

# COMPASS WATCH

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*A quarterly newsletter of Compass Capital Management, Inc.*

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*Volume 22, Number 4: Winter 2010*

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## A ONE-HALF BILLION DOLLAR THANK YOU!

In October last year (2010), Compass surpassed the **\$500 million** milestone for assets under management. We are delighted to have achieved this because it represents over 22 years of successful effort by our Compass team. More importantly, it is a significant reflection of the trust our clients have placed in us over this time period. So thank you sincerely, one and all. Thanks too to those of you who referred clients to us. These include existing clients as well as a considerable number of prominent lawyers, accountants and other professionals who complimented us in this way. Our clients represent a wide variety of fields and are vitally interesting institutions and individuals. It is a great privilege to know and work with them.

Our institutional and individual clients reflect a wide variety of account types. For institutions, we manage retirement plans (401(k), profit-sharing, cash balance, pension), foundations and endowments, long-term reserve funds as well as others. For individuals, we invest their taxable accounts, IRAs (regular, Roth, inherited, spousal), trusts and many other types.

Overall, in terms of company-wide assets, we look like a very large balanced fund, with roughly one-third of the total in fixed-income securities (bonds), nearly two-thirds in equities (common stocks) and the remainder in cash reserves. The fixed-income category includes U.S. Treasury, Agency, municipal and corporate bonds. Our stock investments are primarily individual common stocks, with the remainder in Compass-selected no-load mutual funds for specialized applications. It is very important to know that at Compass we give equal emphasis and analytical scrutiny to both bonds and stocks. We aren't an equity shop which "does some bonds". We regard both bonds and stocks as essential for what we offer to clients.

So, what makes Compass different? There is obviously no shortage of organizations offering investment advice. Here are just a few of the ways in which we differ:

- **Experience** – Established in 1988. Our portfolio managers average 20 years of industry experience, with more than 10 years at Compass.
- **Track record** – Highly successful, reflecting twenty-two years, under a wide variety of economic conditions.
- **Independent and privately owned** – We focus on investment management rather than having to offer other services and products as well.
- **Aligned with your interests** – We employ the same investment discipline for our clients, employees and owners.
- **Impartial/Objective** – We do not sell proprietary products, allowing us to focus on the best interests of each client.
- **Team (6 Portfolio Managers)** – Our team approach has provided a stable and consistent investment philosophy. A team of professionals is stronger than one individual.
- **Directly accessible** – Clients work directly with our investment team. Our clients benefit from face-to-face meetings with their portfolio decision makers.
- **Service oriented** – Our 40:1 client-to-portfolio-manager ratio enables us to provide highly customized services.
- **Research-intensive** – Not limited to in-house research. A combination of in-house and third-party research is more likely to lead to new ideas and better decision making.

With the breakdown of the traditional banking/brokerage model over the last few years, we believe our independence, focus and experience at Compass will be even more helpful to clients in the years ahead. The first twenty-two years have been great at Compass. We believe the future looks even better!

*For more information regarding our company, disciplines and results, please call, write, e-mail or visit our website: [www.compasscap.com](http://www.compasscap.com)*

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