



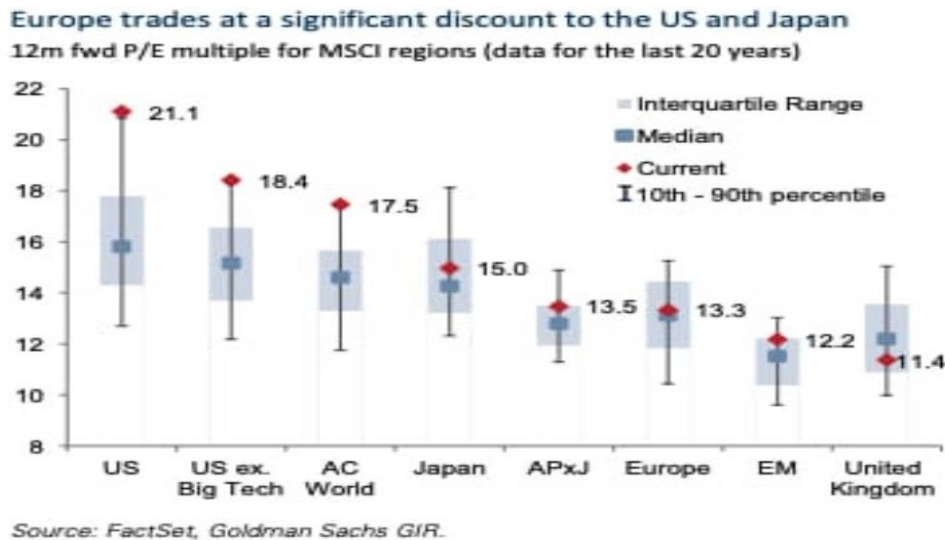
New Portfolio Investment

A few weeks ago, I posted this chart from Goldman Sachs showing the relative valuation of various global markets.

Emerging markets, EM below, are cheap.

I've been buying emerging markets since the COVID-19 pandemic because the relative value gap will eventually close, leading to outsized gains compared with other options.

U.S. large-cap stocks have been one of the best-performing asset classes you can buy. I've had exposure to U.S. stocks and have added to my holdings over time.



That's not the *future* of great returns. The *data* does not support it.

My opinion could change, especially if the data changes. There could also be issues with emerging markets that...emerge.

However, simply playing the odds means emerging markets are a place to make bets.

I will continue to do that. A problem with emerging markets is that the investment options have been limited.

Furthermore, I do not invest in individual countries outside the U.S. Many country indexes look cheap...for a reason!

Russia was the cheapest country in the world until it started a war and became much cheaper. Essentially, you lost everything.

Ireland was super cheap years ago. Then you lost your ass even more. Sometimes crappy stuff is in the bargain bin for a reason.

I'm not interested in studying these countries' local economies and politics. I don't do anything that doesn't interest me in any aspect of my life. I'm not going to start now, that's for sure!

I stick with broad markets and spread the bet out.

When doing research based on the chart above, I noticed that Dimensional Fund Advisors had transitioned from mutual funds into the exchange-traded fund (ETF) space.

Dimensional uses strategies developed by academics and allows you to invest in market segments such as low-priced-to-book stocks, which, *over time*, have an edge over traditional market-cap-weighting indexes.

The problem was that to access these funds, you had to do so through an advisor that Dimensional vetted. It was a bit of a cult.

Not the kind of cult where you dance on coals and repeat a mantra! It's more like drinking *financial* Kool-Aid.

A bigger problem is that after you pay mutual fund fees *and* an advisor fee, there is less edge.

The folks at Dimensional and advisors get rich, but not so much the investors.

ETFs, on the other hand, are like buying and selling a stock. They're exchange traded. ETFs do not require an advisor, there's no commission, and the fees are lower than comparable mutual funds.

Furthermore, ETFs have tax efficiencies (which are beyond the scope of this piece), so they outperform mutual funds on a like-for-like basis.

Dimensional's emerging market fund of interest is the Emerging Markets Value ETF (DVEF).

Why do I like it?

There are few choices in the emerging markets space, and *value* is undervalued relative to nearly any other market you can buy globally.

Strictly from an odds perspective, this is the play.

