

# J.M.Hartwell SMA

# Small Cap Growth

*"The companies we invest in are not yet well known household names... We believe, in time, many will be discovered as the next generation of great growth companies."*

### Purchase disciplines

- Above average EPS or revenue growth
- Catalyst for stock to appreciate
- Initial position 2-4%
- Usually 25-35 stocks within a portfolio

### Sell regimen

- When investment rationale changes
- The projected growth rate has a negative change
- The catalyst we identified no longer exists
- Valuation becomes less attractive
- A stronger candidate replaces it
- Trim to manage stock-specific risk

*"We invest in those few companies whose unique or proprietary advantages offer the best prospects for substantial increases revenue and earnings growth."*

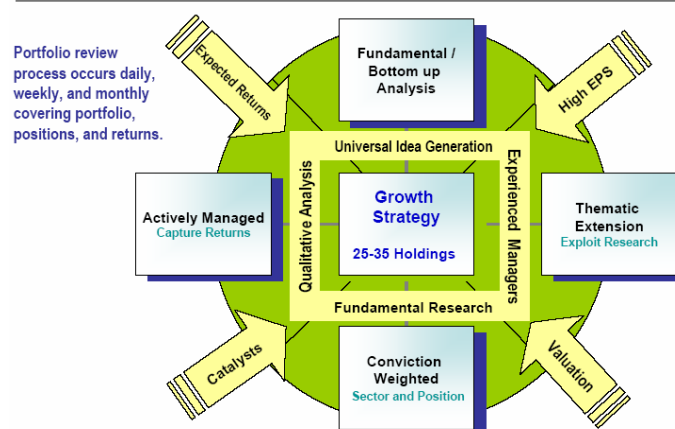
Maximize long-term total return over time by holding a portfolio of industry leading smaller capitalization companies which are believed to possess significant potential for growth.

The strategy seeks a total return that exceeds the Russell 2000 Growth index over time.

### Our Investment Philosophy and Principles

1. We invest in companies with sustainable, superior long-term growth prospects.
2. Earnings growth is the key determinant of excess returns over time.
3. Accelerating near term growth is a powerful element of price appreciation.
4. We seek to compound earnings growth with price earnings multiple expansion.
5. Identify catalysts to spur investor recognition independent of market conditions.

### Hartwell SMA Approach



Portfolio structure: 25-35 Holdings; 10 Industry groups or more  
 Minimum account size: \$1 Million  
 Fees: 1% per annum of assets under management  
 Benchmark Index: Russell 2000 Growth Index

### About J.M. Hartwell SMA & their Portfolio Managers

J.M. Hartwell L.P. was founded in 1961 and is based in New York City. The firm has a diversified clientele including corporate, employee benefit and Taft Hartley plans, charitable institutions, endowment funds and personal accounts.

J.M. Hartwell SMA manages assets for clients who elect to have Hartwell invest assets for them through a broker managed or sponsored Wrap or SMA / UMA platform.

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