

The Benjamin Graham Centre for Value Investing

Toronto

April 15. 2015

A Scandinavian's Path to Value Investing

- **My history with value investing.**
- ***“The Security I Like Best”***

A Scandinavian's Path to Value Investing

- **1986** - **Beginnings**
- **1990** - **Something called Value Investing**
- **2002** - **My own shop**
- **2008-** - **Concentration**

Track record NCMF

	INGV	MSCIWI	IPNGA	MSCIWI	NGV Lux	MSCIWIL	BSC	MSCIWIL	MSCIWI
	Inception: Jul. 12 2002		Inception: Aug. 22 2008		Inception: Dec. 4 2008		Inception: Jun. 8 2007		
2002	(11.26)%	(11.84)%							
2003	41.62%	10.95%							
2004	23.28%	6.35%							
2005	28.08%	26.51%							
2006	1.94%	7.34%							
2007	(7.57)%	(1.63)%					2.34%	(2.48)%	(7.59)%
2008	(23.57)%	(37.75)%	4.16%	(18.10)%	4.43%	4.65%	6.09%	(38.69)%	(37.75)%
2009	18.23%	25.9%	32.32%	25.90%	23.94%	25.73%	39.94%	25.73%	25.90%
2010	20.05%	19.71%	22.40%	19.71%	4.77%	10.01%	12.62%	10.01%	19.71%
2011	(7.07)	(2.64)%	(3.55)%	(2.64)%	(9.03)%	(5.49)%	(7.64)%	(5.49)%	(2.64)%
2012	17.34%	14.49%	14.75%	14.49%	19.41%	15.71%	15.98%	15.71%	14.49%
2013	19.27%	21.19%	27.95%	21.19%	19.61%	28.87%	33.23%	28.87%	21.19%
2014	16.25%	19.27%	19.51%	19.27%	6.87%	9.81%	17.27%	9.81%	19.27%
2015 /3	15.61%	15.65%	18.87%	15.65%	7.63%	4.86%	20.83%	4.86%	15.65%
P.A.	10.46%	7.22%	20.31%	13.43%	11.82%	14.46%	16.60%	3.84%	6.33%

Long term track record jan. 1987 – Mar. 2015

Ole Nielsen

MSCI Index

- **Per annum** **13.44 %** **10.07 %**
- **Accumulated** **2,743.12 %** **1,174.91 %**

“The Security I Like Best”

