

Inside this issue:

Millennials Can Lead
The Way 1 - 3

By: Alex Forse

Essex Strategies 4

Investment Team

- ◆ Joseph C. McNay
- ◆ Nancy B. Prial
- ◆ Robert J. Uek
- ◆ Stephen D. Cutler
- ◆ William H. Page
- ◆ Saralyn Sacks
- ◆ Alex Forse
- ◆ Marcy R. Carlin
- ◆ Anne Marie McMichael
- ◆ Martin P. Courman

125 High Street
Suite 1803
Boston, MA 02110
1-617-342-3200

Please see our website
www.essexinvest.com
for updated insights
from our portfolio
management and
research team.



Millennials Can Lead The Way

By: Alex Forse - Senior Vice President & Portfolio Manager



Source: Lunarbaboon; 2019

I often have to double check this, but I am a millennial; and while I can't speak for all of us, I think there is some intriguing upside percolating from our generation. In particular, I believe a new wave of companies led by millennials are forging a brighter future for us all.

Millennials Can Lead The Way**By: Alex Forse - Senior Vice President & Portfolio Manager**

Despite what many pundits say, millennials aren't some depressed precariat class. Rather we are a generation that is disenfranchised with the status quo and driven towards progress in a logical way. We see the aristocratic elements of the current bureaucratic bungle in Washington and want change. We see a central banking system gone wild, hence the early embrace of cryptocurrencies, which question the entire fiat currency system (*I prefer gold though!*).

Further, we are a tough practical bunch. Millennials are used to working many jobs, living at home, and generally fighting to just get by. We marry later, if we even do, and keep our families small and practical. At its heart, the struggle of the millennial generation is inequality. For the majority of our existence, we have witnessed the greatest spread between the have and have nots since the Robber Barons. Back then the unifying force was worker's rights led by the likes of Louis Brandeis whose movement eventually created a prosperous middle class. These days millennials must ask themselves what is their unifying rallying cry?

My answer lies in our favorite subject - the stock market. Today more and more of us can become involved in the market. Zero trade commissions, minimal fee ETFs and the ability to buy slices of companies show just how democratized the market has become. While the level of speculation from the "retail" market is a contrarian bearish indicator, I believe the fact that millennials have embraced the market is a very healthy development. What interests me more though are the companies that they, we, embrace.

Money always goes to where it is treated best. That is why the current market is so exciting. Even with yields at zero, the market is not being led by old-line "blue chips" with strong balance sheets and shareholder friendly policies. Rather, the market is being led by companies with dynamic fundamentals, that are spurring great change and accelerating an entire generational shift. I'm not talking about the hottest penny stocks on Robinhood.

Millennials Can Lead The Way**By: Alex Forse - Senior Vice President & Portfolio Manager**

I'm talking about well-capitalized companies that are disrupting industries with visions of a more enjoyable and prosperous future. E-commerce, social media, video streaming, life sciences, biotechnology, e-sports, online collaboration and cloud computing are just a few examples. Critically, these companies are also creating jobs, and not just any jobs - meaningful work with benefits, the ability to work from home, high payouts and inclusive positions with strong future potential.

Take e-Commerce for example. The covid pandemic has actually boosted business in an almost positive demand shock. These companies are saving people from having to go out, reinforcing protections to any future pandemics and engaging consumers in innovative and delightful ways. Most importantly from an investment view, they are creating new sticky habits that will forever change consumption patterns often in a better and more efficient manner. Simply put, e-commerce is the future, now.

To me, this is the rallying cry of the millennial generation - great companies! The numbers don't lie. Despite what has been one of the fastest and deepest economic drawdowns in history, many of these next generation firms have actually seen *accelerating* growth. That is because they're secular winners whose manifestos speak to the future and whose business models are built for the next century. The ranks of these outfits are dominated by my generation and I believe their success will be the hallmark of this recession.

Millennials can lead the way. We can only be so lucky to follow.

