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# Investment Heroes

## Laura Sloate

Jenga Investment Partners - Thursday, 28 April 2022

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*"I can do what anyone else can, just a little differently."*

Laura Sloate

*Image 1: Laura Sloate*

In our journey to becoming better investors every day, we often seek to learn from the many investors who have established world-class track records over decades. Investing is a continuous journey of learning and unlearning things about the world while aiming to allocate capital.

In our short Jenga Briefing series, we share some unsung investment heroes who we believe contribute a tremendous amount to how we currently think about building an investment company.

### **Laura Sloate**

It's 1968, and after hundreds of job applications and interviews, Laura Sloate has just been told by recruiters that she should forget a career in investing because she's a woman, blind, young and has no experience.

Only a few years later, Laura Sloate established her own investment company named Sloate, Wiesman, Murray and Company, founded in 1974 and produced one of the best track records in the investment business, annualising over 20% in the 10 years to 1995, and also made positive returns in significant stock market crashes like the 2000 tech burst and the 2008 financial crisis.

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In our view, Laura Sloate shows us that great investors can come from anywhere. It's all about how you apply yourself and build environments for your strengths to thrive.

## **1. Drive and passion for investing**

Laura Sloate became blind at age 6, and her first experience with investing was when she was 10. Her dad often called her to solve mental revenue and costs calculations from annual reports, and Laura would race to solve the financial calculations before anyone. Her passion for the business grew, and she later learned how to differentiate between annual reports from how they physically felt.

After studying history at Columbia University, Laura later returned to the field of finance when she got a 4-month job at Mates Fund. During these years, she studied the world of fundamental investing with the assistance of a secretary who would read several books to her out loud. After recommending 22 stocks in a row that saw their share prices grow for clients, Laura later spun off with a colleague, Neil Wiesman, in 1974, both being 29 years old at the time.

Despite her disabilities, Laura found innovative ways to study thousands of companies, from drug retailers to industrial conglomerates and consumer brands. Her flagship investment group were turnarounds with an operational catalyst that could create value for shareholders.

## **2. Hard work**

Laura Sloate often mentioned she got up at 4 am and spent the first couple of hours exercising in past interviews. Then at 6:30 am, she'll commence listening to the news with an average pace of 200-300 words per minute. This became a routine every day for several decades.

While being skilled in specific abilities could help, the most part of fundamental investing is hard work. As mentioned, investing is a journey of learning and unlearning, and there are no shortcuts to this. In 2000, the Value Fund returned 13%, a period the S&P 500 had its worst year in more than a decade. Laura Sloate credited the hours she put into diving into the many investment opportunities she turned down and mentioned she had to work even harder to find value opportunities in the overvalued market.

## **3. Turning perceived weaknesses into strengths**

As humans, it's common to focus on the negatives and perceived weaknesses. When looking for jobs, Laura Sloate was told she lacked a financial background as she studied American history. Her blindness was also seen as a total disadvantage and was dismissed once potential recruiters realised it. Furthermore, being a woman and young in the then male-dominated Wall Street also seemed like weaknesses.

For Laura, these 'perceived' weaknesses meant nothing to her in real terms and in her typical tough mindset, she focused on the potential strengths these factors created. In her interview with [Vogue](#), she credited her blindness as one of her strengths over rival investment managers. Once the PC assistant software became available, she quickly

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utilised them to access internet pages on magazines. It was also common for students to read several articles simultaneously throughout the evening.

*“Blindness isn’t an obstacle. It just forces you to think differently.... It helps me avoid the noise”*

- Laura Sloate

As a stock picker, her different educational and personal background brought fresher ideas and perspectives into portfolios which paid off well for investors. It is a reminder of the benefits diversity and inclusion, despite perceived biases, bring to the financial services industry.

As we aim to build Jenga to the best of our abilities, investment heroes like Laura Sloate provide many lessons in stock-picking, the mental models for assessing opportunities and the strengths of diversity and inclusion. For those interested, Peter Tanous interviews Laura Sloate for his book, Investment Gurus, and you can learn more about her investment insights [here](#).

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