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SCHUYLKILL CAPITAL MANAGEMENT



Personalized Portfolio Management Based on Trust and Communication

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Overview

- Schuylkill Capital Management (SCM) was founded in 1990 by Howard A. Trauger.
- Trust investment background specializing in managing assets for high-net-worth individuals.
- Average account size is $1.2 million.
- SCM is a Geometry Group affiliate company.

Outline

- SCM background
  - Foundation of trust
  - The case for personalized portfolio management
  - SCM Advantages
- Personalized portfolio management
  - Meeting client goals and objectives
  - Investment process
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Background

- SCM was founded to provide individuals with prudent personalized investment expertise.
  - Our philosophy is: Each client has different investment needs and expectations and we strive to service these needs from one generation to the next.
- Our service is not driven by month-to-month market fluctuations, but by providing a long-term plan that is designed to meet each client's goals.

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Foundation of Trust

- SCM strives to provide a level of individual service not found among today's impersonal world of large financial institutions.
- We are not the biggest financial company, just the best company for our valued clients.
- SCM seeks to develop lasting long-term relationships with its clients built upon a conservative and prudent investment approach.
- The service is genuine personalized portfolio management.

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Why Personalized Portfolio Management?

- At many banks, mutual funds or large asset management companies individuals often get lost in the mix.
- The reality is many of the above firms generate most of their revenue from large institutional investors, not individuals.
- Individuals get placed into a pre-set portfolio regardless of needs or objectives.
- We understand this very well, as every senior manager has worked within a large financial organization and we have witnessed how individualized service becomes lost to the bottom line.
- The result is impersonal service and limited interaction with portfolio managers and client service teams.
- SCM was founded to provide personalized service to each and every client.

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SCM Advantages

- Senior portfolio management team has over 60 years of combined investment experience.
- Each client receives individualized service with access to an experienced client service team of portfolio managers and administrators.
- “The Team” is always available to every client for meetings to review portfolio objectives, market conditions and changing needs.

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Personalized Portfolio Management

- Each client relationship is managed separately.
- Assets may be held at a bank or brokerage of the client’s choice.
- SCM provides detailed monthly statements.
- Portfolio managers and the client service group are committed to making themselves available to all SCM clients.

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Meeting Client Goals & Objectives

- Formal meetings with each client twice yearly to review their portfolios.
- Meetings enable us to review investment objectives and expectations as they change over a period of years.
- All portfolio changes can be reviewed at any time with the portfolio management team.

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Investment Process

- SCM employs a conservative and prudent approach to equity and fixed income management.
- Weekly investment team meetings monitor markets and review holdings.
- Thorough fundamental analysis to identify high quality stocks with attractive:
  - Valuations of cash flows
  - Price to book
  - Price to earnings
- Companies must have:
  - Competitive advantage
  - Superior management
  - Strong financial condition

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Portfolio Construction

- Review client's needs and objectives.
  - Short and long-term planning.
  - Tax efficiency
  - Monthly income needs
  - Risk tolerance
- Structure asset allocation to client's objectives.
- Examine sector weightings vs. benchmarks.
  - 25-40 equity holdings per account
  - Large holdings (over 5% of total portfolio) evaluated separately
  - Holdings diversified within 12 major economic sectors
- Daily/weekly appraisal of portfolio holdings.

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Geometry Group

- In 2002 SCM became a Geometry Group affiliate company (www.geometrygroup.com).
- Geometry Group provides administrative, legal, regulatory and marketing services to SCM.
- The Geometry Group structure provides its affiliate companies access to a wide array of investment and business professionals with significant experience in financial markets while also allowing these companies to remain independent with an entrepreneurial spirit.
- Geometry Group has affiliate partnerships with traditional and alternative asset managers, real estate companies and private equity funds.

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Biographies

James W. Lewis – Chairman

The Chairman of Schuylkill Capital and founder of Geometry Group, Inc. is a former Managing Director of Morgan Stanley, where he held senior management positions in the asset management, equity, and fixed income areas for 17 years and served as Chairman of their Risk Management Committee. Prior to his tenure at Morgan Stanley, he was a bond trader at First Boston. Mr. Lewis, who founded Geometry Group in 1989, received his MBA in Finance from the University of Chicago and is a member of the University's Advisory Council of the Graduate School of Business. He holds a BS in Marketing from Miami University of Ohio and is a member of its business advisory council.
Mr. Lewis is also a director of Jazz at Lincoln Center.

