

December 16, 2013

Dear clients and friends,

Re: The Outsiders by William Thorndike, Jr.

Please accept this book as a gift from Lewin Capital Management in the spirit of the season. The Outsiders was recommended by Warren Buffett in his annual letter – it was the best book I read this year and I hope you enjoy it.

What made this book interesting was that it highlights a number of cases of outsized success where the common link was independent thinking and excellent capital allocation. As the benefits from sound capital allocation accrue mostly to investors with long time horizons, this is an area of particular interest to LCM. Each of the eight case studies involves a CEO who came from outside his/her respective industry, and thrived over a long, decade-plus tenure due to following a rational, yet often unconventional approach. Through careful analysis, this book manages to escape the ‘narrative fallacy’ problem that drags down so many books written about corporate success stories.

I wish the best of the season to you and your family.

Sincerely,

Dan