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Welcome to the *Life of a Langdon Investor* podcast, where we move beyond the familiar industry taglines. This series is designed to help our clients truly understand the work we do at Langdon and why we do it the way we do.

0:19

Hi everyone, and welcome! My name is Montana Mortimer, and I'll be hosting today's podcast. This is the inaugural episode of *Life of a Langdon Investor*, and we're starting with our very own founder and lead investor, Greg Dean.

The investment world is a really competitive landscape—rightly so, I think. Beyond having a multitude of choices and ways to grow your hard-earned capital, there are a lot of investors saying the same thing. Taglines like: *We travel a lot, We do our own work, We do a deep level of work*. What does this mean? Is everyone doing the same thing, or do we need better discussions in our industry about what these phrases actually mean?

We believe it's the latter. Hence, the first episode of *Life of a Langdon Investor*, where we hope to share insights into what we mean when we say these things at Langdon.

0:59

So, in the most recent Q3 2024 global portfolio commentary, you talked about this concept of "invest like a local." Can you elaborate on what this means for those who maybe haven't read that commentary?

1:30

Greg: Yeah, it's a bit of a loaded statement. Also, to your point, one of those terms you hear a lot: *invest like a local, invest locally, think locally*, all that sort of stuff.

The way I think about it is just: how close to the truth can you get? We invest in 23 developed countries—some nearby, some far away. The notion that you can have a deep understanding of what's going on, on the ground, day-to-day, real-time, from your desk in New York, Toronto, London, or Calgary—I've always found that hard to believe.

For me, for the last 15 years, it's been about how close to the truth I can get—physically, and ultimately from an investment perspective as well. *Invest like a local*

means investing with complete, accurate insight to the fullest extent possible, even though we don't always have all the information.

2:36

Montana: Practically, what did you do this time that was *investing like a local*? What was the trip you talked about in the commentary?

2:47

Greg: For years, I've really only done it one way, but we've gotten a little better every year. You learn from each experience. We've spent anywhere from 30 to 100 days a year on the road over the last 15 years. If you weren't getting anything out of it, it'd be hard to justify doing it again the next year.

But recently, I've been thinking: Are there more impactful ways to try it differently? About six or seven years ago, we stopped attending conferences. We didn't see value in these "speed dates," meeting people for 20–25 minutes, sometimes in shared meetings. It felt surface-level—not activating enough curiosity or leading to the right connections.

So, the shift I wanted to try was going on a significant, consecutive stretch on the ground. Not just hotel rooms, takeout food, and central business districts—let's get into the smaller parts of the city or business districts outside the city center.

For example, Alex, on our team, tested this approach last year, traveling back and forth between Japan and Australia for about a month. He found value in being available for spontaneous meetings and covering more ground during longer stays. Building on that, I situated myself in Europe, our largest investment region, for about 8–9 weeks. I brought my family along, which also shaped the logistics of the trip.

5:51

Montana: That's really interesting. We'll definitely talk more about the extended Europe trip, but at a high level, it sounds like there are continual improvements to your process. What were some of the key takeaways from this iteration, and what would you do differently next time?

6:28

Greg: Someone's going to do it next year—I'm not sure if it'll be me again! But this approach worked for a few reasons, including the location (France, outside of Paris).

One example: A lot of the consumer businesses we own aren't available for sale in Toronto. How do you find out what's really happening with them? Our team is wired to spend time observing: *Where are products placed in stores? What price points are they hitting?* When companies claim they're taking price increases, are they capturing those increases, or discounting off list?

During this trip, we took time to explore neighborhoods and shops. We looked at how brands were activated in the region, their retail footprint, and whether they had

meaningful shelf space or just token placements. Part of our job is to hold management teams accountable, so being on a level footing with local investors is crucial.

9:55

Montana: Shifting gears, was there a company or conversation during the trip that changed your perspective or led you to revisit your research?

10:08

Greg: We always try to build trips around anchors—existing portfolio holdings or high-conviction ideas. For this trip, each week had anchors in different countries like Germany, Italy, Sweden, and Switzerland.

One example: Unibrew's acquisition of a brewery in eastern Italy. Initially, we glossed over the announcement, thinking it made sense geographically. But as we dug deeper, we realized its location near Eastern Europe provided access to lower-cost labor. They also planned to shift production from Denmark to Italy, reducing freight costs and increasing proximity to customers.

This all sounded great on paper, but we wanted to validate it. Mansour had already visited the Danish facility earlier in the year and confirmed its capacity constraints. So, we made the trip to Trieste, which became the anchor for a broader itinerary across Italy.

