

FIRM SUMMARY

OVERVIEW. AJO is an independent, registered investment adviser, founded in 1984 by Ted Aronson. The firm is a limited partnership, wholly owned by 19 active principals, with offices in Philadelphia and Boston. Our staff of 60 can be reached at 215.546.7500 or [lastname]@ajopartners.com.

As of 2/29/20, we managed \$15 billion in value-oriented equity mandates for 77 institutional clients, invested around the globe — \$13.2 billion U.S., \$1.4 billion emerging markets, and \$0.4 billion global/international.

We offer benchmark-relative and absolute-return strategies across the market-cap spectrum of U.S., emerging markets, and global equities. Portfolios can be long-only or long/short. We can vary tracking error or total volatility.

PHILOSOPHY. We believe above-market returns can be achieved with a combination of classical security analysis, modern quantitative investment techniques, and keen attention to trading. We focus on asset-rich companies, selling at relatively low multiples of earnings, with proven and confident management, upward trending momentum, and favorable investor sentiment.

PROCESS. We invest in a universe of suitable, liquid stocks. We use our multi-factor valuation model to identify low-priced companies with effective management, positive momentum, and favorable sentiment within industry peer groups. Portfolios are fully invested, sector-neutral/country-neutral, and well-diversified in terms of industry, fundamental characteristics, and various statistical measures of risk. Individual bets are controlled; number of positions can range from almost 50 to over 200 (per side).

TRADING. We seek to minimize implementation shortfall — the difference between valuation price and execution price, including commissions (duties), spreads, market impact, and opportunity cost. We capture trading results and use them to inform our investment decisions and guide our selection of trading methods and venues. Annual turnover ranges from 50% to 300% (per side), depending on the strategy. AJO does not use soft dollars.



*"Short-term I like cash; mid-term, bonds;
long-term, AJO."*

PRINCIPALS

Seth Allen
Portfolio Mgmt + Research

Ted Aronson
Firm Management
Founding Principal

Matt Austin
Portfolio Mgmt + Research

Stefani Cranston
Firm Management

Joe Dietrick
Compliance

Dan DiSanto
Operations + Accounting

Doug Dixon
Trading

Paul Dodge
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Claire Noel
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Siddharth Ramesh
Portfolio Mgmt + Research

Jocelin Reed
Portfolio Mgmt + Research

Greg Rogers
Firm Management

Colleen Smith
Portfolio Mgmt + Research

Chris Whitehead
Portfolio Mgmt + Research

OUR CLIENTS

Aetna
 AFTRA Retirement Fund[†]
 Arlington County ERS
 Banco Popular
 Bechtel Plant Machinery
 Bucknell University*
 Campbell Soup
 Canada Post
 Captive Investors Fund^P
 Central Pennsylvania Teamsters
 Charlotte Firefighters
 Christian Brothers Inv Services^P
 City of Cape Coral Police
 City of Cape Coral Ret System
 City of Tallahassee
 Commonfund*
 Cone Health System
 Consolidated Nuclear Security
 Construction Industry Laborers[†]
 Duke Energy
 Florida Retirement System
 Fluor Marine

Fresno County ERA
 Hanford Site Pension Plan
 Highland Associates^P
 IWA–Forest Industry Pension Plan[†]
 Kaiser Permanente
 Korea National Pension Service
 Louisiana State ERS
 Louisiana State Police
 M Fund^P
 Manitoba HEB
 Mercer Investment Management^P
 Missouri Education Pension Trust
 Missouri Local Government ERS
 MMBB^P
 New England Carpenters[†]
 NJT Amalgamated Transit Union[†]
 Nordson Corporation
 NTCA
 Oklahoma Firefighters Ret System
 Oklahoma PERS
 Operating Engineers Local 101[†]
 Oregon PERF

Plumbers & Pipefitters Natl Pension[†]
 Purolator
 Richard King Mellon Foundation*
 SEI Investments^P
 Seminole Boosters*
 Southern California Edison
 St Louis Archdiocesan Fund*
 St Louis County Retirement Plans
 UBP Asset Management^P
 University of Arkansas Foundation*
 West Virginia Inv Mgt Board
 Western Washington Laborers

Clients are pension funds (public, ERISA, other) unless denoted as:

* Endowment/Foundation

[†] Multi-employer

^P Pooled

N.B. — It is not known whether these clients approve or disapprove of AJO or the advisory services provided. All clients are listed, except those that wish to remain anonymous.

STANDARD FIXED FEES

U.S.

AJO Top Cap
AJO Top Cap – Absolute Value
 0.25% on the first \$250 million
 0.15% on the next \$250 million
 0.10% thereafter

AJO Large Cap
AJO Large Cap – Absolute Value 500
AJO Large Cap 1000
AJO Large Cap – Absolute Value
AJO Managed Volatility
 0.30% on the first \$250 million
 0.20% on the next \$250 million
 0.15% on the next \$500 million
 0.125% thereafter

AJO Small Cap – Absolute Value
 0.60% on all assets

Short-enabled U.S. fees are based on the corresponding long-only fees, multiplied by gross exposure (e.g., 130/30 gross exposure is 160%).

EMERGING MARKETS

AJO Emerging Markets All Cap
 0.70% on the first \$25 million
 0.60% on the next \$25 million
 0.50% on the next \$25 million
 0.45% on the next \$25 million
 0.40% on over \$100 million

AJO Emerging Markets Small Cap
 0.70% on all assets

GLOBAL

AJO Global Large Cap
 0.40% on the first \$100 million
 0.35% on the next \$150 million
 0.30% thereafter

AJO Global Small Cap
 0.65% on all assets

ALL-WORLD LOW VOL

AJO All-World Managed Volatility
 0.40% on all assets

INTERNATIONAL

AJO International Large Cap
 0.50% on the first \$100 million
 0.45% on the next \$150 million
 0.40% thereafter

AJO International Small Cap
 0.70% on all assets

Minimum initial investment is \$25 mm.

Performance-based fees are available — indeed, encouraged — and their structure is negotiable.

AJO follows a most-favored-nation policy regarding fees: no fixed-fee client pays more than the lowest fixed fee charged for a similar mandate of the same size.