KOVITZ INVESTMENT GROUP
Intrinsic Values®

Investment Commentary

Summer 2014

Market and Performance Summary

The Kovitz Investment Group® (KIG®) Equity Composite (the "Composite") increased in value by 2.3% (net of fees) for the first six months of 2014, while our primary benchmark, the S&P 500, increased 7.1% over the same period.

We readily admit that we haven't gotten off to a great start this year. But we also know one thing for certain: as much as we'd like to, we can't force good performance to materialize on a timetable that would be convenient for us. What we can do is stay true to our process, one that is repeatable, economically rational, and proven to have produced good results. We have executed our duties as a steward for our clients' capital the same way for many years and we're hopefully getting better at it, notwithstanding this short-term performance blip.

So far this year, the market has not rewarded the outstanding businesses that we're happy to own as long-term investors. To add insult to injury, the market has rewarded businesses that we have no desire to own, such as companies growing very rapidly and selling at high valuations, or those in cyclical industries with a lot of leverage. The cost was poor relative performance in the short-term. It is a cost we have paid in the past and will gladly pay again, with the goal of producing superior long-term risk-adjusted returns for our clients over our designated time horizon of five-year rolling time periods.

Our strategy is focused on purchasing discounted stocks of companies with above-average businesses, above-average balance sheets, and above-average management teams. By executing this strategy, we believe over time we should outperform a passive index, which is full of many average and below-average companies.

One's time horizon needs to be long in order to use this approach. The one stipulation for pursuing a strategy such as ours is a requirement for patience over short time periods. Because of our goals and our process, we will not beat the market every quarter. We will not beat the market every year. This is not an excuse, but a reality. We're looking at a peak-to-peak cycle and trying to protect and grow our clients' capital through the whole cycle. To accomplish this, we have to stay focused on our process and building a culture that continuously learns and improves. We would not be able to do so without outstanding clients who provide stable capital and allow us to make intelligent investment decisions based on our longer-term horizon.

Below is the standard performance report of the KIG Equity Composite which now covers more than 17 years. The chart summarizes both annualized and cumulative performance results from January 1, 1997 through June 30, 2014 for the Composite and the S&P 500.

