



Emerald Advisers is an investment management firm founded in 1991 that specializes in actively managed investment portfolios with an emphasis on fundamental, hands-on research analysis. We believe our products provide investors with a convenient way to benefit from the knowledge and insights of an experienced investment team. In addition, we believe clients are advantaged by our low turnover in investment staff which continues to enhance our collective experience and delivers consistent risk-adjusted performance.

**Investment Philosophy/Objective**

Emerald’s value equity investment management team believes the quality of an investment determines its value. To assess the true quality of an investment candidate, the team measures a company’s financial productivity as represented by its free cash flow return on equity. This quality factor is used to identify and purchase companies that are financially productive, and have a history of consistent enterprise growth and responsible capital stewardship.

**Portfolio Managers**



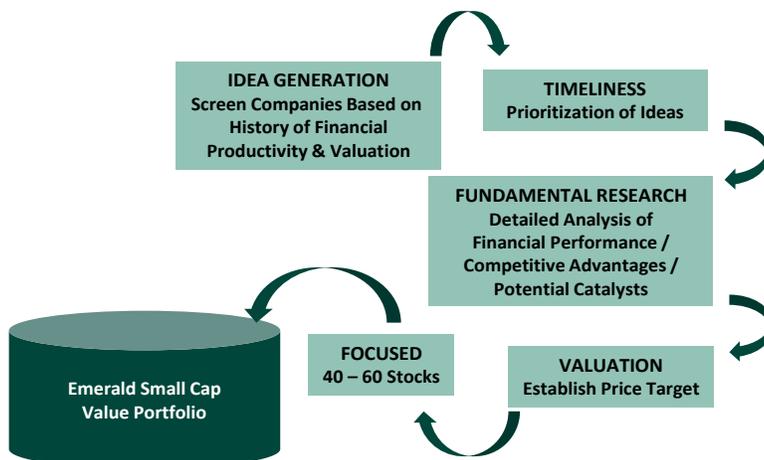
**Steven E. Russell, Esq.**  
Portfolio Manager  
Years Experience: 20



**Ori Elan**  
Portfolio Manager  
Years Experience: 12

*Adhering to Our Investment Philosophy and Stock Selection Criteria*

**Investment Process/Portfolio Construction**



The management team seeks to build a concentrated portfolio of 40–60 companies that are statistically inexpensive, generate impressive amounts of free cash flow and possess catalysts for improved operating performance that are not properly discounted by the market, and deliver to its clients competitive performance results throughout the market cycle. A three-pronged process is utilized to identify and own compelling investment opportunities.

**First**, a proprietary stock screen analyzes the financial performance history of a universe of approximately 3,200 companies. A company’s proven capability to generate a consistent level of financial productivity, and as measured by free cash flow return on equity, is a key factor for investment eligibility. **Second**, a rigorous and disciplined bottom-up fundamental research analysis is conducted on each investment candidate. Emerald’s unique collaborative sector coverage strengthens the team’s overall alpha-generating capability, enhances team dynamics, and reduces the potential for excessive risk-taking by individual team members. **Third**, proactive risk controls are incorporated into each step of the investment and portfolio construction processes.

Note: This information is available for use in a “One-On-One” presentation only.