**ESSEX INVESTMENT
MANAGEMENT
COMPANY, LLC**
Client Service and Support:

Essex is fortunate to have great clients whom we are more than happy to assist. Please feel free to contact any of the following Essex personnel below should you need assistance or have questions:

Michael S. McCarthy

Chief Operating Officer

Phone: 617-342-3245 or
mmccarthy@essexinvest.com

Carly Semerjian

Senior Executive Administrator

Phone: 617-342-3202 or
csemerjian@essexinvest.com

Sue Bathalon

Operations Manager

Phone: 617-342-3204 or
sbathalon@essexinvest.com

Client Service & Support Fax Machine:
617-342-3280

DISCLOSURE

The opinions and analyses expressed in this newsletter are based on Essex Investment Management Company, LLC's research and professional experience, and are expressed as of the date of our mailing of this newsletter. Certain information expressed represents an assessment at a specific point in time and is not intended to be a forecast or guarantee of future results, nor is it intended to speak to any future periods. Essex makes no warranty or representation, express or implied, nor does Essex accept any liability, with respect to the information and data set forth herein, and Essex specifically disclaims any duty to update any of the information and data contained in this newsletter. The information and data in this newsletter does not constitute legal, tax, accounting, investment or other professional advice. Certain information contained herein has been obtained from third party sources and such information has not been independently verified by Essex. No representation, warranty, or undertaking, expressed or implied, is given to the accuracy or completeness of such third party information.

Essex Strategies

The Essex Micro Cap Growth, Small Growth and SMID Cap Growth strategies each share a common investment philosophy and process. Our all women Evanston, Illinois investment team is focused exclusively on managing long-only small growth strategies and has worked together for more than 15 years.

Micro Cap Growth Strategy: We look for under-followed, under-owned, under-appreciated companies & industries in early stages of acceleration.

Small Growth Strategy: The process focuses on identifying companies in an inefficient sector of the market at an inflection point where their growth rate is improving.

Small/Mid (SMID) Cap Growth Strategy: Our approach is to execute a systematic, fundamental process to find companies whose future growth prospects are not fully reflected in the price of the stock.

Global Environmental Opportunities Strategy (GEOS) operates at the nexus of environment and finance, investing in companies that enable greater natural resource and energy efficiency. GEOS is a listed-equity, global, all-cap strategy investing across nine environmental technology themes in long-only fashion with about 40 holdings. GEOS is clean technology and energy infrastructure-focused, with companies that exhibit generally-high growth rates.

Essex Research Strategy is co-managed by a team of investment professionals seeking growth equity opportunities across an all-cap universe. By employing fundamental top down economic and sector analysis with bottom-up stock picking skills, the strategy provides the investment team a wide framework in which to identify growth candidates regardless of market capitalization restraint. Individual client portfolios are offered in two profiles: aggressive growth or growth and income.

Essex Evolution Long/Short strategy is an aggressive All-Cap equity strategy that aims to maximize returns by utilizing both fundamental and technical analysis with an emphasis on thematic investing and tactical market positioning. Specifically, we aim to understand key themes within dynamic sectors to capture the growth in those trends and utilize short positions to both hedge portfolio risk and exploit specific stock mispricing's.

Essex Evolution Long Only is an aggressive All-cap strategy which primarily aims to uncover small and mid-sized companies that exhibit the potential for meaningful growth over time. Seeks to maximize returns by utilizing both fundamental and technical analysis with an emphasis on thematic investing and tactical market positioning. The Strategy is concentrated within 40-70 names and is sector agnostic.

Growth Equity is an All-Cap strategy designed to provide investors with exposure to growth companies in a market capitalization range of \$100 million and up. The strategy is a concentrated portfolio of 50-70 companies diversified across domestic industry sectors that show accelerating earnings and sustainable revenue growth. Individual client portfolios are offered in two profiles: aggressive growth or growth and income.

Please refer to our firm's website at www.essexinvest.com for more information about Essex, the strategies we manage and important disclosures.