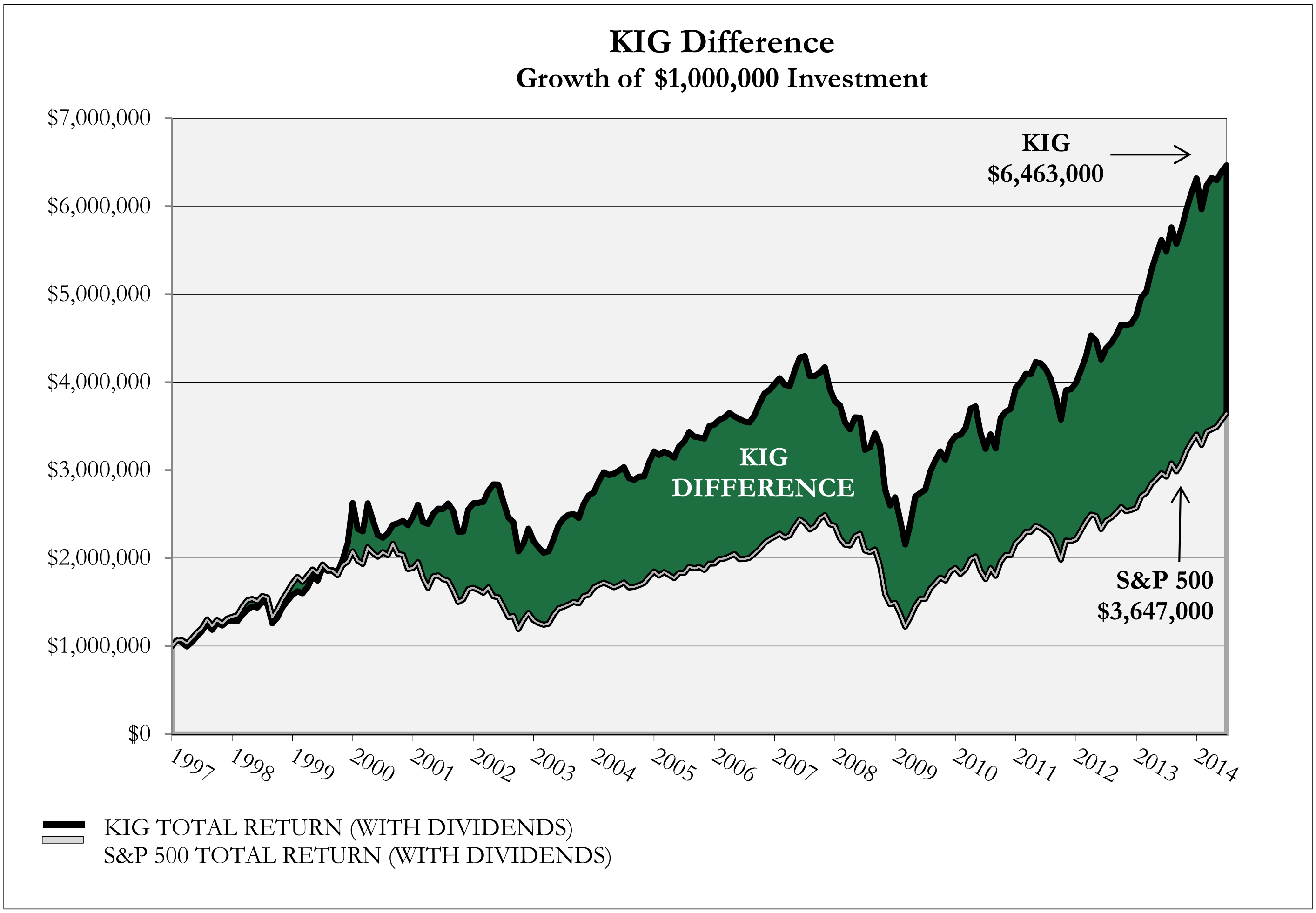
KIG vs. S&P 500
Annualized Equity Performance (Net of Fees)

	1-Year	3-Year	5-Year	10-Year	15-Year	Since Inception (17.5 Years)
KIG	17.8%	16.0%	18.4%	7.9%	8.5%	11.3%
S&P 500	24.6%	16.6%	18.8%	7.8%	4.3%	7.7%

KIG vs. S&P 500
Cumulative Equity Performance (Net of Fees)

	1-Year	3-Year	5-Year	10-Year	15-Year	Since Inception (17.5 Years)
KIG	17.8%	55.9%	132.7%	113.2%	241.6%	546.7%
S&P 500	24.6%	58.4%	136.9%	111.5%	89.2%	264.6%

Please refer to the disclosure on the last page of this newsletter for additional discussion regarding the performance of the Composite.



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Company Updates

The two biggest detractors from performance during the first half of the year have been **Coach (COH)** and **Bed Bath & Beyond (BBBY)**. While Coach's business has underperformed versus our expectations, Bed Bath's has not. Other investors have been concerned that Bed Bath will forever bleed market share to online competition. Declining margins have also been in focus as increased couponing, a shifting mix to lower margin consumables, and free online shipping (for orders over $49) has led to lower year-over-year margins. Also contributing to lower margins is the fact that the company has been investing heavily in its e-commerce platform, particularly in data centers and distribution centers, to shore up its Omni-channel offering.

The primary job of any investor is to match valuation with expectations, meaning we are trying to determine what expectations for earnings growth are priced into the current valuation. At its current level, our analysis suggests that Bed Bath's shares are priced for declining earnings from this point forward.

