



Dividend Discretionary Strategy

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2Q | 2025

Strategy Overview:

Our Dividend Discretionary Strategy is designed to serve as the center piece of any investor's portfolio. The goal of the strategy is to grow our client's wealth by investing in "best of breed" companies along with high conviction ETFs for broad diversification. The strategy looks to invest long-term while being mindful of taxes; however, we can make tactical changes based on company fundamentals and overall market conditions.

Why Invest in Stocks: *(Market data sourced from Thomson Reuters*)*

The US stock market remains one of the most powerful wealth building tools available to investors. In the 20th century the United States endured two world wars and several other large military conflicts, the Great Depression, a dozen or so recessions and financial panics, oil shocks, flu epidemics, and the resignation of a disgraced president; yet the Dow rose from 66 to 11,497. So far in the 21st century the United States has endured the Dot-Com Bubble, 9/11 and other terrorist attacks, two Middle East Wars, the Great Recession, and COVID-19; yet the Dow has risen from 11,497 to 40,212*.

Our Outlook: *(Market data sourced Morgan Stanley and fsinsight)*

In 1Q 2025, the S&P 500 experienced a significant downturn, declining approximately 4.6%, marking its worst quarterly performance since 3Q 2022. Defensive sectors like energy, healthcare, and consumer staples outperformed, with energy leading at 9.3% gain, while growth-heavy sectors such as information technology and consumer discretionary saw sharp declines, with IT dropping 12.8%. Market volatility was driven by policy uncertainty, renewed trade tensions, and fears of an economic slowdown, contributing to a correction of over 10% from its February peak.

Despite the rocky start we remain constructive on the stocks through 2025 and view this latest sell off as a buying opportunity for long term investors for several reasons. Historical trends show that corrections of this magnitude provide good entry points for long term investors and data shows high probability of strong returns just 1 year out. A lot of bad news has been priced so any improvements to trade and tariffs will likely spark a relief rally in stocks. Corporate earnings are still projected to grow steadily, with estimates suggesting 7-11% growth, supported by a resilient consumer and improving global demand. Inflation continues to cool and could allow the Federal Reserve to provide a supportive backdrop for equities. We are also not seeing any deterioration in the labor market as weekly jobless claims keep coming in at a healthy clip. Bottom line, stay the course and put any cash on the sidelines to work.

Portfolio Characteristics

Benchmark	Russell 1000 VL
Capitalization	Large
Style	Value
Holdings	33
AUM	\$62 MM*
Current Yield	2.53%*

Suitable For

- Investors seeking long term capital appreciation and income.
- Investors who have a long-time horizon, at least 5 years or more.
- Investors who can handle high volatility and afford loss of principal.
- More appropriate for taxable accounts.
- Investors who need to frequently withdraw from the account.

