

**Performance | Annualized Returns % as of 09/30/2023**

STRATEGY/INDEX	QTD	YTD	1 Year	3 Years	Inception*
U.S. Equity Strategy (Net of Fees)	-0.36	18.74	29.90	13.49	11.06
S&P 500 Total Return Index	-3.27	13.07	21.62	10.18	9.05

**Calendar Year Returns %**

STRATEGY/INDEX	2023	2022	2021	2020
U.S. Equity Strategy (Net of Fees)	18.74	-20.51	31.07	11.80
S&P 500 Total Return Index	13.07	-18.11	28.71	9.69

\*The strategy inception 08/26/2020

Performance is calculated net of the 1% management fee.

## Investment Discipline:

We prioritize growing and safeguarding our clients' wealth. We invest in a curated selection of exceptional businesses that are priced reasonably relative to their intrinsic value. Our edge is a disciplined and time-tested investment framework that minimizes emotional investment decisions and keeps us focused on long-term outcomes.

**We seek to acquire high-quality businesses that possess:**

### 1. An Economic High Ground

Businesses that occupy the economic high ground have managed to become the dominant player in an industry. We test for this by analyzing a company's historical financial statements, rather than allowing management's commentary to influence our judgement. We let a dozen long & short-term financial metrics such as Return on Capital, Margins, and Earnings Growth show us whether a business has a proven track record of being best-in-class.

### 2. A Sustainable Moat

Once we find a business that occupies the economic high ground, we test for the sustainability of that advantage. We look for companies that we can reasonably assume to have the ability to remain the dominant player in an industry for the next 20 years. These businesses tend to achieve high returns on incremental capital invested by possessing an economic moat around their products, services, and/or brands. This is where historical data is complemented by qualitative second-level thinking. Second-level thinking helps us connect the dots between the company's past-present-and future.

### 3. A High-Integrity Management Team

We look for high integrity managers that have demonstrated their ability to defend their company's moat against competitors by making smart capital allocation decisions accretive to the business and shareholders. These managers tend to build an ownership culture with a focus on prudent capital allocation.

### 4. A Reasonable Valuation

A well-managed, resilient, and best-in-class business only becomes an attractive investment if it can be acquired at a fair price relative to tangible economic value and market conditions. Our aim is to acquire businesses with a reasonable margin of safety.

**Selective Exposure to High Quality, Growing, yet Undervalued Businesses**

	Strategy	Index		Strategy	Index
<b>Selective</b> # Of Holdings	30	504	<b>Attractive Growth</b> EPS Growth (5Yr)	12.0	11.3
<b>High Quality</b> Return on Capital %	20.9%	9.5%	<b>Low Leverage</b> Net Debt/EBITDA	0.3x	2.1x
<b>Profitable</b> Operating Margin %	26.5%	16.2%	<b>Undervalued</b> Operating Yield %	6.3%	4.7%

Data Source: Bloomberg Terminal, Internal calculations



## Long-Term Capital Appreciation

Long-term focus on compounding wealth at attractive risk-adjusted rates.

## Alignment with Clients

Our company and staff have most of their liquid net worths invested in Taylor Hoffman strategies.

## Direct Ownership

We prefer direct ownership of companies. This way we retain voting rights for our clients, improve tax efficiency, and lower frictional costs.

## Portfolio of Enduring American Businesses

Instead of mimicking a benchmark and overdiversifying into 100s of potentially subpar companies, we focus on acquiring enduring American businesses at attractive price.

