



EXTENDING OUR TEAM TO INDIA

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Bangalore, India, office of Thomas White International

Speakers:

- (1) Thomas S. White, Jr., President, Chief Investment Officer
- (2) Ramkumar Venatramani, CFA, Vice President / Investment Committee Member
- (3) Siddharth Mohanty, Vice President / Research Officer
- (4) Sangeetha Ananthanarayan, Vice President / Research Officer
- (5) Neewedita Tiwari, IT Analyst
- (6) Kamal Gupta, Research Analyst
- (7) Bibu Matthew, Portfolio Administration Manager

Thomas White: I'd like to welcome you to Bangalore, India. We are going to try to provide you what many of you – both client and consultant – have done in our Chicago office . . . to walk thru our office, see our facilities, meet our professionals and have a feel for the culture and background of how our office functions, and the skill of each of our professionals. What was important to us in developing a second office, was to keep the team spirit and team coordination we had in our Chicago office. What we have found is that collaboration and ideas are a very important part. We traditionally have been a firm that has looked historically over a company's history and see how its varied financial parameters – say, PE Ratio or Price-to-EBITA, you name it – but, as the world has gotten more complicated, even in the last seven years, it's become more global, and more global basically means we often have to look at a company – how it operates in the United States, in Europe, in Asia and in many of the larger developing markets – so that multiple perspective leads us to basically the segments of the various companies. We want to see how it's doing in each of those segments, not just its single-country segment. It's made it more complicated, but, on the other hand, because we have people located in both sides of the planet, so to speak, we are able to give a better perspective on things than we would if we had just a single office.

Thomas White: Now, to coordinate, we have daily meetings that last anywhere from two hours to two-and-a-half hours, early in the morning in Chicago, late in the business day in Bangalore is what the overlap is because we are basically 12 hours difference. And that coordination brings the experience of the more senior analyst to the newer analyst. But everybody has a say, everybody has a perspective. And with the great amount of data we have in inspecting that company over the last fifteen years we can see its development, understand its business model and understand its effectiveness versus its peers. We need that to really properly value it.

Ramkumar Venatramani: In the modern world, most industries are global and a lot of big companies are global, so when we make a purchase for an international portfolio, we have to look at a lot of things to make that decision So you can't just look at that stock alone in a stand-alone basis. For example, if you want to buy an automobile stock in an international portfolio, you look at the U.S., you look at the growth in Japan, you look at the growth in consumer markets in China, you look at how demand is changing in the emerging markets, you look at the interest rate scenario across a whole spectrum of countries. So, this way, each analyst's research adds additional input, either to enhance the results of the other analysts, or it could corroborate the research of another analyst.

Siddharth Mohanty: When dealing with 45 different countries we have to understand 45 different cultures, as certain behaviors of investors and businesses in those countries can be explained by their cultural backgrounds. Understanding the American point of view, understanding the Chinese point of view, understanding the Brazilian point of view -- these things are subjective. Understanding countries helps us understand companies better and this adds to the selection process.

Sangeetha Ananthanarayan: Well, here we may need to research, and research involves building an excellent knowledge base of all the companies, their accounting methods, the different locations they trade in, the different formats that they trade in. All of this takes a lot of time to learn and this also sets the kind of individuals that we, as managers, must recruit. And the Research team in Bangalore has very bright young individuals who are disciplined, committed, extremely meticulous, who take great pride in bettering themselves and contributing to the firm's goals. Well, the firm's success also lies in its ability to recruit the right kind of people.

Thomas White: One of our challenges, that every organization has in India, is when you get some of the very talented people we have at a young age, they have many opportunities. And in our particular business model, we want to have them for their entire career. And we do this by paying them fairly, but we cannot attract people just with pay, but also building a camaraderie among them, and education, that makes them work as a team.

Neewedita Tiwari: The company has given me growth in all dimensions of my career. It's been good working here because we get a good peer set which makes it easier for us to get a wider range of ideas; that helps in more collaborative work.

Kamal Gupta: One of the many great things that we have is promoted at each and every level. We at Thomas White formally believe that great ideas can flow from anywhere. And this feeling of seeing one's idea implemented is great – it gives you a sense of ownership and equality in the firm and this is what continues to drive me.

Thomas White: The retention of our professionals is extremely important to us. Working as a team takes time and effort. Gaining experience, working within the pressure of buying against the grain of what is popular, takes a good while to learn. And we do it by sharing those responsibilities. And I would be just very proud to say that Thomas White International in India has a marvelous cricket game and have a trophy at the end of the time for their success. That has probably done more to bring camaraderie in India than anything we've one.

Bibu Matthew: I believe that the only way you can grow is when your team grows. And here at Thomas White I have grown.

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