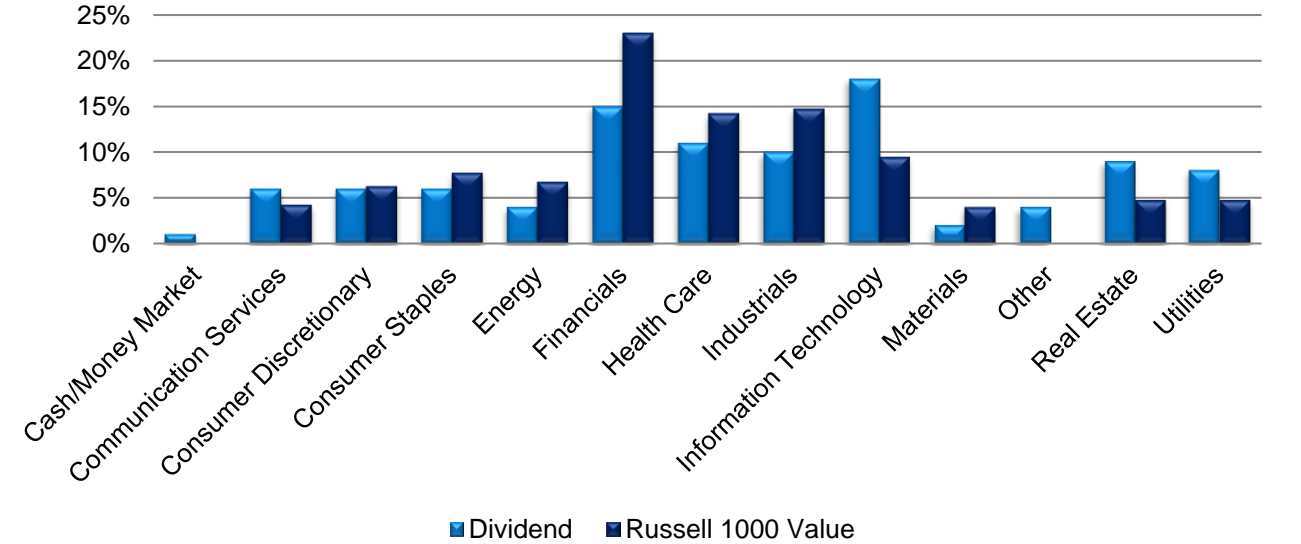
* As of April 11th, 2025

Portfolio Holdings*

Company	Ticker	Sector	Subsector	Headquarters
ABBVIE INC	ABBV	Health Care	Pharmaceuticals	Chicago, IL
ALPHABET INC (A)	GOOGL	Information Technology	Consumer Digital Services	Mountain View, CA
ALTRIA GROUP INC	MO	Consumer Staples	Tobacco	Richmond, VA
AMERICAN EXPRESS CO	AXP	Financials	Consumer Finance	New York, NY
APPLE INC	AAPL	Information Technology	Computer Hardware	Cupertino, CA
AVANTIS INTERNATIONAL SMALL CAP VALUE	AVDV	Small Cap	Value	New York, NY
BANK OF AMERICA CORP NEW	BAC	Financials	Banks	Charlotte, NC
BLACKSTONE INC	BX	Financials	Asset Managers	New York, NY
BROADCOM INC	AVGO	Information Technology	Semiconductors	San Jose, CA
CATERPILLAR INC	CAT	Industrials	Heavy Machinery & Vehicles	Irving, TX
DUKE ENERGY CORP NEW	DUK	Utilities	Eletrical Utilities	Charlotte, NC
EXXON MOBIL CORP	XOM	Energy	Integrated Oil and Gas	Irving, TX
GAMING AND LEISURE PROPERTIES INC	GLPI	Real Estate	Specialty REITs	Wyomissing, PA
HOME DEPOT INC	HD	Consumer Discretionary	Home Improvement Retailers	Atlanta, GA
HONEYWELL INTERNATIONAL INC	HON	Industrials	Diversified Industrials	Charlotte, NC
INTERNATIONAL PAPER CO	IP	Materials	Paper	Memphis, TN
INTL BUSINESS MACHINES	IBM	Information Technology	Software and Computer Services	Armonk, NY
ISHARES U.S. UTILITIES ETF	IDU	Utilities	Core	New York, NY
JOHNSON AND JOHNSON	JNJ	Health Care	Pharmaceuticals	New Brunswick, NJ
JPMORGAN CHASE & CO	JPM	Financials	Banks	New York, NY
LOCKHEED MARTIN CORP	LMT	Industrials	Defense	Bethesda, MD
MCDONALDS CORP	MCD	Consumer Discretionary	Restaurants & Bars	Chicago, IL
META PLATFORMS INC	META	Communication Services	Consumer Digital Services	Menlo Park, Ca
MICROSOFT CORP	MSFT	Information Technology	Software	Redmond, WA
QUALCOMM INC	QCOM	Information Technology	Semiconductors	San Diego, CA
RTX CORPORATION	RTX	Industrials	Defense	Arlington, VA
SIMON PROPERTY GROUP INC NEW	SPG	Real Estate	Retail REITs	Indianapolis, ID
SPDR S&P Regional Banking ETF	KRE	Financials	Regional Banks	Boston, MA
T-MOBILE US INC	TMUS	Information Technology	Semiconductors	Dallas, TX
UNION PACIFIC CORP	UNP	Industrials	Ground Freight & Logistics	Omaha, NE
UNITEDHEALTH GROUP INC (DEL)	UNH	Health Care	Health Care Providers	Hopkins, MN
WALMART INC	WMT	Consumer Staples	Broadline Retailers	Bentonville, AR
WELLTOWER INC	WELL	Real Estate	Health CareREITs	Toledo, OH

Sample Holdings within the model portfolio as of April 11th, 2025. These sample holdings are for informational purposes only and should not be deemed to be a recommendation to purchase or sell the securities mentioned. There are no guarantees that any securities mentioned will be held in a client's account. It should not be assumed that the securities transactions or holdings discussed were or will be profitable. Data are indicative only as of the given date. Holdings will fluctuate, and no assurance can be given that an actual portfolio will be able to obtain the same attributes. Please see additional importation at the end of this report.

Portfolio Sector Allocation*



* As of April11th, 2025

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