



Honor. Courage. Commitment.

Background

Valor Asset Management, headquartered in Paoli, PA, was founded in 2016 as a separate asset management arm of Great Valley Advisor Group.

The principals of the group rest on the core values inherent in the meaning of “Valor”:

Honor, Courage, and Commitment.

Philosophy

The Valor team believes the decision to invest should be based on a business that has a strong competitive advantage, a strong brand value, and rational management.

We believe the way to seek such qualities is to use a consistent, research-centric, disciplined approach that is forward looking, long-term and conservative.

Management Team

The Valor Team is led by two individuals: Lee R. Johnson, Jr. and James J. Spinelli. They have over 25 years of combined experience in financial services, technology, and portfolio management.

Lee R. Johnson, Jr. has over 15 years combined finance and investment advisory experience. Mr. Johnson holds a Masters of Business Administration with a concentration in finance and is a CFA Charterholder. He is primarily responsible for the executive decisions on all of Valor's investment strategies.

James J. Spinelli has over 10 years of finance and technology experience. Mr. Spinelli holds both a Masters of Information Science and a Masters of Finance. He is primarily responsible for Valor's financial technology & operations.

Our Process

We believe in using a bottom-up fundamental research approach to build a portfolio of stocks and funds that have:

- A durable competitive advantage.
- Rational and skilled management.
- Above average growth and fundamentals.
- Superior brand value and recognition.

Our due diligence includes a customized screening process that ranks stocks, ETFs and mutual funds.

For **stocks**, we first separate the US stock universe into 2 groups, by market capitalization: midcap (\$4-8B) and large cap (\$8B+). We then filter for industry leaders and evaluate fundamentals to rank above average performers.

Next, for **stocks** we apply our proprietary "Core 4" methodology which identifies a buy or sell decision for each stock. The "Core 4" considers valuation, momentum, historic pricing, and downside risk.

For **ETFs & Mutual Funds**, we analyze each asset class using a variety of metrics to quantify a "management score". We use that score along with a qualitative analysis of the fund's characteristics to decide which fund to invest in.

Buy Discipline

Valor strives to buy the best value at the best price. To accomplish this, we seek to buy at discounted levels below target and original entry price. We seek to enter positions with excess cash or trade higher priced positions for lower priced ideas. We also consider the effect of human behavior on prices.

Sell Discipline

Valor believes in a long-term investment horizon and strives for low turnover. However, we have established rules to sell such as when positions exceed limits, when expectations change, when certain targets are met or when better opportunities are available.

Valor maintains the same buy/sell discipline across all positions using a consistent, disciplined approach.

Portfolio Construction*

+/-3% in Cash

Minimum Position: 1%

Maximum Position: +/-5%

Sectors not to exceed +/-10% from benchmark

Number of positions not to exceed 35

Outliers not to exceed 20%

Note: the above limits and allocations are subject to change.

*This assumes full investment in either of the stock only models.

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