

A low-angle, upward-looking photograph of several modern skyscrapers with glass and steel facades, creating a sense of height and architectural scale. The sky is visible between the buildings.

CAPTRUST Core Growth Strategy

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# Overview and Strategy Highlights

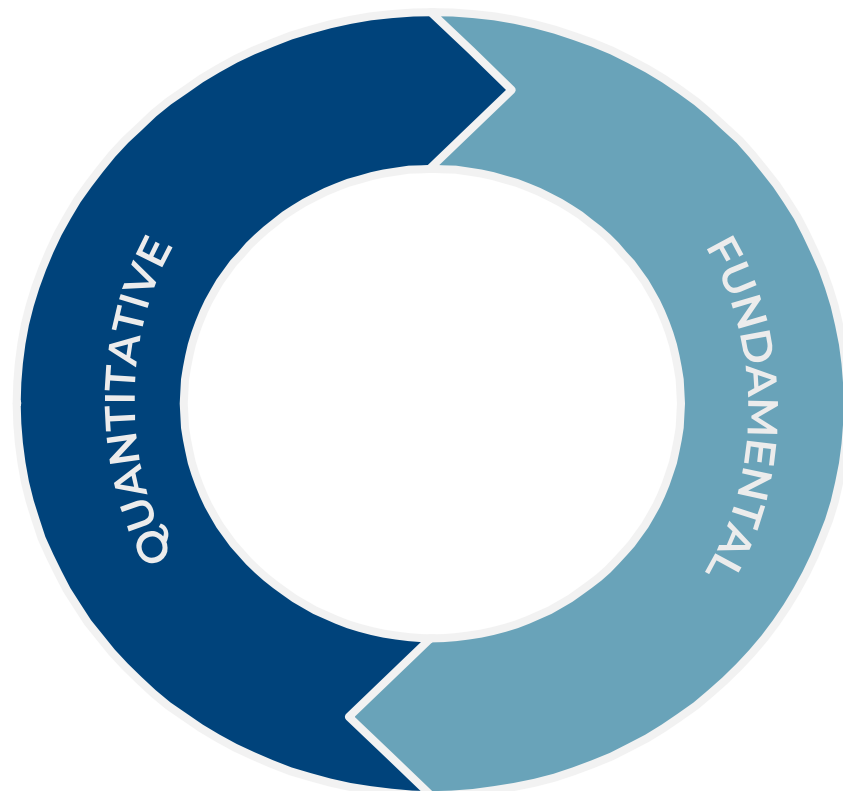


**CAPTRUST**

# CAPTRUST CORE GROWTH STRATEGY

## We believe

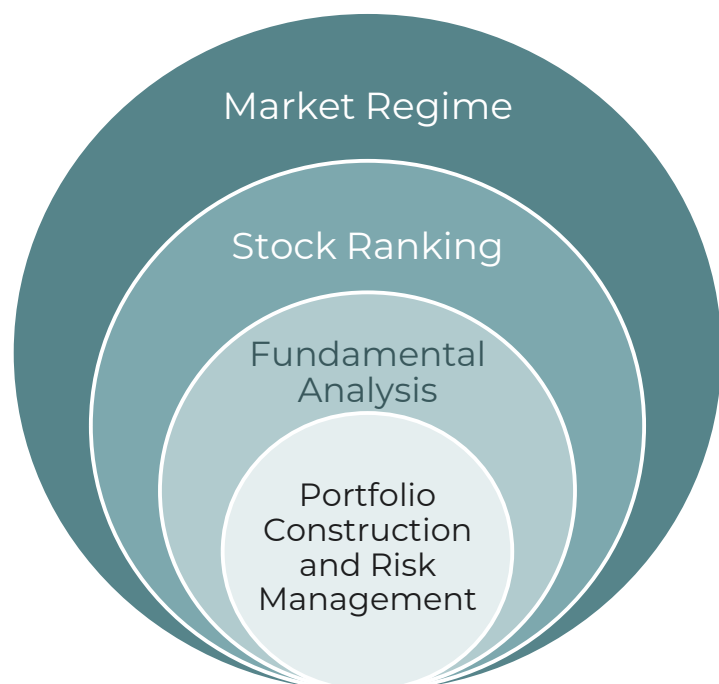
- Active management using individual securities can create flexibility, performance and long-term value
- Long-term investors have significant advantages in achieving long-term objectives
- Objective, robust, data-reliant processes combined with thoughtful, intelligent fundamental research can lead to long-term success



# CAPTRUST CORE GROWTH STRATEGY

## Our Investment Approach

Our approach blends quantitative and fundamental insights to drive investment decision-making that results in portfolios that are able to perform well in many types of different markets and environments.



