Rebalance December 2022

This year has presented many challenges to investors. Although market volatility has led to negative returns in most asset classes, we are using this market environment to better position portfolios for future growth. We will be rebalancing accounts with two goals in mind: 1) to capture tax losses in taxable accounts and 2) to purchase investments that we believe will add value in a market environment that features higher interest rates and higher volatility than we have seen in recent years.

Part of our investment management process is to continually monitor existing holdings and research potential opportunities. With that in mind, you may see several fund or individual stock trades depending on which Academy Financial investment strategies you use. Changes will vary based on the allocation and account. We will be making changes in December and then again in early 2023 to achieve our goals of capturing losses and positioning ourselves for 2023 and beyond. Below are some common buys and sells we will be making during the December rebalance.

Academy manages multiple portfolios with multiple strategies for all our clients. Depending on your specific strategy, you may not see some or all the changes listed below.

International Equity

- Buy – Janus Henderson Overseas
- Buy – Fidelity Advisor Emerging Markets Discovery
- Sell – Fidelity International Index
- Sell – Morgan Stanley International Advantage
- Sell – BlackRock Emerging Markets

Fixed income

- Buy – Madison Core Bond
- Buy – BlackRock Floating Rate Income
- Sell – Guggenheim Core Bond

Individual US Equities NOTE – not all portfolios have individual stock holdings as part of the investment strategy, thus you may not see trades in individual US equities.

- Buy – American Tower, Amgen, AutoZone, Bank of America, Comcast, Danaher, FedEx, Freeport-McMoRan, ServiceNow, T-Mobile, Zoetis
- Sell – 3M, Abbott Laboratories, Best Buy, Broadcom, Chipotle Mexican Grill, Dominion Energy, Moderna, Nike, NVIDIA, PayPal, Raytheon Technologies, Salesforce, The Walt Disney Co, Verizon Communications

In order to align your portfolio with the appropriate allocation, you will likely see a combination of buys and sells in both equity and fixed income. If you have any questions about these upcoming changes, please don't hesitate to reach out to your Academy Financial advisor.

Blake Gaulden, CFA, CFP®

Chief Investment Officer