

## Hedged Equity Precious Metals

4Q2024

### 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 a limited number of well diversified stock 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.

#### Solari Investment Screens and Research

On behalf of Parvin, Solari offers various equity screening and research services that generally reviews:

- (1) company ownership;
- (2) company leadership and management experience, skills and business practices;
- (3) customer utility of products and services;
- (4) geopolitical, legal and regulatory impacts and risks; and
- (5) shareholder, employee and customer relationships.

Solari does not offer direct investment advice or portfolio management services.

### Strategy Overview

Parvin Hedged Equity Precious Metals is a portfolio designed for participation in precious metals equity markets, providing an investment that correlates less with traditional equity and fixed income securities. We focus on investments in gold- and silver-producing companies that are usually considered to be leading industry participants as well as streaming and royalty companies. Our selection process targets well-capitalized businesses generating cash from efficient operations across multiple properties in politically stable jurisdictions. To reduce return variability in this highly volatile sector, we look for dividend-paying stocks as appropriate and tactically hedge the portfolio with put options written on the SPDR Gold Shares ETF (GLD), the iShares Silver Trust ETF (SLV), or the VanEck Gold Miners ETF (GDX). Investors should anticipate that our hedging strategy reduces some, but not all, volatility. 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

Capital appreciation primarily from gold and silver miners growing their reserves, income and dividends

Focused portfolio; globally diversified; up to 20 U.S., international and emerging markets stock positions; plus, tactical use of index put options

Participation in precious metals equity markets with reduced, but still significant, price volatility

Offsetting returns of stocks and index put options are inherently tax-efficient; foreign dividends will be subject to withholding taxes but often represent qualified income in the U.S.

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.

## Hedged Equity Precious Metals <sup>1</sup>

4Q2024

### Portfolio Manager

J. Steven Smith, CFA<sup>®</sup>

- 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)

### Research Manager

Catherine Austin Fitts

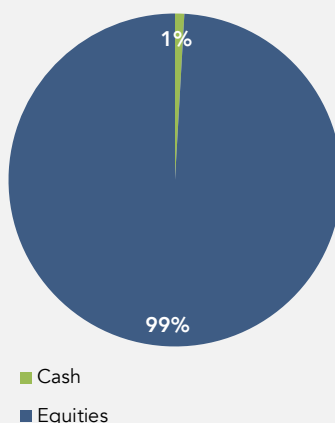
- President, Solari, Inc.; Managing Member, Solari Investment Screens
- President, Hamilton Securities Group, Inc.
- Assistant Secretary of Housing – Federal Housing Commissioner
- Managing Director, Dillon, Read & Co. Inc.
- University of Pennsylvania (BA)
- The Wharton School (MBA)

### Representative Account Profile <sup>2</sup>

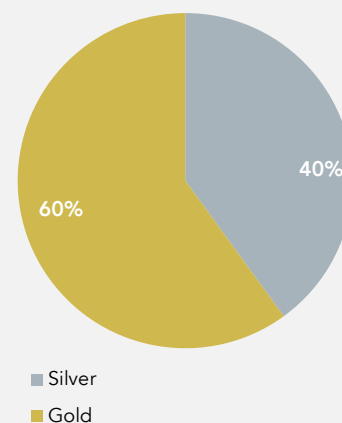
Significant Holdings <sup>3</sup>	%
Agnico Eagle Mines Ltd.	8.1
Newmont Corp.	7.2
Osisko Gold Royalties	6.5
Kinross Gold Corp.	6.4
Alamos Gold Inc.	6.4
Wheaton Precious Metals	6.3
Financial Overview <sup>4</sup>	Data*
Return on Equity	4.0%
Return on Assets	2.6%
Indicated Yield	1.4%
Forward P/E	14.7x
Price/Cash Flow	14.3x
Price/Book	2.1x

\*Source: Morningstar

### Asset Allocation



### Sector Allocation



<sup>1</sup> Information presented is supplemental to and not required for GIPS Reports.

<sup>2</sup> Based on an average of all fully-discretionary client accounts currently managed according to Parvin's Hedged Equity Precious Metals strategy.

<sup>3</sup> 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.

<sup>4</sup> The Financial Overview is only intended as the current weighted-average profile of 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.**