



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 anchored by our proprietary 10-step research process. 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 competitive risk-adjusted performance.

Investment Philosophy/Objective

Emerald believes the quality of a company's fundamentals determines its value and that there are companies whose true quality is not reflected in their valuation. The team believes that it can identify such companies through a proprietary investment process that incorporates Emerald's 10 step fundamental research process as well as various measures of a company's productivity. The management team seeks high quality companies that are financially productive, have demonstrated consistent enterprise growth and have a history of responsible capital stewardship.

Investment Process/Portfolio Construction



- Emerald's fundamental research team.
- Conferences and industry sources.
- Quantitative Screens that look for specific value criteria.

- Emerald's 10 step investment research process.
- Collaborative coverage of investment universe utilizing entire research team.
- Industry specific valuation metrics.

- Companies assigned predetermined minimum % upside.
- Most positions are long-term with a time horizon of 3 to 5 years.
- There are opportunistic positions or trades that take advantage of shorter term anomalies and have short-term catalysts.

- Portfolio built through bottom up process; creates a diversified portfolio.
- Holds 60-90 stocks.
- Initial position is usually under 1% but can be scaled up.
- Maximum holding is 4.5% of portfolio; Cash max is 5%.
- Maximum sector overweight/underweight of over 7.5%.

- Change in fundamentals.
- Price objective reached - will trim holdings.
- Each stock has predetermined absolute loss threshold; will sell if reached.
- "Discipline trumps conviction."
- In certain situations will compare to benchmark and industry performance before selling.

Portfolio Managers



Steven E. Russell, Esq.

Portfolio Manager
Years Experience: 21



Ori Elan

Portfolio Manager
Years Experience: 13