Franklin Wealth Solutions
The Business Valuation Model (BVM)



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Education
- Master of Business Administration – Middle Tennessee State University
- Master of Science – University of Tennessee
- Bachelor of Science – Lambuth University

Licenses and Certifications
- Series 7, 63, and 65
- Life, Health, and Variable Insurance (including annuities)
- Certified Investment Management Analyst®

Philosophy
A key element to successful investing is identifying strong businesses trading at a significant discount to their intrinsic value in the marketplace.

PRODUCT DESCRIPTION

The Business Valuation Model (BVM) is a value-oriented equity strategy designed to provide long-term capital appreciation by investing in under-valued companies. The strategy seeks to identify candidates with a strong financial history, run by competent management, and trading at a significant discount to their intrinsic value. The investment process is disciplined, strategic, and based on strict valuation principles.

INVESTMENT PROCESS

From a broad universe of companies, we apply a quantitative screen to identify portfolio candidates. They should have a long history of consistent earnings growth, high return on capital with minimal debt, and free cash flow. Identified candidates undergo a detailed financial analysis to examine the durability of the industry, sustainability of existing competitive advantages, and effectiveness of management. Finally, we establish an estimate of intrinsic value while employing a conservative cost of capital. The selection of ideal candidates is driven solely by valuation. The portfolio is constructed of 18 to 20 securities and can vary in size, sector, and style. In market conditions where we are unable to find investment ideas, we may purchase stock in companies that are in the middle of a friendly, all-cash merger. Alternatively, we may also hold cash as appropriate. We will sell a security if the position becomes fully valued, business or industry becomes disrupted, balance sheet becomes too risky, or management is no longer focused on growing shareholder value. Further, we will apply a protective stop to a position if it drops below a 25% threshold of the initial cost and our thesis proves incorrect. We will hold a position indefinitely if the company's intrinsic value continues to grow and its fundamentals remain intact.

IDEA DISCOVERY	FUNDAMENTAL RESEARCH	PORTFOLIO CONSTRUCTION	SELL DISCIPLINE
Quantitative Screen	**Qualitative Analysis**	**Position Weights**	**Sell Criteria**
Consistent earnings growth	Industry durability	Max initial weighting is 3% (at cost)	Extended valuation
High return on capital	Competitive advantage	Max position size is 7% (at market)	Business or industry disruption
Minimal debt	Effective management		Balance sheet too risky
Free cash flow		**Holding Period**	Portfolio upgrade
		Typically 3 to 5 years	Protective Stop (25% of principal)
Other Resources	**Valuation Analysis**		
Industry reports	Present value of free cash flow	**Sector Tolerance**	
Third party research	Conservative discount rate	Max weighting is 40% (at market)	

COMPOSITE RETURNS

	3Q2026	YTD	1 Year	3 Year	Since Inception*	
Business Valuation Model Strategy (Gross of Fees)	3.96%	5.43%	6.40%	12.49%	10.17%	
Business Valuation Strategy (Net of Maximum Fees)	3.70%	4.65%	5.35%	11.37%	9.07%	
Russell 1000 Value Total Return Index	2.61%	19.27%	23.82%	20.07%	15.60%	

	2022*	2023	2024	2025		
Business Valuation Model Strategy (Gross of Fees)	1.82%	12.03%	13.62%	8.68%		
Business Valuation Strategy (Net of Maximum Fees)	1.47%	10.91%	12.49%	7.60%		
Russell 1000 Value Total Return Index	2.56%	11.46%	14.37%	15.91%		

**Performance represents a non-annualized period starting 9/1/2022*

TOP 10 HOLDINGS

HOLDING	SYMBOL
Visa Inc. Class A	V
Charles Schwab Corp.	SCHW
Meta Platforms Inc. Class A	META
Amazon.com, Inc.	AMZN
Microsoft Corporation	MSFT
Walmart Inc.	WMT
Apple Inc.	AAPL
United Health Group Inc.	UNH
Netflix, Inc.	NFLX
RTX Corporation	RTX

DISCLOSURES

Past performance does not guarantee future performance or investment results. Actual performance for a client may differ due to such factors as timing, economic and market conditions, cash flows, and client constraints. The performance statistics shown in this profile are calculated based on composite performance beginning September 1, 2022, and ending with the date shown on this profile. Performance is based upon the asset-weighted performance of all client accounts invested in this strategy (accounts having investment restrictions may be removed from the composite for performance calculation purposes) and is shown on a gross and net of fee basis. Gross of fees means that the figures do not reflect any deductions for investment management fees, trading costs, taxes, or any other costs associated with a managed account. Net of fees means that the figures reflect deductions for investment management fees and trading costs, but do not reflect taxes. Indices are unmanaged, and it is not possible to invest directly in an index. Significant disruptions in market or economic conditions may impact the results portrayed. Please refer to Private Advisor Group's ADV Part 2 for additional disclosures regarding the firm and its practices. Changes in market conditions or a company's financial condition may impact on the company's ability to continue to pay dividends. Companies may also choose to discontinue dividend payments. All investments involve risk, including loss of principal, and there is no guarantee that investment objectives will be met. It is important to review your investment objectives, risk tolerance and liquidity needs before choosing an investment style or manager. Equity investments are subject generally to market, market sector, market liquidity, issuer, and investment style risks, among other factors to varying degrees. Fixed Income investments are subject to market, market liquidity, issuer, investment style, interest rate, credit quality, and call risks, among other factors to varying degrees.

The Top 10 holdings are determined by percentage of portfolio allocation and are subject to change at any time without notice. The holdings presented do not represent all the securities held by the strategy as of the date presented. A complete list of holdings as of the date noted above will be provided upon request. The above is presented to illustrate the application of the strategy only and not intended as personalized recommendations of any particular security. The securities identified and described above do not represent all the securities purchased, sold, or recommended for client accounts. You should not assume that an investment in any of the securities identified was or will be profitable. Performance is based upon the asset-weighted performance of all client accounts invested in this strategy (accounts having investment restrictions may be removed from the composite for performance calculation purposes) and is shown on a gross and net of fee basis, both including the reinvestment of income. Gross fees returns are shown as supplemental and do not reflect the deduction of transaction costs. Net of fees means that the figures include all charges for trading costs, portfolio management, custody and other administrative fees, but do not reflect taxes. Actual fees may vary.

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