



## Q4 2018 Insights

© 2019 Pawleys Investment Advisors, LLC. All rights reserved.

[www.PawleysAdvisors.com](http://www.PawleysAdvisors.com)

Kathryn E. Schwartz  
Chief Executive Officer  
[kschwartz@PawleysAdvisors.com](mailto:kschwartz@PawleysAdvisors.com)  
January 18th, 2019



# Q4 2018 Insights

- 2018 Stock Market Re-Cap
- U.S. Sector Returns
- Pawleys Dividend Stocks
- Pawleys Growth Stocks
- *invest right, live right™*



# 2018 Stock Market Re-Cap



Source: Yahoo! Finance. The quality of our research relies on the accuracy of data and information provided by companies and third parties. Pawleys does not guarantee completeness or accuracy. Future results cannot be guaranteed



# U.S. Sector Returns

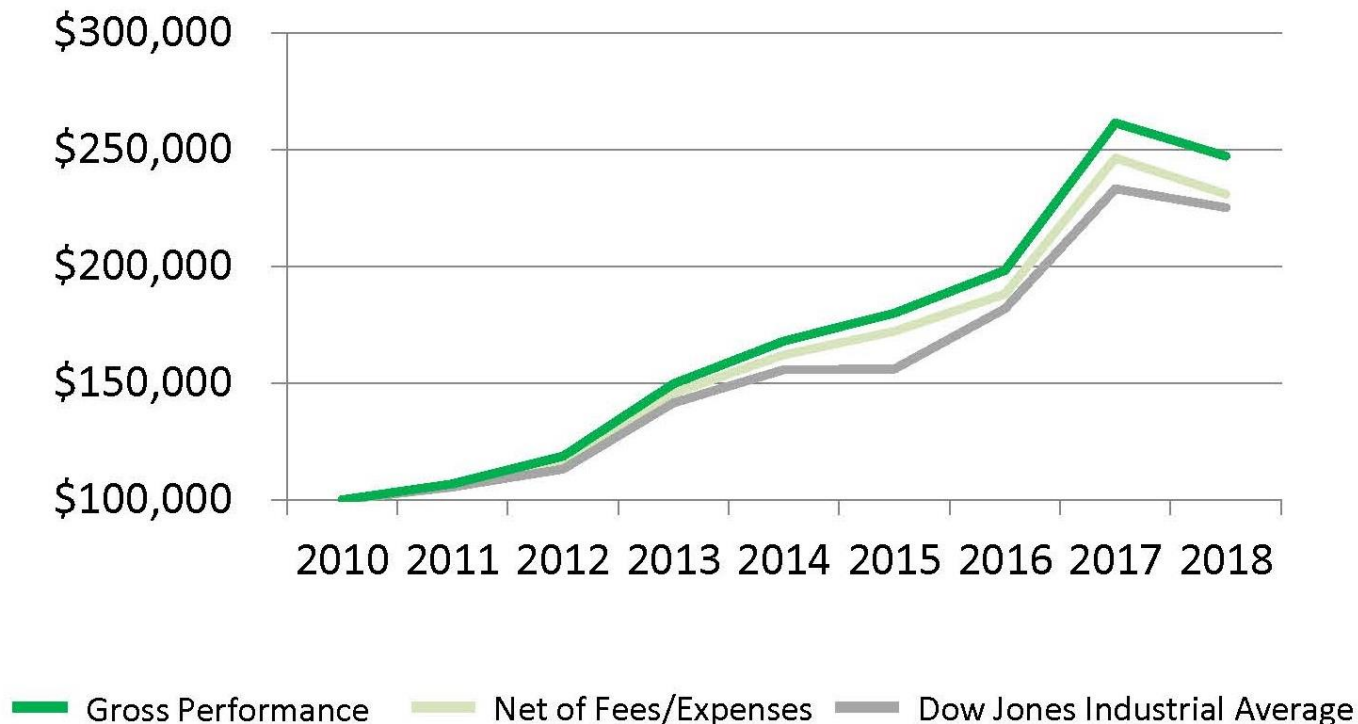
| Sector                 | 12 month trailing return |
|------------------------|--------------------------|
| Consumer Discretionary | 1.43%                    |
| Consumer Staples       | 1.50%                    |
| Energy                 | -17.87%                  |
| Financials             | -10.04%                  |
| Health Care            | 3.91%                    |
| Industrials            | -12.40%                  |
| Information Technology | -2.38%                   |
| Materials              | -19.94%                  |
| Telecommunication      | -0.50%                   |
| Utilities              | 9.26%                    |

