
CORE APPRECIATION

Discretionary Portfolio Strategy

- The primary objective of the CORE APPRECIATION portfolio is to grow wealth in a concentrated portfolio of companies that demonstrate efficient use of capital and resources
- The portfolio aims to buy high quality stocks from broad economic sectors for appreciation over the calendar year
- CORE APPRECIATION can be appropriate for investors willing to tolerate fluctuations in a concentrated growth portfolio over the one year holding period. The unique investment style of CORE APPRECIATION should complement broadly diversified investment accounts
- The strategy's primary objective is capital appreciation, income is a secondary objective

Our Investment Process

- Our investment decision-making process uses our proprietary screens of the Russell 1000 seeking to isolate the 20 -25 best companies with positive momentum whose valuation, profitability and thoughtful use of resources are not currently reflected in the price
- The portfolio consists of equally weighted positions bought and held for one calendar year. We re-evaluate the portfolio holdings annually and make changes accordingly
- Two step portfolio construction screening process:
 1. Valuation – Companies that are using their assets to most efficiently earn money to fund future growth
 2. Momentum Screen – Helps us determine which Step One companies meet the value screen just as the market appears to start realizing the stock's unrecognized growth.

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The Russell 1000 Index measures the performance of the 1,000 largest US companies based on total market capitalization. An investment cannot be made directly in a market index.

The investments listed may not be appropriate for all investors. Morgan Stanley Smith Barney LLC recommends that investors independently evaluate particular investments, and encourages investors to seek the advice of a financial advisor. The appropriateness of a particular investment will depend upon an investor's individual circumstances and objectives.

Diversification does not guarantee a profit or protect against loss in a declining financial market.

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