

What is Tactical Select?

The **Tactical Select strategy** offered by Stansberry Asset Management, LLC (“SAM”) combines qualitative judgment with quantitative risk management to achieve growth, capital preservation, and income generation.

This strategy draws on ideas from across all SAM portfolios. Thus, it blends together three investment objectives: growth, capital preservation, and income generation. SAM actively manages the portfolio to ensure appropriate diversification is met through asset allocation and position sizing. Subject to market conditions, we anticipate the strategy will typically hold around 40 positions.

An additional layer of risk management is implemented by using TradeSmith’s™ suite of portfolio management tools, including their flagship products TradeStops and the Volatility Quotient (VQ). TradeSmith™ seeks to provide hedge fund-level insights powered by sophisticated risk-based algorithms that optimize the investment process.

The Best of Both Worlds

Tactical Select is an optimized blend of SAM’s fundamental, qualitative approach and TradeSmith’s™ proprietary quantitative system.

Only investments that meet our fundamental criteria and stand up to rigorous testing via TradeSmith’s™ suite of tools are selected for this strategy.

We will continue to update the portfolio as we source new investment ideas that are optimal candidates for Tactical Select. We will also diligently monitor TradeSmith’s™ risk metrics and will exit positions that no longer satisfy our strict scoring criteria.

The degree to which we are invested is guided by TradeSmith’s™ assessment of market conditions. We expect to be less invested during unfavorable times. Conversely, we’ll look to be more fully invested when TradeSmith™ has identified that conditions are ripe.

Top 10 Holdings as of 9/30/2023

HOLDING	TICKER	WEIGHTING
US DOLLARS	-	5.22%
NOVO NORDISK	NVO	2.92%
THE VITA COCO COMPANY	COCO	2.85%
CBOE GLOBAL MARKETS	CBOE	2.83%
COMFORT SYSTEMS USA	FIX	2.78%
SIMPSON MANUFACTURING	SSD	2.76%
PARKER-HANNIFIN CORP	PH	2.74%
BEACON ROOFING SUPPLY	BECN	2.68%
META PLATFORMS	META	2.44%
BERKSHIRE HATHAWAY	BRKB	2.43%

Tactical Select... powered by TradeSmith™



Company Analysis

- Balance Sheet Health
- Earnings Growth
- Management & Governance
- Capital Efficiency
- Valuation



Industry Analysis

- Competitive Position
- Regulation
- Market Structure
- Disruption Susceptibility
- Bargaining Power



Quantitative Analysis

- Health
- Trend
- Sector & Style Strength
- Timing
- Relative Strength



Macroeconomic Analysis

- Economic Growth
- Interest Rates
- Labor
- Trade
- Inflation

Performance as of 9/30/2023

	2022	QTD	YTD	ROLLING 1-YEAR	ROLLING 2-YEAR*	ROLLING 3-YEAR*
SAM TACTICAL SELECT (GROSS)	N/A	-3.60%	1.42%	N/A	N/A	N/A
SAM TACTICAL SELECT (NET)	N/A	-3.90%	0.61%	N/A	N/A	N/A
BENCHMARK- S&P 500 EQUALWEIGHT(SPW)	N/A	-4.90%	-5.21%	N/A	N/A	N/A

*Annualized

Portfolio Statistics as of 9/30/2023

	ROLLING 1-YEAR	ROLLING 2-YEAR	ROLLING 3-YEAR
ALPHA	N/A	N/A	N/A
BETA	N/A	N/A	N/A
SHARPE RATIO	N/A	N/A	N/A
STANDARD DEVIATION	N/A	N/A	N/A

Sector Allocation

CONSUMER DISCRETIONARY	19.67%
INDUSTRIALS	17.99%
FINANCIAL SERVICES	13.61%
CONSUMER STAPLES	9.46%
INFORMATION TECHNOLOGY	9.00%
ENERGY	7.78%
COMMUNICATION SERVICES	6.46%
INSURANCE	6.09%
CASH & EQUIVALENTS	5.22%
OTHER	4.72%

Risk Category Allocation

CAPITAL EFFICIENT COMPOUNDERS	19.79%
QUALITY GROWTH & BLUE CHIPS	14.21%
SOFTWARE & CLOUD SERVICES	13.44%
INSURANCE & NON-BANK FINANCIALS	11.26%
INNOVATION & SECULAR CHANGE	10.09%
ENERGY & COMMODITIES	7.78%
REAL ESTATE	7.35%
CASH & EQUIVALENTS	5.22%
STAPLES & DEFENSIVE	4.34%
OTHER	6.52%

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- model performance may not reflect the impact that material economic conditions and market factors would have had on the adviser's decision making or on individual clients, or the impact of the timing of actual client cash flows into or out of an actual portfolio;
- results reflect the asset-weighted returns of accounts managed in the strategy.
- model performance does not reflect brokerage commissions, custodian fees, taxes, or any other expenses a client would have paid, and as such, actual investment returns would be lower;
- hypothetical past performance just like actual past performance is no guarantee of future results.

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