Investment Manager's Report

We are aware that many investors have an expectation that their financial advisor in his or her client letter will provide not only fresh insights into a complicated investment landscape, but a well conceived plan to successfully navigate any difficulty the world might throw in their path. Ideally, this missive would also provide a unique perspective on current events. However, these communications are frequently packaged within a time frame (quarterly/semi-annually) that we believe is not terribly helpful when it comes to defining investment goals, i.e., what am I investing for and how do I achieve those goals? If the expectation is that we can, on a regular basis, lay out a new roadmap on how to get to a "better financial place" over the next three to six months, you likely will be disappointed. Frankly, we are often stumped when it comes to offering a new plan to address the "current" environment. We have written frequently over the years about the how and why of what we do and the strengths that we believe are inherent in an investment process focused on the longer term. One client went so far as to say he admired our "belligerent consistency" when it comes to our investment approach. We guess, but are not completely sure, that he was paying us a compliment.

This is not to suggest, however, that nothing is going on at Tweedy, Browne. There is no question that we continue to sharpen our analytical skills (there is no sense that we know or have seen it all), and we certainly believe there is a cumulative and compounding dimension to the judgment we have brought to bear in evaluating each and every investment we have made over the past five decades. The only dimension that has not changed is the framework through which we apply our analytical capabilities and judgment. We believe that most of you are familiar with that framework, and will refrain from a point by point discussion. In a profession that so far lacks any immutable laws of nature to rely on, we believe the simple insights of Benjamin Graham are invaluable. They can, and do, act as a firewall between an investor and some of his worst behavioral biases, as well as focus attention on variables that are more objective and therefore, in our mind, lead to better odds of positive outcomes. When talking about equity markets, the time period within which the discussion is framed will undoubtedly color a lot of what can be said. Making things a bit more difficult is the fact that our Sub-Funds' reporting year does not coincide with the calendar year, which is the time frame in which most people organize much of their lives.

Looking back over 2013, it would be hard to conclude that it was anything other than a banner year for equity markets in much of the developed world. Japan was the hands down winner, apparently based on the assumption that Prime Minister Abe had a winning formula, although since the turn of the year some doubts seem to be creeping into that previously held conviction. (We refer you to our October 2013 letter (available on www.TweedySicav.com) for our view on Japan, which has changed very little since then.) European markets produced large stock market gains despite the fact that their underlying economies eked out by most measures only very modest gains.

Economically, the picture in the United States was better in 2013, but five years plus into an economic recovery with historically low interest rates, many economists have argued the recovery is substandard. This was clearly not an impediment to equity prices. If the only data available to gauge the economic health of developed world economies was the performance of the equity markets in 2013, the conclusion would likely be that those economies are in pretty good shape and their outlook seems promising. If, on the other hand, the focus was on emerging or developing world equity markets, the data might well lead to the opposite conclusion. Many of these markets declined substantially as projections for future economic growth were reduced. Nonetheless, the bulk of projections still would suggest that most economic forecasters expect higher rates of growth in developing economies relative to developed economies, which we don't think should be a surprise. Disappointed expectations sometimes translate into unexpected opportunities, and this is still, in a small way, proving to be the case for us.

Focusing on a shorter time frame beginning with January of this year might result in a different set of conclusions, certainly with regard to developed markets. Whatever the time frame, though, there is certainly no shortage of opinions on where markets and economies are headed, and no consensus on the direction. What we believe can safely be said is that, over five years since the economic crisis of 2008 - 2009, the recovery has been much less than hoped for or originally forecasted. Economic demand remains weak despite unprecedented low interest rates. Mario Draghi, the President of the European Central Bank, has suggested he might move to negative interest rates in order to stimulate economic growth. Put simply, this means banks would have to pay the central bank to put excess funds on deposit with the hope it will encourage banks to make more loans to businesses and consumers. In contrast, equity markets have produced quite a different picture.

