
**Best Women-Owned Investment Advisory Firm, USA
& Best Small-Mid Cap Active Equity Strategy, USA**

NEW AMSTERDAM PARTNERS

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New Amsterdam Partners was founded in 1986 by Managing Partner, Michelle Clayman, CFA, as an independent registered investment advisor. The firm is a Women-Owned Business, and is 100% employee-owned. New Amsterdam Partners was

Investment Philosophy

Underlying our investment philosophy is the realization that market participants do not respond to available information uniformly. We take advantage of market mis-pricings through the disciplined use of our quantitative valuation techniques, in conjunction with sound fundamental financial analysis of companies. We search for companies with higher-than-average forecast growth and profitability as measured by return on

reinvented, rethought, or rejiggered every time the market hits inflection points or faces “paradigm shifts”. We also always work towards better implementation of our process, and this includes better modeling the inputs to our model, as well as making better use of the outputs. Our investment philosophy and process are a logical and disciplined way of managing domestic equity portfolios. We believe that our focus on maximizing expected return in a rigorous way differentiates us from other managers.

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started to bridge the chasm between the methods of quantitative and fundamental stock analysis. Discerning the strengths and limits of each, Michelle developed an approach that integrates both disciplines to yield a decisive and intellectually sound edge in stock selection.

We serve a diverse range of clients, including institutions, individuals through managed account programs, as well as traditional high net worth accounts. Among our clientele are prominent state and local retirement systems, Taft-Hartley pension plans, and Fortune 500 companies, as well as national not for profit groups.

equity, selling at, or lower than, market price-to-earnings and price-to-book ratios. Our style can best be described as GARP (Growth at a Reasonable Price).

What Sets New Amsterdam Apart

Power of our Quantitative Valuation Model

Our investment philosophy has remained remarkably consistent over time, and this is due to the fact that the backbone of our quantitative process is a model that is itself a mathematical identity, and not factor based. This is a very powerful concept – one that means our model need not be

The firm’s investment philosophy and competitive advantage are sustainable over the long run. As our investment philosophy and process have remained consistent over time, they have been tested through various market environments and have proven to deliver gains over the long run.

True Integration of Quantitative and Fundamental Analysis

Many firms today pay lip service to combining quantitative and fundamental research but we have been doing it successfully for over 28 years. Our industry analysts recognize the power of our quantitative valuation model in identifying attrac-



tive investment candidates and focus on validating the inputs to the model in their own rigorous valuation work. They also take a deep dive into company financial statements and competitive position to understand the full story and confirm or deny the attractiveness of the stock.

Our portfolio managers and quantitative team understand, too, the importance in using traditional techniques to verify the output of the quantitative work since quantitative tools can highlight either anomalies in the data or underplay deep company structural issues that have not yet shown up in the numbers, but can be unearthed in traditional fundamental research.

Independent Ownership Structure

Our firm is 100% employee owned which aligns our interests with those of our clients. We focus on generating returns since that will benefit clients and us too. Since we are independent, we can concentrate on what is best for our clients, our firm and our employees in the long run without short term pressures for asset gathering or profit maximization that might alter our focus.

Stable Team

The firm is over 28 years old and the two portfolio managers, both partners in the firm, have worked together for over 18 years. Additionally four other senior members of our team have been with the firm ten years or more. We offer equity ownership to valued members of the firm as a retention tool, which ensures the ongoing sustainability of the firm.

Small-Mid Cap Active Equity Strategy

New Amsterdam Partners' Small-Mid Cap portfolios have 40 to 45 U.S. stocks diversified across 10 economic sectors, with a market capitalization range between \$200 million and \$3.5 billion at purchase. For major sectors, we are never more than twice or less than half the benchmark weighting. Our initial investment in a stock ordinarily will not exceed 2.5% of the market value of a portfolio. As a stock appreciates, its portfolio weight may increase, and we trim back such positions as appropriate – but no position may exceed 5%. Our portfolios are fully invested; cash is typically held at 3% or less.

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