

# Note from Ed Wolfe to our Valued Friends and Clients on Wolfe Research's 15th Anniversary

*"Once in a while you get shown the light, in the strangest of places if you Look at it right"* – Hunter/Garcia

**New York, May 25, 2023** – We are now well into the second decade of our journey of building Wolfe Research. As we pass our 15th anniversary as a firm, I wanted to share some of the reasons why we started Wolfe, how our purpose has evolved, and where we are headed.

First, I wanted to say **Thank You** to each of our valued clients and friends for your encouragement, your ideas, and most importantly your partnership. We launched Wolfe at the peak of the financial crisis and your support in 2008 and 2009 allowed the firm to thrive and to grow and to reach this point today. For all clients, both old and new, it is hard to put into words how much your tremendous support has meant to me and everyone at Wolfe throughout the years.

At the simplest level, the firm is called Wolfe Research with **"research"** in the name because we zealously believe in unbiased, unfiltered, and truly differentiated investment research unfettered from the conflicts and bureaucracy of many large banking institutions that sadly often think of research as a loss leader in their business portfolios. At Wolfe, research is what we do, plain and simple and we're proud of that. When my team and I started this business in 2008 coming out of the collapse of Bear Stearns, I never envisioned finding as many top analysts, sales and other employees who are as passionate about equity research as I am; yet here we are. The creativity, dedication, and continued evolution of the Wolfe team is truly amazing to watch and is a source of inspiration and pride for me. I am immensely grateful.

My views on the business were formed early in my career. Decades ago, as a rising transportation and logistics analyst, I saw my employer, Alex Brown, purchased first by Bankers Trust and then by Deutsche Bank. I was happy at Alex Brown, just as I had been at Schroder Wertheim. These firms had allowed me to learn my craft, through a combination of wonderful mentorship and a keen focus on serving institutional clients. Research was the focus at these firms, not an afterthought. I immediately felt the research-dilutive impact of Deutsche's purchase of AB, so I went about finding my next home. I was being recruited by three large banks: JP Morgan, Goldman Sachs and Bear Stearns. I had the luxury of being selective and I chose Bear, despite it being the smaller and less prestigious of my suitors. I chose Bear because management there did not tell me what they wanted me to do. Instead, the Bear managers said, "You're the engine. You tell us what you need, what stocks to cover, what support and resourcing you need to succeed, and we'll get it for you."

In forming Wolfe Research, I sought to combine the best of these two experiences: the client-focus of a boutique as I learned at Alex Brown/Schroders, and the appropriate resourcing for the best research teams as I experienced at Bear. When I started Wolfe Research 15 years ago, my overwhelming mantra was to afford our analysts whatever resources they needed to be successful. We take gratification in providing our industry **thought leaders** the most number of research associates and data sources on the sell-side, so they can cover the greatest number of companies in the most detailed and creative fashion to maximize their value and be an instrumental part of your investment process.

We recently hired a veteran salesperson who joined Wolfe after 16 years at both larger and smaller firms. He sent the below email to his clients explaining his rationale for joining Wolfe. It filled me with **pride**, and I wanted to share an excerpt because it captures both our culture and our purpose. He noted:

"Wolfe is at a special point in its lifecycle: vibrant leadership, adding clients and talent, expanding relationships across the board. My own hiring embodies this momentum. Self-interested and motivated, I voted with my feet to pursue this opportunity. If you ever doubt my authenticity on Wolfe Research, consider this: I made this bet with my own livelihood. And I am not alone. In the past few years, many top-rated analysts have made the same calculation. In the past decade Wolfe has gone from **7** analysts publishing on **142** companies, to almost **30** analysts publishing on **635**. Many more are weighing this decision, and those who take the plunge are the most self-assured among them. They don't rely on the halo of a bank's brand or balance sheet. They just want to deliver results and get back to winning in an otherwise shrinking industry."

We hire not just exceptional professionals with existing followings, but also good people with integrity, and a strong desire to be part of something that is fun, growing, entrepreneurial and inclusive. We are individuals dedicated to each other and our clients...but there is something deeper to consider, which I never expected when we started this business: **these analysts and salespeople seem to get BETTER upon arrival**. With incentive for upside based on their individual and the firm's overall growth, each analyst and salesperson has proven over-and-over to be open-minded and collaborative across departments in a manner I have never seen at larger banks. There is a sense of community or **Ubuntu** at Wolfe that has developed and makes this a joyous place to be and thrive together.

Building this business hasn't always been easy. But nothing in life **worth accomplishing** truly is or else it wouldn't be so. Yet in some sense, our work has just begun. We plan over the next five years to continue, through our alliance with Nomura and Instinet, to materially improve our execution and capital markets capabilities for our clients, and our goal is to move on average from #5 to #1 in every major research poll in the US. It will likely prove not to be a straight line forward. However, through partnerships, we will maintain 100% control of our own firm that allows us to put research first in all of our decisions, something historically quite unique for a firm our size on Wall Street.

Thanks for taking a chance with Wolfe and please let me know if there is anything I or our firm can do for you. We always strive to improve and pay it forward....

Respectfully submitted,

Ed