Admiral Group Plc

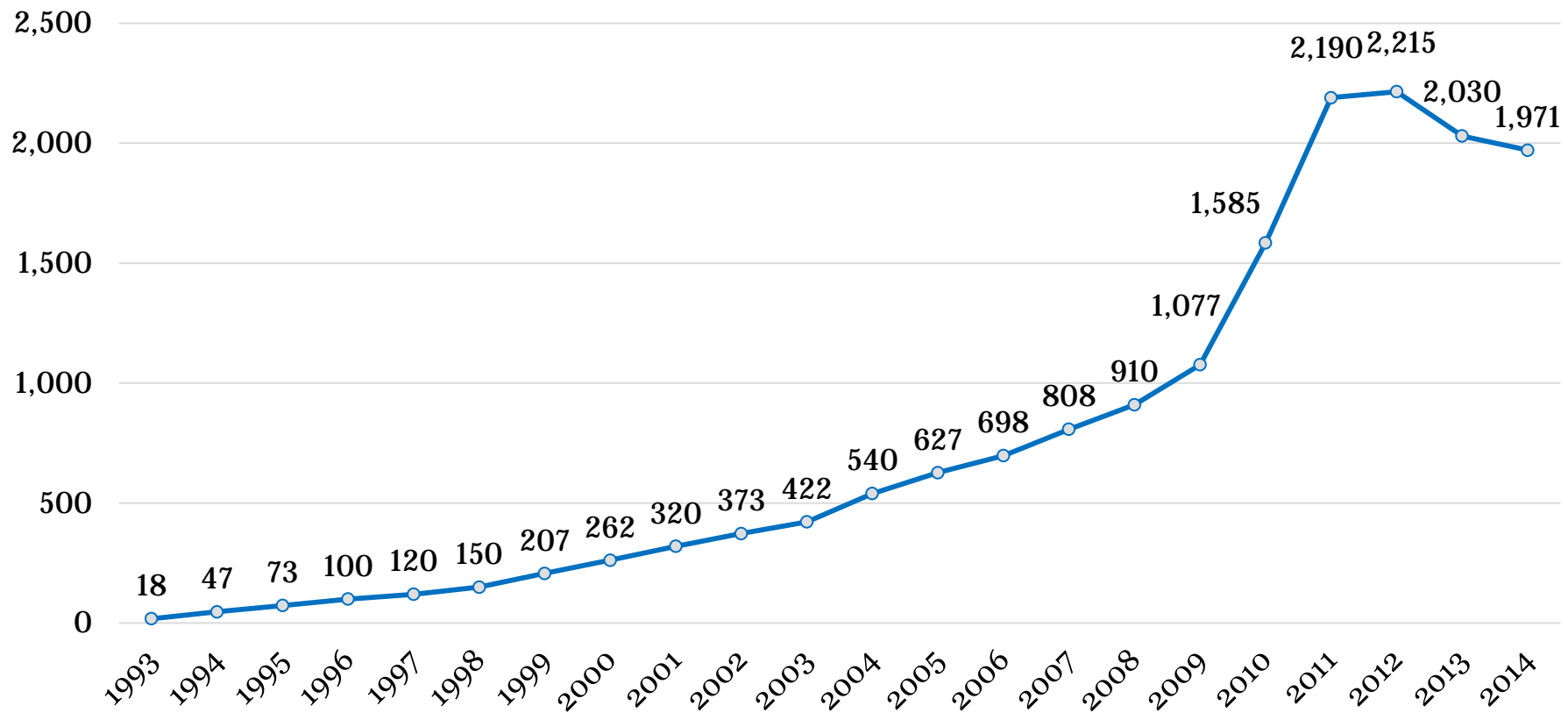
Operated by Henry Engelhardt since 1993 and created by Henry Engelhardt in a management buyout in 1999, Admiral is a UK direct auto insurer focused on low costs and high customer service generating consistently high ROE with no debt employed.

Admiral Group Plc

- **History**
- **Business model**
- **Employee motivation**
- **Insider ownership – owner operated**
- **Focus on building shareholder value**

