Why McCullough & Associates?

- *Separately managed portfolios*
- *Value oriented investment style*
- *Experienced management team*
- *Employee owned and operated*
- *Personal attention and service*

The McCullough & Associates Team

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McCullough & Associates LLC

We are an Investment Manager headquartered in San Francisco, initially founded in 1977 as McCullough & Andrews Inc. Our experienced investment team builds customized portfolios for individuals and institutions, including foundations, retirement plans and other pooled accounts.

All portfolios are individually constructed and invested to meet the specific objectives of each client including tax considerations, cash flow needs and individual risk profiles. We seek to enhance the long-term purchasing power of both principal and income by employing an all-cap, value-oriented management style. Our goal with every portfolio is to achieve more return than the associated benchmark while taking less risk. Portfolios are concentrated in roughly twenty-five securities which encompass only our best investment ideas.

We strive to invest in companies we thoroughly understand, that have favorable long term prospects, that are operated by competent management and that are available at attractive prices. We support our philosophy with a thorough and comprehensive investment process.

What is a separately managed account?

A separately managed account is a portfolio of individually-owned securities selected and managed with your diverse goals and objectives in mind.

Separately Managed Account Advantages

Separately Managed Accounts (SMAs) have several advantages over other investment vehicles.

Customized portfolio to meet your investment needs: Your portfolio will be constructed to meet your individual investing preferences, income needs and risk tolerance.

Ownership of portfolio's underlying securities: You will own the underlying securities.

Tax conscious portfolio management: Your tax situation will be considered when all portfolio decisions are made.

Direct access to our portfolio management team: McCullough's experienced portfolio management team is only a phone call away to address any questions or concerns that you might have.

INVESTMENT PHILOSOPHY

Price & Value are not the same thing

We believe in active management for our portfolios and are constantly searching for market inefficiencies. We seek to profit from market inefficiencies by doing our own analysis of the financial strengths, management, competitive positions, and assessments of future earnings potential of our companies, and investing in securities trading that we believe are trading below their underlying value.

Concentrated Portfolios

In 1934 the famous economist John Maynard Keynes wrote in a letter to a friend:
"As time goes on, I get more and more convinced that the right method of investment is to put fairly large sums into enterprises which one thinks one knows something about and in the management of which one thoroughly believes. It is a mistake to think one limits one's risk by spreading too much between enterprises about which one knows little and has no reason for special confidence."
We agree and limit our portfolio to roughly twenty-five companies. However, we invest in companies in various industries and sectors to achieve proper diversification in portfolios and lower overall portfolio risk.

We are long term investors

We seek to enhance the long-term purchasing power of both principal and income. Our time horizon when purchasing a company is usually 3 to 5 years, which is reflected in our low portfolio turnover. We feel that a low turnover helps performance returns by lowering trading costs.

Our goal with every portfolio is to achieve more return than the associated benchmark while taking less risk.
All portfolio decisions are taken with an emphasis on the risk/reward aspects of that particular investment and the portfolio as a whole.