



TACTICAL GROWTH STRATEGY

STRATEGY DESCRIPTION

The Tactical Growth Strategy aims to generate attractive capital appreciation by combining a quantitative assessment of economic cycle indicators with a structured investment selection process that screens for companies with superior growth potential and attractive margin, return on capital, and balance sheet profiles.

The Tactical Growth Strategy employs our proprietary, real-time valuation models that measure valuation drivers for the broader market, portfolio holdings, and prospective investments—thereby providing market-based assessments of price objectives normalized to company growth profiles, margins, and returns on investment to complement our fundamental based analyses.

MACRO

- Our process begins with a top-down macro-economic outlook emphasizing liquidity cycle analysis to determine the relative risk-return prospects of stocks and bonds.
- Investment screens and portfolio targets are adjusted to conform to our macro-economic outlook.
- Attractive investment themes are identified and researched for specific representation in our selection process.

SECURITY SELECTION

- We screen for companies with superior sales/EPS growth that are substantiated by attractive margin outlooks, returns on equity and capital, and strong balance sheets.
- Prior to purchase, investments must have >15% upside to our 12-month price objectives which are based on both our fundamental analysis and our proprietary valuation model.
- Investments must fit within our favored themes and sector diversification requirements.

RISK CONTROL

- Vary our mix of stocks, bonds and cash in the portfolio depending on the expected relative returns.
- Diversify among small, mid and large capitalization holdings.
- Diversify across many economic sectors.
- Target 25-30 equity holdings. 3-4% initial positions.
- Strong sell discipline—a 20% correction triggers investment committee review.
- Positions are trimmed if they grow to exceed 10% of a portfolio, regardless of our analysis.

PORTFOLIO ATTRIBUTES

- Multi-year holding periods.
- Low portfolio turnover.





TOTAL RETURN STRATEGY

PORTFOLIO DESCRIPTION

The Total Return Strategy aims to generate attractive risk-adjusted returns through a balance of income and capital appreciation. Our process combines our passion for fundamental research with a disciplined investment framework that includes macroeconomic indicators, customized screens, quantitative and qualitative measures, and proprietary valuation models.

INVESTMENT CRITERIA

Our investment committee focuses on discovering investments we believe will provide superior returns over a long-term investment horizon. We will consider opportunities across market capitalizations, although the holdings will tend to be skewed toward larger companies. Here is our primary investment criteria:

- Proven business models and companies with competitive advantages.
- Attractive valuations based on defined earnings and free cash flow prospects.
- Companies with ample opportunities to reinvest capital profitably.
- Management discipline and operating strategy that supports a stable risk profile.
- Capital allocation strategy that supports shareholder returns prudently.

From these principles, we establish what we believe to be the intrinsic value of our holdings and diligently re-evaluate the investments as events occur in the marketplace as well as at the company level.

PORTFOLIO ATTRIBUTES

- Portfolio consists of approximately 50 companies across industry sectors.
- Average target position size of 2.0%, with a minimum full position size of 1.0% and a maximum full position size of 5%.
- Investments across 11 GICS sectors with a target minimum of 3.0% weighting in each sector and a maximum of 25%.
- Two years or longer investment time horizon.
- Anticipated turnover of <30%.
- At least of 70% of holdings are mid and large capitalization companies.





SPECIAL OPPORTUNITIES STRATEGY

STRATEGY DESCRIPTION

The Special Opportunities Strategy aims to generate superior long-term capital appreciation by combining macro-economic insights with disciplined, intensive company research. Our process emphasizes industry knowledge, financial modeling, analysis of company filings, and conversations with company executives to identify durable investment themes and businesses that we believe are trading below intrinsic value.

INVESTMENT CRITERIA

The investment committee uses a combination of quantitative and qualitative factors to evaluate potential investments. As a focused strategy, we are keenly aware of taking risk and the importance of maintaining diversification in the portfolio across market capitalization sizes and sector exposure. We analyze each investment from a macroeconomic, fundamental, and geographic point of view. Potential investment attributes include:

- Disruptive innovators driven by intellectual property or business process.
- Market dislocations with identifiable catalysts for re-rating by the market.
- Evolving business models that remain unrecognized by the market.
- Businesses positioned to benefit from longer term shifts in macroeconomic landscapes.

We believe that these criteria provide a unique lens for identifying investment opportunities in which the respective growth rate, margin outlook, and risk profile may evolve more favorably than market expectations.

RISK CONTROL

- Target 25-30 holdings.
- Average target position of 3-4%, with a maximum position of 8% to ensure diversification.
- No one sector represents more than 25% of the total portfolio.
- Strong sell discipline—a 20% correction triggers investment committee review.

PORTFOLIO ATTRIBUTES

- No specific investment time frame as the focus is on attaining our estimate of intrinsic value.
- Anticipate annual portfolio turnover of <50%.
- Investments across market capitalizations, but preference for > \$500 million.

