

## **Global Discretionary Strategy**

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1Q | 2025

### Overview:

Our Global Discretionary Strategy is designed to compliment our main US strategies with investment opportunities outside of US large cap stocks. The strategy invests in US Mid/Small Cap, International, and Emerging Markets through a combination of stocks, ADRs (American Depository Receipts), actively managed mutual funds, and passive ETFs. The strategy is actively managed and makes tactical changes based on company fundamentals and overall market conditions.

### Why Invest in these Stocks: (Market data sourced from Thomson\*)

**US Mid and Small Cap** provide the opportunity to invest in tomorrow's "blue chip" companies and are often under owned by investors. These stocks are generally characterized as stocks with market capitalizations of \$300 million to \$2 billion for Small and \$2 billion to \$10 billion for Mid. Because of their smaller size, Mid and Small cap companies tend to grow faster than Large cap companies, albeit with more risks that includes lack of liquidity and research coverage. Over long periods of time, Mid and Small cap stocks have generally rewarded investors more than their large cap counter parts.

**International** stocks allow investors to invest in companies outside of the US and account for ~2/3rds of all the stocks available. Many of the products and services commonplace throughout the United States are produced by International companies including items such as KitKats (Nestle, Switzerland) and PlayStation (Sony, Japan). US equities have seen a decade of outperformance versus international equities as US earnings growth have outpaced the rest of the world. However, US and non-US performance has been cyclical. While US stock valuations aren't extended as they were at the peak of the dot-com rally, we are deep into the US cycle, and it may now be that the best-in-class opportunities with attractive growth exist beyond the US. For long-term investors, now could be a compelling entry point to add an international allocation to a well-diversified portfolio.

**Emerging Markets** are country's that are progressing toward becoming more advanced economies and include China, India, Russia, and Brazil as well as many nations throughout Eastern Europe, Asia, Africa, and Latin America. These Emerging Markets are projected to become the main source of economic activity over the next 10 years; however, investors remain largely under invested in Emerging Markets. This underinvestment is likely to correct over the next decade as the emerging world becomes the main source of global economic activity, representing a tremendous long term growth opportunity for investors. That said, investors in Emerging Markets must be prepared to handle high levels of volatility over many years. As an example of this volatility, emerging markets went from the best performing asset class in 2017 to the worst in 2018.

### Portfolio Characteristics

Benchmark	Custom Blend
Capitalization	Multi
Style	Multi
Holdings	20*
AUM	\$31 MM*
Current Yield	1.74%*

### 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.

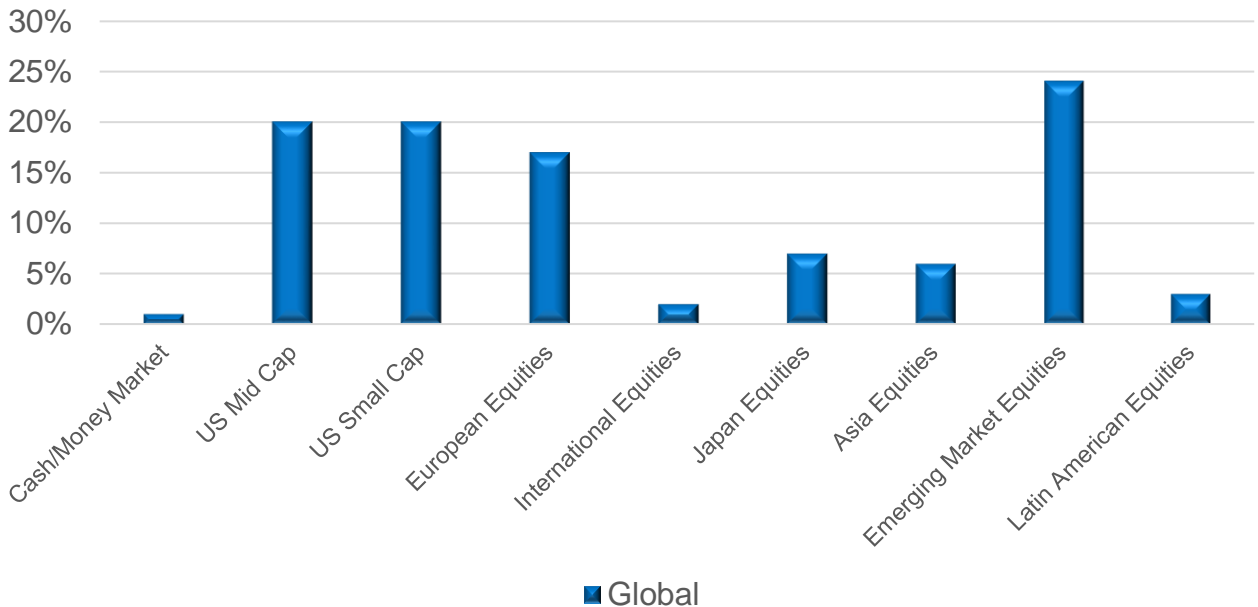
\* As of January 6<sup>th</sup>, 2025

## Portfolio Stock Holdings\*

Company	Ticker	Sector	Subsector	Headquarters
ACCENTURE PLC (IRELAND)	ACN	Information Technology	Business Support Services	Dublin, Ireland
AIRBUS SE	EADSY	Industrials	Aerospace	Leiden, Netherlands
ASML HOLDING NV NY REG SHS	ASML	Information Technology	Technology Equipment	Veldhoven, Netherlands
ASTRAZENECA P L C ADS	AZN	Health Care	Pharmaceuticals	Cambridge, United Kingdom
GLOBAL X MSCI ARGENTINA ETF	ARGT	Argentina	Core	New York, NY
INFOSYS LIMITED ADS	INFY	Information Technology	Computer Services	Bangalore, India
ISHARES CORE S&P MIDCAP ETF	IJH	US Mid Cap	Core	New York, NY
ISHARES CORE S&P SMALL CAP ETF	IJR	US Small Cap	Core	New York, NY
ISHARES MSCI INDIA ETF	INDA	India	Core	New York, NY
ISHARES MSCI JAPAN ETF	EWJ	Japan	Core	New York, NY
ISHARES MSCI MEXICO ETF	EWX	Mexico	Core	New York, NY
KRANESHARES CSI CHINA INTERNET ETF	KWEB	China	Core	New York, NY
LULULEMON ATHLETICA INC	LULU	Consumer Discretionary	Clothing & Accessories	Vancouver, Canada
MERCADOLIBRE INC	MELI	Consumer Discretionary	Consumer Services	Montevideo, Uruguay
NESTLE N	NSRGY	Consumer Staples	Food Products	Vevey, Switzerland
PGIM GLOBAL TOTAL RETURN FUND (Z)	PZTRX	Fixed Income	Global Bonds	Newark, NJ
SAP SE ADS	SAP	Information Technology	Computer Software	Walldorf, Germany
SHELL PLC ADS	SHEL	Energy	Integrated Oil and Gas	London, United Kingdom
SONY GROUP CORPORATION ADR	SONY	Consumer Discretionary	Electronic	Tokyo, Japan
SPDR PORTFOLIO EMERGING MARKETS ETF	SPEM	Emerging Markets	Core	New York, NY
TAIWAN SEMICONDUCTOR MFG CO ADS	TSM	Information Technology	Semiconductors	Hsinchu, Taiwan
TOTALENERGIES SE ADS	TTE	Energy	Integrated Oil and Gas	Paris, France

Sample Holdings within the model portfolio as of January 6<sup>th</sup>, 2025. 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 Allocation\*



\* As of January 6<sup>th</sup>, 2025

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