We don't wish to sound Pollyannaish on the challenges facing the company, but we see many positives that inform us that the situation is not as dire as the market price implies. Bed Bath generates ample free cash flow, which allows them to make necessary investments in their business and have enough left over to return cash to shareholders in the form of share buybacks. At its current valuation, we believe buybacks are an excellent use of company funds. Its balance sheet is pristine, which means that they have tremendous flexibility in determining their fate. With interest rates as low as they are, one option would be to take on debt (they have none currently) and use those funds to repurchase even more stock. The arbitrage between the company's 9% earnings yield and our estimated cost of debt of 4% would be powerfully accretive to shareholder value. We would also not be surprised if Bed Bath attracted a private equity buyer. Companies with strong fundamentals undergoing internal change are sometimes better off undertaking their work out of the eye of the public markets, and a company like Bed Bath with no existing debt could be a tempting target.

The situation Coach finds itself in has been a little bit thornier. Near-term earnings guidance has been slashed as the company attempts to rejuvenate its brand in North America by investing in marketing, store renovations and product. The company is also reducing promotions in full-price and outlet channels while further rationalizing its retail store count. Increased competition has pushed Coach to undertake these initiatives, which leads us to believe we may have overestimated the strength of Coach's moat. While Coach works through these issues, the company will be aided by its debt-free balance sheet, which should provide some flexibility during this transition, particularly in preserving its dividend, which now provides a 4% yield on the current stock price. We have confidence that the comprehensive changes being undertaken will ultimately gain traction, but our normally long time horizon may just need to be stretched a bit further.

On the plus side, **Apple (AAPL)**, **DirecTV (DTV)** and **Walgreen (WAG)** have had strong year-to-date returns. Apple has benefitted from a turnaround in investor perceptions as iPhone sales came in above expectations and the company allocated more of its prodigious cash balance ($150 billion as of March 29, 2014) towards share repurchases. Investor fickleness aside, to us, the investment case for Apple has always been about the disconnect between its valuation and the fact that its product design creates an ecosystem of interconnected hardware and software that is difficult to leave. Its cash hoard allows the company ultimate flexibility in pursuing its goal of creating a dominant mobile platform and we are happy to own it until the valuation gap narrows further.

DirecTV moved higher as it received a takeover bid from **AT&T (T),** the potential for which was a key element of our investment thesis. Walgreen benefitted from strong sales and dialogue about its purchase of the remaining portion of English pharmacy chain Alliance Boots that has the potential for tax savings if the company reincorporates overseas.

Portfolio Activity

As a result of the large-scale market appreciation over the last few years, the number of companies selling at attractive discounts to our estimate of their intrinsic value is not as great as it has been in recent years. We consider most equities in our universe of investable companies to be fairly valued to slightly overvalued. As such, we did not initiate any new positions in the recent quarter. We eliminated our holdings in **Johnson & Johnson (JNJ)** as the company's stock reached what we considered full value. Also, we pared back our exposure of **CVS Caremark (CVS)** and Walgreen due to appreciation towards our target ranges.

A Brief Survey of Behavioral Finance
(Or, How We Learned to Stop Worrying and Love Cognitive Dissonance)

According to classical economic theory, emotions and other extraneous factors do not influence people when it comes to making economic choices. In other words, the theory assumes the world and its participants are, for the most part, rational "wealth maximizers." Conventional economic theory also assumes that all people have the same preferences, perfect knowledge of alternatives, and understanding of the consequences of their decisions. However, as time progressed, academics in both finance and economics started to find anomalies and behaviors that couldn't be explained by theories available at the time. By observing the economy and, in particular, the capital markets, it became apparent that the idyllic state where rationality is the rule did not exist. The real world proved to be a very messy place in which market participants often behaved unpredictably. In fact, ample empirical research and anecdotal evidence show that people are not perfectly rational. This gap between theory and practice has spawned the relatively new field of behavioral finance. Behavioral finance seeks to bridge the gap between classical economics and psychology. To do this, it combines behavioral cognitive psychological theory with conventional economics and finance to provide explanations for how and why people, and markets, do what they do. One of the primary objectives of behavioral finance is to understand why people make irrational financial decisions.

