ARTIFEX FOLIOS: INVESTMENT MANAGEMENT SERVICES

ARTIFEX LARGE CAP CORE EQUITIES MODEL

FOLIO DESCRIPTION

OBJECTIVE

The strategy seeks long-term growth.

DESCRIPTION

The Large Cap Core Equities Model invests in stocks with long-term growth prospects and predictable performance that may or may not pay dividends.

LEADING COMPANIES

The Model invests only in growth-oriented blue-chip stocks in the Standard & Poor's 500 Index.

COMPETETIVE ADVANTAGES

- **Core holding.** The Model is designed to be a core holding for clients more interested in growth over time than in current income.
- **Low turnover.** Management seeks to invest for the long term. The typical holding period of a stock is generally one to five years.
- **High conviction.** Only 10% of stocks in the Model's benchmarks are eligible to be in the portfolio—the best of the best—with the highest earnings per share, sales growth, and institutional sponsorship.

PORTFOLIO MANAGER

Doug Kinsey, Chief Investment Officer, (Industry since 1988)
CFP®, AIFA®, CDFA®, BA, Ohio State University

ABOUT ARTIFEX

Artifex Financial Group, founded in 2007 by Doug Kinsey and Darren Harp, advises individuals, households, corporate pension plans, and investment management firms. Artifex also provides back office solutions, process improvement strategies, and employee development consulting for financial advisory firms. Our main goal is to help grow and protect your assets. Our philosophy is to empower clients to be true investors by providing thoroughly researched, common sense portfolios for the long-run. We believe in protecting net worth from permanent impairment and in growing assets in a prudent manner.

Performance statistics represent historical data as compiled by Folio Institutional and StatPro. Performance does not reflect trading in actual accounts, does not include the costs of commissions, and does not account for taxes. Results are calculated without fees; typical management fees start at 1.25% per year for retail clients. Individual and advisor client fee structures are individually negotiated. Past performance is no guarantee of future results. Investment returns and principal values will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. All returns assume reinvestment of dividend and capital gain distributions. Current performance may be lower or higher. **The S&P 500 Index (without dividends) is a widely used barometer of U.S. stock market performance. It is an unmanaged market-weighted index of leading companies in leading industries, dominated by large-capitalization firms.

Artifex Folio Fact Sheets are published quarterly. Please contact us for additional performance data.

FOLIO FACTS

Inception Date	10/27/2008
Net Assets	$6,549,579
Minimum Investment	$50,000
Number of Holdings	32
Dividend Yield	1.90%

AVERAGE ANNUAL TOTAL RETURNS

AS OF 12/31/13

Period	AFG Model	S&P 500 Index**
1 Year	29.58%	29.60%
3 Years	18.41	13.69
5 Years	21.44	14.69
Inception*	21.44	14.69

CUMULATIVE TOTAL RETURNS

AS OF 12/31/13

Period	AFG Model	S&P 500 Index**
3 Years	96.23%	65.76%
5 Years	153.48	117.73
Inception*	153.48	117.73

YEAR-BY-YEAR RETURNS

AS OF 12/31/13

Period	AFG Model	S&P 500 Index**
2013	29.58%	29.60%
2012	17.18	13.41
2011	9.35	0.00
2010	24.78	12.78
2009	47.49	35.02
2008*	-1.96	6.40

*10/27/2008

GROWTH OF $100,000 VS S&P 500 INDEX

SINCE INCEPTION THROUGH 12/31/13

AFG Model	S&P 500 Index**
$253,480	$217,730

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MARKET CAPITALIZATION

AVERAGE MARKET CAP: $71.48 BILLION

Size	Market Size	Percent
Mega Cap	$100 Billion+	14.36%
Large Cap	$10 – 100 Billion	68.67
Mid Cap	$2 – 10 Billion	9.93
Small Cap	$300 Million – 2 Billion	3.09
Micro Cap	$50 Million – 300 Million	0.04

TOP 10 HOLDINGS

AS OF 12/31/13

Symbol	Holding	Percent
IBM	International Business Machines	3.93%
FRX	Forest Laboratories, Inc.	3.91
HAR	Harmon International Industries	3.87
JNJ	Johnson & Johnson	3.79
CELG	Celgene Corporation	3.75
BFB	Brown-Forman Corporation	3.61
QCOM	QUALCOMM, Inc.	3.55
MCD	McDonald's Corporation	3.50
CBI	Chicago Bridge & Iron Company	3.50
LUV	Southwest Airlines	3.37

ARTIFEX PORTFOLIO MODELS

GROWTH & INCOME
- Dividend Growth Model
- Equity Income Model
- Prudent High Yield Model
- Prudent Value Equity Model

GROWTH
- Alternative/Hedge Portfolio Model
- Large Cap Core Equities Model
- Return on Equity Model

INCOME
- Laddered Bond Model
- Core Fixed Income Model
- Core Municipal Income Model

AGGRESSIVE GROWTH
- Cloud 9 Model
- Hedge Fund Advisors Small Cap Model

PORTFOLIO STATISTICS

AS OF 12/31/13

	AFG Model
Alpha	7.86
Beta	0.93
Bear Market Capture Ratio	0.75
Bull Market Capture Ratio	1.10
Correlation	0.93
Price Earnings Ratio	17.56
Sharpe Ratio	1.67
Standard Deviation	15.26%

MARKET SECTORS

AS OF 12/31/13

	AFG Model
Consumer Discretionary	12.61%
Consumer Staples	20.12
Energy	5.20
Financials	5.71
Health Care	17.76
Industrials	22.67
Information Technology	13.86
Cash	2.06

FOR MORE INFORMATION

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Investors should consider the investment objectives, risks, charges and expenses of the strategy carefully before investing. Aggressive growth stocks may be more susceptible to earnings disappointments, and the market may not favor aggressive growth-style investing. Investments in small and/or midsize companies increase the risk of greater price fluctuations. Stock prices may fall or fail to rise over time for several reasons, including general financial market conditions and factors related to a specific issuer or industry. Investors can lose money by investing in the strategy. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio. The Model may be subject to greater price volatility than less concentrated portfolios. Allocations and holdings will vary over time.

Alpha is a measure of the portfolio's risk-adjusted performance. When compared to the portfolio's beta, a positive alpha indicates better than expected performance. A negative alpha indicates a worse than expected performance. Beta measures the fund's sensitivity to market movements; beta greater than 1 is more volatile than the market; beta less than 1 is less volatile than the market. Bear market capture ratio is a measure of performance in down markets; for example, a ratio of 0.80 indicates a decline of only 80% as much as the benchmark index. Bull market capture ratio is a measure of performance in up markets; a ratio of 1.20 indicates an increase of 20% more than the index. Correlation is a statistical measure of how two securities move in relation to each other. Perfect positive correlation (a correlation co-efficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Sharpe Ratio uses standard deviation to measure a portfolio's risk-adjusted returns. The higher a portfolio's Sharpe Ratio, the better the portfolio's returns have been relative to the risk it has taken. Standard Deviation measures the volatility of the fund's returns. Higher deviation represents higher volatility. Sharpe Ratio uses a fund's standard deviation and its excess return (difference between the fund's return and the risk-free return of 90-day Treasury Bills) to determine reward per unit of risk. This fact sheet was prepared exclusively for the benefit and use of those persons to whom it is presented in order to indicate the feasibility of a possible investment and does not carry any right of publication, disclosure or use to any other person.