

## VIDEO TRANSCRIPT

# Investments, Trends & Market Strategy

**Companies:**

Paradigm Global Investors

**People:**

Ryan Bailey

**Interviewer:**

Hello from the FIN Forum Conference in Frisco, Texas. Joining us now is Ryan Bailey with Paradigm Global Investors. It's great to have you with us, Ryan.

**Ryan Bailey:**

Glad to be here.

**Interviewer:**

So you just got off of a panel on asset allocation and due diligence. What were some of the key takeaways from that discussion?

**Ryan Bailey:**

I think what institutional investors are thinking about now was one of the key takeaways. So how much liquidity is now factoring into the equation. We seen a large, a decent amount of bigger institutions going to the secondary market, whether it's some of the universities and etc.. So smaller groups are thinking what do we do for liquidity in our portfolio?

We've allocated to privates, but there's some hooks that have been thrown their way. Some of those hooks have been, hey, changes in government spending. What does that mean for the organizations that we support?

**Interviewer:**

And how are you evaluating different people, their process and what gives them an edge?

**Ryan Bailey:**

Sure. So whenever we're looking at a potential investment or a manager, we're looking at the people, the process, the performance philosophy. What we mean by edge is informational advantage. So do they get better information or do or, do they get the same information and can do more with it? Those are two of the essence of edge.

But in terms of people, one of the key things that we look at a lot of times, I always tell analysts when they're first starting in their career, the go oh, the people with the same. I looked at this chart and I looked at this chart a year, and there have been no changes. But in actuality, get behind those people, see if the person is just as hungry as they were on day one, when they met or when they

were earlier starting their firm.

Those are things that look for in the people, the quality. Where did they what did they learn at the various places that they worked before? If we go into process, we look for, what about their processes? Unique. How do they get some of the advantages and information in their process that can they process it more quickly?

Do they get better information from what they do? And then lastly performance. It's not just about hey this group outperform outperform their index. Does the performance actually translate to the environment. They're in. So we spend a lot of time on that environment. Question what environment do you do well? In what environment should we expect you to struggle?

**Interviewer:**

And given the environment we're in right now, how is that impacting your decisions?

**Ryan Bailey:**

So we're looking at investors who can really benefit from quality. And what I mean by quality is can they invest in companies and or select things that can protect their margins. And that's those are monopoly almost sometimes you have certain monopolies or where in where the consumer has to walk up and go, here are my choices. Or I have to have this and they'll pay it.

So can can some of the tariffs that are being experienced, can that be passed on.

**Interviewer:**

And I like what you said earlier about not only have the people changed but has the person changed. I think that's a really good one that you don't hear every day. You kind of joked, on the stage that it was all the the typical things you look for on this EFA curriculum. I have to say, I know that all too well, from personal experience, but, what else are you looking for that others might not be thinking about or may not be in the list of curriculum.

**Ryan Bailey:**

Sure. So other things that we're looking at is the opportunity to kind of that's the that's the why now question. But it's really looking at you told me you have an edge an informational advantage. How does that translate to the opportunity set. And it's always this question of is it the fisherman or the pond okay. And we need what we're looking for is when you have an outstanding fisherman and you have a pond that's ripe with the the perfect fish that they can take advantage of.

And then lastly, that I would say that's a differentiator is role in the portfolio. And this one is very important when you're start when you're first looking at, manager and understanding how should they be judged. And a lot of times people are like, oh, just judging by a benchmark. Well, actually I'm putting them into a portfolio to play a particular role on a team to generate that performance.

So I need to get comfortable that they can play that role.

**Interviewer:**

And now looking back on your experiences in the industry, what have led to some of your best decisions? Best choices.

**Ryan Bailey:**

Best choices have actually been when environments are happening where people are making uneconomic decisions, where it's like, I'm doing this because I have to weather that's the key to, someone selling an asset because of regulatory reasons, or they're selling their, their they can invest in something or the tide is pulling back. Not because people want to, but something's going on in the environment was like, oh, we just can't do it.

Those are often when our best decisions and decisions where you're like, I've seen this before, and I can take that advantage that I had and use that knowledge to work for me when I'm seeing something come in front of me.

**Interviewer:**

And finally, Ryan, how is the conference experience been for you? So far? Both up on stage and, off the stage, walking around.

**Ryan Bailey:**

I think the confidence presence has been great. So one of the one of the key things that I like about it is that, so this is changing the environment where you can do a lot from home, you can do a lot virtually the the opportunity to get together, exchange ideas, just talk it talk within a group and everybody's sharing their their views on what's going on really, really helps really really helps to see especially where the masses are.

**Interviewer:**

Well, Ryan, thank you so much for being with us today. Great to have you.

**Ryan Bailey:**

Yeah. Thank you guys for having me.

**Interviewer:**

Of course. And I appreciate everyone out there watching. Once again, that was Ryan Bailey with Paradigm and Global Investors. And I'm your host Jenna Dagenhart with Asset TV.