13:13

Montana: Interesting to hear about how you guys build out these trips because I think it's one of those things when small cap is such a large universe. We don't screen on output, so how on Earth do we figure out what companies to meet and how to meet them? Understanding that you land in one point and then build up from there—and what I'm getting from what you're saying on field research—is that you travel and spend lots of time there because you want to see, touch, feel, and experience, so you can have true validation of what you'll be talking about behind your desk or in your office in Toronto. That's really interesting.

I guess on these trips—maybe less so in this context—how often do you see other investors? Do you collaborate with other investors outside of Langdon, or do you come across them a lot when you travel like this?

14:02

Greg: I completely agree with your opening statement that everyone says they do deep work and travel, but that can mean a whole bunch of different things.

Having said that, we're certainly not the only people who take field research as seriously as we do. I think there are other firms that have been doing it longer than us and do it really well. The most important thing is figuring out what works for you, iterating on it, improving it, and executing.

In that regard, it's less about who else is doing it the same way, but we've kind of built this fraternity of people who do the type of work that we do. We see them in the same places on different continents and have great conversations. Small cap is not an elbows-up asset class; it's so big, with so many companies, that you're never fighting for three decimal points of value-add on large cap XYZ.

Often, we'll come back from a trip and say, "You know who's great? Using that Italy example, there are some great local small-cap Italian investors who've likely done what we just did. We should talk to them." They're so happy to talk to us because we sit in a North American time zone and can bring them incremental benefit and insight.

We've even shared meetings abroad and at home with some of these other companies we meet overseas. These investors tend to traffic in the same types of companies and use the same investigative style as us.

15:50

Montana: For me, that just reinforces the fact that, while we're headquartered in Toronto, we're global investors. That's not just about how we travel but also who we're willing to have conversations with, collaborate with, and share ideas with. They don't have to be Canadian-based investors—we're interested in talking to investors in the places we're visiting as well.

16:08

Greg: Yeah, in the spirit of truth-seeking, often they're not Canadian. That's just a byproduct of trying to get as close to what's really going on as possible. You're much better off talking to someone on the ground in the region.

For us, that'll be the future state. At some point, we'll say, "We're spending so much time here, it makes sense to have an office or people here." But from our starting point two and a half years ago, it wasn't feasible. It was far more important that the team was collectively based in the same place, building trust.

16:46

Montana: I guess let's talk about the team a bit. We have a five-person investment team we built on day one, which I love. As an investment firm, I love that we upfront put the investment in the investment team people.

How do you guys work together? For those who don't know, we have a simple concept: there are always two Langdon investment team members or investors on every single idea. That includes management meetings or travel like this. Tell me about how that actually works. How do you, when you're traveling in Europe, get the other Langdon investor involved?

17:22

Greg: That's true, but just to add: being in the region is great because you don't have that time lag. Things are happening in your native time of day, which is awesome.

For this trip, I had Mansour along for a good chunk of it. I probably would have had him along for the entire trip—or I would have tagged along with him—but he became a Canadian citizen over the summer. He needed to make sure we celebrated that milestone!

One way you solve this is you just don't go alone. You bring the relevant person with you to do the work, uh, which we did, but I think we also just accept and our welcoming of the need to be available when the information is being presented. So, if it's early mornings or late nights, um, you know, it's not about being at your desk for X number of hours a day, it's all about return on time and effectiveness. And so, we talk a lot about Alex—most of your world functions between 5:00 p.m. and 5:00 a.m. There's not a lot that we need from you at 9:45 on a Tuesday, right?

18:41

Greg: So, you know, the Toronto local hours would suggest like that's an important time of day for him, but it really isn't. It's much more important that he's in sync with the companies and the work that's being done in his region. Same goes for Europe as well as the UK. So, you know, we're all accepting and are many years into this journey of just waking up early if it's a European company or staying up late if it's an Asian-based firm. And, um, I don't think, certainly no one on the team currently sees that as an issue. I think they've all seen the benefit of having that because that's ultimately how you build a relationship. You don't build relationships with companies watching, like, you know, recorded clips of interviews and quarterly calls. You gotta get in front of them like when they're doing business. And so, we've just adapted to that. That's something that's kind of been a non-negotiable for a long time.

19:36

Montana: I can actually speak to that, how well adapted they are, because I was asking Mansour—um, one of the cool things as we all sit together, so obviously I get to learn about the companies right from the investment team. I was asking him about a company and he goes, "Oh, great timing, they're having their investor day coming up. You should call in. You should join." And I thought, amazing, sending the calendar invite is for 2:30 to 5:30 a.m. And he sent it over as though it was the most natural thing in the world. And of course, I was going to wake up and join, 'cause why wouldn't I? Because that was when it was happening. Yeah. Um, and so, I can definitely share that they very much are, you know, mentally in their region, in their time zone.

