

# JEREMY TENNENBAUM

Wellington  
Management Co.

**W**hen General Motors Corp. reported a 5.5 percent drop in third-quarter net income last month because of problems in Europe that included pricing pressures and lower sales, Jeremy Tennenbaum was not surprised. He had just returned from the Paris Auto Show, where he'd discussed the increasingly competitive European market with company executives and car dealers.

For many analysts, attending the biennial Paris show on top of the spring exhibitions in Detroit and Geneva would have been beyond the call of duty. But Tennenbaum is on a constant quest for information about the industries he covers, which range from autos to capital goods to diversified industrials. He spends at least a third of his days on the road, shuttling around the U.S., Europe and Japan. Fellow analysts say he never misses a company meeting. Based in Wellington Management Co.'s Radnor, Pennsylvania, office, he visits the firm's Boston headquarters twice a month. And he has no qualms about picking up the phone on the weekend or paying a visit to company officials — even if he doesn't know them. "He's like a private investigator," says one sell-side auto analyst.

Equally impressive to Tennenbaum's counterparts on Wall Street is his extraordinary ability to retain the information he gathers. This is apparent when he grills company executives at analyst meetings. "He is direct — not abrasive, but very direct," says a fellow analyst. Others note that they never need to update Tennenbaum on the latest developments. "I get more out of our relationship than he does," admits one.

Tennenbaum is a rare breed on the buy side: a true expert on the industries he follows. Many buy-side analysts spend fewer than two years covering any given industry before they are rotated to another spot, usually en route to becoming portfolio managers. Tennenbaum, by contrast, has tracked the same industries since he joined Wellington's central research department in 1994, after a two-year stint as an analyst for the firm's Value/Yield Fund. Before that, he worked on the sell side for six years at Salomon Brothers, as an aerospace and defense analyst and an investment banker in industrial and technology companies. (He holds a master's degree in finance from the Massachusetts Institute of Technology's Sloan School of Management.)

Tennenbaum credits his employer for encouraging analysts to follow the same group of industries throughout their careers. "You develop a core of expertise that way," he explains. He also applauds the firm's decision, about five years ago, that Wellington analysts would cover fewer industries but cover them globally. Tracking worldwide developments creates what Tennenbaum

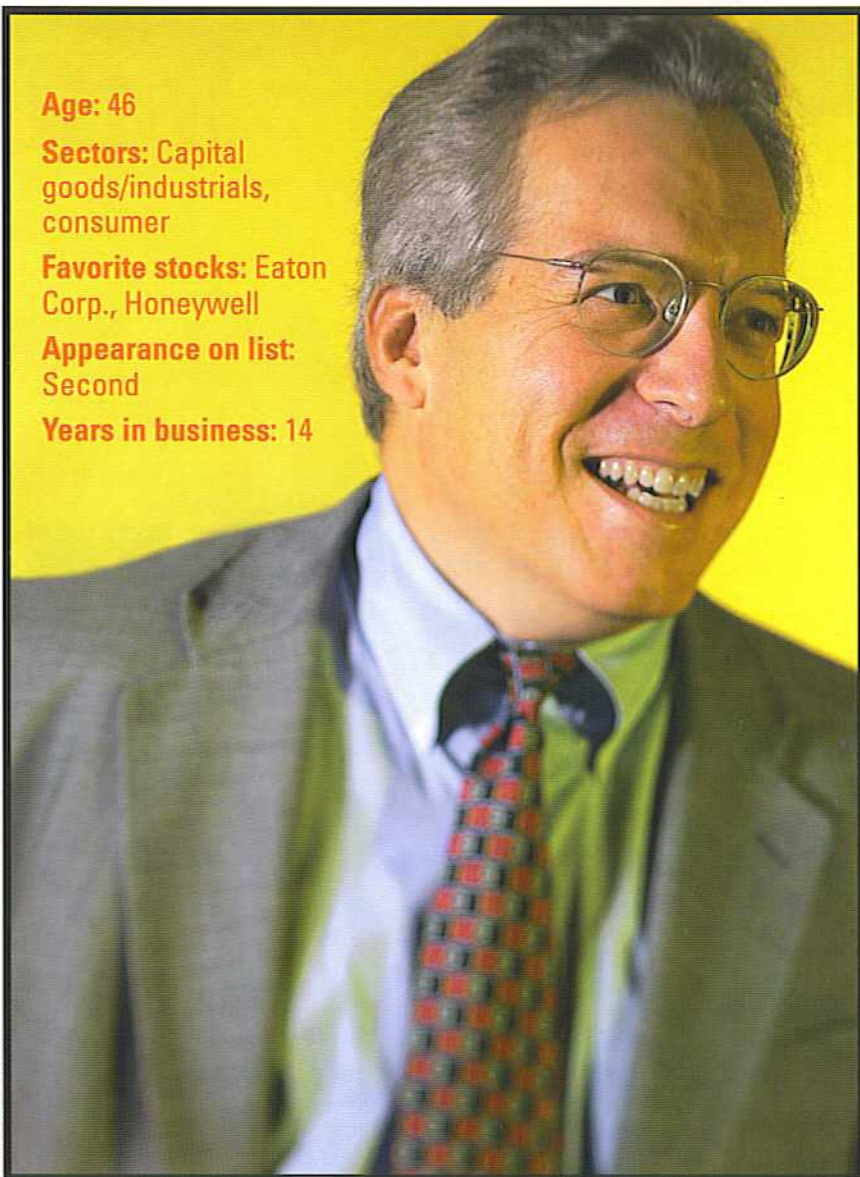
**Age:** 46

**Sectors:** Capital goods/industrials, consumer

**Favorite stocks:** Eaton Corp., Honeywell

**Appearance on list:** Second

**Years in business:** 14



Peter Lew/INPhoto.com

calls a "positive circle" of information flow, which helped him make immediate sense of GM's third-quarter results last month. "The same problems affect companies anywhere, whether it's Detroit or Stuttgart," he notes.

For Tennenbaum, industry knowledge is the most important asset an analyst can bring to the table. When it comes to numbers, he takes what he calls a "selective" approach. Rather than labor over his own earnings forecasts, he spends time tracking down the figures that tell the real story. He is more likely to recall, for example, how much an automaker lost in Latin America over a certain time period than he is to remember the same company's overall results a year ago. "I tend to focus on long-term issues that are going to recur," he says.

Tennenbaum finds that one of his biggest challenges on the buy side is managing the information flow. "It's like sipping from a fire hose," he says. It won't get easier any time soon. The industries Tennenbaum covers are undergoing massive change as they race to catch up with the latest advances in technology, prompting ever-more research reports and e-mail messages. "We've barely begun to scratch the surface of the impact that the computer and the Internet are going to have on my old-line industries," Tennenbaum says. "Long term, it's very exciting."