As we have said before, sorting out all these cross-currents and distilling them down to a coherent current investment strategy, which would no doubt be in need of frequent revision, is an effort with a low probability of success. Our approach, at the risk of being repetitive, is to look at the business behind the stock certificate and ask ourselves would we likely be paid more or less for our shares than the price at which they trade in the markets if a buyer came along and offered to buy the business. We are happy being owners when the market price is less, and willing to part ways when the market price is more. Our preference is for durable sustainable businesses with conservative capital structures, which should enable them to better withstand periods of economic difficulty. As we said earlier, we are now more than five years into a recovery in equity prices, and it should come as no surprise that most equity securities today are fairly priced and, in some instances, more than fully priced using our valuation framework. Our industry is chock-full of ambitious, energetic and sometimes overly confident and optimistic people who generally don’t leave many undiscovered bargains on the table. So we sell or trim back those stocks which are fairly priced and wait. Patience has generally served us well over the years, but not in each and every year. We have never enjoyed the idea of paying up for an investment just to stay in the market.

Fortunately, given the modest level of turnover in our Sub-Fund portfolios, we don’t require a large number of new investments every year. Measured against industry data, our turnover has been at the low end of the range. Our low turnover can be explained by the fact that we are comfortable with the prospects and sustainability of the businesses we own at current prices. So where does this leave us today? New opportunities have been turning up far less frequently, and we have sold or reduced our positions in a number of securities.

Performance Results

Presented below are the investment results of Tweedy, Browne Value Funds SICAV (the “Fund”) for the six months ended March 31, 2014 with comparisons to the indices we consider relevant. In this report, we have presented the Investment Manager’s Report for the four Sub-Funds in one letter, which reflects the performance details and our views on the performance, as well as the financial statements for each Sub-Fund.*

Tweedy, Browne Value Fund (USD)

Annualized Results* ending March 31, 2014	***Tweedy, Browne Value Fund (USD)***	***MSCI World (in USD)***	***S&P 500 Index***
6 Months	7.51%	9.36%	12.51%
1 Year	14.19	19.07	21.86
3 Years	10.16	10.23	14.66
5 Years	18.17	18.28	21.16
10 Years	5.73	6.83	7.42
Since Inception *(10/31/96)*	6.60	6.22	7.73

Performance returns are annualized and time weighted for periods greater than one year. The value of the shares and the return they generate can go down, as well as up. They are affected by market volatility and by fluctuations in exchange rates. Past performance is no indication of future results. The calculation of the Tweedy, Browne Value Fund (USD) performance complies with the “Guidelines on the Calculation and publication of Fund performance data,” which were published for the Swiss Funds Association (SFA) on May 16, 2008.* ***Performance calculations are presented for Investor Shares.*

Tweedy, Browne International Value Fund (Euro)

Annualized Results* ending March 31, 2014

	Tweedy, Browne International Value Fund (Euro)†	*MSCI EAFE (Hedged to US$/Euro)*	*MSCI EAFE (in US$/Euro)*
6 Months	4.47	5.81%	4.51%
1 Year	6.62	14.67	9.53
3 Years	9.86	8.28	8.26
5 Years	17.01	13.09	15.15
10 Years	7.70	5.20	5.05
Since Inception *(10/31/96)*	9.07	4.71	4.45

Performance returns are annualized and time weighted for periods greater than one year.. The value of the shares and the return they generate can go down, as well as up. They are affected by market volatility and by fluctuations in exchange rates. Past performance is no indication of future results. The calculation of the Tweedy, Browne International Value Fund (Euro) performance complies with the "Guidelines on the Calculation and publication of Fund performance data," which were published for the Swiss Funds Association (SFA) on May 16, 2008.* ***Performance calculations are presented for Investor Shares.*

† Prior to May 17, 2004 the sub-fund was denominated in US$ and its investments were hedged to US$. Effective May 17, 2004, the base currency of the sub-fund was changed to Euros and its investments were hedged to Euros. Performance results through June 30, 2004 are based on the percentage increase in US$ value of shares to May 17, 2004, and percentage increase in Euro value of shares thereafter. Accordingly, such performance figures do not represent the percentage increase in the US$ or Euro value of shares in the sub-fund over the whole of the indicated periods.