20:14

Greg: Well, I think I've taken this very seriously. So, we—I've been running a global small-cap strategy now for 10 years, and the idea that you're going to be the best

Canadian-based global small-cap firm just doesn't feel like a very honorable goal, right? And so, well within our limitations of, you know, we live in the Eastern Time Zone, and you know, travel is frustrating and causes, you know, friction and costs money, what you're ultimately doing is kind of assembling a portfolio that's the most effort you're willing to put in as opposed to the best possible collection of investments you could make. And so, maybe that, um, maybe that is partly why we've just—like, that's such a natural, 'cause I think we've collected a group of people who are all wired that way, to say, like, this isn't as good as we can do, it's as good as it should be.

21:03

Greg: So that dollar of our clients coming from our clients could be coming from a Canadian client, it could be coming from an Aussie client, it could be coming from a European client, a U.S. client, and there's not a higher or lower bar based on where the client support is. And I think we take that really seriously. We have for a long time, and, um, I think it's also partly what leads to really good outcomes, because we've kind of shrunk the gap between what we say we're going to do and what we actually do. And I think if we can continue doing that for a long period of time, then the onus remains on us to deliver on these investments.

21:45

Montana: Well, I know, you know, myself and all the team have our own personal money invested in the strategies. So, as a client myself, I definitely appreciate the team's willingness to be wired that way. Um, I guess maybe we'll kind of turn and talk about what's next. So, we talked a bit about a recent trip and this concept of invest like a local, and really just how we are oriented on how we do all this field research.

22:03

Montana: What do you think differentiates us in terms of our approach to travel? We talked a little bit about that, but maybe even at a higher level, you know, if I had a client asking me, "Montana, how do you guys travel different than XY or Z Canadian-based firm?" What do you think you'd say?

22:26

Greg: Um, the honest answer is, I don't know. I can't say it's this or it's that, but experience and intuition and also feedback from, I'll say, corporates, tells me that we are doing something that isn't common. Whether it's, you know, not screening on output and meeting 350-plus companies a year, that's not common. We're doing that largely in person, on ground. But you just get these signals along the journey. So, you know, two and a half years in as Langdon, and I think we've shared this story publicly, but, you know, Mansour was invited to California to speak to the top 30 executives at one of our largest holdings, happened to be a European-based company that was doing a sort of a leadership offsite in California.

23:12

Greg: And every year they invest, they invite an investor to come talk to them about how they invest, how they see the investment potential in that business. But then also, um, you get to spend lunch with the top 30, which is a tough piece of access to kind of get on your own. And, you know, I think at the time we had \$125 million under management, and this is a \$3 billion public company based in Europe. The fact that they could have called anybody, and most of those investors or investment firms would have said, "Sure, of course," and they called us is a real strong proof point that what we're doing is different and effective. If they didn't think that we understood their business really well, they wouldn't have offered us to come. If they didn't think that we would benefit from the insight that they were to share about their commercial organization, marketing, distribution, sales, capital allocation, they wouldn't have invited us.

24:05

Greg: And so, that's one example. I could go through a number of examples, but rather than saying like me saying, "I think we're different" or "I think we're better," I can't say that for sure. But I certainly get feedback along the way that says, "You're moving in the right direction, keep going, don't stop." We know that we need to keep getting better, but we're getting closer to that sort of nirvana of like truthfulness, and that's the exciting part. I don't think it's a destination; we're not going to say this is the way we figured it out. Nothing's going to change now. I think it's always going to change.

24:55

Greg: But as it relates to travel, another recent example we shared at our investor day—Joel couldn't make the investor day. Where was Joel? Joel was in Europe meeting with ATS, and he was with five other firms globally. A \$4 billion public company, international business, truly, that just happens to be based in Cambridge, Ontario. And again, here we are, relatively small investment firm, but one that makes very concentrated investments in businesses for ideally a really long period of time. And he was one of five or six investors on this German and Italian site tour.

25:34

Greg: And so, we weren't apologizing to our clients that Joel wasn't available today because he was doing the job that they hired him to do. And so, we said, unfortunately, he won't be here, but, you know, you could have told me that 150 people were on that trip, and I would have said, that makes sense. You've got the entire C-suite plus all the local regional management that is not available on every quarterly call or on a, you know, published research update by, you name, the investment bank. And so, for us, it was a no-brainer to send him, but it obviously wasn't a no-brainer in aggregate or else he wouldn't have had five firms globally. So, stuff like that makes me go, "Wow, this is awesome. We see an opportunity. We think

what we're doing works. The proof isn't obviously the results, but we think that there's still room to get better."

