



Dividend and Growth Discretionary Strategy

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1Q | 2025

Strategy Overview:

Our Dividend and Growth 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 is actively managed and makes tactical changes based on company fundamentals and overall market conditions.

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

US stocks are 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 42,544*.

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

Despite the war in Ukraine, escalating middle east tensions, the near assassination of now President Elect Donald Trump, and a growth scare the S&P500 ended 2024 up 23.84%. This was the second straight +20% year making it just the 6th time the S&P500 has had back-2-back +20% years. Even with this impressive run we believe stocks will have another good year in 2025 albeit with more volatility giving valuations.

Going into 2025 the Federal Reserve is cutting rates, and the economy remains robust with unemployment around 4.2% and weekly initial jobless claims averaging well below 250K. There have been 7 previous times when the Fed started cutting rates and the economy was not in a recession and each time stocks have been higher 12 months later, increasing an average of +15.8%. As mentioned, the S&P500 posted its second straight back-2-back +20% years for the 6th time, however, the trailing 3-year average return when this has occurred is far below the previous 5 3-year averages with returns of just 27% vs the average of 75%. It remains to be seen but we do believe that we are still in the early innings of the AI revolution and along with the pro growth economic policies of the incoming Trump administration should provide tail winds for the US equity markets into 2026. While the S&P500 valuation is elevated, the majority of that is due to the Top 10 companies trading at 29.8 P/E while the remaining 490 stocks trade at a reasonable 18.2 P/E. It would not surprise us to see the consolidation at the end of 2024 continue into middle of January before stocks resumed their rally to new highs. Bottom line, we don't think the rally is over yet and that is something we will need to worry about in 2026.

Portfolio Characteristics

Benchmark	S&P500
Capitalization	Large
Style	Core
Holdings	41*
AUM	\$187 MM*
Current Yield	0.83%*

Suitable For

- Investors seeking long term capital appreciation.
- Investors who have a long-time horizon, at least 5 years or more.
- Investors who can handle high volatility and afford loss of principal.
- Tax advantage accounts.

