



## INVESTMENT PHILOSOPHY

At Hartwell, our investment approach is based on a highly disciplined approach that has remained consistent over time:

- **Earnings growth** is the key determinant of stock price performance and we focus on accurately identifying future earnings potential of superior growth companies. We seek to identify 'good' companies before they become 'great'.
- We invest in **those few companies whose unique or proprietary advantages** offer the best prospects for above-average increases in revenues and earnings.
- The presence of **catalysts** to spur price appreciation independent of market conditions is a critical component of the firm's approach.
- The companies we select tend to be grouped in industries that are less likely to be affected by the business cycle and have the **strongest prospects for unit volume growth**.
- We **vigilantly monitor companies** and their industries to make certain they retain the investment and financial characteristics that led to their selection in the first place.

## STRATEGIES

J.M. Hartwell's investment management services encompass products investing in companies of all capitalization ranges. Client assets are managed in the following discrete approaches, as well as, on a customized basis including high income and long/short strategies.

**Growth Equity**

**Concentrated Growth**

**Conservative Growth**

**Dynamic Growth –SMID**

The following strategies are offered through SMA and UMA platforms of brokerage firms:

**All Cap Growth**

**Small Cap Growth**

**Large Cap Growth**

## THE HARTWELL INVESTMENT PROCESS

We begin by identifying opportunities among growth companies that meet Hartwell's growth criteria of:

- **Above-average sales, cash flow and/or earnings growth** - this must reflect projected results over the next three to five years based on valid, consistent, and sound economic reasons.
- **Competitive strengths** - we look closely at a company's industry position, proprietary technology, differentiated products, and marketing skills.
- **Pricing flexibility** - measures include superior pre-tax margins and a high return on equity.
- **Industry position** - a company must be industry leading, preferably number one or a close number two in its industry, product or market niche.
- **A catalyst for the stock to appreciate** – we seek catalysts appreciation is greatest when the company's share price fails to fully reflect its future earnings.
- **Other criteria** include a strong balance sheet, a reasonable ability to grow without accumulating debt, conservative accounting practices, and a sound reputation for management and product quality.

Once companies have been identified, reviewed and purchased, we focus on balancing the expected return with a thorough understanding of the potential risks through a vigorous review process that includes:

- Buy / sell rationale
- Additional bottom up research
- Valuation parameters
- Investment rationale

helping ensure that the investment rationale remains intact.

## **BUY DISCIPLINES**

- Above average EPS or revenue growth
- Catalyst for stock to appreciate
- Initial typical purchase of a 2-3% position
- Usually 25-35 stocks within a portfolio

## **SELL DISCIPLINES**

- When the 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

## **HISTORY**

J.M. Hartwell L.P. was founded in 1961 and is based in New York City. We are solely dedicated to the creation and preservation of client wealth. The firm's principals own over 29% of the firm with the remaining equity owned by Affiliated Managers Group, Inc. (NYSE:AMG), a Boston based asset management holding company.

AMG is a publicly traded asset management holding company that typically holds majority interests in growing, mid-sized money management firms. J.M. Hartwell L.P. became the first affiliate of AMG in 1994. Affiliates in the AMG family remain entirely autonomous, so that the formula that led to their success may continue

## **PORTFOLIO MANAGEMENT TEAM**

### **WILLIAM C. MILLER, IV**

#### ***Principal & Portfolio Manager***

Bill holds a B.A. degree from Williams College and an M.B.A. from Harvard Business School. Mr. Miller has established an outstanding record during his 35-year career as an investment manager. Mr. Miller began his investment career at J.P. Morgan. Later, he joined Eberstadt Asset Management as a senior portfolio manager, where he managed over one billion dollars of pension and private accounts. Mr. Miller joined the firm in 1984 and serves as one of the firm's principal portfolio managers.

### **JORDAN S. PRESS**

#### ***Principal & Portfolio Manager***

Jordan holds a dual M.B.A. from Columbia Business School & the London Business School. He graduated from Vanderbilt University in 1995 with a B.A. in Political Science and French. Jordan joined J.M. Hartwell in 1998. He is lead portfolio manager of the Hartwell Concentrated Growth Portfolio LP. Prior to joining Hartwell he worked for La Salle Bank N.A. . He is a principal and stockholder and functions as one of the firm's primary portfolio managers.

### **WILLIAM D. JONES**

#### ***Principal & Portfolio Manager***

Bill holds an M.B.A. degree from Northwestern and a B.A. in economics from Bucknell University. Bill has established an outstanding performance record during his 35-year career as an analyst and investment manager. Bill holds a Certified Financial Analyst designation. Bill began his investment career at Equitable. Later, he joined Alliance Capital, where he managed pension and private accounts. Bill joined the firm in 2002 and serves as one of the firm's principal portfolio managers.

### **KEVIN P. KELLY**

#### ***Principal & Portfolio Manager***

Kevin holds an M.B.A. degree with concentration in finance from the University of Connecticut and a B.A. degree in Political Science from Syracuse University. Kevin worked as an analyst for American Capital Access specializing in fixed income and corporate bond research in New York. Kevin has also served as an investment advisor with Morgan Stanley Dean Witter in San Jose and as a trader at Charles Schwab in Denver. Kevin joined J.M. Hartwell in 2004 and became a Principal in July 2007. He serves as one of the firm's principal portfolio managers.