



Portfolio Trade Alert - August 27, 2024

Trade Alert - Equity & Dividend Growth Model

Nvidia (NVDA) will report second-quarter results for fiscal 2025 after the bell tonight. Investors will likely watch for sustained data center growth and any updates on reported delays affecting the new Blackwell artificial intelligence (AI) chip.

According to estimates compiled by Visible Alpha, analysts project revenue will grow to \$28.84 billion, more than double Nvidia's revenue in the same period a year ago. Net income is also expected to more than double to \$14.95 billion, **with a sharp decline in earnings per share (EPS) expected primarily due to the company's 10-for-1 stock split.**

Reported delays in Nvidia's Blackwell chip sent the chipmaker's stock tumbling earlier this month, which could impact the stock again if further delays occur. However, Nvidia has indicated production is still on track to ramp up in the year's second half, as planned.

We previously reduced our exposure to Nvidia in mid-July before the sell-off in August. Given the rally from the lows in August and the potential risks of disappointment in the earnings report, we are reducing holdings in both models slightly to reduce our risk further. If earnings are fine and the outlook is strong, we will look for an entry point to once again increase our exposure as needed.

Equity Model

- *Reduce NVDA to 2% of the portfolio.*

Dividend Growth Model

- *Reduce NVDA to 4% of the portfolio.*

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