

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 3/31/24

HOLDING	TICKER	WEIGHTING
NOVO NORDISK ADR	NVO	3.23
NVIDIA CORP	NVDA	3.15
META PLATFORMS INC	META	3.09
PARKER-HANNIFIN CORP	PH	3.06
COMFORT SYSTEMS USA INC	FIX	2.93
CRH PLC	CRH	2.76
BEACON ROOFING SUPPLY INC	BECN	2.67
ELI LILLY AND COMPANY	LLY	2.66
CBOE GLOBAL MARKETS INC	CBOE	2.61
NVR INC	NVR	2.51

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 3/31/24

	Feb '23- Dec '23	QTD	YTD	ROLLING 12 Mo.	ROLLING 24 Mo.*	ROLLING 36 Mo.*
SAM TACTICAL SELECT (GROSS)	13.23%	14.90%	14.90%	30.61%	N/A	N/A
SAM TACTICAL SELECT (NET)	11.98%	14.56%	14.56%	29.04%	N/A	N/A
BENCHMARK- S&P 500 EQUALWEIGHT(SPW)	6.04%	7.91%	7.91%	19.34%	N/A	N/A

*Annualized

Portfolio Statistics as of 3/31/24

	ROLLING 12 Mo.	ROLLING 24 Mo.	ROLLING 36 Mo.
ALPHA VS BENCHMARK	12.34%	-	-
BETA VS BENCHMARK	0.74	-	-
SHARPE RATIO	1.57	N/A	N/A
STANDARD DEVIATION	14.46%	N/A	N/A

Sector Allocation

INDUSTRIALS	17.67%
INFORMATION TECHNOLOGY	14.73%
CONSUMER DISCRETIONARY	14.01%
FINANCIAL SERVICES	13.36%
INSURANCE	8.29%
COMMUNICATION SERVICES	6.92%
ENERGY	6.64%
HEALTHCARE	5.88%
MATERIALS	4.98%
OTHER	7.52%

Risk Category Allocation

CAPITAL EFFICIENT COMPOUNDERS	17.72%
QUALITY GROWTH & BLUE CHIPS	17.45%
SOFTWARE & CLOUD SERVICES	16.68%
INSURANCE & NON-BANK FINANCIALS	12.87%
INNOVATION & SECULAR CHANGE	12.67%
ENERGY & COMMODITIES	6.64%
BIOTECHNOLOGY & BIOPHARMA	5.88%
REAL ESTATE	4.73%
PRECIOUS METALS	2.21%
OTHER	3.14%

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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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