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Ambassador Sees Financial Services Fund As 'Launching Pad'

Ambassador Capital Management has reached its one-year track record on its financial services sector fund and will launch two new strategies this month.

The firm also brought on **Brian Hicks** as v.p. of marketing and client services in April to begin marketing the firm to broker-dealers, high-net-worth individuals and institutional consultants and plan sponsors.

The Allentown, Pa.-based firm is a wholly-owned subsidiary of **Ambassador Partners**, a 100% employee owned financial services company launched in 2006 by **Timothy McDonald**, **Robert Pachence** and **Matthew Resch**.

"Our best competitive advantage is leveraging the synergies from our sister company, a FINRA licensed broker-dealer to find investment ideas in our asset management strategies," said Resch, managing partner and portfolio manager.

The Ambassador Opportunities Fund I, which has \$6 million in assets under management, focuses on the inefficient micro- to mid-cap financial services.

Resch said the firm hopes to use the marketing of the fund as a launching pad for the firm and its two new products—a tax-exempt municipal bond portfolio and a hybrid of the two strategies.

Hicks, who joined from **PENN Capital Management**, said he has begun to reach out to

fund-of-funds, institutional consultants, broker-dealers and family offices while the firm builds up its track record and assets. He said he believes the strength of the financial services fund will draw initial interest to the firm.

"We think that right now, because of where valuations are, people have to absolutely take a look at it," Resch said.

The fund is highly concentrated, currently holding 11 names. Resch said the concentration allows the firm to allocate its assets to the most compelling opportunities. He said because the space has been "beaten up" over the last 9-12 months, he expects regulators to begin pushing for more merger and acquisition activity, which will trickle down to micro-cap banks.

"We think that we are getting close to the point where people should start allocating money to financials," Resch said.

"Clearly there is a lot of support out there for financials. We think the market is going to continue to see an uptick in consolidation."

The municipal bond fund, a long-only portfolio, looks to capitalize on the firm's expertise in the municipal bond market. Resch said the portfolio's focus is on sound underlying ratings and only buying solid insurers.