GGFS Revenue Buster Strategy
Q1.2018

Quarterly review

The GGFS Revenue Buster Strategy declined 2.2% before fees in Q1 2018 compared to declines of 1.1% and 1.9% for the S&P 500 (SPY) and Dow Jones Industrial Average (DIA), respectively.

After a long stretch of relative calm, volatility dramatically returned to equity markets in Q1 as investors shifted attention away from tax-cut-driven earnings gains to brewing trade tensions and scandal involving prominent technology companies. After experiencing only four days of market declines below -1% in all of 2017, markets surpassed that mark 11 times in Q1 alone. Last year, the S&P 500 showed a standard deviation of daily returns of 6.7% annualized. That measure soared to 19.9% in Q1. At its trough in mid-February, the S&P 500 was down over 10% from its peak reached in January but recovered some of that drawdown by quarter's end.

Events in the first quarter highlighted the degree to which volatility itself has become a traded asset class like stocks, bonds or commodities. A number of ETFs and other managed products exist solely to allow investors to bet on rising or falling levels of volatility; Q1s rapid volatility spike completely wiped out some of the strategies that had profited by selling volatility into the market lull. Unusually, the tradeable volatility products seemed to be driving activity in the underlying stocks rather than the other way around. Also unusual in this downturn was that safer, more defensive companies tended to perform worse than their riskier, more cyclical counterparts. Mean reversion, low beta, value and quality were some of the factors that performed poorly last quarter when, in past market sell-offs, those areas were more likely to act as havens.

Strategy review

The Revenue Buster performed 1.2% below the S&P 500 in Q1 driven primarily by weak stock selection and asset allocation in the consumer sector. Consumer staples stocks, which typically receive a flight-to-quality bid during periods of market stress, sold off sharply during the market downturn with names such as General Mills (GIS, down 23.3%) and Kraft Heinz (KHC, down 19.1%) leading the way. Although neither of those names are portfolio companies, strategy holdings performed only marginally better. Consumer staples companies are often multi-national enterprises that benefit from global free trade. Escalating trade tensions in Q1 spurred the sell-off.

Boeing Co (BA) was the largest contributor on the quarter, adding 36 basis points (bp) to return. The aircraft manufacturer reported strong 2017 earnings and free cash flow growth and issued optimistic guidance through 2020 that overcame its trade exposure. Microsoft Corp (MSFT) contributed 34 bp in Q1 after reporting solid earnings and revenue growth, particularly in its Azure cloud segment.

McDonalds Corp (MCD) detracted 47 bp from return last quarter. The company walked back some of its more optimistic 2018 guidance and the shares were caught up in the consumer staples sell-off referenced above. We believe its long-term free cash flow thesis remains intact. PepsiCo Inc (PEP) detracted 45 bp with shares declining in line with the consumer staples sector.

Portfolio changes

Comcast Corp (CMCSA), Cummins Inc (CMI), Costco Wholesale Corp (COST), Cognizant Technology Solutions (CTSH), Intercontinental Exchange Inc (ICE) and Marsh & McLennan Companies (MMC) were added to portfolios during the quarter while Automatic Data Processing Inc (ADP) and Walmart Corp (WMT) were exited, the latter after missing earnings expectations.

Gary Goldberg Financial Services
75 Montebello Road • Suffern, NY 10901
(800) 433-0323 • info@garygoldberg.com

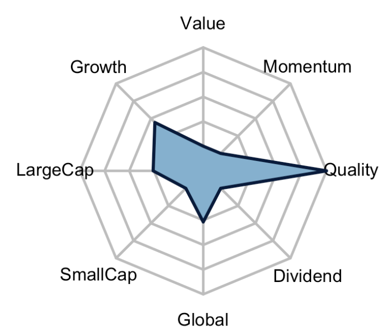
Strategy Highlights

- **High conviction portfolio targeting large capitalization stocks exhibiting high revenue, earnings and/or cash flow growth.**
- **Fundamental selection focused on financial strength, capital return and management quality**
- **Target companies with high earnings predictability, lower earnings variation and high financial flexibility; target management teams with strong record of returning capital to shareholders.**
- **Typically holds 20-35 positions**

Top holdings

Name	Weight
Starbucks Corporation	5.6%
Pepsico, Inc.	5.6%
McDonald's Corporation	5.5%
Johnson & Johnson	5.5%
Home Depot, Inc. (The)	5.5%
Apple Inc.	5.2%
Intercontinental Exchange Inc.	4.4%
Microsoft Corporation	4.3%
Google Inc.	4.2%
Boeing Company (The)	4.0%
Total	**49.9%**

