

Sell Camping World (CWH) and 3M (MMM); Buy Molson Coors (TAP), Concentrix (CNXC) and Palo Alto Network...



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Selling Camping World (CWH) and 3M (MMM) after deep underperformance, even while additional risks remain. CWH has a highly cyclical profile, with great sensitivity to GDP and the consumer. Last cycle the stock fell to \$4 before rebounding to >\$40. We seem mired in post-Covid down part of the cycle and it's time to move on as economy slows. The market is pricing in the unsustainability of its dividend with a current yield of 10.64% MMM has valuation on its side but still large and unknown exposure to product litigation casts as a pall over the name, from which it's unlikely to move beyond for some time.

Adding to position in AT&T as pricing power and low valuation continue to make it attractive. Also initiating a 2% position in the ultimate recession buster, Molson Coors (TAP). Both stocks have been acting well.

Trimming largest holding HPQ as demand for PCs has shown clear signs of slowing post pandemic. Swapping into 1% positions of each Palo Alto Networks (PANW) and Concentrix. See recent research reports on both for rationale. Portfolio construction considerations include reducing a strong dividend payer while adding CNXC (modest dividend) and PANW (zero dividend) - portfolio has large margin above its target dividend yield - this will only modestly

impact overall portfolio yield, remaining well above target. Also needed to diversify the "old tech" profile of holdings into different industries - specifically security services/software with PANW. This move portfolio away from cyclical economic exposure.