

# BRC Investment Management LLC



boundedrationality  
CONCEPTS

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*BRC Investment Management is a small, 100% employee-owned, SEC registered investment adviser that focuses on the U.S. equity market.*

*With over \$540 million under management, we provide investment management to institutional investors, including corporate pension plans, endowments and foundations, as well as offering separate account management to select local high-net-worth clients. The name is an acronym for "Bounded Rationality Concepts" which reinforces the company's strong ties to the field of behavioral finance.*

## Philosophy and Process

For over 15 years, our investment philosophy and process have been directly influenced by investors' tendency to act irrationally when confronted with issues relating to their money and investments. While much of economic theory is based on the notion that investors behave consistently and efficiently, we believe there are clear boundaries to the degree of rationality that both professional and individual investors are able to apply. We believe future investor expectations are strongly influenced by the opinions, forecasts and announcements of perceived market experts, including Wall Street analysts and company management. Furthermore, we believe changing investor expectations directly impact stock prices. By incorporating a combination of proprietary quantitative, fundamental and behavioral valuation techniques, we believe we are able to identify companies that are likely to be the beneficiaries of future favorable earnings announcements and upward earnings estimate revisions.

## Facts and Figures

Organization	Private, Limited Liability Company
Structure	100% Employee-Owned
Registered	SEC 1940 Act Investment Adviser
# of Employees	10 Total; 6 Investment Professionals
Experience and Knowledge	19 yrs average; 16 CFA and Advanced Degrees
Institutional Assets Under Management	\$410.7 million as of 12/31/11
Total Assets Under Management	\$540.1 million as of 12/31/11

*BRC Investment Management has a well researched investment philosophy, repeatable investment process, experienced investment team and a well established operations infrastructure.*

## Unique Investment Approach

There are three major components to our investment approach that make us unique:

First, we use select behavioral economic concepts to make statistically significant predictions regarding prices of individual stocks (behavioral component).

Second, we construct proprietary models that focus and simultaneously maximize our exposure to factors which, based on our research, drive stock prices the most (quantitative component).

Third, by incorporating fundamental analysis into the process, we strive to invest in the best stocks among those highly ranked by our models (fundamental component).

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## Alignment of Interest

BRC Investment Management is focused exclusively on investing in the U.S. equity market. The Chief Investment Officer and the Portfolio Managers are owners of the firm. The firm is dedicated to investment management and client servicing. The primary goal is to generate the best risk-adjusted investment return for our clients.

## Regulatory Compliance

BRC Investment Management has designated a Chief Compliance Officer (CCO) to oversee regulatory and legal requirements. The CCO is supported by Focus 1 Associates LLC, an external resource dedicated to support investment advisers with Code of Ethics, Policy and Procedures Manual and Business Continuity documentation.

## Separate Account Management

BRC Investment Management constructs individual portfolios of equity securities based on our proprietary investment approach. Each client has their own separate account, allowing for beneficial direct ownership, tax treatment and investment control.

Past performance is not to be construed as a guarantee of future performance. A complete list and description of firm composites is available upon request.