

## 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 17 active principals, with offices in Philadelphia and Boston. Our staff of 46 can be reached at 215.546.7500 or [lastname]@ajopartners.com.

As of 8/31/20, we managed \$11.6 billion in value-oriented equity mandates for 55 institutional clients, invested around the globe — \$10.2 billion U.S. and \$1.4 billion emerging markets/global.

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 about 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 + Portfolio Mgmt  
Founding Principal

**Matt Austin**  
Portfolio Mgmt + Research

**Stefani Cranston**  
Firm + Portfolio Mgmt

**Joe Dietrick**  
General Counsel

**Dan DiSanto**  
Operations + Accounting

**Doug Dixon**  
Trading

**Michael Dowd**  
Portfolio Mgmt + Research

**Rob Louka**  
Trading

**Greg McIntire**  
Firm + Portfolio Mgmt

**Gina Moore**  
Firm + Portfolio Mgmt

**Claire Noel**  
Portfolio Mgmt + Research

**Siddharth Ramesh**  
Portfolio Mgmt + Research

**Jocelin Reed**  
Portfolio Mgmt + Research

**Greg Rogers**  
Firm + Portfolio Mgmt

**Colleen Smith**  
Portfolio Mgmt + Research

**Chris Whitehead**  
Portfolio Mgmt + Research

## CLIENTS

Aetna	Fluor Marine	Seminole Boosters*
AFTRA Retirement Fund <sup>†</sup>	Hanford Site Pension Plan	Southern California Edison
Banco Popular	IWA–Forest Industry Pension Plan <sup>†</sup>	St Louis Archdiocesan Fund*
Bechtel Plant Machinery	Korea National Pension Service	University of Arkansas Foundation*
Bucknell University*	Louisiana State Police	West Virginia Inv Mgt Board
Campbell Soup	Missouri Education Pension Trust	Western Washington Laborers
Canada Post	Missouri Local Government ERS	
Captive Investors Fund <sup>P</sup>	MMBB <sup>P</sup>	
Charlotte Firefighters	New England Carpenters <sup>†</sup>	Clients are pension funds (public, ERISA, other) unless denoted as:
Christian Brothers Inv Services <sup>P</sup>	NJT Amalgamated Transit Union <sup>†</sup>	
City of Cape Coral Police	Nordson Corporation	* Endowment/Foundation
City of Cape Coral Ret System	Oklahoma Firefighters Ret System	<sup>†</sup> Multi-employer
City of Tallahassee	Oklahoma PERS	<sup>P</sup> Pooled
Commonfund*	Operating Engineers Local 101 <sup>†</sup>	
Cone Health System	Oregon PERF	
Consolidated Nuclear Security	Plumbers & Pipefitters Natl Pension <sup>†</sup>	
Construction Industry Laborers <sup>†</sup>	Purolator	
Duke Energy	Richard King Mellon Foundation*	
Florida Retirement System	SEI Investments <sup>P</sup>	

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.

**FEES.** Minimum initial investment is \$25 million. Performance-based fees are available — indeed, encouraged — and their structure is negotiable.

### 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 first \$25 million

0.60% on next \$25 million

0.50% on next \$25 million

0.45% on next \$25 million

0.40% on over \$100 million

#### AJO Emerging Markets Small Cap

0.70% on all assets

### GLOBAL

#### AJO Global Small Cap

0.65% on all assets

### ALL-WORLD LOW VOL

#### AJO All-World Managed Volatility

0.40% on all assets

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.