

PRINCETON CAPITAL MANAGEMENT

Results-Driven Portfolio Management Since 1988

Who We Are

Princeton Capital Management, Inc. is an independent asset management firm specializing in equity portfolios for both private and institutional clients. We offer three investment strategies that span the spectrum of reward/risk outcomes for marketable securities:

Core Equity – a foundation strategy designed to deliver both out-performance and downside protection through a conservative investment approach that favors the stocks of mid-to-large capitalization companies

Growth Equity – an unconstrained strategy seeking investment opportunities across the entire stock market

Young Enterprise Shares™ (YES) – an aggressive strategy seeking maximum returns through investments in primarily small- and micro-capitalization companies that are positioned to capitalize on tomorrow's trends.

Each strategy has a distinct reward/risk goal, yet all three share a common investment approach centered around a unique analytical framework focused on assessments of trends, business models and valuation.

Our Clients

We manage portfolios for both private and institutional clients, who engage us directly or through their wealth advisor's external manager program. Together we identify the investment strategy or blend of strategies (which may incorporate a high quality bond component) appropriate to the client's investment objectives and risk tolerance. Our collaborative approach also includes coordinating with estate planning, accounting, tax, and other related service providers.

Ongoing client service and reporting is specifically designed to provide transparency and develop a free flow of communication, creating a strong foundation for a lasting partnership.

Our Story

Princeton Capital Management was formed in 1988 to offer to a select client base of high net worth individuals and institutions the successful analytical and investing methods practiced by its founders during their long and well-regarded careers at a number of prestigious institutions.

Drawing upon their expertise in the fundamental analysis of a broad range of securities - from the largest of companies around the world to the youngest and smallest U.S. based companies – the founding partners developed a method of portfolio management that looked beyond the restrictive parameters of investment strategy style labels or benchmark considerations. They believed their clients would derive greater benefits from an approach that combined an expansive analytical consideration of companies large, small, young and mature, with disciplined portfolio construction focused on optimizing the balance between risk and return.

Over the past twenty-eight years, the Firm has demonstrated the soundness of this approach by delivering competitive long-term returns across each of our investment strategies.

Our Organization

Managing investment portfolios is Princeton Capital Management's only business. Our resources are focused on fundamental security analysis, portfolio construction, investment operations and client service – nothing else. Moreover, most members of the investment team serve as both analysts and portfolio managers, eliminating the layers, and thus the distractions, common to firms with separate research and portfolio management staffs.

The Firm has remained an independent, owner-managed firm since its inception, and owner assets are invested alongside those of our clients. We believe our clients have benefited from the Firm's organizational stability and shared goals.

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How We Add Value

Several factors distinguish Princeton Capital Management from other providers of equity portfolio management services:

I. Our unconstrained investment universe generates broad perspective

Many of our investment ideas are generated through research of economic and industry trends and the companies fulfilling the needs implied by such trends. The industry ecosystem surrounding a trend typically contains numerous companies. Some companies are large, some small, some fast growing, some not. Some have attractive business models (unique abilities or intellectual property, high profitability, low capital requirements, good growth prospects) and some have poor business models. If a manager studying the companies involved in an ecosystem is limited to only large capitalization value stocks, the manager may be limited to only the weakest players in the industry, or even shut out.

In contrast, a manager able to evaluate all types – large, small, new, established, growth, value – will likely possess a stronger understanding of that ecosystem and thus have a greater chance of selecting those stocks that will lead to greater returns.

II. Our multiple analytical perspectives create a disciplined framework for evaluating all investment ideas

The investment thesis for each potential holding is based upon our comprehensive analysis of the opportunity from three perspectives:

- **Trend:** socio-economic, technology transition, or supply/demand trend in its favor
- **Business Model:** understandable, competitive, and sustainable
- **Valuation:** attractive vis-à-vis the quality of the trend/model

This analytical framework imposes a rigorous structure on our investment process, yet is sensitive to the varying characteristics of the companies in our broad investment universe and to current market conditions. The relative emphasis we place on one perspective versus another varies by investment strategy. In our conservative Core Equity strategy, valuation is more important than trend, while in our aggressive Young Enterprise Shares strategy, the opposite is true. Moreover, we seek a balance of the three perspectives that is appropriate to a specific company's situation. For example, if a Core Equity prospect that stands to benefit from a strong industry trend has a good but not outstanding business model, we look for cheaper valuation. On the other hand, if we find another trend beneficiary with a near-perfect business model, we are willing to pay up for it.

III. Our forward-looking, fundamental analysis leads us to an uncommon concept of risk

We define risk by focusing our analytical efforts on the future, not the past. Our definition of risk is company-specific and revolves around the two fundamental dimensions every company and stock face in its lifetime: enterprise risk and valuation risk, that is, the risk of a business underperforming or failing, and the risk of paying too much for future profit growth. Focusing on current and future internal, environmental, and competitive elements facing a company – the factors that determine the level of enterprise and valuation risk a company embraces – better enables us to determine the investment attractiveness of that company's securities.

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How We Add Value, continued

IV. Our opportunistic approach to portfolio construction enhances the reward/risk profile of our clients' portfolios

We construct style-agnostic portfolios with the stocks of companies we believe most likely to generate returns consistent with our strategies' goals. We let the reward/risk profile of a potential investment, not style or size characteristics, be the limiting factor in our search for the best ideas.

Our portfolios are constructed to reflect our perceptions of opportunity and risk, not benchmark names or sector weights. In our view, managing to a benchmark is managing to a rear-view mirror. A benchmark's highly weighted sectors are highly weighted because of prior long-term outperformance, not of future outperformance prospects.

V. We limit the number of portfolio holdings to avoid over-diversification and to enhance portfolio returns

The number of stocks in a Princeton Capital Management portfolio typically ranges between 20 and 35, and our interests generally keep us in at least five or six different sectors of the economy. While some diversification is desirable for nearly all investment objectives, we share the opinion that once a portfolio contains about fifteen to twenty stocks from a number of different industries, the benefit of diversification has been achieved (i.e. the impact of any one stock or industry on the performance of the total portfolio is limited).

Moreover, we believe that truly superior returns come from investing with insight and conviction. Portfolios of 20 to 35 names are focused on those opportunities in which we have strong conviction, and the size of each position is large enough to impact performance.

VI. The collaborative nature of our organization strengthens our investment process

The investment process at Princeton Capital Management is one of collaborative analysis in support of singular decision making. The process capitalizes on the ease with which an experienced investment team can work together.

Research responsibilities are shared by all members of the our investment team, and most on the team have portfolio management responsibilities as well. The combined analyst/portfolio manager function promotes greater synergy between our analytical and portfolio construction efforts. We focus our analytical work on the stock ideas that are most attractive from a portfolio management perspective, as opposed to expending research capital seeking the best ideas within an assigned sector (which may ultimately be unattractive relative to other opportunities outside that sector). As well, our portfolio managers' deep understanding of the risk and return characteristics of individual securities enhances their ability to assess and manage overall portfolio risk.

The team's daily meetings serve as sounding boards throughout the entire analytical process, as the different perspectives of our highly experienced staff help to refine each analysis and ultimate investment thesis. With members of the team all on equal footing, the process is one of respectful debate and support.