

Hedged Equity

4Q2023

Firm Overview

Parvin Asset Management offers traditional and alternative investment management to address the specific needs and preferences of the individuals, families and institutions we serve. Our objective is to preserve capital and to provide higher risk-adjusted returns than the market. To accomplish this goal for equities, we concentrate on the fundamental importance of profitability and value. Equity portfolios are constructed with focused positions since we view too much diversification as lowering the opportunity for higher returns without reducing risk. As a result, we build portfolios with stocks that are typically spread among 20 equal-weighted positions. In general, we look for stock holdings that are usually characterized by high returns on capital; steady earnings growth; reasonable valuation; substantial income, as appropriate; and diversification across six, or more, economic sectors.

Strategy Overview

Parvin Hedged Equity is a strategy designed for more risk-averse investors to realize the growth potential of stocks but guard against the full impact of market losses. Equity investments in these portfolios remain hedged in an attempt to prevent significant losses during volatile periods. We work to generate additional gains and to avoid potential losses by continually hedging each portfolio. Additional gains may be realized from premiums received selling cash-backed put options and covered call options on individual stocks. Potential losses can be limited by counteracting market sell-offs with S&P 500 Index or SPDR S&P 500 ETF (SPY) put options. The result should be relatively stable returns that reflect a combination of the lower volatility of bonds and the higher appreciation of stocks. The most significant risks for this strategy are trailing higher-returning markets because of declining option values or losing option value at the same time stock selections are underperforming. Margin, or leverage in the form of borrowed funds, is never used.

Portfolio Highlights

Downside protection, current income, and upside participation are primary objectives of this strategy

Focused portfolio diversified with up to 20 equally-sized stock positions and index put options

Selection process driven by economically profitable businesses trading at prices below intrinsic value

For taxable accounts, offsetting returns of stocks and index put options are inherently tax-efficient

Managing risk is a critical aspect of any investment process. The preservation of capital is an important goal at Parvin, but there is no guarantee against loss since risk is inherent in every capital allocation decision.

All portfolios are held by independent custodians.

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Portfolio Manager

J. Steven Smith, CFA[®]

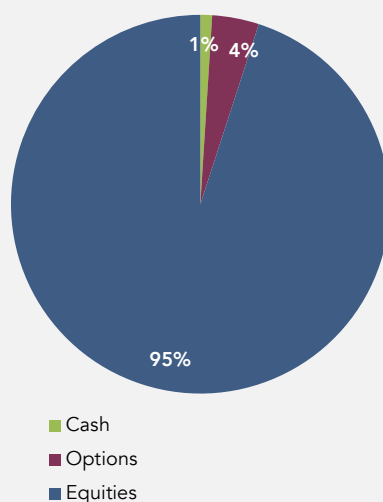
- Managing Director, Parvin Asset Management
- Investment Committee Member and Portfolio Manager, Nuveen (Radnor, PA)
- Treasurer, Harman International
- Vice President, Lehman Brothers
- Analyst, Morgan Stanley
- Williams College (BA)
- Tuck School at Dartmouth (MBA)

Representative Account Profile ²

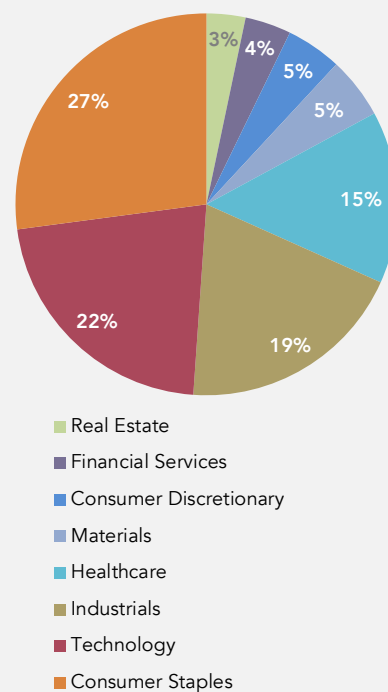
Significant Holdings ³	%
Amgen Inc.	6.0
Philip Morris Int'l	5.7
RTX Corp.	5.7
Cisco Systems Inc.	5.5
Air Products & Chemicals	5.0
SPY 12/20/24 400 Puts	4.0
Financial Overview ⁴	Data*
Return on Equity	32.1%
Return on Assets	9.9%
Indicated Yield	2.9%
Forward P/E	19.8x
Price/Cash Flow	15.9x
Price/Book	6.7x

*Source: Morningstar

Asset Allocation



Sector Allocation



¹ Information presented is supplemental to and not required for GIPS Reports.

² Based on an average of all fully-discretionary client accounts currently managed according to Parvin's Hedged Equity strategy.

³ The Significant Holdings are intended only as a sample of the types of securities that Parvin may purchase and hold and may differ from other accounts and change any time without notice. The securities listed are not recommendations to buy, sell or hold.

⁴ The Financial Overview is only intended as the current weighted-average profile of equity securities in an account that Parvin may purchase and hold, and may differ from other accounts and change any time without notice. These profile characteristics are not comprehensive and are not guaranteed to either generate returns or control risk. The source of data is Morningstar, which Parvin has deemed reliable but does not guarantee.

For use by the individual recipient only. Past performance is not a guarantee of future results. Additional information on Parvin's performance results is available upon request.