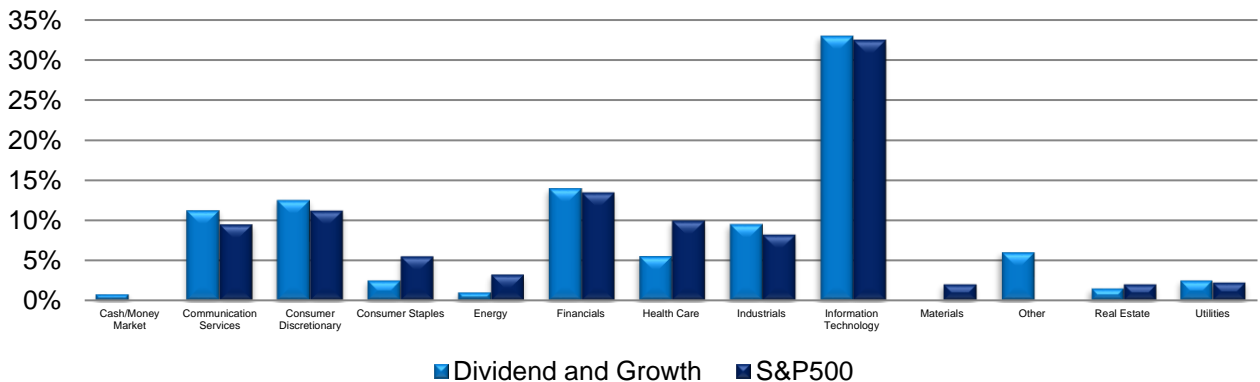
* As of December 31st, 2024

Portfolio Holdings*

Company	Ticker	Sector	Subsector	Headquarters
ALIBABA GROUP HOLDING LTD ADS	BABA	Consumer Discretionary	Online Services	Hong Kong, China
ALLSPRING SPECIAL MID CAP VALUE INST	WFMIX	Mid Cap	Value	Charlotte, NC
ALPHABET INC (A)	GOOGL	Communication Services	Consumer Digital Services	Mountain View, CA
AMAZON.COM INC	AMZN	Consumer Discretionary	Broadline Retailers	Seattle, WA
APPLE INC	AAPL	Information Technology	Computer Hardware	Cupertino, CA
BERKSHIRE HATHAWAY DE - CL B	BRKB	Financials	Diversified Financial Services	Omaha, NE
BLACKSTONE INC	BX	Financials	Investment Banking and Brokerage	New York, NY
BOEING COMPANY	BA	Industrials	Aerospace & Defense	Arlington, VA
BROADCOM INC	AVGO	Information Technology	Semiconductors	San Jose, CA
CATERPILLAR INC	CAT	Industrials	Heavy Machinery & Vehicles	Irving, TX
CHIPOTLE MEXICAN GRILL INC	CMG	Consumer Discretionary	Restaurants & Bars	Newport Beach, CA
COINBASE GLOBAL INC	COIN	Financials	Investment Services	Wilmington, DE
CONSTELLATION ENERGY CORPORATION	CEG	Utilities	Electric Utilities	Baltimore, MD
COSTCO WHOLESALE CORP	COST	Consumer Staples	Retailers	Issaquah, WA
EATON CORP PLC (IRELAND)	ETN	Industrials	Diversified Industrials	Dublin, Ireland
EXXON MOBIL CORP	XOM	Energy	Oil, Gas and Coal	Irving, TX
GOLDMAN SACHS GROUP INC	GS	Financials	Investment Banking and Brokerage	New York, NY
HOME DEPOT INC	HD	Consumer Discretionary	Home Improvement Retailers	Atlanta, GA
HONEYWELL INTERNATIONAL INC	HON	Industrials	Diversified Industrials	Charlotte, NC
INTUITIVE SURGICAL INC	ISRG	Health Care	Medical Equipment	Sunnyvale, CA
JPMORGAN CHASE & CO	JPM	Financials	Banks	New York, NY
LOCKHEED MARTIN CORP	LMT	Industrials	Defense	Bethesda, MD
META PLATFORMS INC	META	Communication Services	Consumer Digital Services	Menlo Park, CA
MICROSOFT CORP	MSFT	Information Technology	Software	Redmond, WA
NETFLIX INC	NFLX	Communication Services	Online Services	Los Gatos, CA
NVIDIA CORP	NVDA	Information Technology	Semiconductors	Santa Clara, CA
ORACLE CORPORATION	ORCL	Information Technology	Software	Austin, TX
PALANTIR TECHNOLOGIES INC	PLTR	Information Technology	Software	Denver, CO
PALO ALTO NETWORKS INC	PANW	Information Technology	Software	Santa Clara, CA
REGENERON PHARMACEUTICALS INC	REGN	Health Care	Biotechnology	Tarrytown, NY
ROCKET LAB USA, INC.	RKLB	Industrials	Aerospace & Defense	Long Beach, CA
RTX CORPORATION	RTX	Industrials	Aerospace	Arlington, VA
SERVICENOW INC	NOW	Information Technology	Software	Santa Clara, CA
SPDR PORTFOLIO S&P 600 SMALL CAP ETF	SPSM	Small Caps	Core	Boston, MA
T-MOBILE US INC	TMUS	Communication Services	Telecommunications	Bellevue, WA
TESLA INC	TSLA	Consumer Discretionary	Automobiles	Austin, TX
UNION PACIFIC CORP	UNP	Industrials	Ground Freight & Logistics	Omaha, NE
UNITEDHEALTH GROUP INC (DEL)	UNH	Health Care	Health Care Providers	Hopkins, MN
VISA INC.	V	Information Technology	Consumer Finance	Foster City, CA
VISTRA CORP	VST	Utilities	Building Materials	Birmingham, AL
WELLTOWER INC	WELL	Health Care	Health Care REITs	Toledo, OH

Sample Holdings within the model portfolio as of January 2nd, 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 information at the end of this report.

Portfolio Sector Allocation*



* As of January 2nd, 2025

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