For comparative performance purposes, the linked MSCI EAFE (hedged to USD/Euro) and MSCI EAFE (in USD/Euro) indices are shown, and represent index performance for the applicable performance periods. Therefore, the most appropriate benchmark for the period prior to May 17, 2004 was the MSCI EAFE Index (hedged to USD) and MSCI EAFE (in USD); for the period thereafter, the most appropriate benchmark indexes are the MSCI EAFE Index (hedged to Euro) and MSCI EAFE Index (in Euro).

Tweedy, Browne International Value Fund (CHF)

Annualized Results* ending March 31, 2014

	Tweedy, Browne International Value Fund (CHF)	*MSCI EAFE (Hedged to CHF)*	*MSCI EAFE (in CHF)*
6 Months	4.00%	5.66%	3.95%
1 Year	6.95	14.52	9.66
3 Years	9.42	7.80	5.97
5 Years	16.03	12.68	10.30
10 Years	6.06	4.41	2.99
Since Inception *(10/31/96)*	7.55	3.40	3.08

Performance returns are annualized and time weighted for periods greater than one year.. The value of the shares and the return they generate can go down, as well as up. They are affected by market volatility and by fluctuations in exchange rates. Past performance is no indication of future results. The calculation of the Tweedy, Browne International Value Fund (CHF) performance complies with the "Guidelines on the Calculation and publication of Fund performance data," which were published for the Swiss Funds Association (SFA) on May 16, 2008.* ***Performance calculations are presented for Investor Shares.*

Tweedy, Browne Global High Dividend Value Fund

Annualized Results* ending March 31, 2014

	Tweedy, Browne Global High Dividend Value	*MSCI World (Hedged to Euro)*	*MSCI World (in Euro)*
6 Months	4.14%	9.29%	7.41%
1 Year	6.00	17.90	10.94
3 Years	8.90	10.48	11.30
5 Years	12.86	16.16	17.40
Since Inception *(6/1/07)*	2.49	1.37	2.32

Performance returns are annualized and time weighted for periods greater than one year.. The value of the shares and the return they generate can go down, as well as up. They are affected by market volatility and by fluctuations in exchange rates. Past performance is no indication of future results. The calculation of the sub-Funds' performance results complies with the "Guidelines on the Calculation and Publication of Fund Performance Data," which were published for the Swiss Funds Association (SFA) on 27 May 16, 2008.* ***Performance calculations are presented for Investor Shares.*

Global equity market returns continued to advance over the last six months ending March 31 and while the Tweedy, Browne Sub-Funds did not disappoint on an absolute basis, they did trail their respective benchmarks for the period. As market momentum slowed during the first quarter of the year, three of the four Sub-Funds led their benchmarks year-to-date through March 31. Most longer-term comparisons remain very favorable, and the power of compound arithmetic helps to illustrate this. For example, shareholders of the Tweedy, Browne International Value Fund (EUR) have recognized cumulative returns over the last 17 plus years of approximately 354% net of fees, as compared to the cumulative return of approximately 123% for its benchmark index, the MSCI EAFE Index (hedged to USD/EUR). In terms of capital growth, a €100,000 investment made in the Tweedy, Browne International Value Fund at its inception in 1996, turned into €453,700, or more than twice the money produced by its benchmark index net of fees and expenses. (Investors in the Swiss Franc-based Sub-Fund realized a cumulative net of fees return of approximately 255% over the period versus a return of approximately 79% for the benchmark index, the MSCI EAFE Index Hedged to the Swiss Franc. A CHF 100,000 initial investment turned into CHF 354,900 over these 17 plus years.)