As of 1/15/2019, source Mornignstar. The quality of our research relies on the accuracy of data and information provided by companies and third parties. Pawleys does not guarantee completeness or accuracy. Future results cannot be guaranteed



# Pawleys Dividend

## Pawleys Dividend Fund™ versus DJIA



Total return figures reflect both gross and net annualized results. Management fee for fund is 0.75%, and we do not impose performance or incentive fees. Fees on Separately Managed Accounts vary depending on amount invested, with the highest fee starting at 1.25%. The S&P 500 and DJIA are indices and you cannot invest directly in an index. Past performance does not indicate current or future results and you may incur investment losses.

Source: Morningstar and S&P. © 2019 Pawleys Investment Advisors, LLC. All rights reserved.



# Pawleys Dividend

| Pawleys Dividend Fund       |        |        | \$ 1,000,000.00 |              |        |             |        | 1/18/2019     |                   |                 |  |        |
|-----------------------------|--------|--------|-----------------|--------------|--------|-------------|--------|---------------|-------------------|-----------------|--|--------|
| Company                     | Symbol | Weight | Cost Basis      | 1/02/2019 px | shares | dividends   | splits | current price | current mkt value | Total Return    |  | ytd TR |
| Home Depot Inc              | HD     | 10.0%  | \$ 100,000.00   | \$ 171.82    | 582    | \$ -        |        | \$ 179.58     | \$ 104,516.35     | \$ 104,516.35   |  | 5%     |
| Estee Lauder Companies, Inc | EL     | 7.0%   | \$ 70,000.00    | \$ 130.10    | 538    | \$ -        |        | \$ 127.54     | \$ 68,622.60      | \$ 68,622.60    |  | -2%    |
| Phillips 66                 | PSX    | 5.0%   | \$ 50,000.00    | \$ 86.15     | 580    | \$ -        |        | \$ 95.30      | \$ 55,310.50      | \$ 55,310.50    |  | 11%    |
| JPMorgan Chase & Co         | JPM    | 7.0%   | \$ 70,000.00    | \$ 97.62     | 717    | \$ 573.65   |        | \$ 104.59     | \$ 74,997.95      | \$ 75,571.60    |  | 8%     |
| Bank of America Corp        | BAC    | 7.0%   | \$ 70,000.00    | \$ 24.64     | 2841   | \$ -        |        | \$ 29.30      | \$ 83,238.64      | \$ 83,238.64    |  | 19%    |
| Novo Nordisk                | NVO    | 8.0%   | \$ 80,000.00    | \$ 46.07     | 1736   | \$ -        |        | \$ 48.05      | \$ 83,438.25      | \$ 83,438.25    |  | 4%     |
| UnitedHealth Group Inc      | UNH    | 8.0%   | \$ 80,000.00    | \$ 249.12    | 321    | \$ -        |        | \$ 265.50     | \$ 85,260.12      | \$ 85,260.12    |  | 7%     |
| Delta Airlines Corp         | DAL    | 9.0%   | \$ 90,000.00    | \$ 49.90     | 1804   | \$ -        |        | \$ 48.11      | \$ 86,771.54      | \$ 86,771.54    |  | -4%    |
| Lam Research                | LRCX   | 10.0%  | \$ 100,000.00   | \$ 136.17    | 734    | \$ -        |        | \$ 147.55     | \$ 108,357.20     | \$ 108,357.20   |  | 8%     |
| Visa                        | V      | 10.0%  | \$ 100,000.00   | \$ 131.94    | 758    | \$ -        |        | \$ 138.50     | \$ 104,971.96     | \$ 104,971.96   |  | 5%     |
| Steel Dynamics              | STLD   | 5.0%   | \$ 50,000.00    | \$ 30.04     | 1664   | \$ -        |        | \$ 34.30      | \$ 57,090.55      | \$ 57,090.55    |  | 14%    |
| Verizon Communications Inc  | VZ     | 5.0%   | \$ 50,000.00    | \$ 56.22     | 889    | \$ 536.29   |        | \$ 57.09      | \$ 50,773.75      | \$ 51,310.03    |  | 3%     |
| Sempra Energy               | SRE    | 5.0%   | \$ 50,000.00    | \$ 108.19    | 462    | \$ -        |        | \$ 112.67     | \$ 52,070.43      | \$ 52,070.43    |  | 4%     |
|                             | cash   | 4.0%   | \$ 40,000.00    | \$ 1.00      | 40000  |             |        | \$ 1.00       | \$ 40,000.00      | \$ 40,000.00    |  | 0%     |
|                             |        | 100.0% | \$ 1,000,000.00 |              |        | \$ 1,109.94 |        |               | \$ 1,055,419.83   | \$ 1,056,529.77 |  |        |