26:09

Montana: Um, that was an interesting thing for me in terms of the people. So, obviously, traveling means that we're meeting with the people that manage these companies. Can you talk a little bit about, like, I guess, why the people are important? I think probably speaking, everyone understands people are important, whether it's people managing portfolios or people managing the client's money. But in the context of, like, the companies and the management teams, and specifically smaller companies, you know, I know our belief is that people really matter. Can you kind of explain to people, you know, why that belief is and why people really do matter in smaller companies?

26:55

Greg: Yeah, well, I mean, the obvious answer is they're closer to the, uh, the on-the-ground decision making. Like, these really big companies, there could be 25 layers between the people you meet as an investor and the people who actually contribute to the day-to-day outcomes. And so, in smaller companies, there's not going to be as many layers, just a general function of usually how complex and seasoned those organizations are. And so, that's one advantage I think of being in small-cap, or one preference for me—it's very selfish, but I prefer to get to that truth not through 25 layers of reporting.

27:30

Greg: And so, I think that's one element. But, you know, these smaller companies, the people running these organizations often express their own biases and preferences and, you know, habits in the form of things like where is the headquarter located or, um, you know, what qualifies for a field office, you know, how nice is it? Uh, you know, in what areas are we locating the, uh, is it client-focused space or is it kind of like, you know, internal space and you can't figure that stuff out behind your desk and so, you know, I saw this dozens of times over those couple of months where you're almost like got your Google Maps out and you can't find the company like, "But it says it's here," and you're looking around like, "This is not a CBD." So whenever I'm in Australia, I make the joke about Melbourne and how I've been to Doncaster and Dandong more times than Melbourne, and they go, like, local people there are like, "Wow, a Canadian that knows what Doncaster is. That's cool!" But to us, it's like, "No, I could probably find my way around Doncaster easier than Collins," because we've just been out there so many times. That's where most of the DCs are, the warehouses, the more industrial and even consumer companies that we've invested in in that region. And so somebody chose to put it there. They chose not to pay \$120 bucks a foot when they could pay \$14 bucks a foot and be 25 minutes by car but more better located to the highway that actually takes their stuff and gets it to customers. So, um, I think people are attracted to this... at least what I tell, you know,

apprentices, people are attracted to this job for a lot of the wrong reasons. The reasons you'll stick with it—the most important one—is that you like it. And if you find that you like it for the right reasons, which is like building these relationships, getting to understand their—like every investment is like a puzzle. Solving these puzzles is just super interesting. Then you come across people that you meet along the way who are in the same job but on the corporate side. They love building their business, they love working with the people they work with, they're passionate about it. They are a steward of the business as opposed to an executive of the business. And I think just in my early career, I found that a lot more frequently with smaller companies than with these larger companies.

30:04

Montana: Okay, neat. So there's almost like interesting synergies that you guys get to build, which I guess is evident in the fact of the great relationships you've built and then the neat access, like the Royal Univers story in terms of they appreciate the type of work that we do, and we appreciate the type of work they do. And you're kind of helping to build something together. You're helping to make them better, they're helping to make us better.

30:21

Greg: Yeah, I think we—we certainly can't run a business, and we often say that in meetings. It's like we understand your job is best spent running your company. We just need a bunch of your time to help us understand your company. And what they appreciate is that, let's say there was like—we needed to go from 0 to 100 on a business. Ideally, probably never get higher than 90, but let's call it 0 to 100. We're not asking them to take us the whole way. We go away, we do a bunch of work, we come to them, we're at 30, they help us make sense of the 30 that we've gathered, maybe get us focused on the next area that helps us get to 60. Then we go away and we come back, and we're at 80. And so we just make sure that whatever amount of time they're willing to give us, we're leveraging that 10x when we're not in front of them. So when we come back to them, the conversation's more elevated. And so even some of the nuance to like discussions—you know, Delta is an easy one 'cause they own hotels, and you know, anytime we're in Ireland or London, we're staying at a Delta. So instead of saying, "You know, Finsbury Park, how's that going?" You go, "Well, I stayed there 3 weeks ago and I met the GM, and they said that this local issue has been resolved, and they've done a great job cross-promoting with the local sports team so that they get all the, you know, fans at away games..." blah blah blah. And then they appreciate that you've done that sort of on-ground work, and so then they kind of bring the conversation past certain—let's call it, like, you know, levels where it's a bit boring to have the discussion, frankly. And also brings you closer to getting to the truth, because you don't have to spend 25 minutes on where is Finsbury Park and what line is it on of the tube, and 'cause you're like, "No, no, I've been there and I've met so and so who runs it." And so, like, okay, okay, so let me

pick... let's start this conversation at, like, the fifth inning. And so it's a much better return on time in front of that executive as well.

