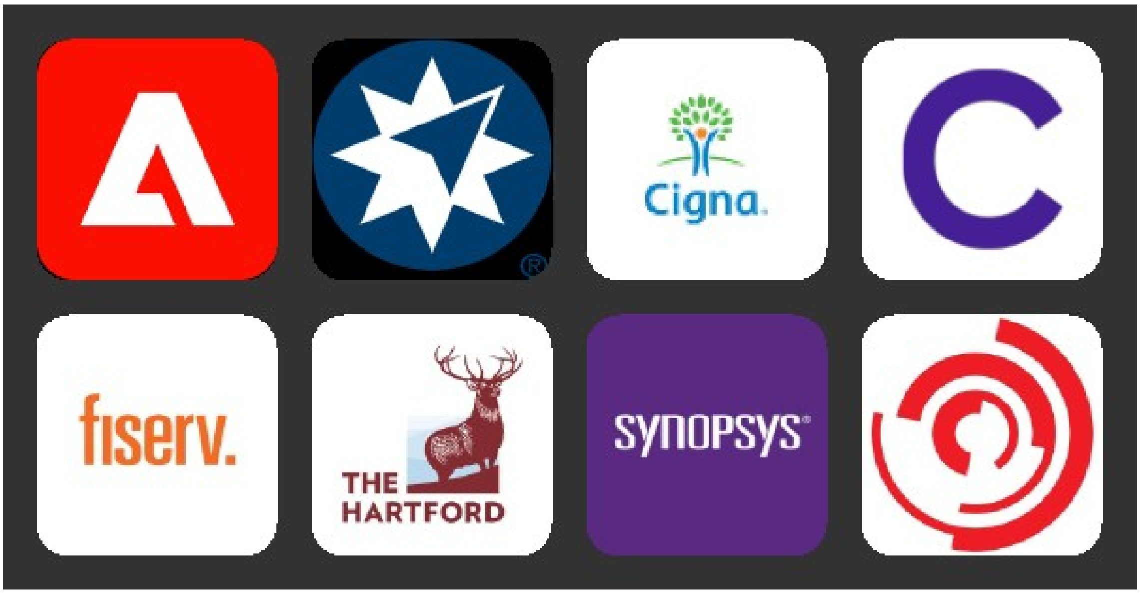
September 2025 Rebalancing

September 2025 Rebalancing. Portfolio return 22.3% CAGR. Arista Networks (#ANET) exits and The Hartford Insurance Group (#HIG) enters.



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Data sources: TIKR and TwelveData. **Tools**: own software.

Monitoring and investment plan: https://www.jongarcialabiano.com

Rebalancing

This rebalancing has been very dufficult because the market is seeing widespread profit stagnation, at least among companies that meet the criteria for a reasonable growth portfolio. This stagnation means that valuations are starting to look expensive for the same price, or that some companies are simply losing the predictability of their earnings. This does not mean that the market is overpriced and that everything should be sold, but at current prices, valuations are becoming more expensive than before and it is much more difficult to find candidates to add to the portfolio. If the market continues like this in the coming months, it may be necessary to leave part of the portfolio in cash while waiting for new opportunities to arise, until the market returns to growth or finishes rotating towards other types of companies.

Arista Networks (#ANET) is being removed from the portfolio. It has performed explosively over the last two months, rising +33%, and is now too expensive for the portfolio's requirements. It remains an excellent company, and if it returns to a good price, it may be re-added to the portfolio.

The Hartford Insurance Group (#HIG) is added to the portfolio. The alternative was to leave this part of the portfolio in cash, but I believe this company is a good option.

In addition, when rebalancing, the weights of all companies in the portfolio must be equalized.