Please check with Pawleys to see if these ideas fit within your existing portfolio.

No adjustments have been made to portfolio or benchmark for fees and taxes.

Past performance does not indicate future results.

Datasource: YAHOO! Finance, verified on Bigcharts.

[www.PawleysAdvisors.com](http://www.PawleysAdvisors.com)

[www.PawleysCapital.com](http://www.PawleysCapital.com)

© 2010-2019 Pawleys Investment Advisors, LLC all rights reserved.

5.65%

5.94%

DJIA

Pawleys +/- Index:

-0.29%

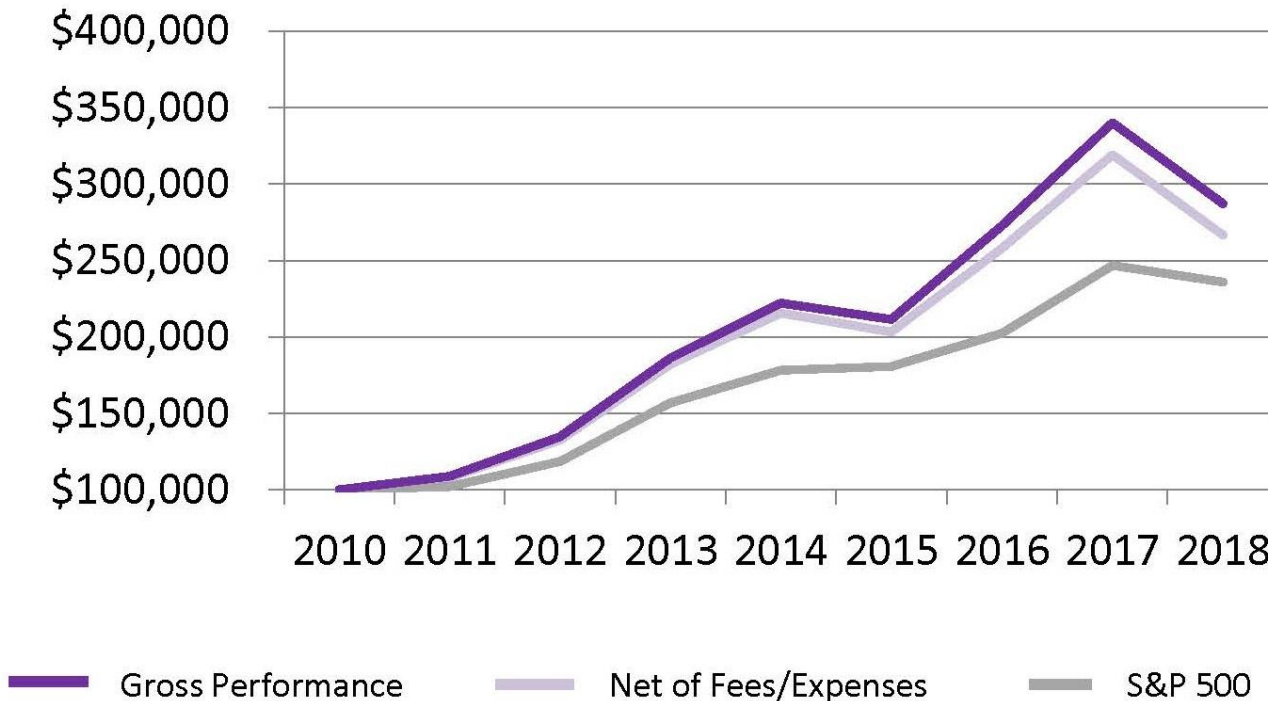
The quality of our research relies on the accuracy of data and information provided by companies and third parties. Pawleys does not guarantee completeness or accuracy. Future results cannot be guaranteed





