

Selected Portfolio Position Review: 04-01-20

Each week we produce a chart book of 10 of the current positions we have in our equity portfolio. Specifically, we are looking at the positions which warrant attention, or are providing an opportunity, or need to be sold. While the portfolios are designed to have longer-term holding periods, we understand that things do not always go the way we plan. This monitoring process keeps us focused on capital preservation and long-term returns. **HOW TO READ THE CHARTS**
 There are four primary components to each chart:

- The price chart is contained within the shaded area of standard deviations above and below the term moving average.
- The Over Bought/Over Sold indicator is in orange at the top.
- The Support/Resistance line (green) is the longer-term moving average which also acts as a trailing stop in many cases.
- The Buy / Sell is triggered when the green line is above the red line (Buy) or vice-versa (Sell).

When the price of a position is at the top of the deviation range, overbought and on a buy signal it is generally a good time to take profits. When that positioning is reversed it is often a good time to look to add to a winning position or looking for an opportunity to exit a losing position. With this basic tutorial, we will now review some positions in our Equity Portfolio which are either a concern, an opportunity, or are doing something interesting.

NOTE: Over the last couple of weeks we have been repositioning the portfolio to weather out a storm we think is coming in April. As such we have reduced exposure to areas we think are at risk and moved to areas where there is relative "safety." We are currently carrying our minimum equity exposure so the next steps will be adding a short-hedge to portfolios to reduce relative exposure to the markets.

ABBV - AbbieVie (Added)



- After buying ABBV previously, and taking some profits, we have added back to the position.
- Along with MRK, ABT, & JNJ we are positioning the portfolio into holdings that will benefit from the COVID-19 virus in terms of revenues over the coming months.�
- We are still underweight the position and will increase our holdings on any pullback to support at \$65-67.50.
- Stop loss is set at \$65

ABT - Abbott Laboratories (Added)



- As we did with ABBV, we previously took profits in ABT and have added back to the holding again.�
- ABT has been performing better than the market recently, and is in a position to benefit from the virus impact.�
- We like the company fundamentally as well. We will continue to build into the position on pullbacks in the market.�
- Stop is set at \$65

JNJ - Johnson & Johnson (Added)