An important caveat: this return did not occur in a savings account like fashion. Rather, it was a lumpy return with many years of outperformance often followed by periods of underperformance. The International Value (EUR) Sub-Fund outperformed in 13 of 18 full or partial calendar year periods, or 72% of the time, a level of consistency which is a bit higher than we would have expected. This means that 28% of the time we underperformed our benchmark index; and there were times when this underperformance occurred in back to back years, such as 1998 and 1999. This kind of inconsistency is to be expected from a portfolio that bears little resemblance to its benchmark index. Even the "Oracle from Omaha", Warren Buffett, has had a rough time of late besting the S&P 500; but we take issue with recent press accounts suggesting that this will be predictive of what the future holds for the world's greatest investor. In fact, it has always been our contention (and the empirical data supports this) that underperforming an index 30% to 40% of the time is expected as part of a long term market beating performance record.

The period post the 2008 – 2009 financial crisis has been exceptionally strong for our Sub-Funds. Our Sub-Funds compounded on an annualized basis between 12.8% and 19.3% from near the market bottom on March 9, 2009 through March 31, 2014. Just as trees do not grow to the sky, this rate of compounding is probably not sustainable. Without making a market prediction, or suggesting in any way that we are likely to have a repeat of 2008, some unsettling signs are beginning to appear that suggest the stock market party may be getting a bit too raucous, and this should give you some pause. For example, during the first quarter of this year, the S&P 500 and MSCI World Index hit all-time highs. The market capitalization of the U.S. stock market today is trading at 116% of the country's last reported GDP, double what it was five years ago, and the highest it has been since March of 2000. The cyclically adjusted Shiller price earnings ratio (CAPE Ratio) for the S&P 500 Index is currently at 25 times earnings compared to its long term median of 15.9. Short interest in the stock market in the U.S. is near an all-time low. The IPO market is stronger than it has been in years. Many if not most private equity executives are being routinely quoted in the press saying that now is a great time to be selling assets. There are multiple signs that corporate lending standards are deteriorating. For example, debt multiples and overall purchase price multiples on large leveraged buyouts are increasing, although they are not yet back to the precariously high levels of 2005-2007. Debt securitization, which played no small role in the 2008 financial crisis, is back, with collateral loan obligation (CLO) issuance reaching levels last seen just before the crisis. Covenant-lite loans and payment-in-kind bonds are back, providing less protection for lenders and investors. This deterioration in lending standards is in large part a function of investors once again reaching for yield. For example, flows into junk bond funds are at record levels despite dangerously low yields (spread of 371 basis points over treasuries as of April 30, 2014 according to the Merrill Lynch High Yield Bond Index) for these high risk assets. Margin debt held by U.S. investors is once again hitting all time highs, double the level at the start of 2010, and 118% of previous peak levels. Corporate stock buybacks are dramatically on the increase and often funded by debt. This is just another example of "what the wise man does in the beginning, the fool does at the end." This buyback behavior, which we would applaud when equity prices are at discounts to intrinsic value, becomes dilutive to intrinsic value in full to higher valuation environments such as the one we are in today.

Central bank largesse is at the root of this financial asset inflation, and while the banks' efforts to revive the global economy after the ground-shaking events of 2008 were laudable and necessary, it remains to be seen whether on the flipside they will have the courage to temper animal spirits when required. Too often, federal intervention has been a one-sided affair, with fiscal discipline often lacking in times of excess.

