Dynamic Global Rotation Strategy

WILLIAMS MARKET ANALYTICS

December 2024

Master Account
Net Asset Value: 208.52 (-1.05%)

December Monthly Strategy Update

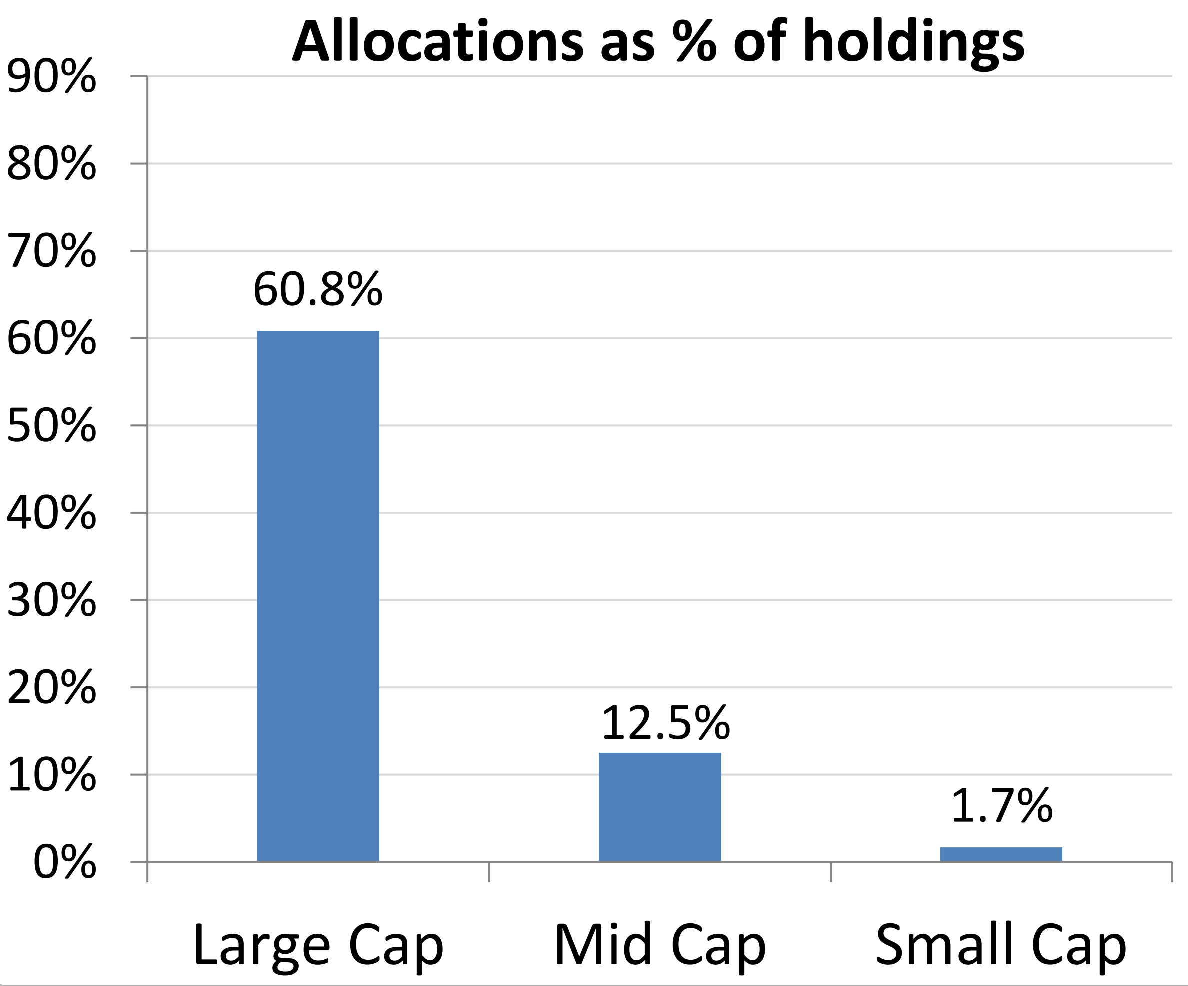
After the "Trump bump" in November, traders took profits across all major asset classes going into year-end. The S&P 500 gave up -2.50% in December while yields backed up with the 10-year Treasury, climbing 40 basis points to 4.57%. It was the only month of 2024 with both stocks and bonds decisively in the red. As we move into 2025 and the third year of the bull market that began in 2022, we are apprehensive on the U.S. equity trade. First, historically the third year of prior bull markets are typically treacherous. Second, by so many measures, the S&P 500 (essentially the megacaps stocks) is stretched to (and beyond) historical extremes. We'll present some concrete data in this week's commentary, our "2025 Outlook", to be posted later this week. Finally, optimism seems to be very positive (if not euphoric in regards to the AI trade). In addition, investors seem to believe that Trump's policies will give more life to the bull market. We'll share some areas of the market that are not at nosebleed valuations in which we feel comfortable investing cash for the long-term.