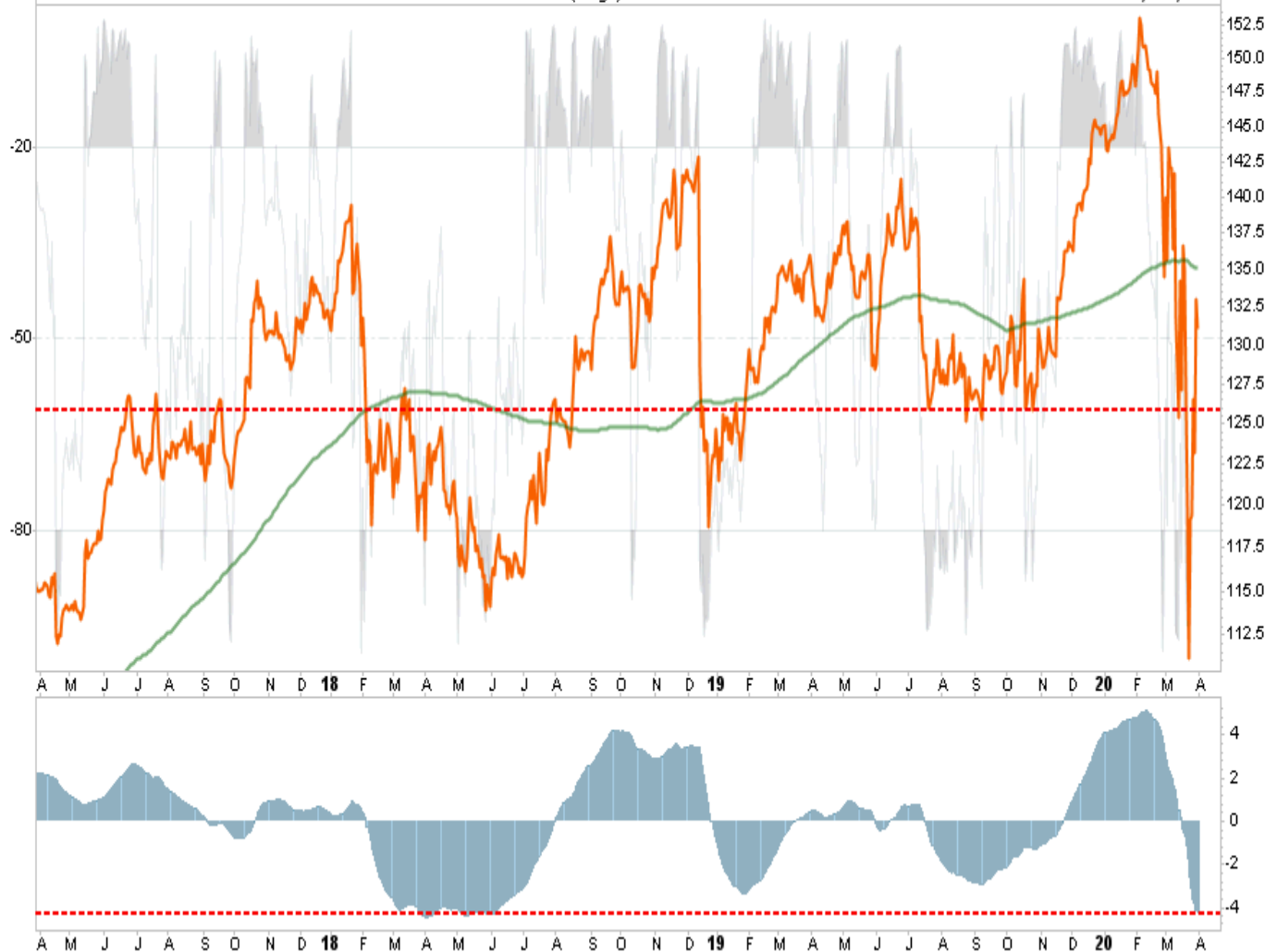
JNJ Johnson & Johnson NYSE

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Health Care / Pharmaceuticals

Open: **134.99** Ask: P/E: **23.29** Options: **yes**
 High: **135.71** Ask Size: EPS: **5.63** Annual Dividend: **3.8**
 Low: **130.05** Bid: Last Size: Yield: **2.90%**
 Prev Close: **133.01** Bid Size: VWAP: SCTR (Large): **88.4**

Tuesday 31-Mar-2020

▼ **-1.41%**Chg: **-1.88**Last: **131.13**Volume: **15,713,109**

- JNJ is another long-term hold well positioned for the virus impact.�
- We added to position and will continue to build into the holding opportunistically.�
- The sharp recovery rally from the lows quickly regained support, which now becomes our level to add to the position.�
- Stop is set at \$120

CAG - Conagra Foods (Added 1/3 Position)**CAG ConAgra Brands, Inc. NYSE**

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Consumer Staples / Food Products

Open: **30.72** Ask: P/E: **17.83** Options: **yes**
 High: **31.95** Ask Size: EPS: **1.65** Annual Dividend: **0.85**
 Low: **28.64** Bid: Last Size: Yield: **2.90%**
 Prev Close: **28.23** Bid Size: VWAP: SCTR (Large): **92.0**

Tuesday 31-Mar-2020

▲ **+3.93%**Chg: **+1.11**Last: **29.34**Volume: **11,107,198**

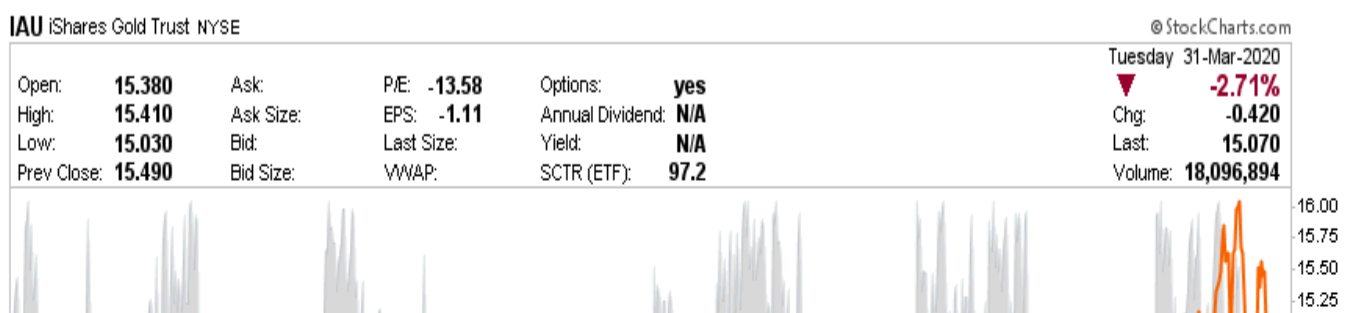
- We are positioning more into staples rather than discretionary as we go through this cycle. CAG hasn't done a lot, but has outperformed on a relative basis to the market.
- CAG is struggling with its 200-dma. We have taken on a 1/3rd position and will look to add another 1/3rd at support around \$27
- Stop is reset at \$24