# Pawleys Growth

## Pawleys Growth Fund™ versus S&P 500



Total return figures reflect both gross and net annualized results. Management fee for fund is 0.75%, and we do not impose performance or incentive fees. Fees on Separately Managed Accounts vary depending on amount invested, with the highest fee starting at 1.25%. The S&P 500 and DJIA are indices and you cannot invest directly in an index. Past performance does not indicate current or future results and you may incur investment losses.

Source: Morningstar and S&P. © 2019 Pawleys Investment Advisors, LLC. All rights reserved.



# Pawleys Growth

| Pawleys Growth Fund                    |        |        |                 | \$ 1,000,000.00 |        |           |        | 1/18/2019     |                   |                 |  |        |
|--|--------|--------|-----------------|-----------------|--------|-----------|--------|---------------|-------------------|-----------------|--|--------|
| Company                                | Symbol | Weight | Cost Basis      | 1/02/2019 px    | shares | dividends | splits | current price | current mkt value | Total Return    |  | ytd TR |
| Capri Holdings                         | CPRI   | 5.0%   | \$ 50,000.00    | \$ 37.92        | 1319   | \$ -      |        | \$ 42.42      | \$ 55,933.54      | \$ 55,933.54    |  | 12%    |
| Lennar                                 | LEN    | 5.0%   | \$ 50,000.00    | \$ 39.15        | 1277   | \$ -      |        | \$ 44.10      | \$ 56,321.84      | \$ 56,321.84    |  | 13%    |
| Norwegian Cruise Line Holdings         | NCLH   | 5.0%   | \$ 50,000.00    | \$ 42.39        | 1180   | \$ -      |        | \$ 47.53      | \$ 56,062.75      | \$ 56,062.75    |  | 12%    |
| Ulta Salon, Cosmetics and Perfume Inc. | ULTA   | 5.0%   | \$ 50,000.00    | \$ 244.84       | 204    | \$ -      |        | \$ 291.50     | \$ 59,528.67      | \$ 59,528.67    |  | 19%    |
| Valero Energy Corp                     | VLO    | 3.0%   | \$ 30,000.00    | \$ 74.97        | 400    | \$ -      |        | \$ 82.59      | \$ 33,049.22      | \$ 33,049.22    |  | 10%    |
| Diamondback Energy Corp                | FANG   | 3.0%   | \$ 30,000.00    | \$ 92.70        | 324    | \$ -      |        | \$ 106.89     | \$ 34,592.23      | \$ 34,592.23    |  | 15%    |
| MasterCard Inc.                        | MA     | 5.0%   | \$ 50,000.00    | \$ 188.65       | 265    | \$ 87.46  |        | \$ 202.00     | \$ 53,538.30      | \$ 53,625.76    |  | 7%     |
| Evercore Inc                           | EVR    | 5.0%   | \$ 50,000.00    | \$ 71.56        | 699    | \$ -      |        | \$ 86.22      | \$ 60,243.15      | \$ 60,243.15    |  | 20%    |
| Universal Insurance Holdings Inc       | UVE    | 5.0%   | \$ 50,000.00    | \$ 37.92        | 1319   | \$ -      |        | \$ 38.00      | \$ 50,105.49      | \$ 50,105.49    |  | 0%     |
