

ALLEY COMPANY

Separate Account Investment Management



In a world replete with investment choices, Alley Company provides a unique private money management experience.

Alley Company specializes in separate account investment management, **customizing and managing large-cap equity portfolios** for a limited number of select individual and institutional investors.

Based in Lake Forest, Illinois, we also assist clients with other aspects of private money management, including:

- Customizing and managing asset-allocation programs that offer access to virtually all publicly traded asset classes and securities.
- Customizing investment solutions for client-specific needs, such as dividend-oriented portfolios and management of concentrated stock positions.
- Delivering comprehensive portfolio reports.

As an independent money management firm, we view investment products and market outlooks objectively. Our only bias is toward our clients' investment needs and goals. Because we serve only a limited number of select clients, every client receives our undivided attention — and a high level of personalized service.

Equity investment philosophy

Our equity investment objective is to compound long-term rates of return in a tax-efficient manner in a separate account format.

To achieve this goal, we make U.S. large-cap equities the centerpiece investment for our clients, because historically, this asset class has produced the best risk-adjusted returns.

In customizing and managing large-cap equity portfolios, **we focus on growth companies** with proven track records, astute management teams and strong potential for sustainable growth.

We believe this approach is the best way to achieve investment returns that can beat inflation over the long term and increase the purchasing power of capital. Our approach also minimizes portfolio turnover, which increases tax efficiency and maximizes the benefits of long-term compounding. Alley Company adheres strictly to this philosophy, continually monitoring the companies selected for clients' portfolios.

Our goal is to compound investment returns over the long term, with an eye on the level of risk being taken.

Asset-allocation programs

Alley Company builds asset-allocation programs for clients around the Alley Company core equity portfolio. We develop these programs using low-cost and tax-efficient exchange-traded funds (ETFs) as well as fixed-income products to meet client-specific needs.

In building and managing asset-allocation programs, **we focus on risk-adjusted returns.** Through asset allocation, we seek to increase overall return for a given degree of risk, or to reduce overall risk for a targeted level of return, depending on a client's needs. For asset allocation to produce successful risk-adjusted returns over any meaningful time frame, the *right asset classes* with the *right properties* must be blended together in the *right proportions*.

Although Alley Company has the ability to choose from a wide variety of asset classes, we advise against over-diversification, which can dilute returns dramatically, and against trading in and out of asset classes, because market-timing strategies reduce the powerful effects of compounding over time.

Expertise and personalized service

When investors engage Alley Company, they tap directly into the expertise of our founder, Steven J. Alley, and our executive team. New clients are not “handed off” to less experienced money managers, and there are **no hidden or multi-layer fees.**

Alley founded the company in 1998 after a distinguished career with Morgan Stanley, including five years as Managing Director of Private Client Services and the Institutional Equity Department in Chicago.

He since has built a client-focused money management team with extensive experience in separate account investment management and the analysis of risk-adjusted returns.

“When you hire ‘us,’ you get ‘us.’ You get the decision-makers at all times. That’s why we’re different.”

Steven J. Alley

Our team takes a dispassionate approach to providing investment advice, focusing first and foremost on clients’ investment objectives, including their risk tolerance, time horizon and asset-allocation preferences. As our relationships with clients evolve and client-specific investment needs arise, we address them with **customized investment solutions.**

We seek to build long-term client relationships based on mutual respect, understanding and trust. We pride ourselves on our **high client-retention rate.** We conduct regular account review meetings with our clients, and we work closely with their other professional advisors on financial matters such as estate planning, tax planning and retirement planning.

At Alley Company, our top priority is growing and protecting our clients’ assets. To do so, we put their needs first, combining our expertise with personalized service to provide a unique private money management experience.

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Alley Company is a registered investment advisor with the Securities and Exchange Commission (SEC).