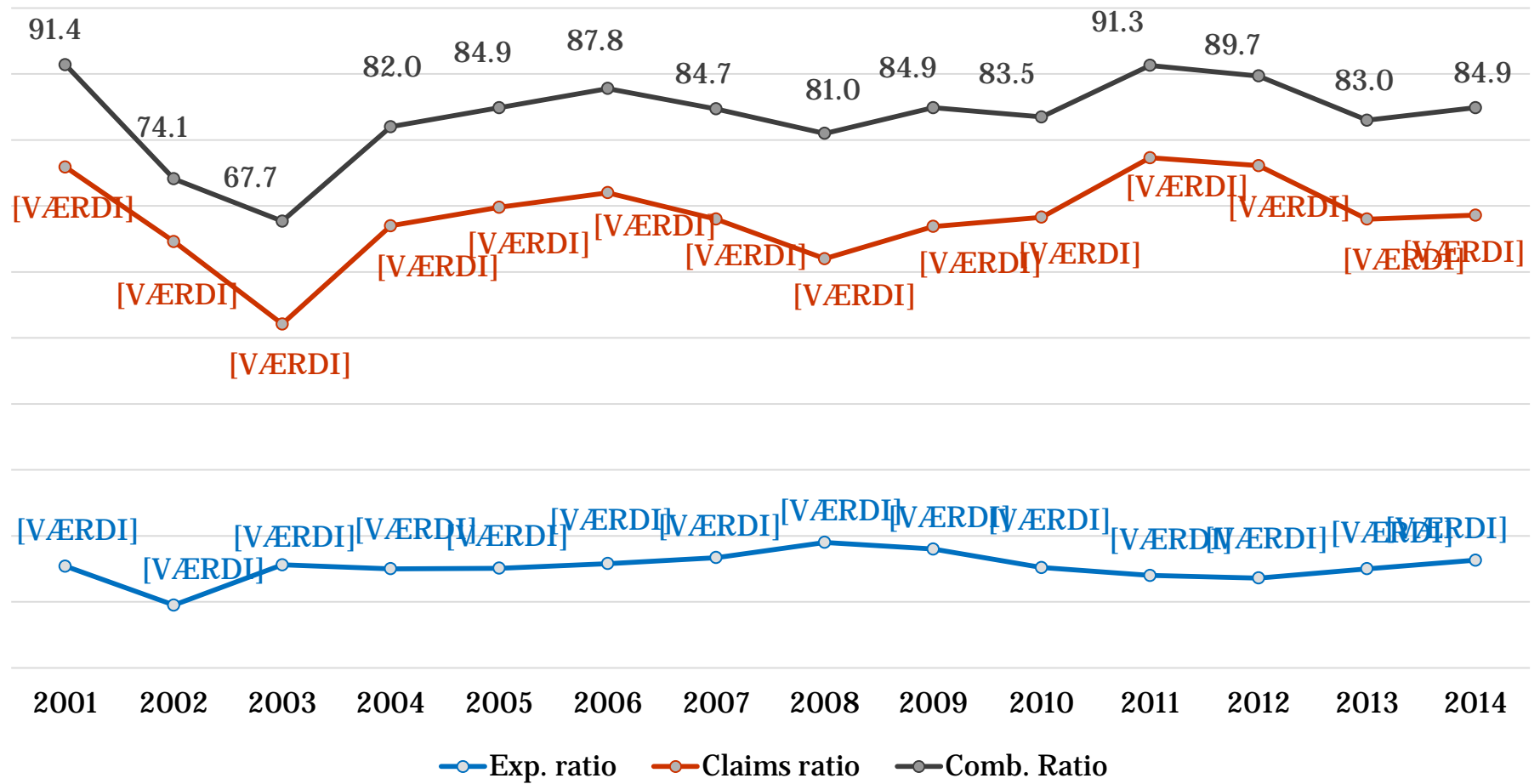
»The numbers:

Admiral Group Turnover The Long View

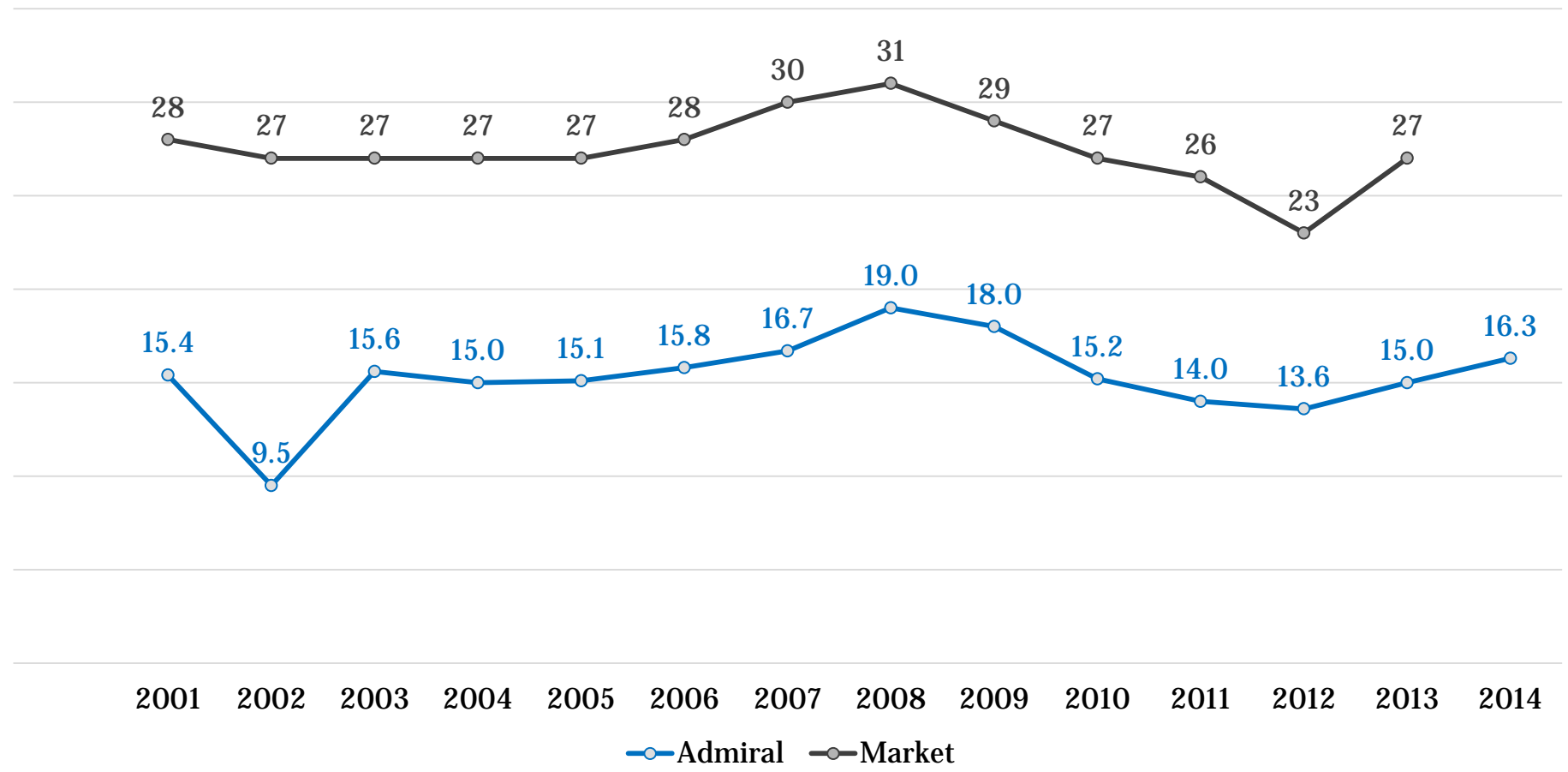