While the Tweedy, Browne Sub-Funds did not disappoint on an absolute basis over the last six months, they did trail their respective benchmark indices for the period. This was in large part due to an above average cash reserve position and the fact that value investors such as ourselves often do not thrive in high momentum equity markets like the ones we have experienced in recent months. It should come as no surprise that undervalued equities have been harder to uncover in this kind of environment, and cash reserves remain at above average levels in all four of our Sub-Funds. This does not reflect an attempt on our part to raise cash as a defensive reaction to the risks cited above, but is simply a derivative of our process, which calls for purchasing new shares at significant discounts to our estimate of their intrinsic values and selling shares when they begin to trade at or near what we believe to be fair to full valuations. Increasing cash reserves can become a drag on portfolio returns in buoyant, momentum-driven stock markets; however, they become welcome ballast when equity markets correct. As we have said in past letters, if the bull continues to roar, we will participate, but will probably not outperform fully invested market indices. Given the risks associated with higher equity market valuations, we believe this is a temporary cost worth bearing.

Tax Efficiency

We are continually reminded of the pernicious impact of taxes on our investment returns and the importance of managing to maximize after-tax returns. It has rarely been more important than it is today. When it comes to income and capital gains, the share demanded by our local and federal governments has been on the rise, and is not likely to lessen in the years ahead. As you know, we have always strived for tax efficiency in the management of our Sub-Fund portfolios, as is reflected in the modest annual turnover rate of our Sub-Funds. Over the last one and five year periods ending March 31, 2014, turnover for the equity securities alone in our four Sub-Funds averaged 6.65% and 14.05%, respectively. Furthermore, we make every effort to realize long term as opposed to short term gains so as to receive more favorable tax treatment. Tax efficiency is one of the added benefits of a value approach to investing with a longer term investment horizon. You can trust that we will not take our eye off this ball. With the Managing Directors, retired partners, our families, and our employees having approximately $117.0 million invested in our Sub-Funds, we share your goal of limiting the check we have to write on April 15 in the U.S., the day Chris Browne used to call "our national day of mourning."

Our Sub-Funds' Portfolios

Please note that individual companies discussed herein represent holdings in our Sub-Funds, but are not necessarily held in all four of our Sub-Funds.

As the bull market continued its march over the last six months, the more cyclical components of our Sub-Fund portfolios began to deliver the best returns. This included media holdings such as Axel Springer, where its strategy of internationalization and digitization continues to be well received by investors, energy related holdings such as Total, Devon Energy, Royal Dutch, and Halliburton, which have been fueled by the global economic recovery and increasing demand for oil and gas, and insurance companies such as Berkshire Hathaway, Munich Re and Zurich Insurance which have been helped by increasing underwriting profits. Our pharmaceutical holdings including Roche, Johnson & Johnson and Novartis also continued to contribute strongly to overall portfolio returns as new drug innovations lead to increasing demand for prescription medications. We also had very solid results in Safran, the French aircraft engine manufacturer, as "shop visits" (expenditures on maintenance and spare parts by airlines) are on the rise. Wells Fargo also continued to have strong operating results leading to a solid advance in its equity price.

While disappointments were marginal and few and far between, a number of our food and beverage, tobacco and bank holdings produced returns that were less than what we would have hoped for, despite continued financial progress at most of them. This included companies such as Diageo, Heineken, Philip Morris International, and HSBC, among others. G4S, the U.K.-based global security company, also failed to get pricing recognition in the market, having problems with a number of U.K. government contracts post the Summer Olympics snafu in 2012. However, it continues to make significant progress, particularly in the emerging markets. In general, a number of our emerging market holdings struggled in terms of equity market recognition as concerns about slowing growth and volatile capital flows and currencies continued to carry the day with more short term oriented investors. This included companies such as Banco Santander Brasil and Bangkok Bank.

While portfolio activity was modest, no one could accuse us of simply "sitting on our assets" over the last six to nine months. We established a number of new positions including a U.K.-based global bank, Standard Chartered Bank, a Hong Kong-based company, and a Latin American company. The Hong Kong and Latin American companies are rather thinly traded, so they will remain nameless in this discussion. The Hong Kong-based company is a real estate conglomerate, which has a strong operating record, is in a net cash position, and at purchase was trading at a one-third discount from our conservative estimate of its intrinsic value. After spinning off much of its real estate into two REITS at what we believe were very advantageous prices, it should have the financial flexibility to create additional value should Hong Kong real estate face a downturn. The new Latin American holding is a high quality mining company that at purchase was trading at a significant discount from our conservative calculation of appraised value.

