

Ladd Capital Management, LLC, (LCM) was formed in 1975 to manage the investment portfolios of corporate, endowment, and individual clients.

Our mission is to help our clients attain their financial objectives through conservative, lower risk investment management. This must include understanding each client's own needs and involves high levels of communication with the client and the other members of their financial team, such as attorney and accountant. The result is a portfolio designed and continuously managed for their unique goals.

Our success for clients has come from taking a conservative, long view of investing. We strongly believe this approach will continue to reward our clients in the future.

### ETHICS

Clients entrust investment advisory firms with sensitive financial information and the future of their financial well being. Ladd Capital Management, LLC takes that role very seriously. We fully subscribe to the CFA Institute's Code of Ethics and Standards of Professional Conduct. The Code states that we shall:

- Act with integrity, competence, diligence, respect and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.
- Place the integrity of the investment profession and the interests of clients above their own personal interests.
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the profession.
- Promote the integrity and viability of the global capital markets for the ultimate benefit of society.
- Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals.

We believe ethics is good business.

PRINCIPALS

**Edward “Ted” W. Lovejoy**, President, joined LCM in 1993 after 8 years in trust banking with a focus on managing assets for individuals and corporations. He is a Connecticut College graduate where he earned a Bachelor’s degree in Economics. He is also a graduate of the Williams College Trust School. These experiences have given him a strong background in portfolio management with additional knowledge in estate and charitable planning.

**David E. Norris**, Vice President, joined LCM in 2009 following an extensive career in trust and investment management with firms in Connecticut, New York and Florida. David graduated from Trinity College in 1967 with a degree in English. He has earned the professional designation of Chartered Financial Analyst. David lives and represents LCM in Boca Raton, Florida.

LCM is an SEC registered investment advisor with clients in the states of Connecticut, Florida, Massachusetts, New Hampshire, New York and Virginia.

## INVESTMENT APPROACH

Our investment approach combines a conservative, balanced philosophy with concentrations in value style companies.

## EQUITIES

Our approach to common stock selection is mostly bottom up. We do not necessarily focus on industry diversification but search for the most attractive companies that have the financial characteristics we require.

We want to buy companies at a discount to their intrinsic value. We want to own an attractive company at an attractive price. Many times a company may be penalized for a short-term stumble, perhaps a quarter's earnings shortfall, a management change, be in an industry which is totally out of favor, or be misunderstood by Wall Street. If we believe the company's long-term prospects remain bright, this may be a buying opportunity.

Even with our strong belief in this approach we also utilize index funds to provide exposure to large-cap, mid-cap, or foreign sectors. The index funds we utilize are either no-load, extremely low fee, or exchange traded funds.

## FIXED INCOME

Bond selection is determined by the tax status of the client, income requirements, portfolio objectives, and by the outlook for interest rates.

- Tax-free municipal bonds are generally utilized for individual investors, especially for those clients burdened by taxes.
- U.S. Treasury and Agency bonds are most often used as the investment vehicle for non-taxable portfolios such as employee benefit plans, foundations, and charitable entities.
- High quality and liquidity are stressed in bond selection.
- The use of ladder maturities, with bonds maturing on a regular, periodic basis is highly desirable. This provides the option of "having another look" at the level of interest rates and the economic outlook as bonds mature.

### CLIENT CONTACT AND REPORTS

Regular client meetings and reports are a key part of our service. This open and continuing client/manager dialogue forms the basis of our relationship. These meetings and reports can be at whatever frequency clients desire. We also will work directly with the client's attorneys and accountants in reviewing their financial goals and to provide the income, realized capital gain and valuation data they require.

### FEES AND SERVICES

LCM will review and manage each portfolio specific to the client's needs and objectives, and to reflect constantly changing economic and investment scenes.

As a part of its service to clients, LCM will provide regular reports to clients at the frequency they desire. Annual realized gain and loss reporting will be done for the client and accountant, as requested.

The annual fee for services as a percentage of market value is as follows:

**Total Assets Under Management Advisor's Annual Fee – 0.5%**

For example: The annual fee for a \$1,000,000 portfolio would be \$5,000, billed in quarterly installments. We will adjust our fee to the level of advisory services required.

Any dealing with either bank or broker custodians, including placing orders, negotiating commissions and fees, monitoring reports and trades will be done by LCM. The additional commitment to verify the accuracy of custodial reporting is consistent with our orientation to the customer.

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