There are many instances where emotion and psychology influence our decisions, causing us to behave in unpredictable or irrational ways. Psychology teaches us there are a lot of glitches, or biases, in our mental "hardwiring." We see patterns where none exist. We fail to consider the range of possible outcomes. We mimic others' actions. We anchor our decisions based on certain information. We shift our probability assessments based on how information is presented to us. Biases seek to disrupt lucid contemplation of an issue by introducing externalities that are generally not relevant to the decision at hand.

Behavioral finance may be the most underappreciated, under-taught, and under-contemplated facet of investing. It is critical because it helps explain what errors you're likely to make under various circumstances, offers insight into how others will influence your decisions, and provides perspective on how to overcome biases. Studying behavioral finance teaches you how to avoid making suboptimal decisions and reducing biases, which can make a huge difference in the quality of any investment decision.

We have found that incorporating elements of behavioral finance into our investment philosophy is vital because, in its most basic state, a sound and sensible philosophy should dictate how you make decisions. A properly aligned investment philosophy helps patch up some of those psychological glitches. Just as importantly, it also informs us what opportunities may lie ahead as other investors fall prey to faulty reasoning. We believe a complete understanding of both improves our chances of long-term success.

Biases Found in Behavioral Finance

A logical fallacy is an error in logical argumentation. A cognitive bias, on the other hand, is a genuine deficiency or limitation in thinking – a flaw in judgment that arises from errors of memory, social attribution, and miscalculations. Below, we will touch on several of the most conspicuous cognitive biases and demonstrate ways that we attempt to avoid falling into its traps.

Herding

"When people are free to do as they please, they usually imitate each other." - Eric Hoffer, True Believer

Herding, or the bandwagon effect, is when a large group of individuals make the same choice based on the observations of others, independent of or in spite of their own knowledge. Herding occurs when positive or negative feedback gets the upper hand. This contrasts with the classical view that people make decisions thoughtfully, or that investors trade solely on the basis of fundamental information.

One of the most recent, and extreme, examples of herding occurred in the late 1990s as venture capitalists and private investors frantically invested huge amounts of money into Internet-related companies, even though most of these "dot-coms" did not have financially sound business models. The driving force that seemed to compel these investors to sink their money into such uncertain ventures was the reassurance they got from seeing so many others doing the same thing. As John Maynard Keynes famously said, "Worldly wisdom teaches that it is better for reputation to fail conventionally than to succeed unconventionally."

There are a couple of reasons why herd behavior develops. The first is the social pressure of conformity. People are social animals and have a natural desire to be accepted by a group, rather than be branded as an outcast. Therefore, following the group is an ideal way of becoming a member.

The second reason is a common rationale that it is unlikely that such a large group could be wrong. After all, even if you are convinced that a particular idea or course of action is irrational or incorrect, you might still follow the herd, believing they know something that you don't.

KIG Antidote to Herding

The best way to avoid the tendency to mimic other's actions is to have the ability to think independently. As investors, our scorecard is available for scrutiny each and every day. As such, there are myriad temptations to appear "in the know" and participate in any one of the investments "du jour." We have long understood, however, what is popular is not always right. When we don't like what other people are doing, we don't do it. Each decision has to be made based on its own merits as we attempt to seek the "truth" despite others' opinions.

In its most basic sense, our remedy against herding comes down to confidence in our investment process. We heed the counsel of Benjamin Graham, who said, "Have the courage of your knowledge and experience. If you have formed a conclusion from the facts and if you know your judgment is sound, act on it – even though others may hesitate or differ. You're neither right nor wrong because the crowd disagrees with you. You're right because your data and reasoning are right."

A further goal of ours to combat complacency is to conduct our investment meetings similar to that of Alfred P. Sloan, Jr., the former chairman of General Motors, who is reported to have said at the closing of a management meeting: "Gentlemen, I take it we are all in complete agreement on the decision here." Everyone around the table nodded in assent. "Then," continued Mr. Sloan, "I propose we postpone further discussion of this matter to give ourselves time to develop disagreement and perhaps gain some understanding of what the decision is all about." If members of the KIG investment team all readily agree with one another, we've learned it's usually best to disperse and reconvene after reading and thinking more about the topic.

