

**INVESTMENT MANAGEMENT**

*Is it time for you to make a change?*



JT STRATFORD  
TRUST • GAIN • PROTECT

# YOUR SUCCESS IS OUR BUSINESS

*JT Stratford is one of the premier investment management firms in the Southeast.*

*We deliver value to our clients through innovative thinking, sophisticated solutions and old-fashioned hard work. The firm was founded in 1995 and has established a reputation as having a deep knowledge base, a disciplined investment approach and one of complete trust. JT Stratford is not one person, but it is a team of professionals. We are a trusted advisor in all financial matters to our clients. We have an experienced staff of professionals that have the education and skill sets to deliver the results that our clients deserve.*

*We manage common stock, fixed income and mutual fund/exchange traded fund portfolios for individuals, professional practices and privately held companies. At JT Stratford, unlike other major financial institutions, we do not have an "investment policy" that all clients must somehow fit into. We supply the sound intellectual framework, emotional discipline and analytical tools to manage your assets to achieve your financial objectives.*

*JT Stratford has agreements through its broker/dealer, with TD Ameritrade Institutional and National Financial Services, LLC (NFS, a wholly-owned subsidiary of Fidelity Investments) which provides trade execution, clearing and other related services.*



## SUCCESSFUL SOLUTIONS FOR INVESTORS

**WE DELIVER THE SOLUTIONS THAT INVESTORS NEED TO ENSURE THEIR SUCCESS THROUGH OUR ADVISORY FIRM MODEL, PHILOSOPHY, PROCESS, PRODUCTS AND BEING CLIENT FOCUSED.**

### OUR ADVISORY FIRM MODEL

*Contains 6 simple truths every investor should know:*

- What is a fiduciary?
- Why our advice is unbiased
- The transparency you need
- We are registered investment advisors
- How does third party custody benefit you?
- Our ethics

### OUR PHILOSOPHY, PROCESS & SOLUTIONS

*We offer genuine open architecture so we can serve our clients' best interests with the following:*

- Disciplined & timetested methodology
- Value investment approach
- Proprietary research analysis
- Fundamental valuation modeling
- The freedom of the true independence
- A broad range of investment products

### WE ARE CLIENT FOCUSED

*Our clients are experiencing how we benefit them by:*

- An experienced & knowledgeable management team
- Highly-skilled support staff
- Complete confidentiality
- Active participation in industry education
- The security of strong and stable custodians
- A conflict-free model

## OUR ADVISORY FIRM MODEL

“It is time that investors learn the difference between an advisor and a broker”

*Todd Ferguson, CEO, JT Stratford*



### Fiduciary vs. Suitability Explained

As a fiduciary, we put our client's interests first as defined by federal law. This differs from the legal responsibilities of a broker, who is required only to recommend investments that are "suitable" for you. A broker may put their own interest above yours when recommending investments "suitable" for the situation.

## OUR FIRM IS BUILT FOR YOUR SUCCESS

True unbiased investment management is the foundation of both your success and ours. That is why we have created a firm that empowers advice, ethics and transparency. Our clients tell us that we stand apart in the investment management business because we truly are **conflict-free**.

### JTS ADVISORY FIRM MODEL VS. BROKERAGE FIRM MODEL



## OUR PHILOSOPHY, PROCESS & SOLUTIONS

Empirical evidence has shown that value investing outperforms competing strategies over a full market cycle.

To outperform a benchmark index, such as the S&P 500, the portfolio holdings must have some combination of superior attributes. In the simplest form, these portfolio attributes are as follows:

- A) Higher growth – must grow faster than the index
- B) Lower value – must be purchased cheaper than the index
- C) Higher yield – Must yield more than the index

# PHILOSOPHY, PROCESS & SOLUTIONS

## *Philosophy*

Value investing is a philosophy of buying securities for less than their intrinsic value. Intrinsic value is determined by the discounting of all expected cash flows at a rate commensurate with the risk of the investment and is an estimate of the price an investor would be willing to pay for the business in a private, “arms length” transaction.

### OUR PHILOSOPHY IS BASED ON THE FOLLOWING PREMISES:

- Stock prices fluctuate more than the underlying “intrinsic” company value.
- Stocks selling for less than their underlying value will eventually adjust to correct this divergence.
- Identifying and purchasing the stock of companies selling for less than their underlying value will result in superior returns with less risk.
- Stock investments should only be made from the perspective of a long-term owner of the underlying business. If we wouldn’t want to own the business, we will not invest in the stock.

