MERSBERGER FINANCIAL GROUP

MANAGED INVESTMENT MODEL

Atlas Equity Income Portfolio

BENCHMARK

Russell 3000 Index *(primary)*
Russell 3000 Value Index

INVESTMENT OBJECTIVE

To generate risk-adjusted out-performance of the benchmark by investing in a concentrated portfolio of high-quality, income producing equity securities.

Investment Strategy

The portfolio seeks to provide investors with both current income and the potential for long-term capital appreciation by investing in a concentrated portfolio of businesses that are well positioned to return increasing amounts of capital to shareholders.

HIGH QUALITY COMPANY

The portfolio manager defines a high-quality company as one which operates an established business model, selling good products and services, holds significant market share or participates in an expanding total addressable market, demonstrates consistent profitability, has proven product development, and is led by prudent capital allocators.

METHODOLOGY

The portfolio manager combines in-depth fundamental analysis and a strict focus on valuation to construct a concentrated portfolio of holdings that are well-positioned to increase their intrinsic value while consistently returning capital to shareholders. The primary valuation approach is centered on understanding the normalized current earnings power of each business. The manager seeks to initiate investments when companies are trading near or at a discount to their estimated current earnings value. By paying little or nothing for future growth, which can be uncertain and difficult to predict, the manager believes this provides a margin of safety too each investment. Qualitative analysis is focused on answering three key questions; (a) what trend(s) are befitting this business, (b) what is the value proposition of the company's products or services, and (c) what are the competitive advantages and defensibility of those advantages?

UNCONSTRAINED AND CONCENTRATED

Under normal market conditions the majority of portfolio assets will be invested in dividend paying equity securities, but the strategy carries no formal investment constraints (e.g., market capitalization, style, dividend paying, etc.). Additionally, the strategy utilizes a highly **concentrated** approach to portfolio construction with a target holdings range of 10 to 25 securities. The manager believes that being **unconstrained** paired with the ability to take significant active share relative to the benchmark with their highest conviction ideas position the strategy best to achieve the stated investment objective.

Suitability and Best Interest

RISK TOLERANCE

This strategy is intended for clients with a **moderate-high to high-risk tolerance** and **long-term investment horizon**. It is intended to meet the investment objectives of client's that seek to achieve capital appreciation provided while simultaneously receiving a stream of current income.

PORTFOLIO ALLOCATION

The strategy is managed as a separate account, available in both retirement and non-retirement accounts. The intent of the strategy is to act as a **satellite allocation** that compliments the well-diversified core of a client's overall portfolio.

INVESTMENT MINIMUM

The investment minimum for this strategy is **$25,000.**

Risk Management

Like all investments, this portfolio carries risk outlined below:

EQUITY RISK

Securities held by the strategy may fluctuate in value due to changes in general market or economic conditions. Individual company valuations may also be impacted by changes in industry specific conditions or investor sentiment.

TAXABLE RISK

For investors utilizing the strategy in taxable accounts there is the risk of capital gains realization. If the strategy is successful, the concentrated nature will cause the investor to realize more gains per holding than a more diversified strategy. In addition, the strategy's focus on dividend paying securities will also result in an ongoing stream of income for investors which will cause a degree of tax drag within taxable accounts.

STYLE RISK

Different investment styles (i.e., Value and Growth) tend to fluctuate in and out of favor with investors based on recent performance, market conditions, and future expectations which can lead to periods of underperformance relative to other broad-based benchmarks or active strategies.

MersbergerFinancialGroup.com | Phone: 920-467-4909 | Fax: 920-467-4941