As the dot-com bubble illustrates, herd behavior is usually not a very profitable investment strategy. Investments favored by the herd can easily become overvalued as buy decisions are based more on optimism than on the underlying fundamentals. Warren Buffett warns: "What the wise do in the beginning, fools do in the end."

Overconfidence Effect

"No problem in judgment and decision making is more prevalent and more potentially catastrophic than overconfidence." - Scott Plous

Overconfidence bias represents the tendency for individuals to overestimate their ability in performing some action or in making some judgment. The data show that confidence systematically exceeds accuracy, implying people are more sure that they are correct than they should be. When people say that they're 90% sure of something, studies show that they're right only about 70% of the time.

We systematically overestimate our knowledge and our abilities on a massive scale. Perhaps the most celebrated manifestation of overconfidence is Ola Svenson's (1981) finding that 83% of American drivers rate themselves as better than average. Clearly only 50% of the sample can be above-average, suggesting the irrationally high level of overconfidence these individuals exhibited.

Closer to home, in a 2006 study entitled "Behaving Badly," researcher James Montier found that 74% of the 300 professional fund managers surveyed believed that they had delivered above-average job performance. Of the remaining 26% surveyed, the majority viewed themselves as average. Incredibly, over 90% of the survey group believed that their job performance was average or better.

In terms of investing, overconfidence can be detrimental to your wealth. In a 1998 study entitled, "Volume, Volatility, Price, and Profit When All Traders Are Above Average," researcher Terrance

Odean found that overconfident investors generally conduct more trades than their less confident counterparts. Odean found that overconfident investors tend to believe they're better than others at choosing the best stocks and the best times to enter/exit a position. Unfortunately, Odean also found the traders that conducted the most trades tended, on average, to receive significantly lower returns than the market.

KIG Antidote to Overconfidence

Keep in mind there is a fine line between confidence and overconfidence. Confidence implies realistically trusting in one's abilities, while overconfidence implies an overly optimistic assessment of one's knowledge or control over a situation. Appreciating this distinction has been a necessary part of our growth as investors.

The investment business can be extremely humbling, but understanding your mistakes and learning from them is hugely valuable to future success. Inopportune investment decisions made early in our careers (ones thought to be "no brainers" that worked out poorly) have given us a much better appreciation for what can go wrong with an investment. Conviction is necessary, but it's also necessary to believe you are not infallible.

A decent portion of our research is dedicated to searching for ideas that disaffirm what we think we know. As investors, we need to let go of our initial conclusions, especially when the facts don't stand up to scrutiny. We favor reading viewpoints that disagree with our thinking, searching for flaws in our reasoning. We also assign a devil's advocate to question aspects of our investment theses, often forcing us to reexamine even the most basic tenets. By testing everything you believe to be true, you have a better shot at keeping a broader perspective and from missing crucial red flags.

Experts suffer even more from the overconfidence effect than laypeople do. For example, if asked to forecast oil prices five years from now, an economics professor will be as wide of the mark as a basketball coach will. However, the professor will offer his forecast with certitude. Generally, we are skeptical of any overly precise prediction, but especially if they come from so-called experts.

Confirmation Bias

"You must force yourself to consider opposing arguments. Especially when they challenge your best loved ideas."
- Charlie Munger

Confirmation bias occurs when decision makers seek out evidence that confirms their previously held beliefs, while discounting or diminishing the impact of disconfirming data. This is why first impressions can be hard to shake because people tend to pay more attention to information that supports their initial opinion, while selectively ignoring or rationalizing other information. This selective search for confirming data is particularly dangerous because many people naturally exhibit this bias subliminally.