For the month of December, our DGR Strategy fell only -1.05%. The FTSE All-World slipped -2.41% and broad bond averages were down almost -2% in December. We took advantage of the pull-back to add to high-conviction long-term trades in international blue-chip dividend indexes. As we will outline in our upcoming 2025 Outlook, we prefer non-U.S. stocks at this stage, or at least the under-owned, more reasonably valued segments of the U.S. market. There is an old expression, "trees don't grow to the sky", and the performance of the U.S. tech stocks (whether justified by the AI revolution or not) evoke this colloquialism. We are also nibbling on some beaten down segments of the market, starting with the Brazil ETF, which are offering attractive entry points for a long-term hold. We'll use our DGR Allocation Model throughout 2025 to find opportunities across all geographies and sectors and rotate into indexes that are reaccelerating after corrections. We expect that 2025 will be a tougher year for the consensus investor who has enjoyed (and likely become too complacent in) the Magnificent 7 trade.

Portfolio Data

Number of Holdings	5
Currency	USD
Current Risk Level (β & σ)	Low
Dividend Yield	6.42%
Correlation with Benchmark	0.16
52-Week High & Low	210.7 & 193.5

Market Capitalizations



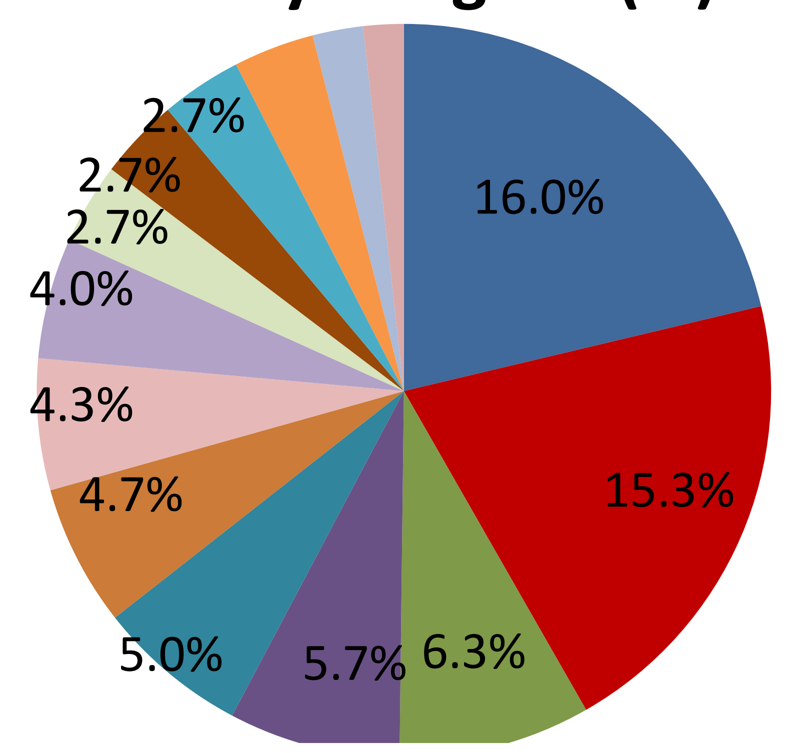
Country Weightings

Latin America	16.0	Japan	4.3
China	15.3	U.K.	4.0
Eurozone	6.3	India	2.7
Emerging Asia	5.7	Switzerland	2.7
S.E. Asia	5.0	Canada	2.7
Other Developed	4.7	Australia	2.7