Howard A. Trauger – President

Howard formed Schuylkill Capital Management in 1990 to provide conservative investment management to a select group of private capital clients and brings 30 years of investment management experience in a variety of roles with banking and money management firms, including research analysis and portfolio management. Prior to founding SCM, he was portfolio manager for $120 million of personal trust assets and co-manager of $140 million in Common Trust Fund assets at Provident National Bank in Philadelphia, Howard is a regular member of the CFA Institute and currently serves as President of the Bond Club of Philadelphia. He has served as president of both the Financial Analysts of Philadelphia and the Philadelphia Securities Association. Howard received his undergraduate and M.B.A. degrees in Finance from Pennsylvania State University. Maintaining an active interest in his Alma Mater, he has been a member of the MBA Alumni Board of Advisors and currently sits on the Oversight Committee of The Nittany Lion Foundation, LLC. In recognition of his contribution to Penn State and the Investment Business, Howard was awarded the Penn State MBA Alumni Society Distinguished Achievement Award in 2002.

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Biographies

Peter V. Walker, CFA – Senior Vice President

Peter's career includes more than 30 years in research and portfolio management for major banking institutions in the Philadelphia area. He was the Director of Investment Research for Studley Shupert, a subsidiary of Girard (now Mellon) Bank and later joined the First Pennsylvania Bank as a portfolio manager. Following Corestates acquisition of First Pennsylvania, Peter became Chief Investment Officer for the merged Personal Trust Department. When Corestates was acquired by the First Union, Peter returned to the role of full time portfolio manager where as a Partner in the bank's Evergreen Private Asset Management unit, he was responsible for $600 million of large institutional and sensitive Private Client assets. Peter is a member of the Philadelphia Securities Association, The Bond Club of Philadelphia and The Financial Analysts of Philadelphia, of which he was a past President. He holds an undergraduate degree in Economics from the Wharton school of the University Pennsylvania and an MBA from Temple University.

Michael Fortier – Treasurer

Michael is the Treasurer of Schuylkill Capital joining the firm in 2002 and is also the CFO of Geometry Group which he joined in 1998 and has over 19 years of experience in the investment management industry. Prior to joining Geometry, Mr. Fortier was with Dresdner Kleinwort Benson where he was a Vice President in the Finance Department with responsibility for the firm's U.S. investment management subsidiaries, which managed over $10 billion. Mr. Fortier also had finance responsibility for the firm's private equity fund investments and private banking activities, and had a range of mutual fund administration responsibilities. Mr. Fortier holds an MBA in Finance from New York University and a BA in Economics from Fairfield University.

Marketing and Client Service Team

J.P. McNichol – Sales and Marketing

J.P. is a partner at Ponus Capital Partners LLC, a Geometry Group affiliate company, that provides sales and marketing services to Schuylkill Capital Management. Mr. McNichol has over 12 years of portfolio management and sales and marketing experience with Gridiron Trading Management Co., Schuylkill Capital Management, Addison Capital (Phoenix Investments) and Chase Manhattan Global Advisors. Mr. McNichol holds a BA in Political Science from The Catholic University of America.

James Gillin – Marketing Consultant

Jim brings to SCM his vast consulting experience and marketing expertise. Jim graduated from St. Joseph’s University with a BA in Liberal Arts and a had a long career in the Petroleum Industry of Philadelphia and surrounding areas. He was also involved in labor relations for an extended period of time as chairman of the Transport Employers Association, dealing with Teamsters Unions. Jim later served on the Board of Directors for a number of years for the Pennsylvania State Chamber of Business and Industries. During that time Mr. Gillin was also Chairman of the Pennsylvanians for Effective Government (PEG) and has also been the Chairman of the Philadelphia Parking Authority.

Gene J. Kovacs – Client Services Manager

Gene came to SCM as head of administration and client services. He is responsible for all back office operations and SCM client servicing teams. Gene began his career at Logan Capital Management as operations specialist and client relations manager. He graduated from NYU with a BS in Business Administration and presently holds a Series 65 certification. He is also Co-chairman of the Gloria Slack Foundation and also a board member of "Soup's On, NY".

Shara D. Howard – Client Services Team

Shara brings to SCM over 8 years of investment experience. Ms. Howard began her career at Logan Capital Management in 1997 and since then has built upon that foundation with respect to management, client service, sales, trading and compliance expertise.

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About Our Name

- Schuylkill is the Dutch word for “hidden river”.
- When the Dutch founded a trading post within the present limits of Philadelphia on the banks of the Delaware River, they also discovered an uncharted tributary of great value.
- Hence the name Schuylkill River.
- Hidden river: we seek hidden values.

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Contact Information

Schuylkill Capital Management LLC

1631 Locust Street

3rd Floor

Philadelphia, PA 19103

Phone: 215-735-0299

Fax: 215-735-3545

www.schuylkillcap.com