

NEWS RELEASE

Emerald Asset Management & 1251 Capital Group



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Emerald Asset Management and 1251 Capital Group Agree to Partnership *1251 Capital Group investment and expertise will strengthen Emerald, its team and product line-up*

BOSTON, MA and LEOLA, PA, July 19, 2018 – Emerald Asset Management and 1251 Capital Group announced today that they have agreed to form a partnership between Emerald and 1251 to position Emerald for future growth by enhancing the Emerald team and its line-up of investment products.

Under the agreement, 1251 Capital Group will acquire a partnership stake in Emerald Asset Management, while its senior management will join Emerald’s Board of Directors. Emerald’s current executive and management team will continue to independently manage day-to-day operations and retain full control of the investment process and function.

With \$5.6 billion in assets under management as of June 30, 2018, employee-owned Emerald is best known for its “Driven by Research” investment approach. Emerald employs an intense fundamental, research-focused investment philosophy and focuses primarily on growth- and value-oriented equity investing and income-oriented investing in small-cap, mid-cap and all-cap categories, as well as offering a sector-focused banking and finance strategy.

“This is a win-win for Team Emerald and our clients,” said Emerald Founder and CEO Joseph Besecker. “Our team will continue to execute its successful investment strategies, with 1251 adding valuable expertise, enhancing employee retention and strengthening Emerald’s balance sheet.”

Significant ongoing employee ownership as well as other incentives created through the partnership will support the retention of key Emerald investment talent, Besecker said. Emerald will retain its independence and autonomy over the management of its business, investment philosophy and culture, Besecker added, while benefiting from an experienced partner.

“We are thrilled to be partnering with a money management firm of Emerald’s caliber,” said 1251 Capital Co-CEO Michael Wilson. “Their long-term investment record, team-oriented culture and dedication to their clients over the past two-plus decades are extraordinary and attractive to a long-term partner like 1251.”

The transaction is contingent upon the consent of Emerald's institutional and mutual fund clients as well as certain other customary closing conditions, and is expected to close in late September. Terms of the transaction were not disclosed.

"The Emerald platform features an accomplished investment team with a track record spanning over twenty-five years, and we are thrilled at the chance to partner with such a high quality organization to support its continued success and stability," said John Hailer, President of 1251 Asset Management. "This partnership will position Emerald for future growth through its newer products, enable greater product diversification and provide access to multiple new channels of distribution."

About 1251 Capital Group

1251 Capital Group, Inc. is a Financial Services holding company with deep investing and operating experience in the asset management and insurance sectors. The firm was established to invest the capital of its founders and a select group of like-minded, outside shareholders consisting primarily of prominent family offices. 1251 is structured as a corporate holding company with a permanent capital base, aligning the 1251 organization, management teams, and 1251's shareholders around the common objective of creating shareholder value over the long-term. In addition, 1251 is an experienced value-added operating partner that can provide the strategic resources necessary to accelerate growth in the businesses with which it partners, empowering management teams to build enduring businesses that achieve their full potential. For more information, please visit www.1251capital.com.

About Emerald Asset Management

Founded in 1991, Emerald provides equity and fixed-income portfolio management services to institutional investors and to individual investors via separate account management and the Emerald Mutual Funds. Emerald focuses primarily on growth- and value-oriented equity investing and income-oriented investing. Research is the cornerstone of Emerald's equity investment strategies: "The Emerald Advantage." Emerald's 16 member in-house research team uses a proprietary 10-Step research process dedicated to intense, hands-on, fundamental research specifically designed to identify unrecognized and under-researched companies. For more information, please visit www.teamemerald.com.

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