not concerned about short-term price movements and technical indicators. We view stocks as fractional ownerships in businesses: once we have purchased interests in exceptional companies at reasonable prices, staying a long time with our investments allows us to profit from the growth of their cash flows.

### Independence

We are an independent partnership since our incorporation in 1983. Such a structure provides stability, continuity and long term focus, in perfect alignment with our investment philosophy.