In investing, the confirmation bias suggests investors are more likely to look for information that supports some original concept rather than seek out information that contradicts it. As a result, this bias often results in faulty decision-making because one-sided information tends to skew an investor's frame of reference, leaving them with an incomplete picture of the situation.

KIG Antidote to Confirmation Bias

The easiest way to avoid falling into this particularly insidious trap is relatively straightforward: follow the lead of Charles Darwin, who described in his autobiography his tendency to immediately note observations that seemed contrary to his prior beliefs.

Just like battling against overconfidence, spending a lot of time on understanding the opposite view can aid in overcoming confirmation bias. You can't really have an informed opinion if you can't state the other side of the argument better than the smartest person who holds the opposite view.

In developing an investment thesis, we work hard to find information that could derail our outlook, as opposed to searching for information that validates what we already think. It's important to spell out why our opinion is different. Is it that we can be more patient in holding a stock that's cheap? Is it that, by dint of our research efforts, we feel more certain than the majority of investors? Is it that we handicap the odds or the range of outcomes differently? Effective investing is about remaining intellectually honest with oneself. Recognizing when you may be deceiving yourself is imperative to maintaining the integrity of the process.

Anchoring

"Be mindful of the fact that the environment plays a much larger role in all of our decision making processes than we are consciously aware of."- Mike Mask, ContrarianVille

The concept of anchoring draws on the tendency to attach or anchor our thoughts to a reference point even though it may have no logical relevance to the decision at hand. Anchoring, also known as the relativity trap, is based on the fact that we tend to fixate on a value or number that in turn gets compared to everything else.

During decision making, anchoring occurs when individuals use an initial piece of information to make subsequent judgments. Once an anchor is set, other judgments are made by adjusting away from that anchor, and there is a bias toward interpreting other information around the anchor. For example, the initial price offered for a used car sets the standard for the rest of the negotiations, thus prices lower than the initial price seem more reasonable even if they are still higher than what the car is really worth.

In a 2006 study at MIT, Professor Dan Ariely first asked an audience to write the last two digits of their social security number and then asked whether they would pay this amount for items whose value they did not know, such as wine, chocolate and computer equipment. Then, they were actually asked to bid on these items in a live auction. The result was that the audience members with higher two-digit numbers submitted bids that were between 60 percent and 120 percent higher than those with lower numbers. The two digit numbers became their anchors even though they had nothing to do with the values of the items.

Similar studies show consistent results of anchoring. In a 1974 paper entitled "Judgment Under Uncertainty: Heuristics and Biases," Daniel Kahneman and Amos Tversky (considered by most to have developed many of the foundations on which Behavioral Finance is based) describe a study in which a wheel containing the numbers 1 through 100 was spun. Then, subjects were asked whether the percentage of United Nations' membership accounted for by African countries was higher or lower than the number on the wheel. Kahneman and Tversky found that the seemingly random anchoring value of the number on which the wheel landed had a pronounced effect on the answer that the subjects gave. For example, when the wheel landed on 10, the average estimate given by the subjects was 25%, and, when the wheel landed on 65, the average estimate was 45% (the wheel was rigged so it always came up on 10 or 65). The random number had an anchoring effect on the subjects' responses, pulling their estimates closer to the number they were just shown, even though the number had absolutely no relation at all to the question.

KIG Antidote to Anchoring

Similar to how a house should be built upon a good, solid foundation, a person's ideas and opinions should be based on relevant and correct facts in order to be considered valid. However, as study after study has shown, this is not always the case. Yet, as is the case for most of the biases discussed here, just being aware of them is the first step in avoiding succumbing to them.

When it comes to avoiding anchoring, there's no substitute for rigorous critical thinking. For example, many investors tend to anchor decisions on historical stock prices. If a stock price is off its highs, many will assume it's cheap based upon where it once traded. Successful investing requires not just basing our decisions on price or even one or two other benchmarks, but evaluating each company from a variety of perspectives, metrics and criteria in order to derive the truest picture of the investment landscape.

