



THOMAS WHITE INTERNATIONAL: A HISTORICAL PERSPECTIVE

KEY TAKEAWAY

From its modest beginnings in the 1970s, the Thomas White organization has grown into a global asset management firm which provides coverage of over 3,000 companies in nearly 50 countries worldwide.

The seeds of the present day Thomas White International, Ltd. (TWI) were sown during the first half of the 1970s with the establishment of Thomas White & Associates, a private investment partnership, which developed a valuation approach to stock selection. The turning point, however, was Tom White's meeting with Sir John Templeton in 1976; in what would be the beginning of a close working relationship between the two. Sir John eventually became Thomas White International's first research customer. The association with Sir John fostered an environment where Tom could fine-tune his proprietary method of value investing. Tom began managing a portion of Sir John's offshore mutual fund, a relationship that continued until 1999.

Later, Tom joined Morgan Stanley & Co. in 1979, where he became the Chief Investment Officer of the U.S. institutional value-style product, and later Managing Director handling global portfolios in the 1980s. The monthly valuation reports produced by Tom's group continued to become more sophisticated during the period, which were used by Sir John's organization as well as analysts working with Tom.

In June 1992, Tom and four colleagues from Morgan Stanley Asset Management founded what later became known as Thomas White International, Ltd. and its research arm, The Global Capital Institute (GCI), in Chicago. The idea was to leverage the investment research across multiple domestic and international asset classes. The firm began managing assets as Lord Asset Management, which would change its name to Thomas White International in February 1997 to better reflect the association with the Thomas White Funds Family.

From 1992 to 1994, the firm's U.S. research publications further expanded their scope to cover both the Russell large-cap as well as the Russell small-cap stocks. Moreover, Japanese and European stocks were added to the coverage in the GCI All-Country World edition. GCI eventually went on to add monthly valuations of emerging market companies, creating its own domestic and international style indices, and building model portfolios.

In 1994, TWI launched its first international mutual fund, leveraging its stock research methods developed over the previous 18 years. A domestic fund was added in 1999, and an emerging markets fund debuted in 2010. TWI manages separate accounts in five asset classes, which share a common value investment philosophy and process. These are Global, International, Emerging Markets, U.S. Large-Cap, and U.S. Mid-Cap equities.

In 2002, TWI created an affiliated entity, Best Independent Research LLC (BIR), in response to increasing demand for independent research in the wake of the Global Research Analyst Settlement. BIR was a consortium of five boutique equity research firms, for which TWI served as managing partner, formed to distribute the members' research to major investment banks and broker-dealers.

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In 2006, TWI established its footprint in Asia by opening Thomas White India Pvt Ltd. in Bangalore, India to support research distribution for the five BIR members. With the conclusion of the settlement period in July of 2009, BIR was dissolved and the Bangalore office was integrated to support TWI in both research and back office operations. From its modest beginnings in the 1970s, the Thomas White organization has grown into a global asset management firm which provides coverage of over 3,000 companies in nearly 50 countries worldwide.

In an effort to complement its internal research process and help investors better understand the positive effects of globalization on countries, industries, and businesses around the world, the TWI website, www.thomaswhite.com, was launched in September of 2008. The website offers lighter in-depth observations from TWI research professionals in America and Asia who actively monitor business conditions and markets in nearly fifty countries. The site, which allows people to become more familiar with investing beyond their borders, attracts an increasing number of visitors from around the world.

The transition that started in 2016 from a founder-based business into one remaining 100% employee owned and managed by its senior-most professionals was completed on September 30, 2018. Tom White, age 75, founder and Chief Investment Officer, retired after a 52-year career. The firm acquired all of the shares owned by Tom, utilizing no leverage in the transaction. Importantly, the ownership change ensures that TWI will continue providing our partners with the same level of service, commitment and performance since our founding in 1992. Moreover, aside from Tom's retirement, there was no change in the members of the Investment Committee who manage our portfolios and average over 17 years with the firm.