

What is Cornerstone?

The **Cornerstone strategy** offered by Stansberry Asset Management, LLC (“SAM”) is designed to be an optimal strategy for accounts with a starting balance less than or equal to \$100,000. This strategy features thematic elements from our **All-Weather** and **Forever** strategies.

Cornerstone is meant for long-term investing and is focused on owning high-quality businesses expected to perform well through a full market cycle. We may also invest in securities that serve as hedges in the event that the market suffers a significant drawdown.

As compared to SAM’s strategies used for larger accounts, this streamlined strategy will typically hold fewer positions and be traded less frequently.

An Optimal Strategy for Smaller Accounts

SAM’s goal for this strategy is to provide an investment option for smaller accounts that may not have sufficient capital to be managed in the same manner as SAM’s other strategies. Our All-Weather strategy is designed to help shelter assets from stock market volatility. Our Forever portfolio invests in the world’s greatest businesses. Combining aspects of both these strategies, Cornerstone has excellent long-term growth potential and is built to perform well in a number of different market environments.

Top 10 Holdings as of 12/31/2023

HOLDING	TICKER	WEIGHTING
US DOLLARS		5.60
MICROSOFT CORP	MSFT	5.31
SHELL PLC A SPONS ADR	SHEL	5.06
AMERICAN EXPRESS CO	AXP	5.00
VISA INC	V	4.91
HOME DEPOT INC	HD	4.90
WESTERN ASSET CLAYMORE	WIW	4.51
VERISK ANALYTICS INC	VRSK	4.50
ALPHABET INC CLASS A	GOOGL	4.39
ISHARES U.S. HOME CONST.	ITB	4.31

When you invest in **Cornerstone**, you can expect:



Diversification

While this strategy tends to be more concentrated than our other strategies, we still prioritize diversification to avoid overexposure to any particular sector or individual security. Cornerstone typically features about 20 investment securities.



Enduring Growth

This strategy typically features what we believe to be the best businesses that investors can own. They tend to feature durable competitive advantages that place them in a league of their own and insulate them from competition.



Downside Protection

This strategy is designed to be less risky and less volatile than the broader stock market. We seek to accomplish that using a variety of tactics, including investing in non-traditional assets such as precious metals and real estate, and by actively increasing our allocation to cash when we find it prudent to do so.

Performance as of 12/31/2023

	2022	QTD	YTD	ROLLING 12 Mo.	ROLLING 24 Mo.*	ROLLING 36 Mo.*
SAM CORNERSTONE STRATEGY (GROSS)	-15.26%	10.41%	16.82%	16.82%	-0.50%	4.79%
SAM CORNERSTONE STRATEGY (NET)	-15.87%	10.18%	15.88%	15.88%	-1.26%	4.01%
BENCHMARK - 70/30 S&P/US BOND AGG	-16.33%	10.23%	19.78%	19.78%	0.11%	6.04%

*Annualized

Portfolio Statistics as of 12/31/2023

	ROLLING 12 Mo.	ROLLING 24 Mo.	ROLLING 36 Mo.
ALPHA VS BENCHMARK	-2.80%	-0.66%	-1.15%
BETA VS BENCHMARK	1.02	0.98	1.01
SHARPE RATIO	0.86	-0.16	0.24
STANDARD DEVIATION	13.22%	15.94%	14.51%

Sector Allocation

CONSUMER DISCRETIONARY	19.02%
INDUSTRIALS	11.58%
FINANCIAL SERVICES	9.91%
CONSUMER STAPLES	9.21%
INFORMATION TECHNOLOGY	9.13%
ENERGY	7.41%
CASH & EQUIVALENTS	5.60%
BONDS	4.51%
COMMUNICATION SERVICES	4.39%
OTHER	19.25%

Risk Category Allocation

CAPITAL EFFICIENT COMPOUNDERS	30.70%
SOFTWARE & CLOUD SERVICES	17.33%
QUALITY GROWTH & BLUE CHIPS	8.37%
BONDS & PREFERRED	7.42%
ENERGY & COMMODITIES	7.41%
REAL ESTATE	7.32%
CASH & EQUIVALENTS	5.60%
PRECIOUS METALS	4.28%
U.S. TREASURYS	3.62%
OTHER	7.95%

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The presented performance represents hypothetical model results during the measurement time period. As such, these results have limitations, including, but not limited to, the following:

- 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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