

YOU SHOULD KNOW: PALMER & DAVIS KNIGHT

Two guys, a philosophy, and a money management business

This father and son team handles money for the elite.

By **ALISON TRINIDAD**

The Times-Union

Palmer and Davis Knight, principals of The Palmer Knight Co., manage other people's money.

That's how the Jacksonville natives make *their* money.

Palmer's been doing it for 30 years. His son, Davis, a certified public accountant, joined the company three years ago. Together, they manage more than \$70 million for select clients and corporations on a fee-for-service basis.

The Knights, however, aren't your run-of-the-mill money managers. For one, they don't sell anything but their expertise. And they seek a particular type of client — people with at least \$250,000 to invest.

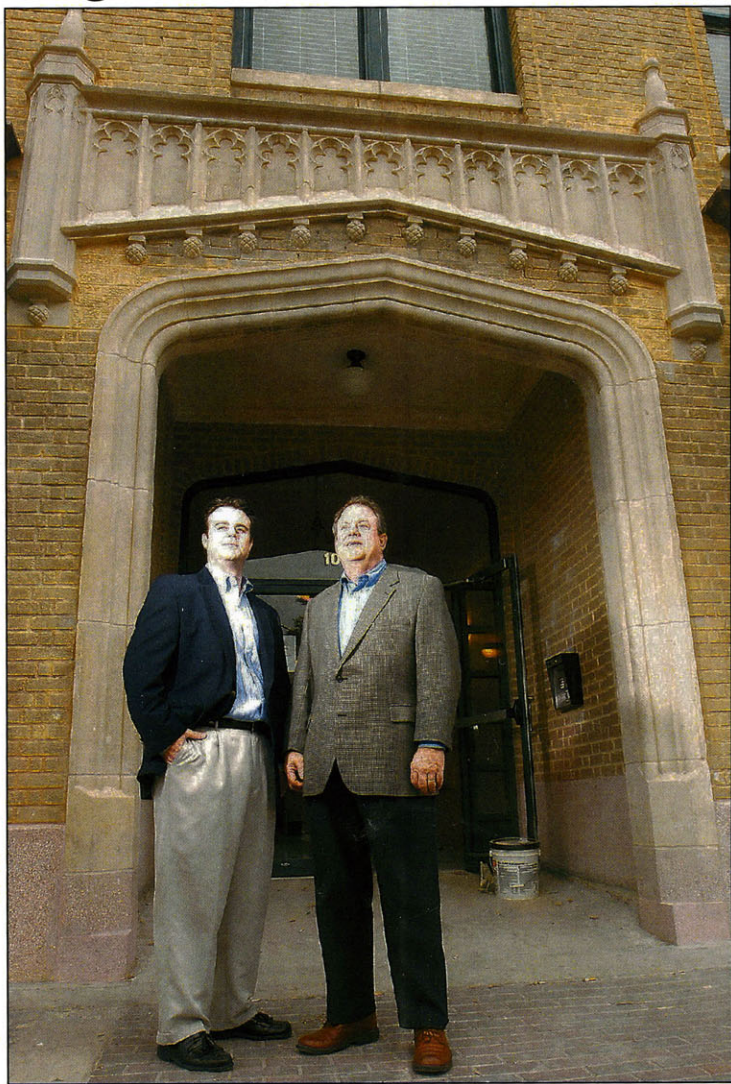
Nearly 60 percent of affluent households (those with \$500,000 or more in net worth) use a financial adviser, according to a study released last month by TNS Financial Services of Greenwich, Conn. It isn't surprising, since the wealthy tend to have complex financial needs. Research also shows that the number of high-income earners is slowly growing, many of whom will look for investing help.

For the Knights, business has tripled in the last four years, but they're getting ready for more: In June, they expect to move into new offices in the old Five Points Theatre building.

The duo recently talked to the Times-Union about investment strategies, mutual funds and gardening. Edited excerpts:

Q: How do you separate yourself from the hordes of brokerages, banks and online brokers out there?

PK: Our investment philosophy has not changed in 30 years. We buy good stocks and hold on to them. ... We have seen many investment fads come and go, but we believe it comes down to simply investing with solid companies with good management that rewards shareholders with an increasing stock price.



BRUCE LIPSKY/The Times-Union

Palmer and Davis Knight (left), who are father and son, stand in front of the Five Points Theatre building, which is being renovated. The Palmer Knight Company, a 30-year-old wealth management company, will be moving to Five Points.

DK: There's no intermediary between the principals and our clients ... As an investor, it's hard to find the intellectual property, the person who pulls the trigger. We are the people who pull the trigger.

Q: What's wrong with using mutual funds as part of a diversified portfolio?

PK: Mutual funds were designed for the small investor. Once a portfolio gets over \$250,000, investors should stop using mutual funds and move to individual stocks. Individual stock portfolios gives investors all the diversity they need to be successful.

DK: If you over-diversify you don't go anywhere. You just

spin your wheels. The market doesn't create wealth, it manages it — we do the same.

Q: Is money management an art or a science?

DK: I'm very analytical. I like the number crunching. Part of managing money, there is a science to it. But there's an art to it as well.

Q: How do you unwind?

DK: I get a lot of grief for it, but I mow my own lawn. It's relaxing.

PK: Travel. But I'm as apt to work on the weekend as [during] the week.

DK: He's a workaholic.

alison.trinidad@jacksonville.com,
(904) 359-4268