

What We Do

Get to a certain size in business and people expect you to have a mission statement. Having reviewed several examples with recurring words such as excellence, teamwork, respect and integrity, we ask the question “compared to what?” Our guess is that few organizations shun excellence, teamwork, and respect for employees, clients and vendors. Who claims to be other than full of integrity? Enron and WorldCom presumably had thoughtful mission statements mentioning excellence, teamwork, respect and integrity. On the other hand, it might be useful to communicate what we are trying to do for you:

Who We Are

Sigma Investment Management Company is a leading Oregon-based privately-owned investment manager for high net worth individual, corporate and endowment clients.

Why We Are Different

Sigma combines rigorous asset selection with expert manager selection; we provide a service, not an investment product. We are not bound by asset or style limitations and can invest in anything we believe is in the best interest of our clients (stocks versus other assets, large stocks versus small stocks, growth versus value investments, active managers versus index investments, U.S. assets versus foreign assets) with no preconceived notions. We access the managers or assets we choose using any vehicle that makes sense for our client (separate accounts, institutional mutual funds, exchange traded funds, etc.).

We can go wherever our analysis leads, and do. We base our decisions upon both real-world evidence and sound academic investment theory.

Sigma's Investment Philosophy

1. The market tends to be efficient, but not perfectly so.
2. Both reversion to the mean and momentum tend to be present in the markets, and at odds with one another – mean reversion from the fluctuation of asset prices around underlying economic fundamentals, and momentum from the psychology of investors chasing performance.
3. Investors and investment firms tend to make decisions (and mistakes) as a result of extrapolation, misperceptions, overconfidence and market noise. The key is to isolate and identify the truth that you can actually know, apart from the noise, and use that truth to your advantage.
4. It is a long-run game. Success results from a series of good bets, based upon empirical evidence, rather than a single stroke of genius. Success comes from using a correct, methodical approach. In contrast, making aggressive bets might be exciting but ultimately fails.
5. We are fiduciaries, in charge of the money that must fund peoples' dreams, hopes and aspirations.

Sigma's Investment Process

1. We rigorously research and select managers and assets; we analyze potential market inefficiencies to identify and capture potential advantages; to
2. Achieve long term, risk-managed performance, consisting of both investment returns and service; and
3. Clearly communicate our philosophy and process to clients to help manage expectations and emotions (the only good investment program is the one you can live with); to
4. Realize client goals.

So please assume that we constantly are striving to be excellent, work as a team, respect you and everyone else and be filled with integrity. Like everyone else, we will succeed in part and fail in part (except with respect to integrity – we think we are pretty good there). At least now, however, you know how we think about investing. Call us at (503) 419-3938 or check us on the web at www.sigmainvestment.com.