

## Michael Lee-Chin Featured in Rotman Integrative Thinking Series

Buy. Hold. And Prosper.

This may sound like a new Star Trek mantra, but in fact, it's a business philosophy that has led to great success for **Michael Lee-Chin** (pictured, right). The chairman, CEO and chief investment officer of AIC Limited described his approach to business and the thinking that got him where he is today – heading up a company with \$15 billion in assets — as part of the ongoing *Rotman Integrative Thinking Seminar* series on February 28th.

Born in Jamaica, Lee-Chin got into financial services at age 26, selling mutual funds. A friend told him that to be successful, he should “find a need and go fill it”. It soon became clear to Lee-Chin that all customers, no matter what their backgrounds, wanted three things: to protect their capital; to grow their capital; and to minimize their tax burden.

With these three rules in mind, he started observing highly successful individuals, and he quickly found that their wealth is often a function of maximizing these three variables. “These people have bought, held and prospered. People like **Richard Currie**, **Bill Gates** and **Warren Buffett** — they owned one or two businesses in strong, long-term growth industries, which they held for the long run. They understand their businesses thoroughly — everything from margins, to the regulatory environment, to efficiency ratios, to their human capital — they know it inside-out.”

When times are tough, says Lee-Chin, you should always default to your value system. “To succeed over the long term, you need a sound intellectual framework for decision-making and control over your emotions — the discipline to stick to a plan, through thick and thin.”



He takes his own advice. “When I bought Advantage Investment Counsel back in 1987, I began investing in companies I understood — like Mackenzie Financial, Loblaws, Berkshire Hathaway, TD, and Merrill Lynch.” Before long, 60 per cent of AICs holdings were in these five businesses. “Bears and bulls may come to life or die away,” he says. “At AIC, we frankly don’t care. We have a focus, and we stick to it. No other mutual fund company in the world does what we do.”

In the end, successful investors preserve capital not by diversifying but by *understanding* their businesses. “My expertise is understanding a few businesses *very well*,” he says.

Integrative thinkers like Lee-Chin have some specific, highly valuable skills in common, says Rotman Dean **Roger Martin**. “They see more features of a problem as salient to its resolution; they are able to consider non-linear causality between the variables under consideration; they are able to continue to see ‘the big picture’ while concentrating on its elements individually; and they refuse to accept the obstacles in their way, viewing them instead as tensions that require creative management.”

Other speakers in the series have included Canada’s Outstanding CEO of the Year for 2001, **Richard Currie** of George Weston Limited and former head of Loblaws; Prof. **Mihnea Moldoveanu**, Director, CCMF Centre for Integrative Thinking; and **George Stalk**, senior vice president of The Boston Consulting Group. For details about upcoming sessions, see our Web site at [www.rotman.utoronto.ca/news/events.htm](http://www.rotman.utoronto.ca/news/events.htm).

— Karen Christensen