Working as a true investment team, as we do at KIG, is tremendously important in avoiding all sorts of biases, including anchoring. Initially, each of us works on an investment idea independently, only to come together after each of has done a significant amount of work. Having distinct and diverse perspectives before our initial group discussion keeps our team from anchoring on any one piece of information. This assures we are looking at ideas from as many vantage points as possible.

Hindsight Bias

"You can only predict things after they've happened."- Eugene Ionesco

The hindsight bias represents how people believe that, after the fact, the occurrence of an event was completely obvious. In other words, we tend to believe that we had better knowledge of the outcome before the fact than we really did. Research shows that people are not very good at recalling the way an uncertain situation appeared to them before finding out the results. The hindsight bias erodes the quality of the feedback we need to sharpen our analytical skills.

Many studies confirm the presence of hindsight bias. For example, researchers Martin Bolt and John Brink (1991) asked college students to predict how the U.S. Senate would vote on the confirmation of Supreme Court nominee Clarence Thomas. Prior to the senate vote, 58% of the participants predicted that he would be confirmed. When students were polled again after Thomas was confirmed, 78% of the participants said that they thought Thomas would be approved.

Another rather telling example is that many investors now claim that signs of the technology bubble of the late 1990s and early 2000s were very obvious. Clearly, if the formation of a bubble had been obvious at the time, it probably wouldn't have escalated and eventually burst.

KIG Antidote to Hindsight Bias

Hindsight bias encourages a view of the world as more predictable than it really is. This is particularly troublesome in investing where the goal is to think about all the possible future outcomes and determine an expected value based on probabilistic scenario analysis.

Hindsight bias stands in the way of quality feedback in understanding how and why we made a particular decision. One antidote to this bias is to keep notes of why you make decisions as you make them. This decision journal becomes a valuable source of objective feedback and can help sharpen future decision-making. Documenting our investment thesis during the research process allows us to look back and see what we were thinking at the time of the decision. If the decision turns out to be a poor one, we can identify if it was due to deficient thinking at the outset (i.e. did we neglect to anticipate certain scenarios, did we gloss over red flags or did we fall prey to a cognitive bias?). Everything seems stupid when it fails, but learning from our failures helps us avoid future ones.

We also follow a proprietary checklist that has been developed and continually refined over the years. No airplane pilot takes off without going through a checklist, and we don't make an investment decision without going through ours. It highlights our most important investment criteria and keeps us focused on the elements that make a good investment.

Despite our best efforts, good decision-making can still lead to bad outcomes and bad decision-making can lead to good outcomes (i.e. getting lucky). We accept the former while trying to avoid the latter. Journals and checklists allow us the ability to track how we arrived at our decisions to determine how well we analyzed the situation.

Do Something Syndrome

"The sole cause of man's unhappiness is that he does not know how to sit quietly in his room."- Blaise Pascal

While not a typical cognitive bias found in most textbooks, the idea that action is almost always preferable to inaction can be just as dangerous as erroneous thinking. Pascal continues: "Man finds nothing so intolerable as to be in a state of complete rest, without passions, without occupation, without diversion, without effort." We act because we can't sit still; we feel bored, impatient, threatened or simply desire excitement and stimulation. Oftentimes we act without a sensible reason as it seems easier to explain doing something actively than doing nothing.

As we've mentioned in past missives, the average holding period of an NYSE-traded stock was 8 years in the late 1960s, whereas, due to ever more frenetic trading, the length of time the average share is held today is down to a mere six months. It's also been reported that the average holding period of the SPDR S&P 500 ETF (SPY), the largest ETF that tracks the S&P 500, is currently five days.

One of the consequences of such a short investment time horizon is that investors have begun to fear short-term market events and volatility much more than they embrace the factors that shape prospects for long-term economic and profit growth. These factors are what ultimately drive stock returns over the longer term. Yet many investors carry on doing a lot of low conviction trading, as if they can somehow make up in volume the lack of merit in their investment ideas.