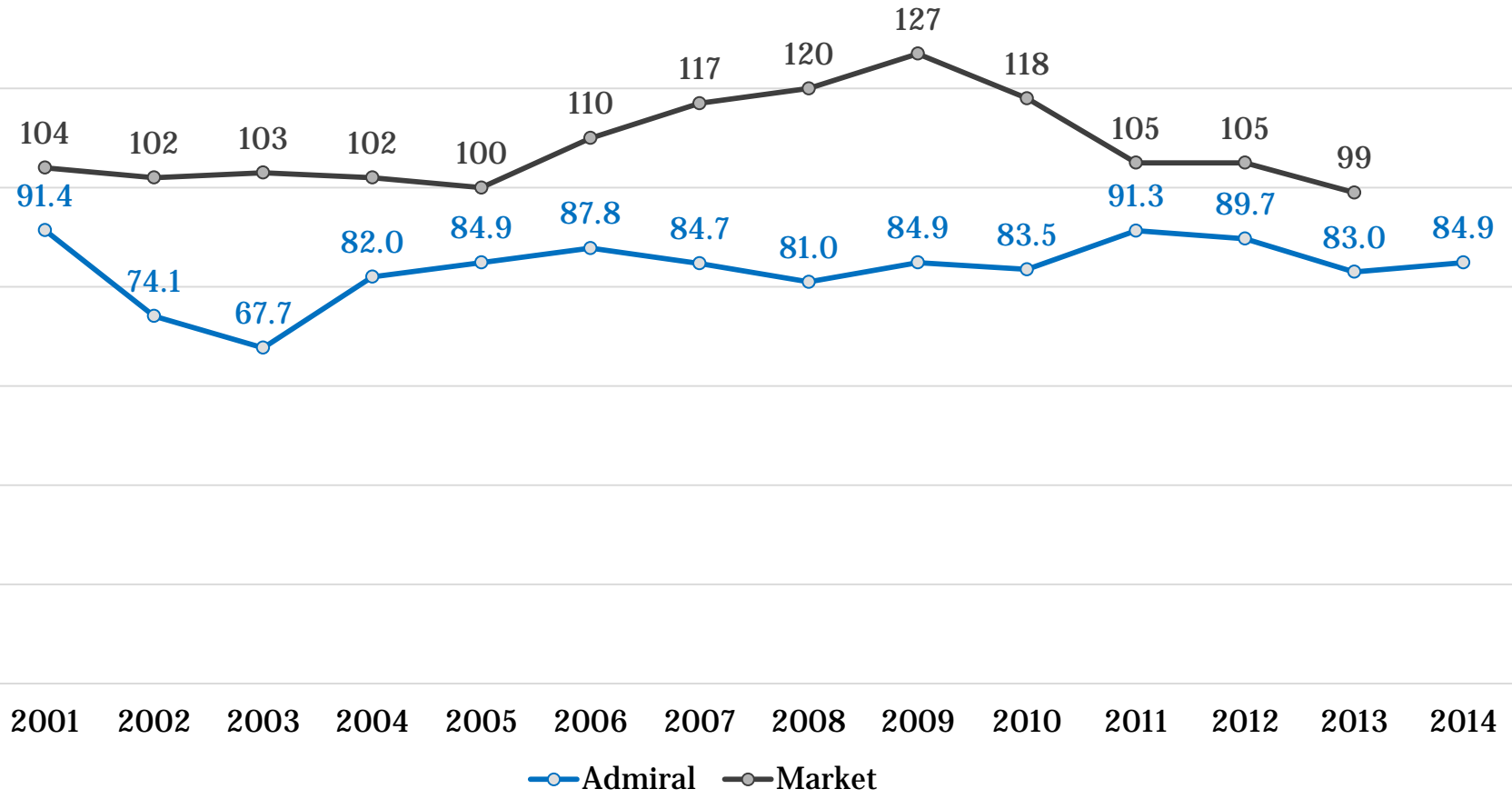
Admiral UK Auto Exp.- Claims- and Combined Ratios



