

MID CAP GROWTH EQUITY

INVESTMENT PHILOSOPHY

WaCap's mid cap growth equity investment philosophy is based on the belief that fundamentally strong companies with long-term, sustainable, high growth potential will outperform the market over time.

PROCESS OVERVIEW

Top-down,
bottom-up
approach

Sustainable,
high-quality growth
stocks undervalued
relative to potential

Independent &
thorough fundamental
analysis at the
security level

INVESTMENT PROCESS & RISKS

The universe of stocks for our mid cap growth equity strategy is tightly defined and includes all companies with U.S. operations that fall within the market capitalization range of generally \$2 billion to \$20 billion (or benchmark market capitalization range). WaCap's mid cap growth strategy seeks to add value relative to the benchmark by overweighting those stocks we feel are undervalued relative to their growth potential, while underweighting stocks we feel are overvalued relative to their growth potential. We also seek to invest in stocks with the potential to improve or accelerate their rate of growth, and companies with longer term sustainable growth potential.

Because we invest only in equities traded on U.S. exchanges, our products are not diversified over multiple asset classes; securities are not guaranteed, and you could lose money on your investments. We work with our clients to understand their tolerance for risk.

OVERVIEW

WaCap's mid cap growth equity investment strategy combines top-down sector and industry analysis with rigorous and independent bottom-up security analysis. Our top-down process identifies sectors that we expect to outperform the broader market based on global trends, sector-specific risk/reward parameters and macro-economic conditions. We look to add securities in sectors expected to outperform and reduced exposure to sectors expected to underperform. Utilizing securities found based on our sector research, our bottom-up security research is focused on assessing portfolio candidates based on three specific attributes: financial position, strategic business prospects and the quality of the management team.

TOP-DOWN ANALYSIS

WaCap's capital investment team plays a central role in formulating our top-down analysis. WaCap uses third party economic research providers and broader macro data to formulate an opinion on the economic trajectory of our domestic economy as well as the global economy. This combined with industry level commentary from WaCap's credit analysts to identify the sectors and industries most likely to outperform.

BOTTOM-UP ANALYSIS

Following our top-down assessment, we look to identify individual securities within our targeted sectors or industries. We apply thorough, independent research to all portfolio candidates, as great sector or industry trends do not always equally apply to all stocks. Our bottom-up security research is focused on assessing portfolio candidates from three specific perspectives: their financial position, their strategic business prospects and the quality of their management team. Companies that rate strongly in these categories are then valued relative to their growth potential.

The information provided herein represents the opinion of WaCap and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice. The information herein does not constitute an offer, solicitation or recommendation to purchase any security or investment advisory service. Commingled fund investors must meet certain qualifications to invest. For further information about our advisory services, please contact Washington Capital.