

# Emerging Manager monthly

A Publication of  
Financial Investment News

April 2007

www.emergingmanagermonthly.com

Vol. II, Issue 4

## Biondo Sees Interest From Institutions As Firm Nears Third Year

All-cap growth firm **Biondo Investment Advisors**, nearing its third year in business and boasting a track record dating back to 1991, is looking to increase its marketing to the institutional space.

The firm, with over \$420 million in assets under management, including approximately \$75 million in institutional assets, has begun to attract interest from the emerging manager space, including a December investment from the **Pennsylvania Public School Employees Retirement System**.

"We have limited experience in that world, but [the PSERS] program, is a big feather in our cap," says **Joseph Biondo**, founder of the firm. "We are starting to get some traction."

Biondo founded the firm after working at Smith Barney, where he began managing the all-cap growth portfolio. The portfolio has returned 14.36% since inception, compared to 11.67% for the **Russell 3000 Growth Index** and has 1-, 3- and 5-year returns of 5.17%, 7.85% and 8.33%, while the benchmark returned 6.53%, 7.22% and 3.81%, respectively.

Biondo said the performance of the portfolio and the long track record should provide the firm with an attractive pitch to the institutional space.

"The idea is to get a lot more people aware of who we are and what we do," he said.

The portfolio takes a conservative approach that includes never owning more than 40 stocks, with an average annual turnover of 20% or less.

"Generally speaking, we try to find secular growth companies that we can own for a long period of time," he said. "So that generally means we can not be heavily involved in a lot of cyclical companies, because that becomes a timing game." The firm typically looks for companies offering disposable products.

"In the long run, we are big believers that a stock price will reflect

revenue and earnings growth," he said. "We spend a great deal of our time identifying companies that deliver revenue and earnings growth and we are really trying to find consistency. "We take a business owner approach. We want to be involved in the company for a very long time."

Biondo said that historically the portfolio has captured 95% of the upside and experienced about 70% of the downside.

"The trick in this game, from my perspective as a money manager, is to avoid big losses. Our strategy has typically been to capture most of the upside when things are good and protect the downside when things are not good," he said.

“ I think there is an ebb and flow of the box world, where at times it is very in favor and sometimes it isn't in favor...at the end of the day what people are looking for are sound strategies that have been able to perform... ”

**Joseph Biondo**  
*Portfolio Manager*  
*Biondo Investment Advisors*

And while ultimately the goal is increasing assets under management, Biondo says he will not forget an important piece of what has made his strategy successful.

"The emerging manager space is so interesting because you have these very intelligent, well thought out investment processes that work, and sometimes when you try to scale those processes, they stop working...I need to preserve the qualities that make this strategy better than other peoples

strategy, part of that is that it is small," he said.

The firm's ability to identify attractive stocks regardless of market capitalization has also been helpful, and the increased interest of late from institutions looking at all-cap, global equity and various other non-style box portfolios is not lost on Biondo, though he isn't hanging his hat on it.

"I think there is an ebb and flow in the box world, where at times it is very in favor and sometimes it isn't in favor, just like anything else in this world," he said.

"At the end of the day what people are looking for are sound strategies that have been able to perform within any environment they faced. We have been able to do that."



**BIONDO**  
**INVESTMENT ADVISORS**

A Registered Investment Advisor and an affiliate of The Biondo Group, LLC.

P.O. Box 909, 544 Routes 6 & 209  
Milford, Pennsylvania 18337  
570.296.5525 or  
877-BIONDOS (246.6367)

999 9th Street South  
Suite 103  
Naples, Florida 34102-8200  
239.261.1282