



# Portfolio Trade Alert - December 11, 2025

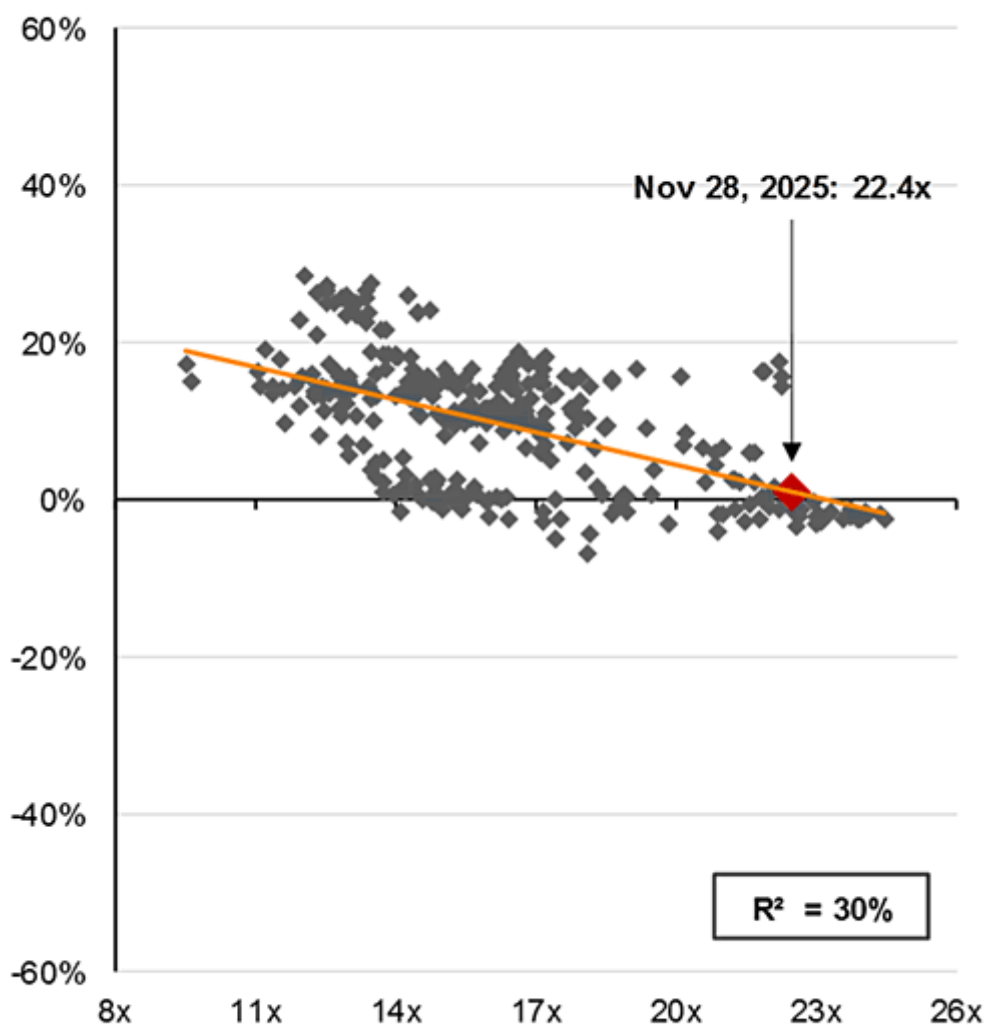
## Trade Alert - Equity, ETF & Dividend Growth Models

Today, we are conducting tax-loss sales to offset previous profit-taking in the Equity and Dividend Growth models. At the same time, we are adding some defensive, dividend positions to start preparing for what could be a more volatile 2026. This is a topic we are touching on in tomorrow's [Daily Market Commentary - RIA:](#)

*"As discussed yesterday, the significant outperformance of growth stocks over value is creating a potential opportunity, particularly when valuations are elevated. As shown, forward valuations (which are the most optimistic) are currently at levels where forward 5-year returns are expected to decline. By adding stocks with high dividends, we "get paid to wait" while adding a defensive hedge to our growth positions."*

## Forward P/E and subsequent 5-year annualized returns

S&P 500 Total Return Index



source: J.P. Morgan

While there is no guarantee that 2026 will result in lower returns, given the massive outperformance over the last 3 years, it seems prudent to at least consider some defensive positioning.

In the ETF model, we are adding a starter position in the same type of defensive dividend holdings, but we are not making any sales in that model currently.

### Equity Model

- Sell 100% of PG for the tax loss.
- Buy 2% of the portfolio each in VZ and MO.

### Dividend Equity Growth Model

- Sell 100% of KMB for the tax loss sale.
- Buy 3.33% of the portfolio in AES.

### ETF Model

- *Buy 2% of the portfolio in the Global X Super Dividend ETF (DIV)*
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