



WOODRIDGE CAPITAL
portfolio management

Woodridge Capital Growth

Portfolio Management Process

Woodridge Capital Growth (WCG)

- Woodridge Capital Growth is an equity separately managed account program with a quantitative discipline & trend-following strategy.
- Woodridge Capital Portfolio Management was formed in June 2006 and currently has \$160 million in assets under management.
 - \$150 AUM in RIA
 - \$10 AUM in Hedge Fund
- WCPM launched WCG in March of 2010
- Program objective was to create a system that would:
 - Compound capital in a meaningful way over time
 - Minimize the scope and duration of draw downs
 - Recover rapidly when drawdowns occur
 - Profit in both bull and bear markets

WCG Team

Clark Smith

Founding Partner

Portfolio Manager

Trading Systems Development

Experience

Portfolio Management since 1990

VP – UBS

VP – Prudential Securities

Account Executive – Dean Witter Reynolds

Education

BBA & MBA – Mississippi State University

Wharton – CIMA

Roger C. Davis

Founding Partner

Trading Systems Development

Investment Advisor Platform Deployment

Experience

Portfolio Management since 1992

Senior Vice President – UBS

Limited Partner – JC Bradford & o.

Account Executive – Dean Witter Reynolds

Related

Endowment Advisor to a large Southeastern Seminary

Education

BBA – University of Mississippi

WCG Team

Barry C. Smith

Founding Partner

Administration & Accounting

Compliance

Mutual Fund Research & Trading

Retirement Plans

Experience

Portfolio Management since 1978

CEO – Trustmark Financial Services, Inc.

VP – Investment Services, Trustmark National
Bank

Account Executive – Morgan Keegan

Education

BS – Mississippi State University

MBA – Millsaps College

ABA Schools of Funds Management

Danny C. Williams, CFP

Founding Partner

Business Development

Mutual Fund Trading

Retirement Planning

Experience

Portfolio Management since 1994

VP – UBS

Financial Advisor – Prudential Securities

VP – GE Capital

Education

BBA – University of South Florida

Certified Financial Planner – College for Financial Planning

WCG Team

Lee Yancey

Investment Advisor Representative

Series 65

401(k) & Retirement Planning

Experience

Joined Woodridge Capital in 2008

Mississippi State Senator 2008 – 2012

Education

BA – Mississippi College

M.Div. & D.Min. – New Orleans Baptist
Theological Seminary

Supported by:

Ava Lawrence: Client Service, Client
Communication and Information
Management

Stacie Hurt: Marketing, Client
Communications, Technology

Quantitative Team:

Quantitative Models Developed by
highly esteemed team that includes a
Stanford PhD. in Aeronautics and
Astronautics and a Kellogg MBA in
Finance.

SP500 Declines & Recoveries

S&P 500 Index: Top 5 Decline Periods January 1960/March 2010

Rank	Return	Months	Peak	Valley	Recovery Time (Months)
1	-56.78%	17	10/9/07	3/9/09	Active
2	-49.15%	31	3/24/00	10/9/02	86
3	-48.20%	21	1/11/73	10/3/74	90
4	-36.06%	18	11/29/68	5/26/70	39
5	-33.51%	3	8/25/87	12/4/87	23

Back-tested Results After Fees vs. S&P 500 1992 through 2009

Year	Back-tested Returns	Back-tested Ending Value	S&P 500 Returns	S&P 500 Ending Value
1992	10.24%	\$274,264	7.60%	\$269,000
1993	12.20%	\$307,734	10.17%	\$296,357
1994	-4.31%	\$294,459	1.19%	\$299,884
1995	67.87%	\$494,168	38.02%	\$413,900
1996	39.04%	\$687,073	23.06%	\$509,345
1997	18.10%	\$811,457	33.67%	\$680,842
1998	-4.60%	\$774,114	28.73%	\$876,447
1999	21.91%	\$943,700	21.11%	\$1,061,465
2000	16.86%	\$1,102,776	-9.11%	\$964,766
2001	2.42%	\$1,129,478	-11.98%	\$849,187
2002	3.89%	\$1,173,463	-22.27%	\$660,073
2003	38.01%	\$1,619,487	28.72%	\$849,646
2004	30.18%	\$2,108,302	10.82%	\$941,578
2005	28.16%	\$2,701,950	4.79%	\$986,679
2006	12.66%	\$3,043,961	15.74%	\$1,141,983
2007	8.93%	\$3,315,723	5.46%	\$1,204,335
2008	7.38%	\$3,560,397	-37.22%	\$756,081
2009	42.01%	\$5,056,048	27.11%	\$961,055
	CAGR	18.21%	CAGR	7.77%

WCPM vs. Buy & Hold

	Compounded Growth Rate	Maximum Decline #1	Maximum Decline #2
WCPM Set-Up	9%	-26%	-17%
		<i>Ending 10/23/87</i>	<i>Ending 10/7/02</i>
SP500 Buy & Hold	5.80%	-57%	-50%
		<i>Ending 3/9/09</i>	<i>Ending 10/9/02</i>