1	Determine market environment based on one of five states: value-driven, value-tilted, neutral, growth-tilted, or growth-driven
2	Rank each company by its relative valuation, earnings quality, capital deployment, and market reaction. Combine these into one core score
3	Research and evaluate highly ranked stocks
4	Buy/sell stocks based on both statistical scores and fundamental analysis. Monitor portfolio for risk on an ongoing basis

# CAPTRUST CORE GROWTH STRATEGY

## Fundamental Analysis

Fundamental research, analysis, and discussion complement the selection models.

FUNDAMENTAL REVIEW	R - RANK	The underlying data and changing rank becomes the statistical bridge to the fundamental story of the company
	E - ENVIRONMENT	<p>Focus on board and company-specific dynamics that are difficult to capture via statistical modeling</p> <ul style="list-style-type: none"><li>• Sector and industry group themes (business cycle, competitive forces, consumer/supplier trends, etc.)</li><li>• Company-specific dynamics (competitive strategy, life cycle, corporate governance, business risk, etc.)</li></ul>
	P - PRICE	Apply concepts from behavioral finance to identify entry and exit points based on price trends and reversion

# CAPTRUST CORE GROWTH STRATEGY

## Portfolio Construction and Risk Management

Utilizing sophisticated risk modeling and hands-on portfolio construction, we strive to understand all multiple sources of portfolio risk and avoid unintended exposures.

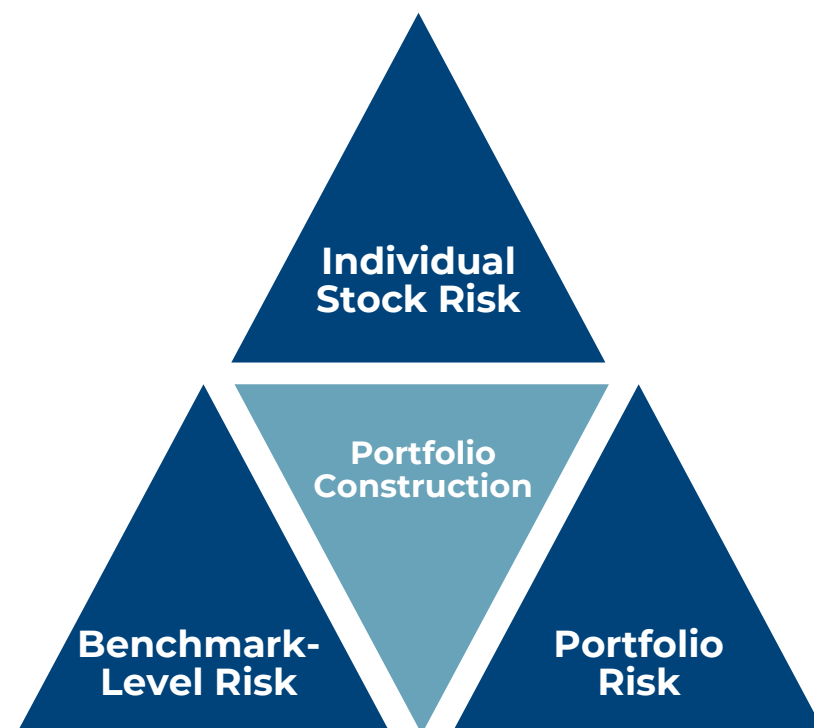
### Portfolio Construction

- Macro and strategic sector objectives
- Buy 1-3, hold 4-7, sell 8-10
- 20-30 individual holdings
- Sector and industry weights  $\pm 5\%$  of the benchmark
- 30-50% annual turnover

### Risk Management

Quantify and manage:

- Aggregate risk parameters
- Individual stock exposures
- Active weights
- Correlations



# CAPTRUST CORE GROWTH STRATEGY

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## Strategic Overview

This discretionary strategy uses a hybrid quantitative and fundamental approach that drives investment decision making. The strategy invests in a diversified collection of growth-oriented U.S. stocks. Individual stocks are selected and monitored using sophisticated quantitative tools combined with fundamental stock research. Collectively, this core investment approach targets risk-adjusted, relative performance of 2-3% above its benchmark, the S&P 500 Index, over a full market cycle.

## Highlights and Oversight

<b>Objective:</b>	Overall strategy seeks to outperform the S&P 500 by 200 to 300 basis points over a full market cycle; no outside investment management fee.
<b>Management:</b>	Fully discretionary, managed and governed by the CAPTRUST Investment Committee.
<b>Holdings:</b>	Primarily large-cap, blue chip companies with established business and are often global leaders; the companies' strong business models have shown an ability to maintain and grow competitive advantages over the long run.
<b>No. of Positions:</b>	Allocates across 20-30 stocks that fall into one of two categories: (1) companies that produce consistently above-market growth rates and (2) companies with value-enhancing catalysts such as new products, services, or end markets.
<b>Diversification:</b>	Sector and industry group weights will be broadly diversified and typically range from $\pm 5\%$ of the S&P 500 Index; turnover is expected to be 30%-50% annually.
<b>Benchmark</b>	S&P 500 Index