32:10

Montana: That's interesting. So it's almost the how and why we travel. How we do is in part to be able to build those better relationships, get that better access, and then, you know, at the end of the day, get better information or be able to make more educated decisions on how do we think this business is going to perform for our portfolio and for our clients?

32:32

Greg: Yep. Yeah, if you can feel like you would feel comfortable owning the whole business. And you have the luxury of the stock market. People see the stock market as like a bad thing because it's volatile, but I see it as a good thing because if you're wrong, you can sell, and you don't have to, like, replace management and take board seats and, like, argue. You can just say, "You know what? This one's not going the way we thought, and maybe it's our fault, maybe it's their fault, but let's find a better one." And having that liquidity or off-ramp for those sorts of situations, I think, is underappreciated by a lot of end investors because it does come with volatility. But for us, I think we're out there trying to figure out if we would buy the whole company. We just happen to be making investments that are somewhere in the, you know, 1 to 5% of the company range.

33:28

Montana: I think I'm probably going to ask you a few closing questions unless you think there's anything that we didn't touch on that might be important for someone to hear about in terms of how we travel and why we travel and what "investing like a local" really means.

33:39

Greg: I have a feeling this topic will be coming up again, because it certainly is something that I get asked in every client meeting—like, "Why do you go where you go? What are you there to figure out?" And they're usually also saying, "This other firm I met with refuses to travel because they think that that's how they get swayed or sold by the management team." So I think we'll save some of this for future conversations, hopefully. So yeah, happy to move to closing.

34:12

Montana: So three questions, we'll call it a bit of a speedrun that we're going to close off every podcast with. So, number one: What do you miss the most about home while you're on the road? And we'll say beyond the people.

34:18

Greg: Oh yeah, my family would certainly be one, two, three, four, five. But, um, I think there's just, like, routine in your day-to-day that kind of gets scrambled when

you travel. So you almost have to create, at least I've tried to create, like a bit of a travel routine. So for me, I have a goal of, like, getting to Barry's in every country—Barry's Bootcamp, which is obviously very close to the office and something that's been in Toronto for a lot of years. But I think I've been to Barry's in like seven or eight countries because it's just like home, you know, different language but it's pretty straightforward. Treadmills, weights. So, you know, I think I miss the routine of just, like, you know, physical exercise and probably eating at an actual dinner table, but you can make adaptations while you travel to make it something you miss less.

35:17

Montana: Neat. I know our team has done the Barry's in Yorkville a couple times. So that's a fun one.

35:22

Montana: Okay, number two: What's one habit or routine that has made the biggest impact on your success as an investor? But top of mind, what comes up?

35:41

Greg: I've always taken relationships super seriously, um, and maybe because I just felt like I'm never going to be able to learn everything the best, and—but who can I tap into to understand something better and more quickly than if I were to try to figure it all out myself? So I think that's something that I've now been doing long enough that I've come to appreciate that if you're putting effort into these relationships, they truly are two-way relationships, and they're not transactions. There's been some cases where, you know, I spent a ton of time with the company and then we didn't—nothing happened. We didn't invest, and I didn't talk to them for like four or five years, but then when you're picking up the conversation four or five years later, they remember the conversations that you had, the questions that you asked, the way in which you held, you know, the way in which you, you know, held up your end of the bargain in terms of being professional and respectful of their time, and you don't have to start from zero. So a lot of those corporates, many of which have become our clients, which is really, like, cool because they have so much choice. They know who all the, you know, great shareholders are, and when they choose us, it feels like they're validating a lot of what we do and the way in which we do it. So I think just taking relationships super seriously and always trying to put more into them than I try to get out of them has been just like a personal manifesto.

36:49

Montana: Mhm. I love that. Um, last one: Where's your next trip? What's next on the agenda?

37:03

Greg: Japan. Been too many years, and, uh, yeah, I expect to be there late Q1. That'll be my next big trip. Probably.

37:10

Montana: Awesome. Well, thanks very much for your time, and thank you, uh, everyone for listening. Hope you learned a little bit more about, uh, Greg's recent trip but also better understand what we mean at Langdon when we say that we travel a lot, or, you know, we do a deep level of work.

37:22

Close: Thanks for joining us today. We hope today's talk helped to continue building your understanding of our firm, team, and process—like adding another piece to the Langdon puzzle. Have a great day.

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