As you can see, a significant part of our new idea flow is coming from Asia and lesser developed parts of the world. Many emerging markets have sold off over the last couple of years as growth in China has slowed, causing investors to lose confidence about near term prospects. While emerging market equities have never comprised a significant part of our Sub-Fund portfolios, we have invested from time to time in the more developed of the emerging markets, and we have always had considerable indirect exposure to such markets through many of the global companies in which we are invested. Today, we are finding pricing opportunity in markets such as Brazil and Chile beyond just the resource driven companies that make up a considerable amount of the float in these markets. While it may take some time, these are markets with rapidly growing middle classes which we feel will be bigger and stronger over the longer term. While we do not expect to have a significant percentage of the portfolios devoted to emerging market equities, you could see a few more of these companies in our Sub-Fund portfolios over the near term if their security prices remain under pressure.

The pricing opportunity in Standard Chartered Bank, we believe, came about to a great degree because of its exposure to the emerging markets. Standard Chartered Bank is one of the largest and most global banks in the world with over 1,700 branches in 70 different markets. While it is domiciled in the U.K., it is anything but a British bank. Founded in 1969 through the merger of Standard Bank of British South Africa and Chartered Bank of India, Australia, and China, it is a bank with the bulk of its business coming from Asia, the Middle East, and Africa. The majority of its operating income is derived from wholesale activities such as corporate finance, trade finance, foreign exchange, cash management, and custody. For example, it provides advice, loans and other services to Indian companies, which are often active investors in African companies, and provides similar services to Hong Kong, Chinese, and Taiwanese companies. Standard Chartered Bank also has a sizeable and conservative consumer business with a mortgage portfolio that is very well secured by a loan to value ratio on its mortgages of less than 50%. Furthermore, it is a deposit financed bank that is not dependent on volatile, short term financing, as evidenced by a loan to deposit ratio of approximately 76%.

The bank is unique in that it sailed through the financial crisis in 2008 requiring no capital support from governments or central banks. Most of the over-leverage and complexity associated with banks in the U.S. and U.K. was simply not present in Standard Chartered. During the 2000s, Standard was considered a growth bank riding a wave of Asian growth, and routinely traded at price earnings multiples between 15 and 20 times earnings. Its fortunes began to change in 2011 as economic growth began to slow in a number of its most

important markets. Some markets like South Korea have posed even bigger challenges as new regulation impacted the growth prospects and the profitability of virtually all banks doing business in its jurisdiction. These factors, together with what we consider to be misplaced concerns about its capital position under Basel III and a recent management shakeup, have led its stock price to a fall from grace. This allowed us an opportunity to purchase our initial shares at approximately 9.5 times estimated 2014 earnings, 1.2 times stated book value, and what we believe to be a secure dividend yield today of over 4%. Standard's management still considers the bank to be a growth bank; however, it acknowledges that near term growth will be lower than that enjoyed in the 2000s. We believe that a conservatively financed global bank that services many of the fastest growing parts of the world where middle classes are on the rise over the longer term and that is priced in the stock market at a significant discount to what we believe is a conservative estimate of its intrinsic value is worth a diversified bet in our Sub-Funds' portfolios.

In addition to these new positions, we took advantage of pricing opportunities to add to a number of our pre-existing holdings including Banco Santander Brasil, Bangkok Bank, and DBS Group. All three of these banks operate in faster growing parts of the world, are conservatively financed largely by sticky deposits, are less leveraged than their Western counterparts, have had conservative loan growth, and currently pay handsome dividend yields while we wait for value recognition in their shares. We also added to our position in G4S, which we continue to believe is the dominant and best positioned security firm in a world that is becoming more dangerous by the minute. We also added to our positions in Cenovus, HSBC, GlaxoSmithKline, Imperial Tobacco, and TNT Express.

