THE STORY OF LINDE EQUITY

1987

In September 1987, one month before the crash of October 1987, and during his first year at the University of British Columbia, Teal Linde buys his first stock. He puts his entire life savings of $3,000 into a Vancouver Stock Exchange company called Galaxy Industries. Following his lead, a few of his friends buy shares too. Within a year, the stock plummets to pennies and is delisted. **Linde and his friends lose 100% of their investment.** Having lost everyone's money, Linde is turned off by stocks.

1995

After two years working in the BC forest industry marketing building materials to Japan, Linde had savings in the bank earning 3%. In order to earn a higher return, he had given mutual funds a try. But he lost money on them, and didn't like their inflexibility, high fees, and over diversification. **Having majored in Urban Land Economics at UBC, Linde recognized that the real estate market in Vancouver had enjoyed a strong 7 year run following Expo 86.** Anticipating the 5 year lull ahead, he passed on real estate. The only viable option left was to consider stocks again. Except this time, he couldn't afford to lose all his money.

To improve his odds of success, **Linde tried to find a broker with access to good research reports to open an account with.** However, after failing to find an advisor with research he felt confident in, Linde decided he would have to learn to invest his money himself.

As a fan of reading autobiographies and biographies during late high school and university on subjects of business, politics and entertainment, Linde spent two afternoons at Vancouver's Duthie Books skimming through all the books in the business section searching for an investor who had done extremely well, and who wrote a book about it, or was written about. Linde found many books written by authors whose biggest claim to fame was that they were the author of a previous best-selling book on how to pick stocks, or how to retire wealthy etc. **Linde was not interested in someone who was a best-selling author, but rather someone who had had actually done it, someone who had brilliantly succeeded at stocks.** He would eventually find books on Peter Lynch and Warren Buffett. Lynch had achieved a 31% annualized during his first 10 years managing the Fidelity Magellan Fund. Buffett had achieved a 27% annualized return during his first 10 years managing the Buffett Partnership. He bought books on both individuals and meticulously studied their strategies.

1996

Linde transfers his cash savings to Global Securities in Vancouver where his father had an account and starts buying stocks with solid business models, high return on equity, and large market opportunities. **He invested 1/4 of his portfolio in Intel** which was growing at roughly a 27% compound annual rate for the preceding 10 years, but had fallen 30% to a P/E of 13 due to a bug in its first Pentium chip. "A gift", thought Linde. **His 2nd largest position was a company building the Internet – Cisco Systems**. The rest of his portfolio was composed of other rapidly growing companies with strong fundamentals and a promising future.

1997

Linde's only major purchase in 1997 was a relatively unknown company at the time called Qualcomm, a stock that would later change his life.

1998

Researching stocks on the internet in the evenings, **Linde had achieved over a 30% annualized return in his first two years managing his own money**. Based on his investment success, Linde was offered a job to join Global Securities as an equity analyst to research and share his ideas with the firm's brokers and clients. Linde was delighted with the opportunity to research stocks during the day and get paid for it. His first recommendation in January 1998 was Qualcomm.

1999

Qualcomm became the #1 performing large cap stock in 1999, excluding two IPOs that occurred intra year. **Qualcomm appreciated 2600% in 1999 generating a significant gain for Linde**.

2000

On the very first trading day of 2000, Linde sold half of his Qualcomm stake. That day would turn out to be the all-time high ever achieved for Qualcomm's stock. With considerable realized profits from Qualcomm and other tech stocks bought since 1996 and sold in Jan/Feb of 2000, **Linde had grown his portfolio at a compound annualized rate in excess of 40% over the last few years**. Inspired by his investment returns, Linde ventured out on his own to start an independent investment research boutique in January 2000. **He founded Linde Equity and began publishing stock recommendations in the Linde Equity Report in May 2000**.

2001

Linde is invited to meet Canada's wealthiest man, Jim Pattison, in his office to discuss becoming his personal stock analyst. After an engaging conversation, Mr. Pattison invites Linde back to meet his Managing Director of Finance to further explore the role. The meeting with his finance director does not go quite as well. Nonetheless, in preparing to meet Mr. Pattison, Linde had read his autobiography. Mr. Pattison credits his early discovery of the importance of "return on invested capital" as the game changer in growing The Jim Pattison Group. Given how well it worked for Mr. Pattison, **Linde adopts this ratio alongside closely related "return on equity" as a key criteria in his investment analysis**.

2002

CBS MarketWatch ranks the Linde Equity Report as one of the 'Top 10' best performing stock newsletters in North America in the aftermath of 9/11. Publicity in The Vancouver Sun and on News1130 prompted local investors to approach Linde to advise them on their portfolios. In response, he registers Linde Equity as an Investment Counsel with the BC Securities Commission in December 2002 and begins offering highly personalized investment advice to individual investors.

2005

Linde catches an interview of Warren Buffett that confirms Linde's belief that "Return on Equity" (similar to "return on invested capital") is the most important criteria Buffett looks at when evaluating a company. Buffett had recently purchased shares in Petro China, his first foray into buying shares of an Asian company. When asked by a reporter whether there were any other companies in Asia that Buffett had considered besides Petro China, Buffett replied, "No. **Petro China was the only company with a high ROE**."

2006

Linde Equity becomes registered as a discretionary Portfolio Manager.

2007

The **Linde Equity Report is ranked 3rd best performing newsletter in North America** for preceding 12 months.

2008

Linde Equity's clients take a 40% hit along with the rest of the market.

2009

In January 2009, after reading "Manias, Panics and Crashes: A history of Financial Crises" by Charles Kindleberger and "Essays of the Great Depression" by Ben Bernanke, Linde is convinced the world is not heading into a Great Depression 2.0. **He sells stocks in his client accounts that are down 20% to 40% to buy stocks that are down 80% to 90%**. His premise is when the market comes back, stocks bought at 10 cents on the dollar will make considerable more money than stocks owned at 80 cents on the dollar. Linde calls this his **"switching strategy"**. He focused on buying companies with industry leading balance sheets and significant insider buying, but were priced as if the world economy was going to end.

2010

By April 2010, **Linde's "switching strategy" catapulted all of his clients' portfolios** that were closely following his model portfolio (all but a few clients) **back into the black**, only 13 months after the market hit bottom on March 9, 2009. At the same time, the **Linde Equity Report achieved its first ever #1 ranking in April 2010**, resulting in an interview with CBS Radio in Chicago where Linde explains his comeback strategy. Then in October 2010, the Linde Equity Report was ranked as the #1 performing stock newsletter since the market peak of October 2007, **prompting an interview with Erin Burnett on CNBC**.

2013

In August 2013, the **Linde Equity Report is ranked as the #1 performing stock newsletter from July 31, 2008 to July 31, 2013**. While the annualized return of 20.5% over 5 years is not among the newsletter's highest performances, this particular period covers the 5 years starting right before the 2008 crash, includes the crash and recovery, through to 5 years later – a full market cycle. **The #1 ranking resulted in Linde's first in-studio interview on BNN**.

2014

Linde becomes a regular guest on BNN's "Market Call", Canada's leading stock market call-in show.

2016

The Hulbert Financial Digest ranks the Linde Equity Report as the **#1 performing stock newsletter in North America over the last 10 years**.