It is also true that the obsessions of the quarterly company earnings cycle can foster a short-term-oriented style in investors. Much of what is written about stocks by analysts and discussed on television is "noise" – background static that is best tuned out. This does not mean that earnings beats and misses are to be ignored. It simply means that it's very easy to get mesmerized by the short-term expectations machine that is the financial markets, and to get sucked, emotionally-speaking, into trading too often.

KIG Antidote to the Do Something Syndrome

The 19th century American writer Henry David Thoreau said: "It is not enough to be busy; so are the ants. Question is: what are we busy about?" We have long sought to never confuse activity with results. We believe that maintaining patience in our decision-making and having the discipline to pick our spots is far more important to long-term results.

"Don't just do something, stand there!" might just be the best and least-followed advice in investing. The best poker players are known not because they play every hand they are dealt, but because they play so few of them – preferring to wait until the odds are firmly on their side. Investing-wise, patience is important as both a buyer and a holder of shares. It is important to wait to obtain an adequate margin of safety in valuation before buying, but it is also important as a holder not to sell too quickly when the market goes against you.

Charlie Munger (yes, we love to quote him, but please applaud our restraint; we could have used many more) says, "We've got great flexibility and a certain discipline in terms of not doing something foolish just to be active – discipline in avoiding just doing any damn thing just because you can't stand inactivity." Adding, "I would say that if our predictions have been a little better than other people's, it's because we've tried to make fewer of them."

As we have also stated many times before, as investors we believe it is much more important to think in terms of years, not months. The attractiveness of any risk asset depends on the time horizon of the investor. An investor who is prepared to wait a long time before evaluating the outcome of an investment will find the asset more attractive than another investor who expects to evaluate the outcome soon.

Conclusion

"Nowhere does history indulge in repetitions so often or so uniformly as in Wall Street. The game does not change and neither does human nature." - Edwin Lefevre, Reminiscences of a Stock Operator

The discussion of cognitive biases shows just how many potential pitfalls confront investors each and every day. These biases can be particularly sinister because they operate both at the conscious and sub-conscious levels. Knowing they exist is half the battle as you can then design strategies to make sure your decision process contemplates their effects. There's no way of learning or behaving so you won't make mistakes, but we believe you can learn to make fewer mistakes, and have the ability to fix your mistakes faster when you do make them.

KIG Welcomes New Employees

We have added new talent to the Kovitz team to strengthen and support our growing firm.

Amy Marker, Compliance Associate, joined Kovitz Investment Group in April 2014. Amy assists with investment advisor, investment company and broker-dealer compliance functions. Previously, Amy was a Chief Compliance Officer of a small broker-dealer and investment advisor firm located in Oak Brook, Illinois. She also served in various compliance roles at T. Rowe Price Investment Services. She received her Bachelor of Science degree from Southern Illinois University and an Associate degree in Paralegal from Tampa College. She is licensed with FINRA under Series 7, 9, 10, 24, 53, 63 and 66.

Christopher Nicholson, Financial Advisor, joined Kovitz Investment Group in May 2014. Chris assists senior financial advisors with client account management. Previously, Chris was a Financial Planning Assistant at JMG Financial Group, Ltd., where he focused on the development and implementation of comprehensive financial plans for high net worth clients. In 2008, he received a Bachelor of Science in Finance and a minor in Spanish from the University of Iowa. Chris is a CERTIFIED FINANCIAL PLANNER™ professional.

Sarah O'Brien, Marketing Associate, joined Kovitz Investment Group in April 2014. She works directly with our Operations Manager and Portfolio Managers, developing, and supporting the firm's marketing efforts. She also organizes all company events. Previously, Sarah was a Marketing Specialist for CTLGroup, a forensic engineering and materials science firm in Skokie, Illinois. She was also a Manager of Marketing for Northern Suburban Special Recreation Association. In 2008, she received a Bachelor of Arts degree in Graphic Design and a minor in Marketing from Saint Mary's University of Minnesota.

Best Regards,

Kovitz Investment Group

Kovitz Investment Group, LLC

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