



## STRATEGY OBJECTIVE & PROCESS

The objective of the Opportunity Growth strategy is to outperform the Russell 1000 Growth index and the S&P 500 Index over full market cycles.

Osborn Rohs Williams & Donohoe screens from a database that includes over 16,000 companies. The eligible universe is then screened for quality, capitalization and past and futures expected earnings growth to reduce the number of candidates to between 200 and 300. Fundamental research is performed to arrive at companies with the best earnings prospects with proper consideration for sector and industry diversification. Here we look for other factors that would enhance the quality of the portfolio as well as reduce the volatility such as earnings stability and net debt to equity. A diverse portfolio about 50 high quality & high yielding companies is the result.

The strategy is thoroughly reviewed on a regular basis by the investment committee. Companies that are failing to meet the quality, dividend and earnings growth parameters are replaced with better alternatives. Normal turnover in this strategy is only 20-30% per year. The Opportunity Growth Strategy may use as much as 15% international stocks in the form of ADR's to enhance the characteristics of diversification, growth and valuation.

Routinely portfolios are customized to adapt to social criteria or special situations such as large, low basis holdings. Because of the opportunistic nature of this strategy it is best suited for experienced investors that are performance oriented, who can accept the typical volatility of a growth portfolio.

## SECTOR WEIGHTS & CHARACTERISTICS

	Opportunity Growth	S&P 500 Index
Consumer Discretionary	11.4%	16.8%
Consumer Staples	6.6%	8.2%
Energy	7.1%	10.5%
Financial	12.3%	5.7%
Health Care	23.7%	10.5%
Producer Durables	5.1%	13.4%
Materials	2.1%	5.0%
Technology	32.3%	29.6%
Utilities	0.0%	0.3%

Characteristics vs S&P 500	Opportunity Growth	S&P 500 Index
Market Capitalization	\$25 Billion	\$79 Billion
Long Term Earnings Growth Fcst	16%	13%
10 Yr Historical Earnings Growth	22%	8%
5 Yr Historical Earnings Growth	13%	3%
Price/Earnings Ratio 2010	15.3	14.9
Debt/Capital	18%	27%
Expected Volatility (beta)	1.05	1.0
Quality (S&P Rank)	B+	B+
Source: Baseline		

### Objective

Provide a high level of capital appreciation by investing in fast growing companies.

Best for experienced individuals and institutions looking for:

- Companies with above average earnings growth
- An opportunistic approach to investing
- Risk control through price sensitivity
- High quality companies