Style map



GGFS Revenue Buster Strategy

Q1.2018

Performance summary

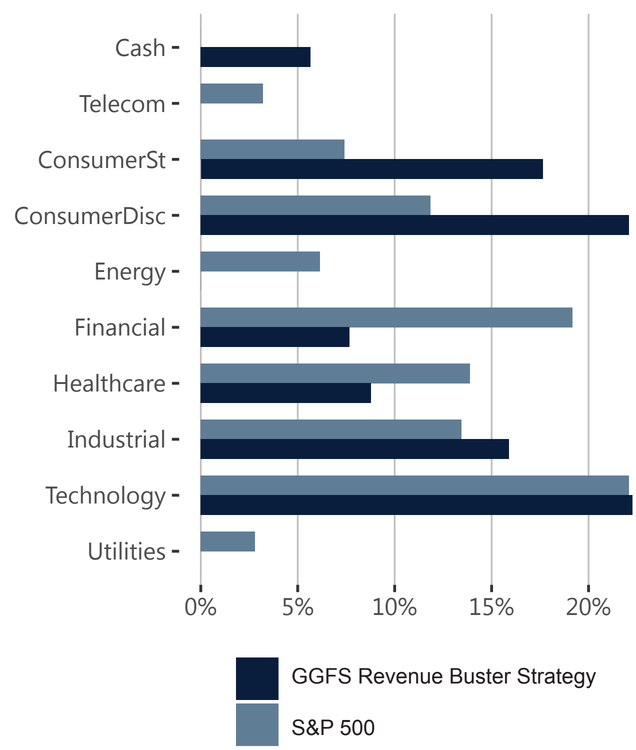
Annualized returns	Revenue Buster	S&P 500	DJI Average
Q1 2018	-2.2%	-1.0%	-1.9%
Year to date	-2.2%	-1.0%	-1.9%
Last one year	15.6%	13.8%	19.6%
Last three years	9.3%	10.6%	13.4%
Last five years	13.6%	13.2%	13.2%
Since inception	14.9%	15.0%	14.8%

Annual returns	Revenue Buster	S&P 500	DJI Average
2018	-2.2%	-1.0%	-1.9%
2017	28.0%	21.7%	28.1%
2016	1.8%	12.0%	16.4%
2015	7.9%	1.2%	0.1%
2014	12.7%	13.5%	9.8%
2013	32.5%	32.3%	29.6%

Performance statistics

Metric	Revenue Buster	S&P 500	DJI Average
Return			
Average annualized return	14.9%	15.0%	14.8%
Annualized alpha	0.3%	-0.0%	-0.9%
Sharpe ratio (0% rf)	1.50	1.57	1.43
Sortino ratio (0% rf)	2.09	2.17	1.98
Risk			
Annualized standard deviation	9.9%	9.6%	10.3%
Beta	0.97	1.00	1.04
Beta, down markets	0.96	1.00	1.23
Maximum drawdown	-7.8%	-8.5%	-9.1%
Fit			
Correlation	93.6%	100.0%	96.1%
Skew	-15.5%	-15.8%	-17.8%

Sector allocation



Portfolio characteristics

Metric	Revenue Buster	S&P 500	DJI Average
Growth			
Market capitalization ($m)	$183,639	$84,305	$285,299
Consensus revenue growth, next year	5.0%	5.2%	4.2%
Consensus EPS growth, next year	10.2%	12.6%	9.3%
Consensus dividend growth, next year	8.2%	8.3%	8.1%
Strength			
Long-term debt / EBITDA	1.2	1.5	0.5
Net long-term debt / market cap	10.9%	16.4%	15.5%
Shareholder yield	4.9%	4.5%	4.8%
Quality			
Return on assets	9.5%	6.4%	6.7%
Free cash flow yield	4.7%	4.2%	4.7%
Earnings variability	28.5%	46.8%	36.7%
Enterprise value / EBITDA	13.7	15.2	13.1

Investment process

Idea generation

Large-cap US / ADR universe

- >$10 billion market cap
- US / developed markets

Fundamental screens

- Balance sheet - low and manageable debt levels
- Consistent earnings, revenue, free cash flow growth

Internal and external research

Research

Earnings analysis

- Assessment of historical and prospective revenue, earnings, free cash flow growth rates

Financial strength analysis

- Company's balance sheet and debt level relative to long-term ability to generate cash

Management assessment

- Ability of management team to drive growth and return capital to shareholders

Portfolio construction

20-35 securities

Position weights

- Typically range from 1.3% to 5.5%, at cost

Sector diversification

- No more then 30% in any one GICS sector, at cost

Long-term holding period

- Average turnover of 57% / 1.7 year average holding period

Quarterly portfolio update

Risk management

On-going coverage of portfolio companies

- Company and market news flow
- Earnings and cash flow growth rates
- Valuation and financial strength metrics

Daily monitoring of portfolio risks

Large decline triggers investment review

GGFS Revenue Buster Strategy
Q1.2018

The information in this Fact Sheet is deemed to be complete and accurate as of the date indicated, and may be superseded or become inaccurate at any time thereafter. Neither GGFS, Bruderman Asset Management, LLC nor Bruderman Brothers, LLC have any responsibility to notify the reader of any changes to the information in this brochure, or that any information presented herein has become inaccurate.

Before engaging Gary Goldberg Financial Services (GGFS) as an investment advisor, prospective clients will be given Bruderman Asset Management's Disclosure Document, which contains important information regarding BAM's services, fees, conflicts of interest, and other matters. Prospective clients are urged to read the Disclosure Document carefully before becoming a client. Prospective investors may obtain this important disclosure by visiting our website at www.bruderman.com or by writing us at:

Gary Goldberg Financial Services
Attn: Client Services Department
75 Montebello Road
Suffern, NY 10901

The information provided in this Fact Sheet is intended for informational purposes only and is not intended to constitute investment, financial, legal, tax or accounting advice. Nothing herein should be construed as guaranteeing that any product, advice, or strategy will be profitable or meet the objectives of the reader. Past performance of an investment product, advice, or strategy is no guarantee of future results.

Securities offered through Bruderman Brothers, LLC, an SEC registered broker-dealer, member FINRA and SIPC. Investment Advisory Services through Bruderman Asset Management, LLC, an SEC registered investment advisor.

The security holdings are presented to illustrate examples of the securities that may be in the program and the diversity of areas in that may be included, and may not be representative of current or future investments. Portfolio holdings are subject to change and should not be considered to be investment advice.

Consider the investment objectives, risks, charges and expenses before investing.