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# Remembering William Polk Carey: A Legendary Black Swan Investor



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The oldest known reference to a "black swan" comes from the poet Juvenal's characterization (in Latin) of something being "rara avis in terris nigroque simillima cygno," or as translated in English means "a rare bird in the lands, and very like a black swan."



Source: Dudley Reed Photography

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When this early phrase was coined, the black swan was presumed not to exist and it was more of a legendary bird with attributes identifiable by excellence and superior intelligence.

In addition to the black swan's rare plumage, the unique bird was portrayed as a visionary leader with extraordinary intellect.

Wm. Polk Carey was also a rare entrepreneur, leader and investor. Beginning from his birth in 1930 (during the depression), Carey spent his childhood

determined to make a difference in the world.

His passion and vision were the foundational straws for a global investment operation--W.P. Carey & Co., LLC--that has survived more than four decades of prosperity and success. As a descendant of James F. Polk (the 11th President of the United States), Carey's insightful investment perspectives were far-reaching as the "black swan" was a visionary leader in the essence of risk-control and his sound risk-management strategies were evolutionary.

After graduating from the Wharton School (in 1953) with a degree in economics, Carey held senior positions in prominent investment firms. He then focused his defensive investment career on providing consistent and durable income products differentiated by sound, risk-aligned fundamentals. In 1973, he started W.P. Carey & Co. and his real estate model, built on risk-avoidance principles, became the pioneer and leader in sale-leaseback investing.

One of the "black swan's" strongest sources of differentiation is also one of the company's principle objectives --"Investing for the Long Run <sup>TM</sup>"--for Carey spent his entire life, starting from his earliest childhood days, striving to be a leader and teacher of honesty, humility and loyalty. That dedication to purpose has been the wind behind the "black swan" and the company's highly sustainable model rooted by integrity and skillful risk control--the mark of a superior investor.

Carey's investment philosophy, "Investing for the Long Run <sup>TM</sup>" became a fitting measure for shareholder and investor performance as the company's strategy of financing the growth of worthy companies became a beacon for other "black swans" to follow. As [Howard Marks](#), author of *The Most Important Thing* wrote, "Successful investing is about managing risk, not avoiding it." Carey was perhaps one of the leaders in managing investor risk and his innovative risk-aligned real estate products have grown to global proportions.

Today W.P. Carey is the leading global net-lease investor with assets of just under \$12 billion in 18 countries across 28 different industries. As Carey once said, "we

(W.P. Carey) are unique. No other company has the same business mix or approach.”

As a global triple-net lease investor, W.P. Carey built its sound sale-leaseback platform on broad diversification fundamentals. Some of the strategically risk-aligned tenants include Sun Products (\$41 million), [Tesco](#) (\$90 million), The New York Times ([NYT](#)) (\$225 million), Dick's Sporting Goods ([DKS](#)) (\$18.5 million), and Hellweg Die Profi-Baumärkte (the company's largest transaction to date at \$446 million).

And this “black swan” approach has provided for some exceptional performance as the company has increased its dividend every year since it went public in 1998 and for the most recent 43 consecutive quarters. Since the introduction of the first investment program in 1979, W.P. Carey and its affiliates have paid more than \$3.8 billion to investors over 640 consecutive quarterly cash distributions.

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Carey believed in the power of second level thinking and his investments were not only focused on sound principle preservation fundamentals but also on philanthropy. His dedicated passion for making a difference became clear as the “rare bird” turned his successful real estate profits into transforming intellectual contributions.

In addition to hiring some of the top people at his global crown jewel investment company, Carey also invested heavily in improving the leaders of the future. This vision, drive, and passion became lasting contributions for the legacy of the “black swan” made significant contributions at notable institutions including The W.P. Carey School of Business at [Arizona State University](#) (\$50 million), The Carey Business School at [Johns Hopkins University](#) - named for Mr. Carey's great-great-great grandfather (\$50 million) and the University of Maryland's Francis King Carey School of Law - named for Mr. Carey's grandfather and graduate of the school (\$30 million).

As explained by Trevor Bond, president and CEO of W. P. Carey & Co. LLC:

“Bill was a visionary leader, a pioneer in global corporate finance, a hard-driving dealmaker, and a philanthropist for more than six decades. He was a rare person who possessed not only an unquenchable desire to achieve but also to serve. These qualities were the driving forces of his life. Thanks to Bill, W. P. Carey & Co. is a unique and wonderful organization. Its growth and success have been the direct result of his commitment to putting shareholders first, to prudent risk management, to contributing to jobs and prosperity through both his business and philanthropic activities and to improving access to high-quality education. He captured these enduring ideals in two simple phrases: 'Investing for the Long Run' and 'Doing Good While Doing Well.' These principles were the essence of Bill--and will remain W. P. Carey's core principles.”

Wm. Polk Carey was indeed a very rare bird and his company's integrity-based motto of “Doing Good While Doing Well” is fundamental distinguisher of a sound investment operation. An acronym for SWAN is “sleep well at night” and the power of the SWAN is the extraordinary consistency of the investor-aligned fixed-income model. This remarkable consistency and uncanny “trace of wisdom” is what made Wm. Polk Carey an extraordinarily great man and an exceptional mentor that I call the black swan investor.



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Brad Thomas currently writes weekly for Forbes.com and Seeking Alpha where he maintains “real time” REIT research on many publicly-listed REITs. In addition, Thomas is the editor of Forbes Real Estate Investor, a monthly subscription-based newsletter. Thomas has also been f... **Read More**

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