**Top 10 Holdings (%)**

	Strategy	Index
<b>Fair Isaac Corp.</b>	5.87	0.06
<b>Arista Networks Inc.</b>	4.04	0.13
<b>Adobe Systems Inc.</b>	3.88	0.66
<b>Meta Platforms Inc.</b>	3.81	1.90
<b>Apple Inc.</b>	3.76	7.20
<b>Allison Transmission</b>	3.74	0.00
<b>Applied Materials Inc.</b>	3.74	0.33
<b>Alphabet Inc.</b>	3.70	4.17
<b>Qualys Inc.</b>	3.67	0.00
<b>Gentex Corp.</b>	3.59	0.00

**Sectors (%)**

	Strategy	Index
<b>Technology</b>	34.73	27.50
<b>Industrials</b>	21.81	8.30
<b>Financial Services</b>	13.92	12.80
<b>Communication Services</b>	10.41	8.90
<b>Consumer Staples</b>	9.08	6.60
<b>Consumer Discretionary</b>	6.29	10.70
<b>Healthcare</b>	2.50	13.40
<b>Cash</b>	1.26	0.00

Data Source: Black Diamond & Bloomberg Terminal

**About Us:** Taylor Hoffman is a fee-only, fiduciary, investment management company headquartered in Richmond, Virginia with over \$325 million in private fund, and separately managed account assets. The firm is built on a scalable and repeatable investment process that aims to acquire high-quality businesses that possess a sustainable competitive advantage and a high-integrity management team yet trade at a discount to intrinsic value.

## Investment Team:

### Brandon Taylor / Portfolio Manager

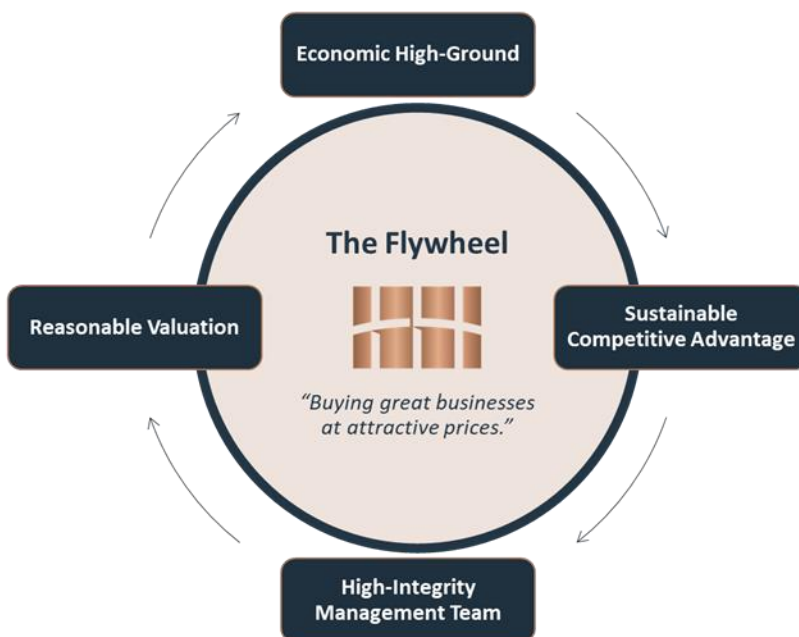


Brandon has over 25 years of investment management experience at large, multi-national investment firms. He is the founder, Chief Executive Officer, and Chief Investment Officer of Taylor Hoffman, Inc., the parent company of Taylor Hoffman Capital Management. Brandon holds a Bachelor of Science degree in Economics from Virginia Commonwealth University. He is married and the proud father of a son and two daughters. Brandon enjoys international travel and reading business biographies that provide insight into how great companies are created and cultivated.

### Raymond Kanyo, CFA / Portfolio Manager



Raymond is a member of the founding team at Taylor Hoffman Capital Management and serves as a Portfolio Manager. He is a CFA Charterholder, and a member of the Virginia CFA Society. Originally from Hungary, Raymond came to the US on the United World Davis Scholarship, established by one of his investor idols, Shelby Cullom Davis. Raymond holds a Bachelor of Science in Quantitative Economics and Finance degree from the University of Richmond. When not reading annual reports or books, Raymond is most likely on a tennis court at the Westwood Club.



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