

Invest Like A Lobster Trap



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The lobster trap was invented about 200 years ago. And while the materials used to make them has changed from wood to plastic or metal, the basic design hasn't. Lobster traps work by being lowered to the ocean floor with a floating buoy to mark their location. Lobsters are drawn to a bait within the trap. The traps are designed for lobsters to easily walk into them, but their funnel design makes it so they cannot get out. An escape vent allows for small lobsters to escape so they can continue to grow and provide for a better future catch.

This seemingly simple contraption provides a great model for investors. And we at BrightView Capital Management have adopted many of these principles with our own investing.

Aspects of a Lobster Trap That Can be Adopted For Effective Investing:	Related Investing Principles Adopted By BrightView Capital Management:
Use a tried and true system	We are trend followers, which is a widely used and successful investing approach.
Simple often works best	We do not overcomplicate our approach. We just try to do the same few things right over and over again.
Improve and modernize but only where it helps	While the essence of what we do is simple, we have adopted the latest technologies to help our edge.
Specialize	Lobster traps are very effective at capturing lobster. Likewise, we know what we are good at and this is where we focus.
Set your traps and move on; let the opportunities come to you	We know the types of trades that give us an advantage. We wait for the setups to come to us.
Traps can be very effective but require patience	Investing requires a long-term focus, but with enough scale it can feed your family in perpetuity. You have to build your scale.
Success does not require you to keep 100% of your gains. But you do need to focus on capturing and keeping the big gains; it is ok to let the small ones develop further	The stock market has had a historic run. Don't be greedy—lower your exposure. We have learned how to keep the majority of our gains when the market pulls back. We are always focused on how to do better with tomorrow's catch.

Michael Kerris

BrightView Capital Management LLC

Tel: 732-924-4215

E-mail: InvestorRelations@BrightViewCM.com

www.BrightViewCM.com

331 Newman Springs Road

Building 1, 4th Floor, Suite 143

Red Bank, NJ 07701