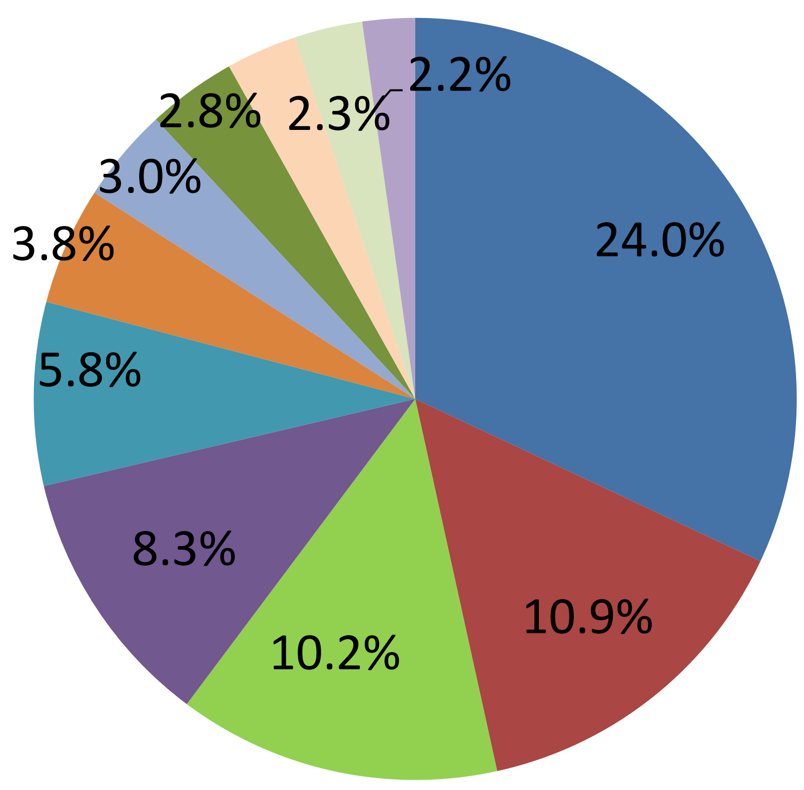
Sector Weightings

Sector	%
Financials	24.0
Materials	10.9
Energy	10.3
Industrial	8.3
Utilities	5.8
Consumer Discretionary	3.8
Technology	3.0
Staples	2.8
Health Care	2.3
Communication Services	2.2
Real Estate	1.7

Country Weights (%)



Sector Weights (%)



Historical Performance

Risk Characteristics

	Annualized Volatility	Beta	Sharpe Ratio
WMA DGR Strategy	11.8%	0.57	2.82
FTSE All World	15.4%	1.00	2.02

Price Return as of 12/31/2024

	YTD	1-Year	2-Year	3-Year	4-Year	5-Year	Since Inception
WMA DGR Strategy	6.56%	6.6%	22.2%	34.6%	49.1%	53.3%	108.5%
FTSE All World	15.42%	15.4%	38.4%	11.4%	29.9%	48.3%	98.4%

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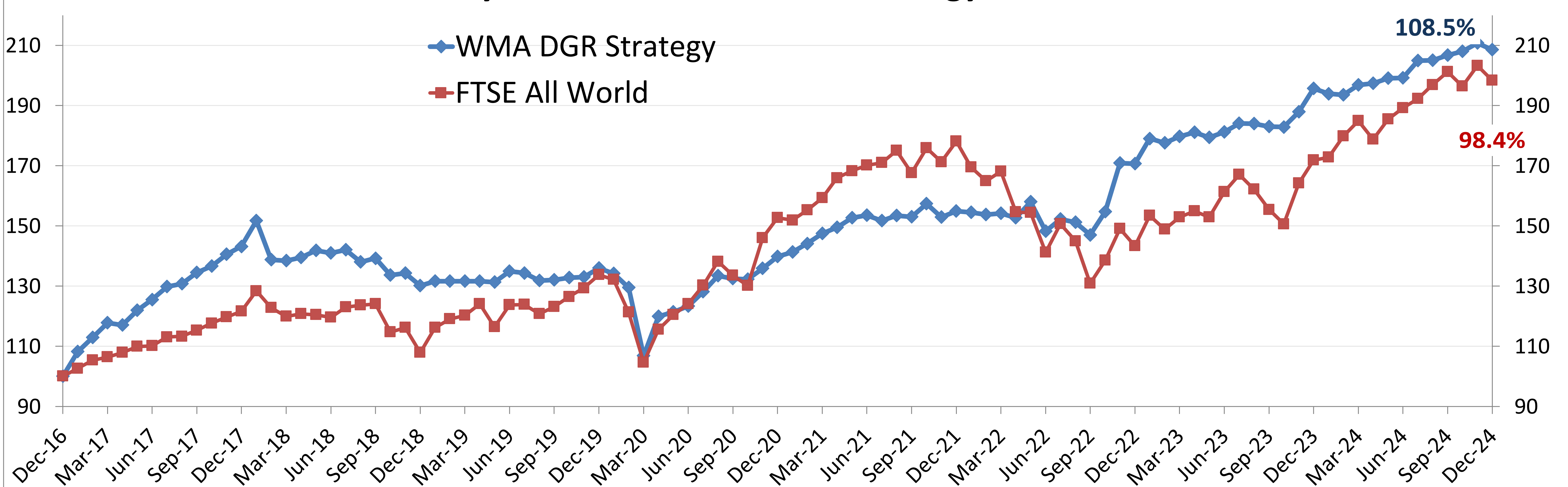

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