September 01, 2025

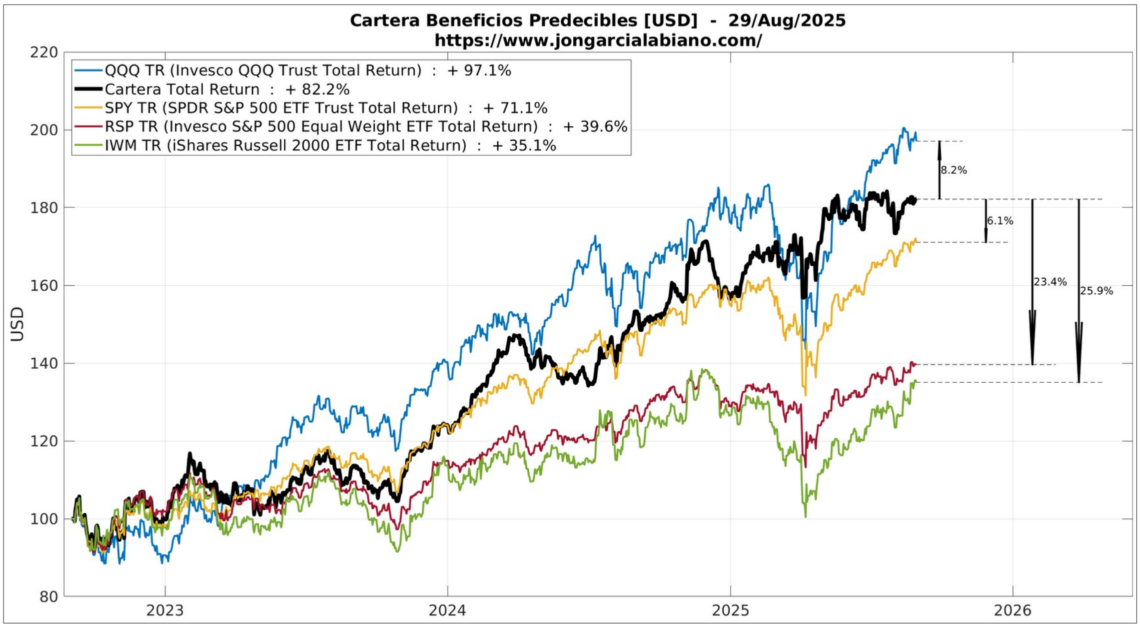
TOTAL REFERENCE CAPITAL	$100,000.00
CAPITAL PER COMPANY	$12,500.00

TICKER	COMPANY	EXCHANGE	PRICE	SHARES	CAPITAL
ADBE	Adobe Inc.	NASDAQ	$356.70	35	$12,484.50
AMP	Ameriprise Financial, Inc.	NYSE	$514.81	24	$12,355.44
CI	The Cigna Group	NYSE	$300.87	41	$12,335.67
COR	Cencora, Inc.	NYSE	$291.61	42	$12,247.62
FI	Fiserv, Inc.	NYSE	$138.18	90	$12,436.20
HIG	The Hartford Insurance Group, Inc.	NYSE	$132.31	94	$12,437.14
SNPS	Synopsys, Inc.	NASDAQ	$603.52	20	$12,070.40
WAB	Wabtec Corporation	NYSE	$193.50	64	$12,384.00

EXCESS CASH	$1,249.03

Return of the portfolio

The portfolio is close to all time highs but has been moving sideways for some time, with a CAGR of 22.3%. Below you can see the overall performance and details for the last two months.



START DATE (+)	END DATE (++)
Jul 07, 2025	Aug 29, 2025

	INITIAL CAPITAL	ENDING CAPITAL (*)	RETURN
ADBE	$12,137.92	$11,414.40	-5.96%
AMP	$12,495.90	$11,840.63	-5.24%
ANET	$12,404.92	$16,522.55	33.19%
CI	$12,470.25	$11,733.93	-5.90%
COR	$12,441.66	$12,247.62	-1.56%
FI	$12,464.05	$9,810.78	-21.29%
SNPS	$12,072.28	$13,277.44	9.98%
WAB	$12,433.46	$11,223.00	-9.74%

	INITIAL CAPITAL	ENDING CAPITAL (**)	RETURN
PORTFOLIO	$100,000.00	$99,149.91	-0.85%
SPY TR	$100,000.00	$103,151.89	3.15%
QQQ TR	$100,000.00	$102,549.35	2.55%

BENCHMARK	RETURN PORTFOLIO = RETURN SPY TR - 4.00%
	RETURN PORTFOLIO = RETURN QQQ TR - 3.40%

(+) It is purchased at the closing price of the previous Friday.

(++) Sold at the closing price of the day.

(*) Includes dividends received.

(**) Includes dividends received and initial residual cash.

Arista Networks (ANET) exits portfolio

It is an excellent company, but after rising +33% in the last two months, it has become too expensive to keep in the portfolio. If the price drops and returns to a reasonable level, it may be re-added to the portfolio.

The Hartford Insurance Group (HIG on NYSE) enters

I hesitated between Hartford and leaving this part of the portfolio in cash, but I think this company is a good choice. It is a high-quality insurance company, and although its earinings growth is slowing, it remains predictable and is still well priced even with this decline in growth. On the downside, we cannot expect this company to give us a 20% annual return; the return will not be very high. Its growth is expected to slow from the current 15-20% to a more reasonable 10% in a few years due to the stage of the cycle that insurance companies are in. But even so, at a P/E ratio of 11, it is very reasonably priced. Nor can we expect any major shocks, such as a 20% drop, because that would mean a PER of 8, unless something extraordinary happens in the insurance sector.

It is a high-quality insurance company founded in 1810 with three main lines of business: business insurance (60%), personal insurance (14%), and employee benefits management (26%). It is not the company with the most competitive advantages or the most dominant, but it operates excellently and is one of the most profitable insurers, which allows it to achieve sustainable earnings growth.

Its figures are summarized as follows:

- Market Cap: $37 billion, around the 30th percentile of the S&P 500.
- EBIT 2024: $4.0 billion, around the 60th percentile of the S&P 500.
- Normalized EPS growth: around 15% per year, with a reduction expected.
- Sales growth: around 6% per year.
- EBIT and EBITDA margins: 15%.
- ROCE: 20%.
- Debt/EBITDA: 1.0.