Traub Capital Management

Investment Management Services

As of September 30, 2017

Firm Overview

Traub Capital Management, LLC, a Registered Investment Adviser, was founded in 2003 by Heydon Traub, CFA, who has 30 years of global investing experience. The firm is focused on maximizing returns relative to risk using a value-oriented approach. The customized investment portfolio is based on each client's needs, goals, and tax situation. The firm expects to provide positive returns in most market environments with moderate risk. The typical long-term return goal is 6-8%. The firm began managing a private fund in January 2004 and began managing customized portfolios for clients outside the fund at the start of 2006. The firm has grown since 2004 from $3 million in assets to $123 million in assets across 71 clients. We often handle multiple accounts for a given family including taxable accounts, IRA's, UTMA's, and 529 plans, as well as employer retirement plans such as Simple IRA's, Keoghs, Profit Sharing plans and 401-k plans. In addition, we can run analysis to advise on whether to convert IRA's to Roths.

Heydon Traub

Prior to founding Traub Capital Management in 2003, Mr. Traub was a Principal and Sr. VP of State Street Global Advisors (SSgA) and head of its Global Asset Allocation team worldwide from 1999 to June 2003. He was responsible for over $50 billion in assets and over 3,500 accounts, with the majority of accounts in customized balanced funds. During this time, he also served as Vice Chairman of the SSgA Investment Committee. Mr. Traub previously headed SSgA's Global Active Equity team from 1991 to 1999. The equity team he led managed over $7 billion. He joined SSgA in 1987 and was one of the developers of the firm's country, stock, and currency selection processes. During this time, Heydon served as an adjunct Professor at Brandeis University's graduate program for international business for several years. He also wrote a monthly column on investing for the Boston Business Journal for over 10 years and recently hosted a weekly radio show on investing on WBNW 1120 AM for three years. Mr. Traub holds a B.A. in Economics from Brandeis University and an M.B.A. in Finance and Accounting from the University of Chicago. He is a Chartered Financial Analyst (CFA), Certified Financial Planner (CFP®) and a member of the Boston Security Analysts Society (BSAS). He was an instructor for many years in the BSAS/Kaplan/Schweser CFA review program. Heydon also serves as co-chair of the Temple Aliyah (Needham) Endowment Committee. Lastly, Mr. Traub was elected as a Commissioner of Trust Funds in Needham starting in 2009 and continues to oversee those investments today.

Investment Philosophy

The firm seeks consistently strong total returns while seeking to control risk in line with each investor's risk tolerance. Total return expectations will be relative to portfolio risk taken. We manage clients' money carefully and unlike a brokerage firm look to minimize trading costs, fund expenses, and taxes. The stock holdings are likely to possess value characteristics such as reasonable price multiple levels relative to expected earnings and cash flow growth, taking into account current interest rates and risk premiums appropriate to the given security. The stock selection process involves analyzing companies of any size or industry. We look to purchase stocks at least 25% undervalued based on a proprietary discounted earnings and cash flow model. Stocks with insider purchases and share buybacks are also favored. When utilizing mutual funds, we start with no-load, low cost index funds. In certain asset classes, we have identified actively managed funds that may outperform their indices. Only after a thorough review of objectives, staffing, tax efficiency, costs, will we consider adding an activity managed funds to a client portfolio. We do extensive due-diligence and do further research on those such as a fund's investment strategy, expense ratios, turnover and returns.

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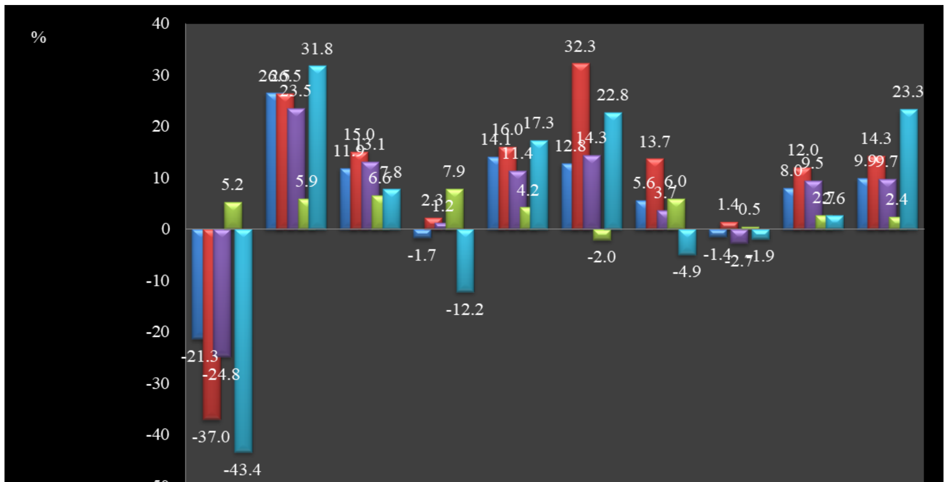
Asset Allocation and Financial Planning

We specialize in incorporating your entire investment portfolio into our analysis. Examining both taxable and tax-favored investments (IRA, 401-k, Keogh, College Savings Plan) we assist in selection of the optimal structure to maximize after-tax returns. We start by reviewing a client investment goals and objectives. This includes an assessment of risk tolerance, and specific savings goals (college tuition, retirement, etc.) which we use to determine the appropriate asset class allocations. We can also incorporate current holdings to avoid transactions that would otherwise create capital-gains taxes.

Account Performance
(Fund-based)

	Summary Performance (%)*		
	1 year	5 year	Incept*
TCM AVG	10.4%	7.0%	6.2%
S&P 500	18.6%	14.2%	8.2%
Bond	-0.6%	1.9%	4.4%
60-40 Bench mark	10.8%	7.0%	5.9%
*Annualized Data; Inception is 3/31/06			



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
TCM Composite	-21.3	26.5	11.9	-1.7	14.1	12.8	5.6	-1.4	8.0	9.9
S&P	-37.0	26.5	15.0	2.3	16.0	32.3	13.7	1.4	12.0	14.3
60-40 Benchmark	-24.8	23.5	13.1	1.2	11.4	14.3	3.7	-2.7	9.5	9.7
Bonds	5.2	5.9	6.6	7.9	4.2	-2.0	6.0	0.5	2.7	2.4
MSCI World	-43.4	31.8	7.8	-12.2	17.3	22.8	-4.9	-1.9	2.6	23.3

*Returns are net of fees; past performance is not predictive of future results.

Investment Fees

For Portfolios Incorporating Individual Stocks

First $1 million at 1.00%
From $1 million to $5 million at 0.75%
From $5 million and over at 0.50%

For Portfolios Utilizing Mutual Funds Only

First $1 million at 0.70%
From $1 million to $5 million at 0.50%
From $5 million and over at 0.30%

Contact Information

Heydon Traub, CFA, CFP®
Phone 781-453-3929
Fax 781-898-7647
Email: h.traub@traubcapital.com

Traub Capital Management, LLC
97 Chapel St.-Suite 7, Needham, MA 02492
Website: www.traubcapital.com
(on-line account info available)