



Dividend Discretionary Strategy

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3Q | 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 44,902*.

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

The U.S. stock market in Q2 2025 experienced a dramatic recovery, with the S&P 500 gaining 10.6% after a sharp 12.1% correction triggered by tariff announcements, marking its strongest quarter since Q4 2024. Technology stocks led the rally, with the Nasdaq climbing nearly 18%, while growth stocks outperformed value stocks, reversing Q1 trends. Despite early volatility from tariff fears, a 90-day pause on reciprocal tariffs spurred a V-shaped recover, pushing the S&P500 and Nasdaq to all time highs by June's end. Corporate earnings grew by 5% while the labor market remained healthy.

Despite the rocky start in Q1 we remained constructive on the stocks through 2025 and our conviction was rewarded. Stocks had a V-shaped recovery in the second quarter and we took advantage of the volatility by tax loss harvesting and upgrading positions. New additions to the portfolio included Avantis US Small Cap ETF, iShares MSCI Euro Financial, and Pepsico and our portfolio has remained inline with its benchmark year to date while outperforming it over the last 12 months and 3 years. Going forward we expect stocks to continue higher with the potential for some weakness between middle of August through the end of September before a rally into year end driven by less than feared tariffs, strong earnings and a robust economy that hasn't seen any deterioration in the labor market so far. We expect the Federal Reserve will also begin lowering rates before the end of year which ill be a further tailwind for stocks.

Portfolio Characteristics

Benchmark	Russell 1000 VL
Capitalization	Large
Style	Value
Holdings	33
AUM	\$73.5 MM*
Current Yield	2.40%*

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.

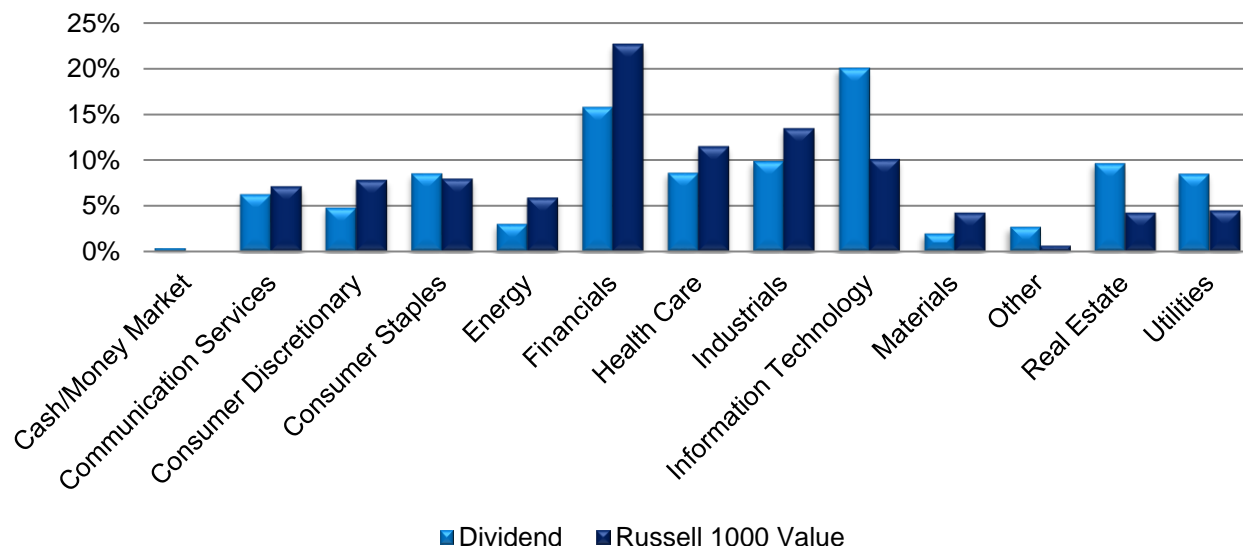
* As of July 24th, 2025

Portfolio Holdings*

Company	Ticker	Sector	Subsector	Headquarters
ABBVIE INC	ABBV	Health Care	Pharmaceuticals	Chicago, IL
ALPHABET INC (A)	GOOGL	Communication Services	Online 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 U.S. SMALL CAP EQUITY ETF	AVSC	US Small Caps	Core	Los Angeles, CA
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
DEERE & CO	DE	Industrials	Heavy Machinery & Vehicles	Moline, IL
DUKE ENERGY CORP NEW	DUK	Utilities	Multi-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 MSCI EUROPE FINANCIAL ETF	EUFN	Europe	Financials	New York, 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	Online Services	Menlo Park, CA
MICROSOFT CORP	MSFT	Information Technology	Software	Redmond, WA
PEPSICO INC	PEP	Consumer Staples	Non-Alcoholic Beverages	Purchase, NY
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
T-MOBILE US INC	TMUS	Information Technology	Semiconductors	Dallas, TX
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 Care REITs	Toledo, OH

Sample Holdings within the model portfolio as of July 24th, 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 July 24th, 2025

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