

# Hinsdale investment firm successfully navigates through volatile markets

Tucked away in the oak trees and overlooking Salt Creek in the Hinsdale Office Park is an investment firm that has been calling Hinsdale its home for over twenty years. MPI Investment Management, an independent registered investment advisor, might be a little off the beaten path of LaSalle Street in the heart of Chicago's financial district, but it certainly has proven itself a leader in the ever changing world of investment management.

MPI specializes in high quality short duration fixed income portfolio management.

Although not a large firm by industry standards, MPI manages approximately \$200 million dollars of individual customer accounts nationwide. It has several insurance companies and municipal police and fire pension funds as clients as well as high net worth individuals from New York to California. Three years ago a European Mutual fund sought out a successful U.S. Government Bond advisor to manage a family of funds out of the Channel Islands located between France and the UK. MPI was selected. Over the last 12 years MPI has been nationally recognized several times for their strong investment performance.

David Pequet, who founded MPI in 1986, summarized the changes in the financial industry since entering Wall

Street in 1975. "When I started as a retail broker, the Wall Street Journal was one section, we did not have cell phones, faxes, personal computers or Federal Express. Internet was not in the dictionary and the commission on a hundred shares of stock cost ten times what it does today. My first day on the job, with a small broker dealer; Shearson Hayden Stone, the DJIA was at 786 (11,000+ today) and the average daily trading volume of 25 million shares was 1/100th of today's volume. I guess I am dating myself but we have come a long way the last 30 years." The financial markets have obviously changed dramatically and his investment firm has successfully navigated thru several different market cycles spanning the last four decades.

**"Our clients appreciate the high quality and liquidity of their portfolios especially during these turbulent times."**

—David Pequet  
Founder  
MPI Investment  
Management

MPI has always utilized a very high quality, conservative investment approach to the markets. As Pequet explains; "We have always employed a short/intermediate duration strategy to the fixed income markets and utilized top quality rated issues. Our portfolios on the taxable side are all AAA rated. Seventy percent of our tax free portfolios are AAA rated also. Our approach stays focused in the three to five-year duration range. Our clientele appreciates the high quality and liquidity of their portfolios, especially during these turbulent times."

Although primarily a fixed income advi-



MPI Founder, David Pequet

tor, Dave says his firm uses the same high standards when building a client's equity portfolio. "The key to our success is a non-emotional, disciplined approach using multiple asset classes coupled with global diversification." The approach appears to have been very effective as the firm's Total Return Equity strategy is outperforming the S&P 500 for the 5th consecutive year.

When you walk into MPI's offices on Salt Creek Lane you are immediately faced with multiple trading terminals and streaming financial news on a large screen monitor in the center of the trading area. It doesn't take long though to notice the comfortable feel of overstuffed furniture and a living room setting that compliments the 21<sup>st</sup> century trading area. One is quickly drawn to exploring the walls of memorabilia that is displayed throughout the office. MPI has managed the accounts of several prominent sports and entertainment figures over the years and personalized framings decorate the hallways. The inside of Dave's personal office is a museum of wall to wall space and aviation history. Pequet comes from a family with a rich history in aviation. He flew in the Navy, his grandfather was a barnstorming pilot in the 1930's and his uncle, Roger Chaffee, was an Apollo astronaut who was killed in the Apollo 1 launch pad tragedy in 1967. Amidst the many spectacular photos of the era with notes to Dave from the astronauts of the pioneer age, are two items that have been to the moon and back.

Because MPI manages bond funds in Europe its offices are full of energy by 6:30am each day. The portfolio management team of MPI has been together since inception. Pequet works with Brad

Smith, who has been with Dave for 17 years and ads nearly two decades of portfolio management and quantitative research experience to the team. Dave's son Matt Pequet, has been with MPI for five years and is responsible for running MPI's trading and back office platform.

The tenure of the group is a great source of pride and sets MPI apart from its competition according to David, "It's highly unusual for a management team to be in place for 17 years in this industry. Our management team has been thru both good markets and bad. At most large institutions customers can expect a new relationship manager every couple of years and generally cannot have direct contact with the portfolio decision makers. Here our clients not only have long term relationships and consistency, they have access to the principals of the firm. That's what I wanted to create. A firm experienced enough to provide institutional performance yet small enough to emphasize personal relationships and trust." Both Brad and Matt are also equity owners in MPI. Brad, who is married, lives in Elmhurst and has three daughters and worked as an analyst with Merrill Lynch prior to joining MPI. Brad earned an MBA degree with honors from DePaul University. Dave and his wife Chris, who is a real estate broker with Sotheby's International Realty, have lived in the area for 33 years. Their older son is also an investment banker on Wall Street and lives in Chicago. David has been a director of The Roger B. Chaffee Scholarship Fund for 25 years, served on the Oak Brook Planning Commission for 8 years and has been a Director on the Hinsdale Public Library Foundation for six years and is currently its Treasurer.



Brad Smith & Matt Pequet