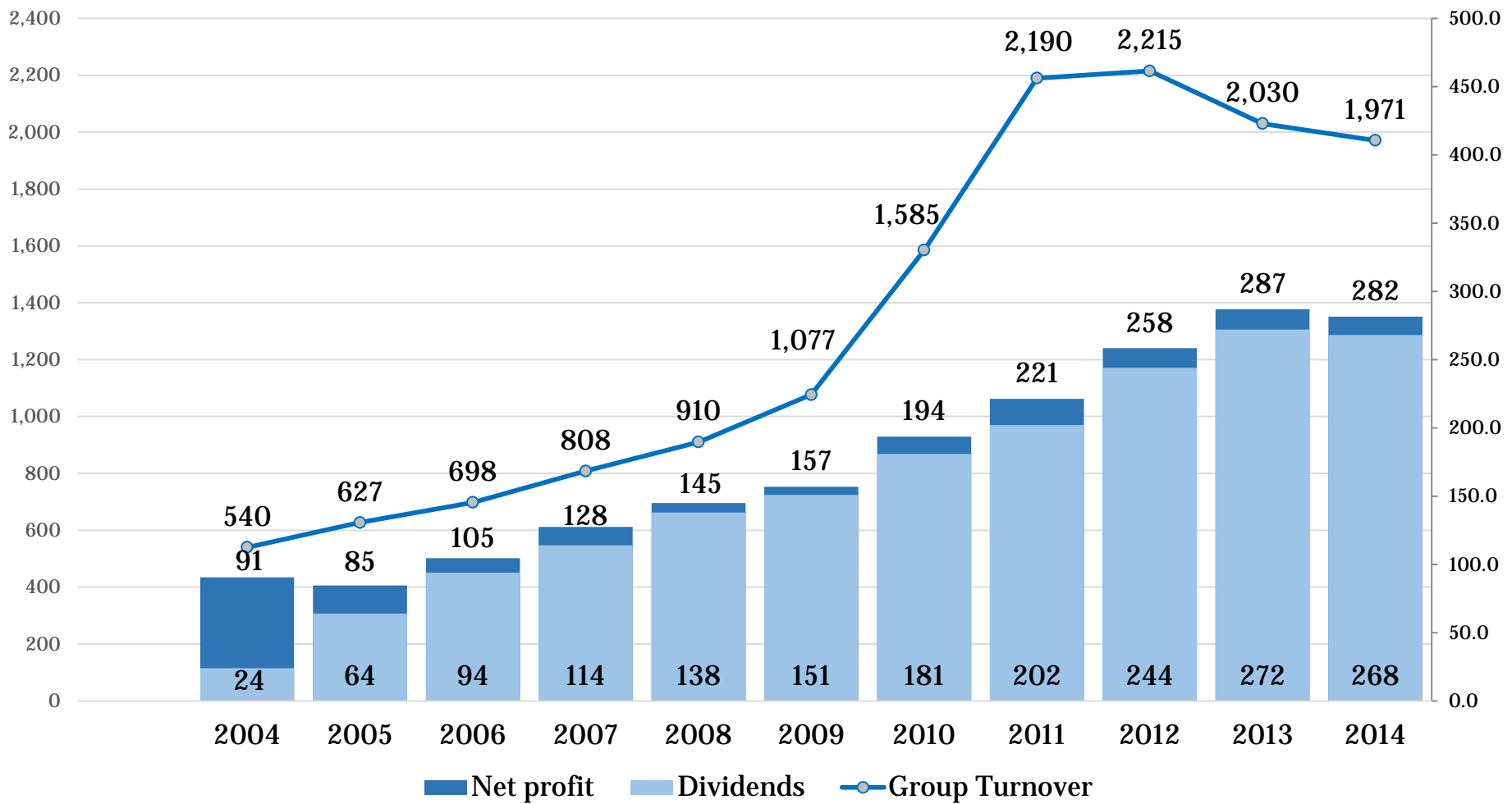
Expence Ratio, Admiral vs Market



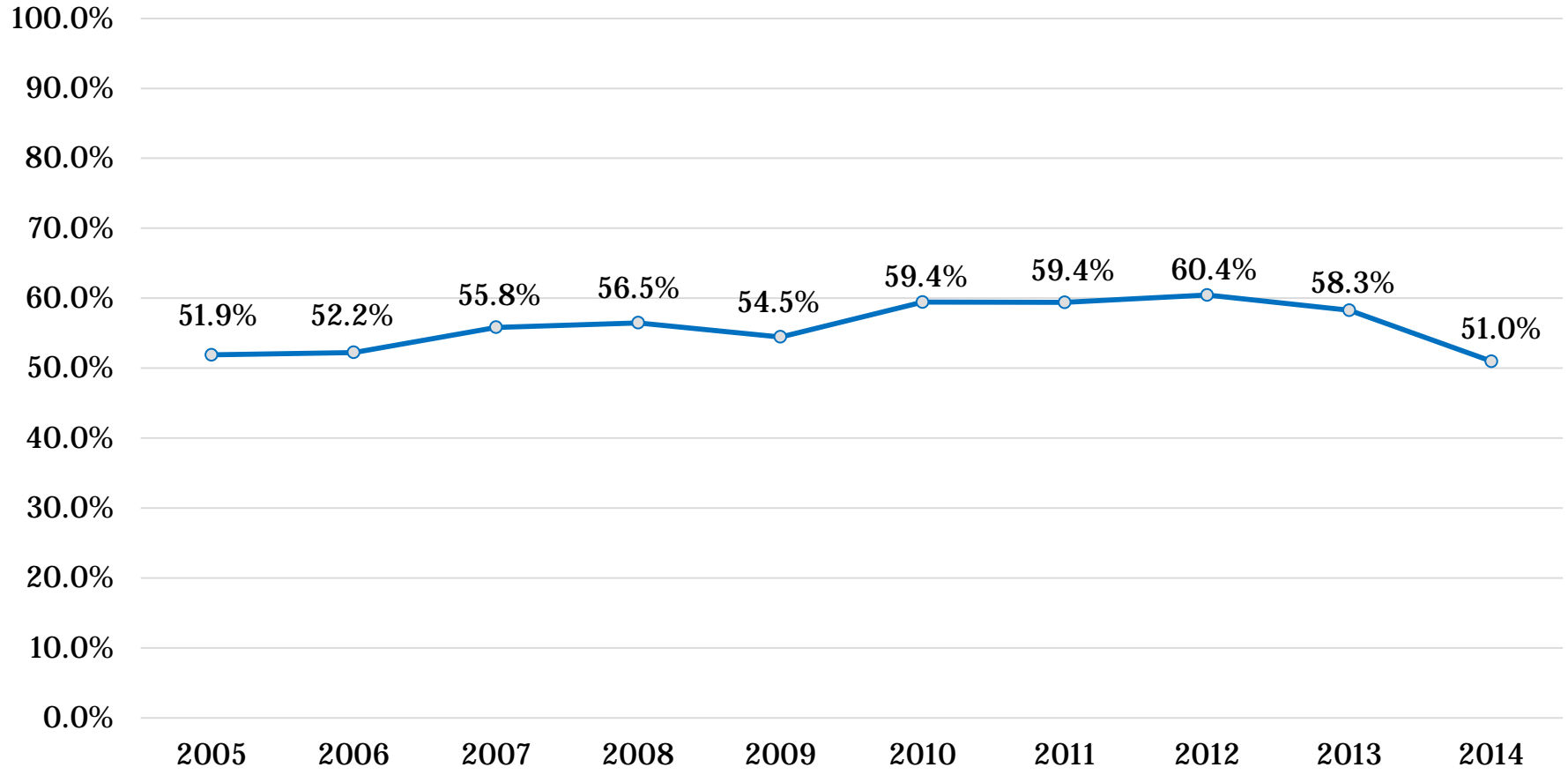
Combined Ratio, Admiral vs Market



Group Turnover, Net Profit and Dividends



Return on Equity



Admiral's Potential

Premiums Written

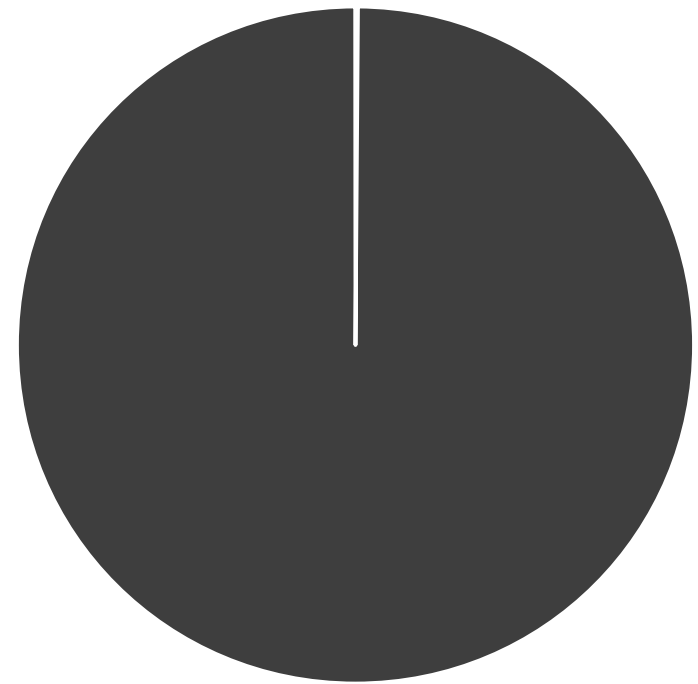
		<u>Admiral</u>	<u>Market</u>
UK Auto Insurance market	:	1,453 mill.	13,200 mill.
UK Household Insurance market	:	125 mill.**	7,000 mill.
US* -, France, Spain and Italy Auto Ins.	:	185 mill.	60,000 mill.
Total US, France, Spain and Italy Auto Ins.	:	185 mill.	154,000 mill.

*(Virginia, Texas, Illinois and Maryland)

** (Own guestimate)

Long Runway

[VÆRDI] bn



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Admiral Intl. ■ Total International Markets

Admiral Group Plc

Valuation

Average price of 13.28 per share equals a market cap. of 3,701 mio. £

PE	:	12.9
Div. yield	:	7.4%

Enterprise mult. last 3y	:	9.2 times
Enterprise mult. UK	:	8.1 times
Enterprise mult. Cykl. est.	:	7.1 times

At current market valuation, a poor period for the UK industry as well as funding of subsidiaries overseas, it appears that no price is being paid for the tremendous growth potential of Admiral Group.

