

INVESTMENT ADVISOR

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Background Information: Thomas A. Russo, Gardner Russo & Gardner LLC

Thomas A. Russo joined Gardner Russo & Gardner LLC as a partner in 1989. In 2014 he became the Managing Member of the firm. Mr. Russo manages individual separate accounts and serves as the Managing Member of the General Partner to Semper Vic partnerships. Mr. Russo oversees more than \$8 billion through separately managed accounts and Semper Vic partnerships. Gardner Russo & Gardner LLC is a registered investment adviser under the Investment Advisers Act of 1940, and is not associated with any bank, security dealer or other third party.

Mr. Russo looks for companies with strong cash-flow characteristics, where large amounts of “free” cash flow are generated. (These industries typically have included food, beverage, tobacco, and advertising-supported media.) Portfolio companies tend to have strong balance sheets and a history of producing high rates of return on their assets. The challenge comes in finding these obviously desirable situations at reasonable or bargain prices.

Mr. Russo commits capital to leading global consumer products companies whose brands enjoy growing market shares in parts of the world undergoing economic growth and enjoying increasing political stability. He prefers companies with sufficient cash flows from existing operations, combined with balance-sheet strength, to allow investments to activate emerging markets. He backs rare management teams willing to invest to secure robust future returns even when such investments burden current reported profits. Mr. Russo believes that family-controlled companies are often uniquely well positioned to bear burdens on reported profits in pursuit of long-term gains. Accordingly, he often invests in public companies where founding families still retain control and significant investment exposure, to reduce management agency costs and to align owner interests.

Mr. Russo’s goal is one of an absolute return rather than a relative return, and he continues his long-term investment objective of compounding assets between 10 and 20 percent per year without great turnover, thereby realizing a minimum amount of realized gains and net investment income.

Thomas Russo is the Managing Member of the General Partner of Semper Vic Partners, L.P., and Semper Vic Partners (QP), L.P., limited partnerships whose combined investments are roughly \$3 billion, along with overseeing substantially more funds through separate accounts for individuals, trusts, and endowments. He is a graduate of Dartmouth College (BA, 1977), and Stanford Business and Law Schools (JD/MBA, 1984). Memberships include Dean’s Advisory Council for Stanford Law School, Dartmouth College’s President’s Leadership Council, and California Bar Association. Mr. Russo is a charter member of the Advisory Board for the Heilbrunn Center for Graham & Dodd Investing at Columbia Business School. He serves on the boards of the Winston Churchill Foundation of the U.S., Facing History and Ourselves, and Storm King Art Center.