## OUR PHILOSOPHY, PROCESS & SOLUTIONS

Discipline is the cornerstone of any sound investment strategy.

*Our "Disciplined" Approach to investing is an important concept because it emphasizes our adherence to our investment process regardless of any short-term volatility. It is this disciplined, fact-based investment process that lets you pursue your goals for the future and gain a better understanding of your financial status.*

### Process

We have a proven process focused on advancing your objectives. You know what your financial goals are and our disciplined approach can help you get there.

#### MACRO ANALYSIS

- Evaluate trends and forecasts
- Identify themes and estimates
- Calculate relative value of stocks and bonds
- Create an allocation standard

#### SECURITY ANALYSIS

- Proprietary research analysis
- Screen the 1000 largest companies by price to value criteria
- Analyze the companies from this group for potential inclusion

#### PORFTOLIO DESIGN

- Allocate capital – adjust for industry diversification
- Strategic trades within allocation parameters
- Utilize hedging strategies for risk management
- Monitor and review



## OUR PHILOSOPHY, PROCESS & SOLUTIONS

As a fiduciary, it's our responsibility to understand and act in our client's best interests.

### INVESTMENT SOLUTIONS

- Stock
- Options
- Exchange Traded Funds (ETFs)
- Mutual Funds
- Real Estate Investment Trusts (REITs)
- Commodities
- Government Bonds
- Municipal Bonds
- Corporate Bonds

### Solutions

As a fiduciary, it's our responsibility to understand and act in our client's best interests. When you work with JT Stratford, you will gain access to a broad range of investment solutions.

Investors seek us for our managed stock, options and fixed income portfolios.

**JT Stratford's Equity Growth Portfolio and Aggregate Bond Portfolio** are our proprietary managed portfolios that have delivered superior results.

**OUR "EQUITY GROWTH PORTFOLIO"** is a composite portfolio that invests in established companies with competitive advantages that allow them to earn high returns on capital. Ideally stocks in these companies are purchased at a significant discount to its intrinsic value. This portfolio utilizes hedging strategies meant to enhance return and minimize volatility. The portfolio seeks investment results that outperform the price and yield performance of the S&P 500 over a medium-term time horizon.

**OUR "AGGREGATE BOND PORTFOLIO"** is a composite portfolio that invests in US investment grade bonds, investment grade corporate bonds, bond mutual funds, bond ETFs and mortgage REITs. The portfolio also seeks mispriced fixed income securities where we can add "Alpha" or excess adjusted return relative to A benchmark of bonds with a similar duration. The portfolio seeks investment results that outperform the price and yield performance of the Barclays U.S. Aggregate Index over a medium-term time horizon.

As a result of our rigorous processes and risk controls, we can help you grow your assets, create a reliable long-term income, preserve the purchasing power of your capital, and manage taxation, while allowing you to pursue the goals you desire.



**WE ARE CLIENT FOCUSED**

Is it time for you to make a change?

# CLIENT FOCUSED

CLIENTS RELY ON JT STRATFORD'S EXPERIENCED TEAM OF PROFESSIONALS to serve their needs from our highly skilled advisory and professional staff to our experienced investment management team, we are focused on ensuring that you receive the support you need to achieve the success you desire.

The commitment of JT Stratford to our clients is just one of the ways that sets us apart, and for that we have received the **Five Star Wealth Manager Award**. We provide complete confidentiality – your financial matters are private and we protect it. Our firm has agreements with strong and stable custodians. TD Ameritrade Institutional and National Financial Services, LLC (NFS, a wholly-owned subsidiary of Fidelity Investments) are industry leading custodians. The strength of these firms provides the security and peace of mind to our clients.

At JT Stratford we offer a conflict-free advisory model. This means that we are fiduciaries who always put your interests first. Other firms may make this claim but we put it in writing. After all isn't that what you should expect.

*Notes:*



*To find out if it is time for you to make a change*

**GO TO:** [www.jtstratford.com](http://www.jtstratford.com)



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211 FORREST AVE • GAINESVILLE, GA 30501 | o: 770.534.6046 • tf: 877.992.5100 • f: 770.534.4266

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