Core Principles That Drive the Investment Strategy

- Markets tend to trend
- Following those trends, in both directions, can improve return and decrease recovery time after draw downs
- Combining company fundamentals with trend-following technical factors can produce meaningful positive results
- Owning top performing stocks requires strong sell disciplines to be in place
- Emotion is the enemy of strong performance

Markets Trend Quite Well

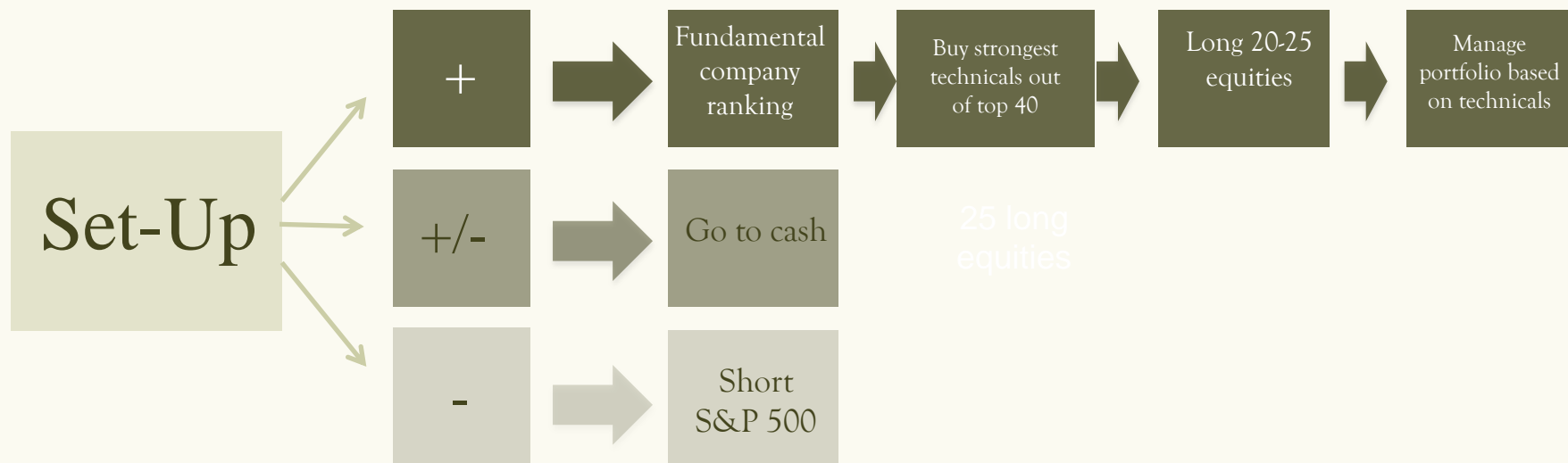


Proven & Repeatable Investment Process

- Goal: Preserve capital and rapidly recover from drawdowns

MARKET SET-UP

POSITION PORTFOLIO



The Set-Up: Determine Market Direction

- Using proprietary technical market indicators to define market condition as up-trend, down-trend, or trendless.
- These indicators utilize price movement, volume, velocity and other technical factors.
- Over the past 51 years the set up has been in an up-trend mode 71% of the time, in a negatively trending mode 24% of the time, and in a non-trending mode 5% of the time.
- Using the set up alone, and indexing the S&P 500, would have produced a return +1.8X index over a 51 year time period with a maximum draw down of less than half of the index.

The Portfolio: Fundamental Ranking of Equities...

- After the market close, we rank 4,700 equities based on series of fundamental factors
 - E.g. Closing price, EPS trailing, Price to sales,
- Build portfolio based from top 40 ranked stocks that also meet technical / trend following factors
- Positions added when cash available or rotate out of positions
- 15 – 20 positions made up of the strongest stocks technically from the strongest ranked fundamentally
- Market cap Average is \$7 Billion
- Base position size of 4% per security that is adjusted up or down at entry based on volatility
- The less volatile the security the larger the position size at entry