MRK - Merck (Added 1/3 Position)



- As with our other healthcare related holdings, MRK held important support so we added a 1/3rd holding to portfolios.
- We will continue to add to the holding as opportunity presents itself.
- Stop loss is set at \$65

IAU - Gold (Added)



- There is very little doubt that what the Fed is doing will ultimately be "inflationary" down the road.�
- We have traded gold several times in our portfolio, but are now looking to build a longer-term stake in the metal for that eventual outcome.�
- We currently carry about 1/3rd of our total position and will continue to add on pullbacks to support.�
- Stop is set at \$13.75

CLX - Clorox (Added 1/3 Position)



- CLX has performed exceedingly well during this correction in the market. It is currently overbought but has continued to hold support levels.�
- We added 1/3rd of a holding to portfolios and will continue to add accordingly on pullbacks.�
- Support is \$160 currently.
- Stop is set at \$155

KHC - Kraft Heinz (Sold)

KHC Kraft Heinz Co. Nasdaq GS

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Consumer Staples / Food Products

Tuesday 31-Mar-2020

Open: 25.11	Ask:	P/E: 15.65	Options: yes
High: 25.49	Ask Size:	EPS: 1.58	Annual Dividend: 1.6
Low: 24.40	Bid:	Last Size:	Yield: 6.47%
Prev Close: 25.17	Bid Size:	VWAP:	SCTR (Large): 75.2

▼ **-1.71%**
 Chg: **-0.43**
 Last: **24.74**
 Volume: **7,037,112**



- In order to keep our "equity positioning" balanced in the portfolio, we had to sell something to make room for some of the recent adds.Ⓜ;
- KHC was a current candidate and was sold.Ⓜ;
- Although we like the company longer-term. From a value perspective we think this will be a good "win" down the road, so we will look to add back the holding on the next market downturn.Ⓜ;

V - Visa Inc. (Sold)**V** Visa Inc. NYSE

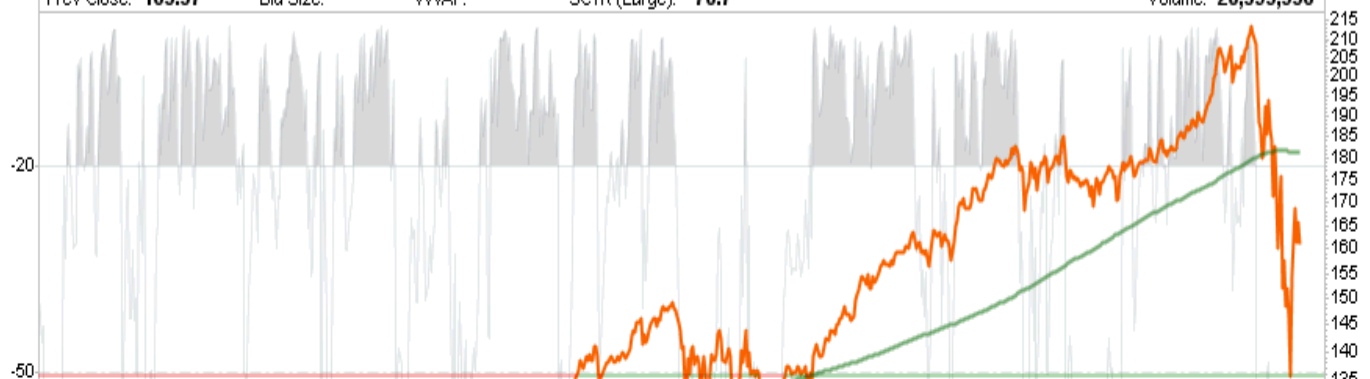
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Technology / Computer Services

