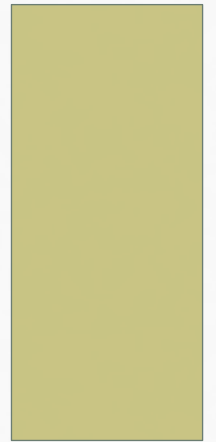


DSW INVESTMENT, LLC

MARCH 2017



EXPERIENCE

Douglas Weiss, CFA is the founder and portfolio manager for DSW Investment, LLC. He is focused on constructing and managing risk optimized portfolios for individual investors.

20 years investment analysis experience, including:

- Private wealth management at Foster & Foster LLC
- Equity analyst, media & cable industries: Salomon Brothers and CIBC World Markets
- Chartered Financial Analyst (CFA)

Expertise across sectors and asset classes:

- Small and large capitalization stocks
- Health care, agricultural, telecomm, natural resources and manufacturing sectors
- American Depository Receipts (ADRs)
- Preferred Stocks
- Bonds and closed end bond funds
- Real Estate Investment Trusts (REITS)
- Publicly Traded Master Limited Partnerships (MLPS)

INVESTMENT OBJECTIVE AND RISK MITIGATION

Objective: construct individual client portfolios that generate better risk-adjusted long term returns, on average, than broadly available bond and equity indexes. Return optimization strategies include:

- High allocation to income generating investments to reduce portfolio volatility.
- Asset diversification across classes with limited correlation, where possible.
- Security selection: Equities, Preferred stocks, REITs, MLPs, and exchange traded debentures are researched and purchased on an individual basis.
- Closed end bond funds are purchased when trading at unusually wide discounts to the market value of their holdings.

RESEARCH/INVESTMENT CRITERIA

All research done in-house. Thorough analysis and ongoing review of companies, including:

- Company financial filings
- Quarterly conference calls
- Investor presentations
- Interviews with company management

Stock Investment Criteria

- Well managed
- Strong balance sheets
- High free cash flow generation
- Defensible barriers to entry
- Positive longer term secular trends.
- Market price below value of discounted future cash flow generation (intrinsic value).

This information is intended as a discussion of general strategy and investment philosophy and is not a recommendation to purchase any specific security or type of security.

LESSONS OF 2008

Despite modest outperformance in 2008, substantial losses that year exposed weaknesses of a long equity strategy, agnostic to macro risks. The current portfolio structure attempts to reduce the risk of a recurrence by employing:

- Higher levels of cash and short maturity debt
- Closer scrutiny of macro environment in determination of asset allocations
- Careful avoidance of highly cyclical investments selling at elevated price levels.

INVESTMENT THEMES

General

- Focus on value and absolute returns. Seek to invest in companies with sustainable competitive advantages in less cyclical industries.

Sector Themes (Examples)

- Health care – demographics and health insurance trends will increase utilization but pressure margins on high cost procedures. Focused on producers and vendors of lower cost health care consumables/disposables.
- Agriculture – Rising population and per capital GDP in emerging markets resulting in elevated demand growth for grain. Focused on higher value participants in agricultural supply chain, including farm retailers and specialty crop chemical producers.

Macro Themes (Examples)

- Corporate bonds and preferred stocks attractive relative to treasuries.
- Demand for higher yielding equities will remain strong as investors search for income alternatives.

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PORTFOLIO COMPOSITION

- The target portfolio structure seeks to balance growth and income, with an investment horizon of at least five years.
- Recent economic uncertainty has led to higher allocations to income generating securities, particularly preferred stocks and floating rate bonds.

Exhibit 4: Sample Portfolio Allocations by Asset Type

<u>Asset Class</u>	<u>Target Allocation</u>
Cash and short maturity investment grade debt	5%
Investment grade debentures and preferred stocks	15%
Real Estate Investment Trusts, MLPs, and High Yield Bonds	5%
Domestic Stocks	70%
International Stocks	5%

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Holdings and asset allocations are targets, and vary in individual accounts based on a variety of factors including investor preference, risk tolerance, time horizon, and timing of account opening. Asset allocation (target and actual) and portfolio holdings are under daily review and subject to change. Actual allocations typically are adjusted over several months to match target allocations.

HOW IS DSW'S APPROACH DIFFERENT?

- I do not outsource stock selection to mutual funds, which add a second layer of fees.
- I do original research on all holdings.
- My background is in research and investment management, not sales.
- I follow a broad universe of stocks, including small cap companies. Many advisers limit their stock selection to large multi-nationals, which tend to be more efficiently priced.
- I do not have any compensation conflicts or sales directives which could influence security selection.

MANAGEMENT FEES, CUSTODY, AND REPORTING

Management Fees and Account Minimum

Accounts are charged a quarterly management fee of 0.25% based on assets under management at quarter end. This fee equates to a 1% annual fee, billed quarterly.

Account Custody

Adviser manages accounts through a third party brokerage account and does not take custody of assets. Holdings are at all times transparent to client through brokerage website interface.

Client receives monthly brokerage statements and quarterly manager updates.

Unless otherwise directed by client, adviser manages accounts through Charles Schwab.

For additional information about the Investment Advisor, please see part two of Douglas Weiss' ADV, located at www.dswinvestment.com and at SEC.GOV

CONTACT INFORMATION

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