...Combined with Technical Factors Creates the Portfolio

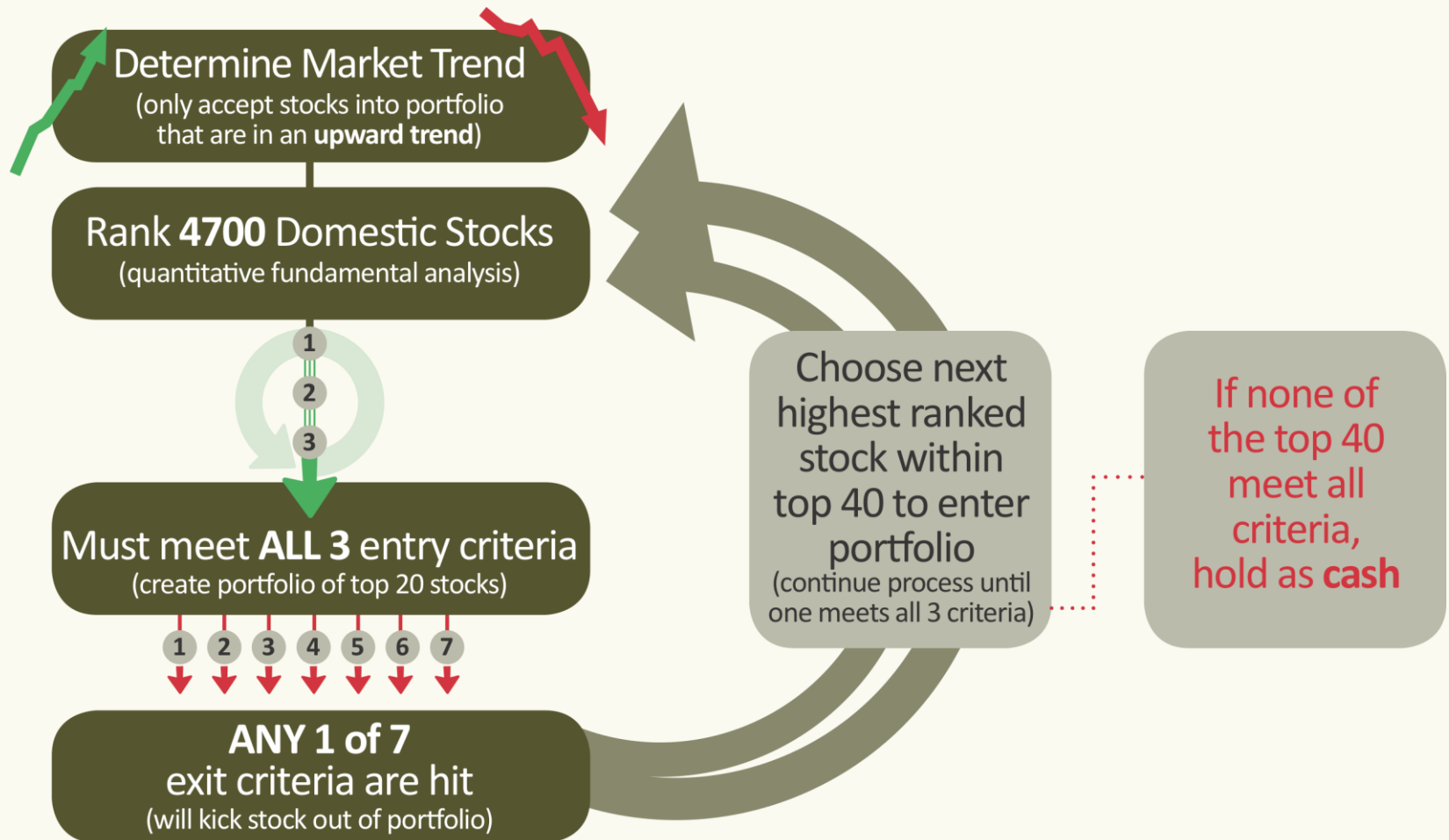
Entry Criteria:

- Strong performance relative to the market *and*,
- Positive trend *and*,
- Strength of trend is increasing

Exiting a Position

- Change in trend
- Excessive single day move in either direction
- Significant change in fundamental rank
- Change in trend in overall market
- Fall in strength relative to other securities

Differentiation Process Overview



Losing Trade Example

AEG – AEGON HLDGS INC



- Order generation on 2/15/11 showed AEG (Aegon) was ranked 8th out of roughly 4,700 companies based on our proprietary fundamental ranking system.
- The stock was in a positive uptrend and velocity of that uptrend was increasing.
- We bought the stock at \$7.62 on 2/16/11.
- On 5/15/2011 the stock hit one of our exit rules.
- We sold the stock 5/16/2011 for \$6.85.

Winning Trade Example

APKT – ACME PACKET INC



- Order generation for 3/12/2010 showed APKT (Acme Packet) was ranked 5th out of roughly 4,700 companies based on our proprietary fundamental ranking system.
- The stock was in a positive uptrend and the velocity of that uptrend was increasing.
- We bought the stock at \$17.91 on 3/12/2010.
- On 6/14/2011 the stock hit one of our exit rules.
- We sold the stock 6/15/2011 for \$62.15.

Drawdown Analysis

>/= -10%

WCG	12 months post	18 months post
Min	4.31%	10.96%
Median	30.40%	55.05%
Max	78.45%	152.33%
SP500		
Min	-44.76%	-29.74%
Median	9.55%	15.44%
Max	50.25%	47.35%

Terms & Next Steps

Terms

- Client accounts domiciled at Charles Schwab and Raymond James
- \$250,000 Minimum
- Fee schedule available upon request
- References available upon request

Next Steps

- Complete new account paperwork
- Schedule a follow up meeting
- Schedule a call with a reference