| Biogen Idec                            | BIIB   | 5.5%   | \$ 55,000.00    | \$ 300.92       | 183    | \$ -      |        | \$ 337.42     | \$ 61,671.21      | \$ 61,671.21    |  | 12%    |
| Cigna Corporation                      | CI     | 5.5%   | \$ 55,000.00    | \$ 189.92       | 290    | \$ -      |        | \$ 194.83     | \$ 56,421.91      | \$ 56,421.91    |  | 3%     |
| AMN Healthcare Services Inc            | AMN    | 5.5%   | \$ 55,000.00    | \$ 56.66        | 971    | \$ -      |        | \$ 62.77      | \$ 60,930.99      | \$ 60,930.99    |  | 11%    |
| Southwest Airlines Co                  | LUV    | 5.0%   | \$ 50,000.00    | \$ 46.48        | 1076   | \$ -      |        | \$ 51.57      | \$ 55,475.47      | \$ 55,475.47    |  | 11%    |
| IDEX Corp                              | IEX    | 5.0%   | \$ 50,000.00    | \$ 126.26       | 396    | \$ 170.28 |        | \$ 140.77     | \$ 55,746.08      | \$ 55,916.36    |  | 12%    |
| Electronic Arts                        | EA     | 6.5%   | \$ 65,000.00    | \$ 78.91        | 824    | \$ -      |        | \$ 92.52      | \$ 76,210.87      | \$ 76,210.87    |  | 17%    |
| Applied Materials                      | AMAT   | 6.5%   | \$ 65,000.00    | \$ 32.74        | 1985   | \$ -      |        | \$ 35.71      | \$ 70,896.46      | \$ 70,896.46    |  | 9%     |
| Advanced Energy Industries Inc         | AEIS   | 6.5%   | \$ 65,000.00    | \$ 42.93        | 1514   | \$ -      |        | \$ 48.00      | \$ 72,676.45      | \$ 72,676.45    |  | 12%    |
| Louisiana-Pacific Corp                 | LPX    | 3.0%   | \$ 30,000.00    | \$ 22.22        | 1350   | \$ -      |        | \$ 24.07      | \$ 32,497.75      | \$ 32,497.75    |  | 8%     |
| Arista Networks Inc                    | ANET   | 3.0%   | \$ 30,000.00    | \$ 210.70       | 142    | \$ -      |        | \$ 232.08     | \$ 33,044.14      | \$ 33,044.14    |  | 10%    |
| Ameren Corp                            | AEE    | 3.0%   | \$ 30,000.00    | \$ 65.23        | 460    | \$ -      |        | \$ 67.24      | \$ 30,924.42      | \$ 30,924.42    |  | 3%     |
|  | cash   | 4.0%   | \$ 40,000.00    | \$ 1.00         | 40000  | \$ -      |        | \$ 1.00       | \$ 40,000.00      | \$ 40,000.00    |  | 0%     |
|  |        | 100.0% | \$ 1,000,000.00 |                 |        | \$ 257.75 |        |               | \$ 1,105,870.95   | \$ 1,106,128.70 |  |        |

Please check with Pawleys to see if these ideas fit within your existing portfolio.  
No adjustments have been made to portfolio or benchmark for fees and taxes.  
Past performance does not indicate future results.  
Datasource: YAHOO! Finance, verified on Bigcharts.

[www.PawleysAdvisors.com](http://www.PawleysAdvisors.com)  
[www.PawleysCapital.com](http://www.PawleysCapital.com)

© 2010-2019 Pawleys Investment Advisors, LLC all rights reserved.

