



## Golden Capital Management, LLC SMID Cap Core (SMID)

### Objective

- Long-term capital appreciation.
- Goal to outperform Russell 2500 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

- U.S.-listed equities with market capitalization from \$200 million to \$14 billion.
- Reduced to approximately 2,000 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 70-100 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 Russell 2500 Index).
- Fully invested with minimal cash.