Tuesday 31-Mar-2020

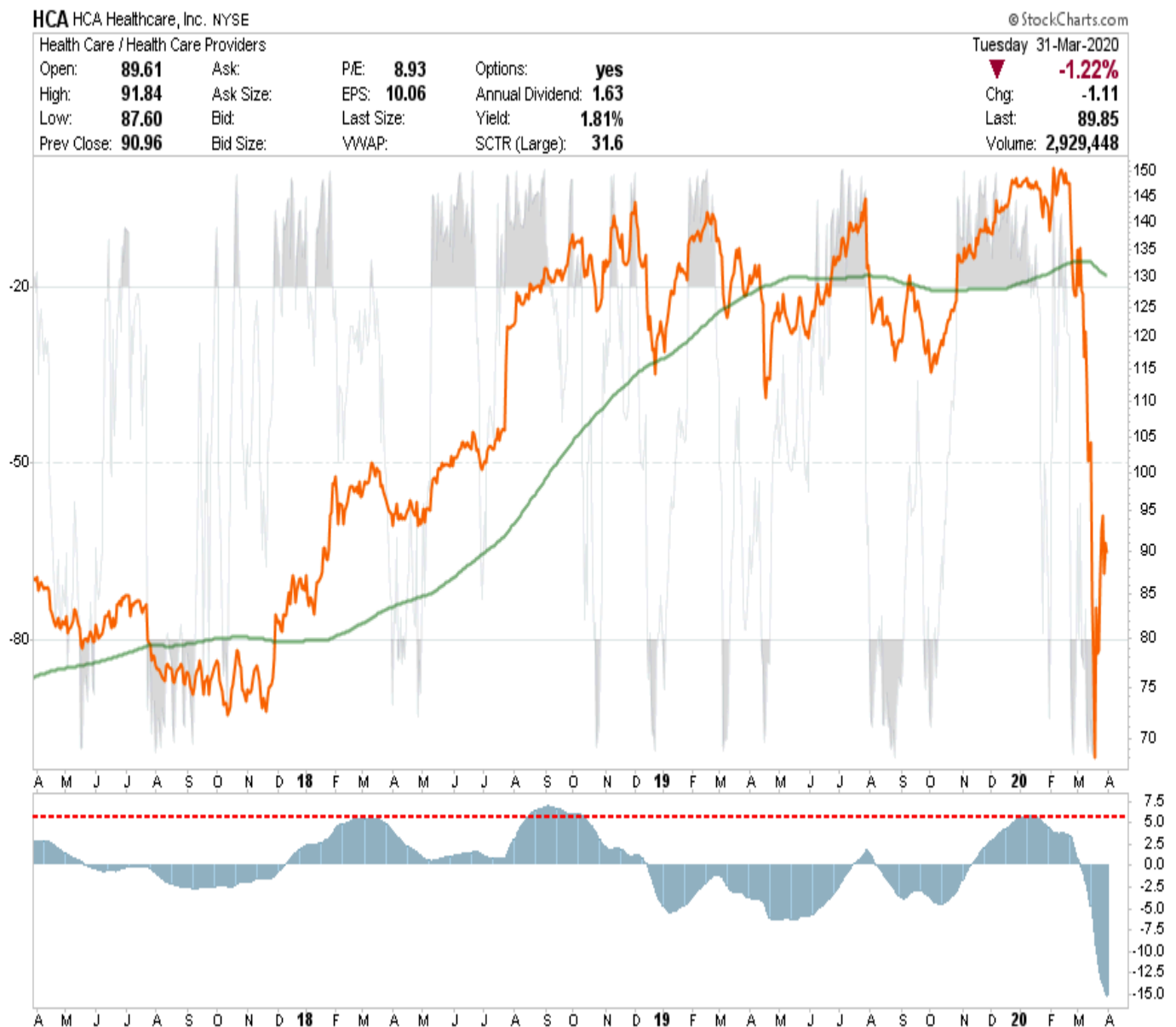
Open: 166.43	Ask:	P/E: 30.20	Options: yes
High: 168.19	Ask Size:	EPS: 5.34	Annual Dividend: 1.1
Low: 160.54	Bid:	Last Size:	Yield: 0.68%
Prev Close: 165.57	Bid Size:	VWAP:	SCTR (Large): 70.7

▼ **-2.69%**
 Chg: **-4.45**
 Last: **161.12**
 Volume: **20,593,356**



- Another "sell" we had to make was V.
- We like Visa very much but it is currently trading at 15x price/sales and is going to be subject to , reduced spending and rising credit card defaults as the unemployment levels surge.
- We will buy V back as we begin to see the economic fallout to come subside.�

HCA - HCA Healthcare (Sold)



- HCA was also sold.�
- We like HCA but it was our worst healthcare performer, so it was a logical candidate to make room elsewhere in the portfolio for better performing positions.