

## Hedged Equity Solari World

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 Solari World is a portfolio strategy that begins with an investment screen designed to address investor concerns about the source of corporate income by considering from whom and from what we profit. Our focus is limited to equity investments in companies that generate a positive "Total Economic Return" to both shareholders and society at large. Stocks are screened in an effort to identify businesses adding value through genuinely productive activities which provide high returns to shareholders while at the same time contributing to the overall productivity of the general population. We look for: (1) companies with proven leadership and management who can provide disciplined governance along with effective strategic direction; (2) companies with fundamentally lawful business models; (3) companies that do not incur risk from technically legal but highly unethical business practices; (4) companies that prosper in private markets and are not materially dependent on direct or indirect government subsidy; and (5) companies that provide transparent disclosure. Our stock selection process targets seasoned, well-capitalized businesses generating cash from profitable operations in markets around the world. In an attempt to limit downside risk and to reduce return variability, we hedge using S&P 500 Index and SPDR S&P 500 ETF (SPY) as well as iShares MSCI EAFE ETF (EFA) and Emerging Markets ETF (EEM) put options. 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

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

Focused portfolio; globally diversified; up to 30 U.S., international and emerging market stock positions; plus, index put options

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 Solari World <sup>1</sup>

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## 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

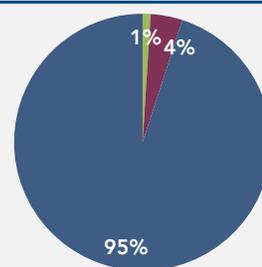
Catherine Austin Fitts

- 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)

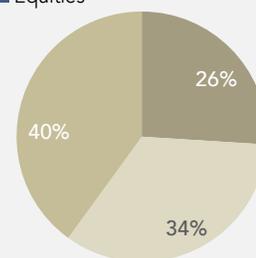
## Representative Account Profile <sup>2</sup>

Significant Holdings <sup>3</sup>	%
Telenor ASA ADR	4.8
Orkla ASA ADR	4.8
Equinor ASA ADR	4.7
MercadoLibre, Inc.	4.4
Osisko Gold Royalties	4.0
SPY 06/18/26 500 Puts	4.0
Financial Overview <sup>4</sup>	Data*
Return on Equity	18.4%
Return on Assets	6.5%
Indicated Yield	4.4%
Forward P/E	12.5x
Price/Cash Flow	7.0x
Price/Book	2.4x
*Source: Morningstar	

## Asset Allocation

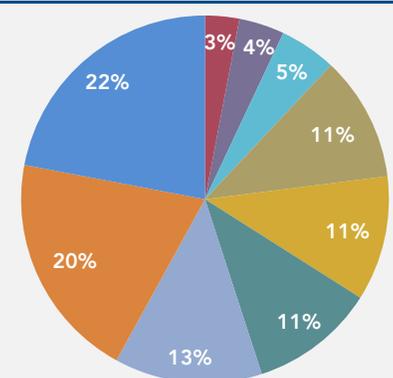


■ Cash  
■ Options  
■ Equities



■ U.S.  
■ EM  
■ Intl.

## Sector Allocation



■ Technology  
■ Financial Services  
■ Healthcare  
■ Industrials  
■ Energy  
■ Communication Services  
■ Materials  
■ Consumer Staples  
■ Consumer Discretionary

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

<sup>2</sup> Based on a single, representative fully-discretionary account currently managed under Parvin's Hedged Equity Solari World strategy and included in Parvin's Composite of Hedged Equity Solari World Accounts.

<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.**