



## Model Goals

- Seek growth primarily through capital appreciation by capturing mid- to long-term market trends
- Seek to reduce investment risk through the use of risk control measures

The *Focus 10 Model* is intended for investors who:

- Wish to employ an active approach to portfolio management
- Are comfortable with portfolio turnover resulting from active management
- Are comfortable with investments in common stock in domestic and / or global markets
- Are willing to experience potentially sharp fluctuations in portfolio value which could result from holding concentrated positions

**Minimum Account Size: \$20,000**

704 Lisburn Road, Suite 101  
Camp Hill, PA 17011  
(717) 774-7200

[www.wealthdevelopmentcouncil.com](http://www.wealthdevelopmentcouncil.com)



Note: This Factsheet is intended to be viewed in conjunction with **WDC *Advised Portfolios – An Introduction*** brochure.

## Model Thesis

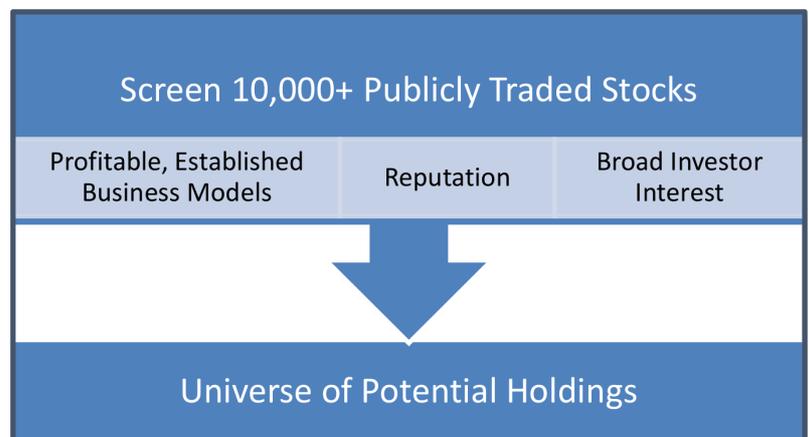
- Ownership in a growing business may present an opportunity for wealth accumulation over time,
- Publicly traded stocks represent an ownership position. Therefore, owning a publicly traded stock could result in a significant gain if the business represented by the stock grows in value during the holding period,
- Owning a portfolio of concentrated positions potentially represents an opportunity for compelling growth

## Model Strategy

1	<b>Develop an Inventory of Investment Possibilities</b>
2	<b>Rank each Investment Possibility by Relative Strength</b>
3	<b>Buy or Hold Investment Possibilities which exhibit Relative Strength at the time of purchase</b>
4	<b>Maintain Risk Controls</b>
5	<b>Monitor and Reallocate as needed</b>

## An Inventory of Investment Possibilities

**1** Our process begins with screening a broad universe of common stocks in an effort to identify companies which demonstrate sustainable business models, an excellent reputation, and are of interest to a large number of investors. Those stocks that are identified through this screening are added to an Inventory of Investment Possibilities. We also include a number of Exchange Traded Funds (ETFs) which represent Broad Market Indices as both a benchmark and for potential inclusion in the portfolio. We describe this inventory as the *Universe of Potential Holdings*.



# Focus 10 Model

An investment model based on Fundamentals, Relative Strength, and Market Trends

## Relative Strength Journal Sample

	12/7/2018		12/6/2018	
1	BHP Billiton	0	BHP Billiton	-
2	Sysco Corp.	0	Sysco Corp.	-
3	Parker Hannifin Corp.	0	Parker Hannifin Corp.	-
4	Infosys Technologies Ltd.	+4	Sherwin Williams Co.	-
5	S&P 500 Equal Weight	0	S&P 500 Equal Weight	-
6	Genesee & Wyoming, Inc.	0	Genesee & Wyoming, Inc.	-
7	Sherwin Williams Co.	-3	Emerson Electric Co.	-
8	JetBlue Airways	+1	Infosys Technologies Ltd.	-
9	Emerson Electric Co.	-2	JetBlue Airways	-

## Picking Investment Possibilities

2

3

The model seeks to purchase and hold candidates that are in positive Relative Strength Trends and sell candidates that are in negative Relative Strength Trends.

In normal, upward-trending market conditions the model will typically hold 10 stocks. In downward-trending markets the model may hedge through the use of inverse ETFs or raise cash.

## Active Management

4 5 Model holdings are reviewed and monitored on an ongoing basis. As securities rise in value, positions may be trimmed to harvest gains. Once a holding's Relative Strength begins to weaken, the model will typically begin to sell shares of that holding to reduce exposure to that position.

Strategic stop and limit orders may be utilized to further reduce risk. **The Model may often be non-diversified.**

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