



Golden Capital Management, LLC Large Cap Core (LCC)

Objective

- Long-term capital appreciation.
- Goal to outperform S&P 500 Index by providing upside potential while minimizing downside risk.

Philosophy

- Construct an actively managed, core portfolio of companies that exhibit the likelihood to meet or exceed earnings expectations.

Initial Universe

- Top 60% of the largest 3,000 U.S.-listed equities (market cap greater than \$2 billion).
- Reduce to approximately 1,000 companies by liquidity and quality screens.

Fundamental Research

- Fundamentally based and quantitatively executed investment methodology.
- Proprietary Total Composite Model ranks stocks based on valuation, earnings and momentum factors.
- Seeks to identify companies that are unsustainably cheap with the potential to deliver future earnings improvements in excess of current analyst expectations.

Selection Universe

- Screen for stocks ranked in first quintile of Total Composite Model (approximately 50-80 companies).
- These merit further individual, qualitative analysis focused on management strength, industry positioning of products and services, and risk profile.
- New positions are only added in response to the sale of a current position.

Sell Discipline

- Objective and disciplined.
- Based on declining earnings expectations or significantly overvalued stock price.

Target Portfolio

- 50 securities, broadly diversified among all major economic sectors.
- Equally weighted positions at funding (2%); trimmed for risk control purposes when reaching 3-3.5%.
- Goal is sector neutrality (+/- 5% of S&P 500 Index).
- Fully invested with minimal cash.