On the sell side of the portfolios, we sold our last remaining shares of Coca Cola Femsa after a successful run in this Mexican Coca-Cola bottler. We also took profits in Union Pacific and BAE, both of which had provided solid returns to our portfolios and were trading at or above our estimate of their respective intrinsic values. We also pared back our positions in Google, Leucadia, Unifirst, Wal-Mart, and Sysco, all of which were trading at, or getting nearer to, estimated intrinsic value.

Overall, in developed markets, outside of the resource related companies and some financials, equity valuations in our view remain full to, in some instances, high. Many so called "new technology and media" companies today trade at nosebleed valuations, and as we write we are seeing a bit of a correction in those shares. If this begins to significantly affect the broader market, we may very well get an opportunity to put some of our cash reserves to work. In the interim, we will remain patient. Since 2011, the Tweedy, Browne Global High Dividend Yield Value Fund (EUR) has trailed our other Sub-Funds and most broader benchmark indices. This was largely due to performance rotation in the market to more risky cyclical businesses and the elevated cash position in the Sub-Fund. We believe this Sub-Fund's defensive character allows it to achieve its best returns in more challenging markets. If and when we get a correction in developed equity markets, if the past is prologue, we would not be surprised if this Sub-Fund held up better than our other Sub-Funds and benchmark indices.

Looking Forward

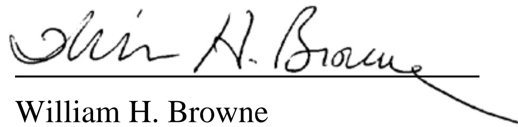
We are frequently asked what we believe gives us an edge in investing over other very able market participants, and, invariably, our answer is time, patience, and the willingness to look further out on the investment horizon for our return. We certainly do not have an information edge, as investment and company data is ubiquitous and available instantaneously. With patient investors in short supply, we have always felt that we face less competition when making longer term commitments. In an interview in *Forbes* magazine in late 2011, Jeff Bezos, the founder and CEO of Amazon.com, remarked, "If everything you do needs to work on a three-year time horizon, then you're competing against a lot of people. But if you're willing to invest on a seven-year time horizon, you're now competing against a fraction of those people, because very few companies are willing to do that." We could not agree more. Prices are often more inefficient where crowds are small.

As volatility has increased in our markets over the last decade or so, it seems that investors' time horizons have shortened. Advances in information technology have played no small role in the increase in the velocity of decision making in our capital markets. As Jason Zweig, the noted Wall Street Journal columnist, so aptly observed many years ago in Peter L. Bernstein's February 1999 issue of his company's newsletter, *Economics and Portfolio Strategy*, "as today's flood of data makes the future seem closer and more knowable … long term gambles become much less attractive than they used to be." Investors today using the Internet can receive virtually instantaneous confirmation of their short term view, and utilizing social networks and blogs, can communicate that view to thousands of their followers. Highly correlated herd-like behavior in our markets is often the result. So how can investors avoid falling prey to the herd?

At year-end, we read a terrific editorial by Frank Bruni in *The New York Times* entitled "For 2014, Tweet Less, Read More." In the article, Mr. Bruni reflects back to his childhood, and one of his mother's many caveats, "Count to ten before you speak." As Frank thought about this, he realized that his mother meant not just that you can't take back what you said once you've said it, but more importantly, "she meant that pauses are the spaces in which passions cool, civility gets its oxygen, and wisdom quite possibly finds its wings. She meant that slowing things down often classes them up." Perhaps, we as market participants and as citizens would do ourselves a favor by taking that advice to heart.

Thank you for investing with us, and for your continued confidence.

Sincerely,



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May 2014