

## 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 12/31/2023

HOLDING	TICKER	WEIGHTING
COMFORT SYSTEMS USA INC	FIX	3.02
NOVO NORDISK ADR	NVO	2.98
CBOE GLOBAL MARKETS INC	CBOE	2.91
PARKER-HANNIFIN CORP	PH	2.91
BEACON ROOFING SUPPLY INC	BECN	2.72
META PLATFORMS INC	META	2.58
CRH PLC	CRH	2.54
THE VITA COCO COMPANY, INC.	COCO	2.52
NVR INC	NVR	2.49
SIMPSON MANUFACTURING CO	SSD	2.45

## 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 12/31/2023

	2022	QTD	Feb '23- Dec '23	ROLLING 12 Mo.	ROLLING 24 Mo.*	ROLLING 36 Mo.*
<b>SAM TACTICAL SELECT (GROSS)</b>	N/A	11.64%	13.23%	N/A	N/A	N/A
<b>SAM TACTICAL SELECT (NET)</b>	N/A	11.30%	11.98%	N/A	N/A	N/A
<b>BENCHMARK- S&amp;P 500 EQUALWEIGHT(SPW)</b>	N/A	11.87%	6.04%	N/A	N/A	N/A

\*Annualized

## Portfolio Statistics as of 12/31/2023

	Feb '23- Dec '23	ROLLING 24 Mo.	ROLLING 36 Mo.
<b>ALPHA VS BENCHMARK</b>	7.34%	-	-
<b>BETA VS BENCHMARK</b>	0.74	-	-
<b>SHARPE RATIO</b>	N/A	N/A	N/A
<b>STANDARD DEVIATION</b>	N/A	N/A	N/A

## Sector Allocation

<b>INDUSTRIALS</b>	19.78%
<b>FINANCIAL SERVICES</b>	14.46%
<b>INFORMATION TECHNOLOGY</b>	14.45%
<b>CONSUMER DISCRETIONARY</b>	14.25%
<b>INSURANCE</b>	7.86%
<b>ENERGY</b>	7.11%
<b>COMMUNICATION SERVICES</b>	6.64%
<b>HEALTHCARE</b>	5.26%
<b>CONSUMER STAPLES</b>	4.74%
<b>OTHER</b>	5.44%

## Risk Category Allocation

<b>CAPITAL EFFICIENT COMPOUNDERS</b>	22.86%
<b>SOFTWARE &amp; CLOUD SERVICES</b>	16.89%
<b>QUALITY GROWTH &amp; BLUE CHIPS</b>	15.23%
<b>INSURANCE &amp; NON-BANK FINANCIALS</b>	12.97%
<b>INNOVATION &amp; SECULAR CHANGE</b>	11.82%
<b>ENERGY &amp; COMMODITIES</b>	7.11%
<b>BIOTECHNOLOGY &amp; BIOPHARMA</b>	5.26%
<b>REAL ESTATE</b>	4.94%
<b>U.S. TREASURYS</b>	2.19%
<b>OTHER</b>	0.71%

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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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