



EMERALD
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SINCE 1992

EMERALD SMALL CAP GROWTH

Innovation Starts SmallSM



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*As of December 31, 2023

INVESTMENT PROCESS/PORTFOLIO CONSTRUCTION

Emerald uses a ten-step research process to assist in identifying companies that qualify for inclusion in its portfolio. The process reveals competitive advantage, an assessment of management, specific growth drivers, risk, and valuation metrics (and its comparable). Emerald portfolio managers and research analysts are in constant communication and also participate in weekly structured research meetings. To control volatility, Emerald diversifies its portfolios not only between the broad economic sectors, but also among sub-groups or industries within these sectors.

PORTFOLIO GUIDELINES

- Includes companies with market capitalizations equal to or less than the largest Russell 2000 company
- Selection criteria include:
 - Competitive advantage
 - Leadership position
 - Strong management
 - Growth rate exceeding peer group
 - Differentiated growth drivers
 - Under-researched by the Street
- Generally holds 110-120 stocks
- Initial position sizes range 1/2 - 2%
- Sector: Up to 3x Russell 2000 Index (45% Max)
(if sector is $\leq 2\%$: up to max 5%)
- Industry: $\leq 25\%$

SEPARATELY MANAGED ACCOUNTS

FIRM DESCRIPTION

Founded in 1991, Emerald Advisers, LLC is an investment adviser registered under the Investment Advisers Act of 1940. The firm provides active U.S. domestic equity portfolio management services to institutional investors and to individual investors via separate account management and through its affiliate Emerald Mutual Fund Advisers Trust, the Emerald Mutual Funds.

OBJECTIVE

Maximize returns and minimize risks by capitalizing on the inefficiencies in today's small cap markets via:

- Fundamental, bottom-up Ten Step Research Process
- Identify unrecognized, under-researched, and undervalued investment opportunities



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OR TO SCHEDULE A CALL WITH OUR TEAM.**