



# Portfolio Trade Alert - March 10, 2026

## Trade Alert - Equity & ETF Models

We sold our remaining positions in the Mortgage REITs- NLY and REM. We have been reducing exposure to them over the past few months, as they have performed very well on the steepening of the yield curve. However, in the process, the price-to-book-value ratio has become very extended, incentivizing REITs to issue shares and dilute shareholders. Our new concern is that, with oil prices introducing inflation risk worries, the Fed is less likely to cut rates. At the same time, higher oil prices and negative sentiment stemming from Iran will weigh on the economy, pushing longer-term yields lower and flattening the yield curve. A flatter curve eats into interest margins.

This trade is occurring in the Equity, ETF, Dividend-equity-focused, and All-Weather models. In All-Weather, we are shifting the REM exposure to MBB; in the others, we are not replacing the holdings for now.

**We are also rebalancing the energy model to model weights.** This will largely entail taking profits as the portfolio is up 20% since November.

### Equity Model

- *Sell 100% of Annaly (NLY)*

### ETF Model

- *Sell 100% of iShares Mortgage REIT (REM)*

### All Weather

- *Sell 100% of iShares Mortgage REIT (REM)*
- *Buy 3.5% of iShares MBS ETF (MBB)*

### Dividend Equity Focused

- *Sell 100% of Annaly (NLY)*

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