

## Triad All-Cap Strategy Takes Advantage Of Investor Behavior

Triad Investment Management sees opportunity in the short-term market volatility that many investors have shied away from in recent years.

The concentrated domestic all-cap equity firm, founded in 2008 by John Heldman, previously a senior v.p. and portfolio manager at Neuberger Berman who also has served as a portfolio manager at Deutsche Bank, Scudder Investments and Bank of America, sees investor behavior as the biggest driver of equity market returns.



**David Hutchison**

"There are a lot of facts out there and it is how people react to them. We think by doing our work and looking at the long-term and where we think the business will be in three-to-five years...that is the way we can add value," says Managing Director David Hutchison, who joined the Newport Beach, Calif.-based firm last year to focus on introductory marketing. "We think investor behavior is the biggest driver of returns."

Hutchison said that the opportunity to outperform over three-to-five years is worth the short-term volatility that Triad's strategy assumes.

"We think market volatility is the friend of an investor and provides opportunity," he said.

The firm's general analysis looks to narrow the universe to 250 companies that are considered "investible" and meet its investment criteria. The firm's criteria includes attractive returns on capital, businesses with high margins, attractive financial strength, reasonable amounts of debt, a competitive

advantage and the ability to generate high margins over time.

Overall, the firm seeks to invest in companies that can provide annual returns over the next three-to-five years of 15% or more.

The strategy typically holds between 20 and 30 companies, which provides concentration but balances out the advantage of diversification, Hutchison said. The portfolio is generally evenly split between large-cap companies and small- and mid-cap companies.

The firm's typically higher allocation to small- and mid-cap companies is a distinguishing factor, Hutchison said. "People have noticed it is a point that distinguishes us. We think that great businesses come in small, mid and large sizes and an investor that can look at businesses with a focus of are they a good business and not necessarily if they fit in a style box, will do very well," he said.

Hutchison said the firm has a bedrock of high-net-worth clients that provides operational stability and the next step is to move into the institutional space. The firm, which manages approximately \$140 million in the strategy, does not currently have any institutional clients.

"We have been definitely reaching out to institutional investors given their time horizons for investing and their tolerance for risk and the desire to have returns when they use truly active management," he said, noting that as many investors move to a core-satellite approach in their equity portfolios, it is important to find managers with high active share.

Hutchison said the firm has also focused on targeting emerging manager programs.

"We think emerging manager programs, we are a good fit for those. We are truly an emerging manager and we have probably a stronger financial profile than some firms," he said.

## OakBrook Investments Hires Two For Marketing and Sales

OakBrook Investments has added two professionals to its sales and marketing team, Director of Marketing David Vandergriff confirmed.

Jenny Deininger has been hired as a marketing associate, responsible for developing marketing initiatives to communicate the firm's equity investment management capabilities and processes.

She assumes the position from Wendi Svitak, who has transitioned into client administration at the firm, Vandergriff said.

In addition, Cara Rissman has been named sales associate, responsible for developing new business opportunities and maintaining plan sponsor and consultant relationships. It is a newly-created position, according to Vandergriff.

Both associates report to Vandergriff.

"We are excited to have Jenny and Cara join our OakBrook team. Their addition to our staff illustrates the sharpened focus and energy we are committing to propel forward the expansion and direction of our business," OakBrook Co-CIO Janna Sampson said, in a statement.

Prior to their new positions, Deininger was an RFP associate at Mesirow Financial and Rissman was serving as an executive assistant at PlaneTechs, a recruiting agency for the aviation industry.

Mesirow Spokeswoman Katie Schimmel said the firm was currently seeking a replacement for Deininger.

OakBrook is a Lisle, Ill.-based, majority woman-owned investment management firm specializing in domestic equity with \$3.6 billion in assets under management as of Dec. 31.