



COTTONWOOD ASSET MANAGEMENT BALANCED STRATEGY

Objective

To provide a balance of long-term capital appreciation and income with a broadly diversified portfolio of mid and large capitalization equities and fixed income.

Inception: June 2010

Benchmark: Lipper Balanced Fund Index

Strategy

Cottonwood's Balanced Strategy invests in well-known mid and large-capitalization stocks and fixed income. The strategy is managed exclusively with fundamental research. The Strategy will be diversified through the ownership of the majority of all sectors of the Standard & Poor's 500 Index. The strategy invests primarily in equities with a minimum market capitalization of \$5 billion and/or companies within the S&P 500 Index.

Portfolio Manager

David Kaplan, CPA, CFA
Univ. of Washington, MBA '96
University of Utah, BS '92

Investment Discipline

Cottonwood's Balanced Strategy invests in well-known mid and large-cap companies, corporate and government bonds and fixed income ETF's. The objective of the strategy is to provide a balance of long term capital appreciation and income while achieving lower volatility through the ownership of higher yielding equities and fixed income. The strategy will be managed exclusively with fundamental research. The Strategy will own the majority of all economic sectors of the Standard & Poor's 500 Index but will also have the investment flexibility to make sector overweight/underweight decisions. CAM's Balanced Strategy has a strong value bias.

The Strategy will own 25 equities with the remainder of the portfolio invested in corporate and/or U.S. government bonds, ETF's, and cash. All equities in the strategy will have 4 characteristics: 1) companies will be attractively valued on a variety of financial metrics 2) companies will have a strong financial profile: attractive business model, strong competitive position in its industry and a strong balance sheet 3) companies will be run by shareholder-friendly management and 4) an upcoming catalyst which I think will increase the company's share price.

Top 10 Equity Holdings (March 31, 2015)	Current Yield	Portfolio Weight
Sony (SNE)	-	5.2%
Cia Energetica Minas (CIG)	5.8%	4.9%
China Mobile (CHL)	2.7%	4.5%
Jet Blue (JBLU)	-	4.4%
Digital Realty (DLR)	5.3%	4.3%
Target (TGT)	2.6%	4.1%
Hertz (HTZ)	-	4.0%
TJX Companies (TJX)	1.3%	3.9%
Pilgrims Pride (PPC)	-	3.9%
Principal Financial Group (PFG)	2.9%	3.8%

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Portfolio Allocation (3/31/15)

