

# Risk Management

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<b>BUSINESS</b>	Strong business and compliance infrastructure helps protect against general business risks.
<b>PORTFOLIO LEVEL</b>	<ul style="list-style-type: none"><li>• prudent use of leverage</li><li>• strong liquidity</li><li>• high degree of diversification</li><li>• no market timing</li></ul>
<b>POSITION LEVEL</b>	Investing in businesses with healthy cash positions, strong free cash flows and protected franchises inherently reduces long-term investment risk.
<b>VOLATILITY</b>	Aim to take advantage of volatility, not actively manage it. Strong distinction between volatility and risk