10.61%

6.56%  
S&P 500

Pawleys +/- Index:  
4.05%

The quality of our research relies on the accuracy of data and information provided by companies and third parties.  
Pawleys does not guarantee completeness or accuracy. Future results cannot be guaranteed





# Pawleys Growth Fund Buy-Outs

## Pawleys Growth Fund Buy-Outs

| Company                              | Symbol | Initial Entry | Entry Price | Buy-out declared | Buy-out Price | Premium | Acquirer     |
|--------------------------------------|--------|---------------|-------------|------------------|---------------|---------|--------------|
| Par Pharmaceutical                   | PRX    | 1/3/2011      | \$38.78     | 7/16/2012        | \$50.00       | 29%     | TPG          |
| Mediware Information Systems Inc.    | MEDW   | 1/3/2012      | \$12.73     | 9/12/2012        | \$22.00       | 73%     | Thoma Bravo  |
| Questcor Pharmaceuticals Inc.        | QCOR   | 1/2/2014      | \$54.48     | 4/7/2014         | \$86.10       | 58%     | Mallinckrodt |
| Sapient                              | SAPE   | 1/2/2014      | \$17.36     | 11/2/2014        | \$25.00       | 44%     | Publicis     |
| PartnerRe Ltd.                       | PRE    | 1/2/2015      | \$114.36    | 8/3/2015         | \$143.50      | 25%     | Exor         |
| Keurig Green Mountain, Inc.          | GMCR   | 1/2/2015      | \$75.54     | 12/7/2015        | \$92.00       | 22%     | JAB Holding  |
| Alliance Fiber Optic Products Inc.   | AFOP   | 1/1/2013      | \$12.02     | 4/7/2016         | \$18.50       | 54%     | Corning      |
| Brocade Communications Systems, Inc. | BRCD   | 1/2/2014      | \$8.87      | 11/2/2016        | \$12.75       | 44%     | Broadcom     |
| Whole Foods Market, Inc.             | WFM    | 1/3/2012      | \$34.82     | 6/16/2017        | \$42.00       | 21%     | Amazon       |
| Express Scripts Holding              | ESRX   | 1/2/2018      | \$74.99     | 3/8/2018         | \$92.51       | 23%     | Cigna        |

The quality of our research relies on the accuracy of data and information provided by companies and third parties. Pawleys does not guarantee completeness or accuracy. Future results cannot be guaranteed



*“The problem with patience and discipline is that it requires both of them to develop each of them.”*

*- Thomas Sterner*



# Pawleys Investment Advisors, LLC

- Website: [www.PawleysAdvisors.com](http://www.PawleysAdvisors.com)
- Private Funds: [www.PawleysCapital.com](http://www.PawleysCapital.com)
- Follow Us On:



— Facebook



— LinkedIn



— Twitter



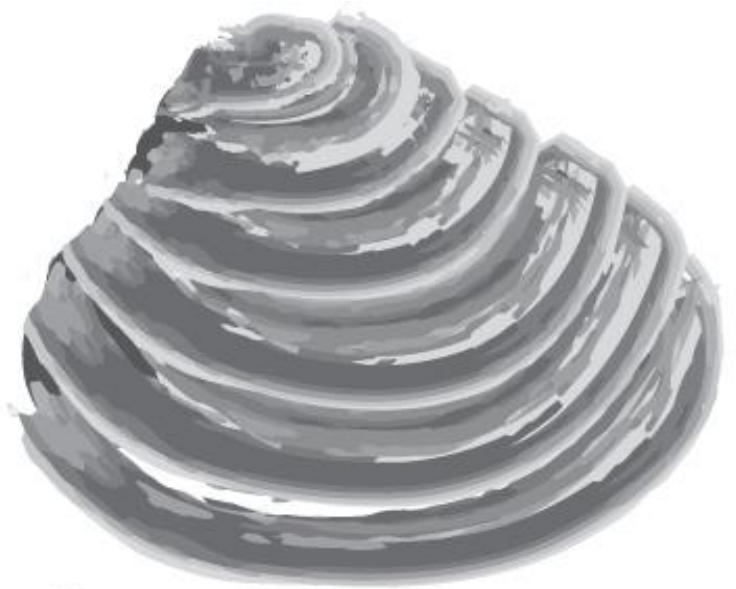
*As featured by:*



**Bloomberg  
Businessweek**



Pawleys



Investment Advisors

*invest right, live right™*



Pawleys



Capital Management

*invest right, live right™*