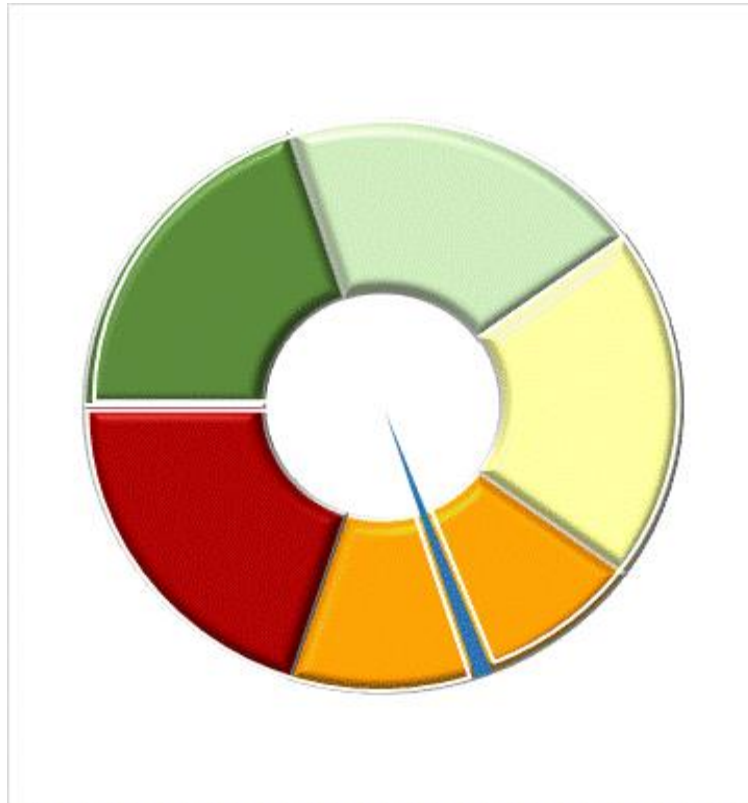
The problem is that no one knows when or if the valuation gap will close. Therefore, it's not the only investment one should make. Emerging markets have been relatively undervalued for years, and that could continue until it doesn't. When the gap closes, it often happens quickly, and the gains are massive.

If we enter a bear market in the U.S., it will probably affect other markets. Then, that becomes the time to further build a position in emerging market value.

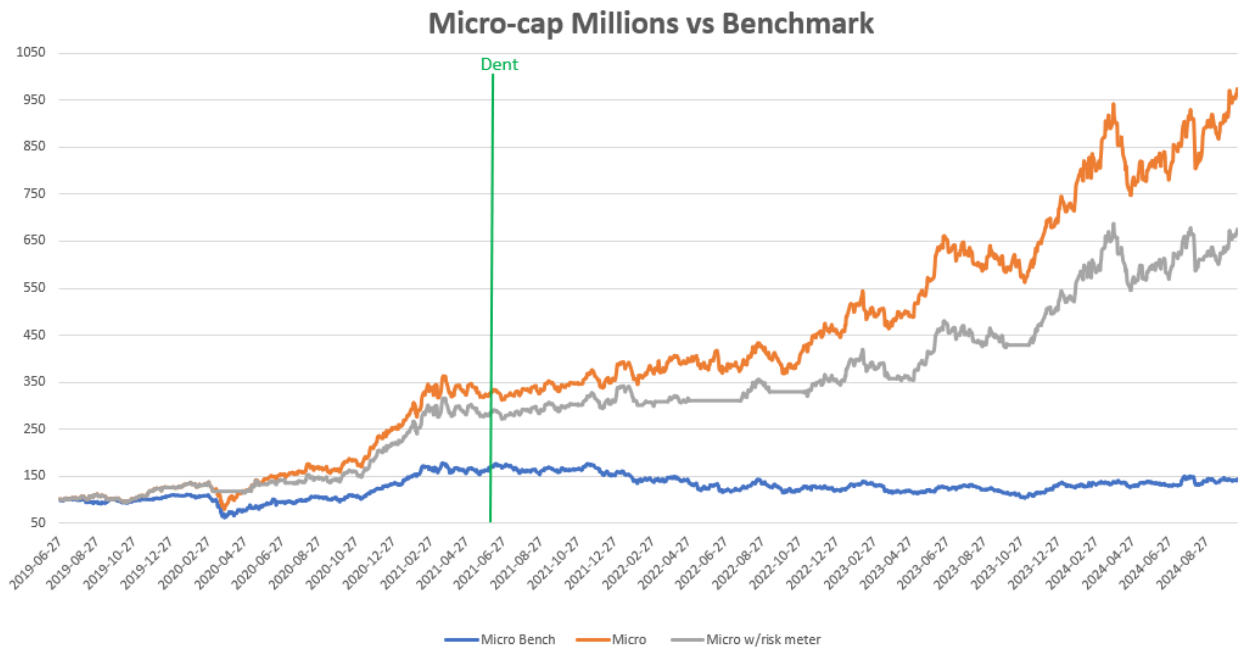
The key is to see if emerging markets' value bottoms out or diverges from U.S. stocks and starts to outperform. Money will then flow into the space, pushing it higher.

So that is the play. I do not own any DVEF, but I plan to buy some this week and a little bit here and there as I see fit.

I'm not going "all in," but I'm dipping my toe for now. I want to see how it's doing, and I find that if I have skin in the game, I pay more attention!



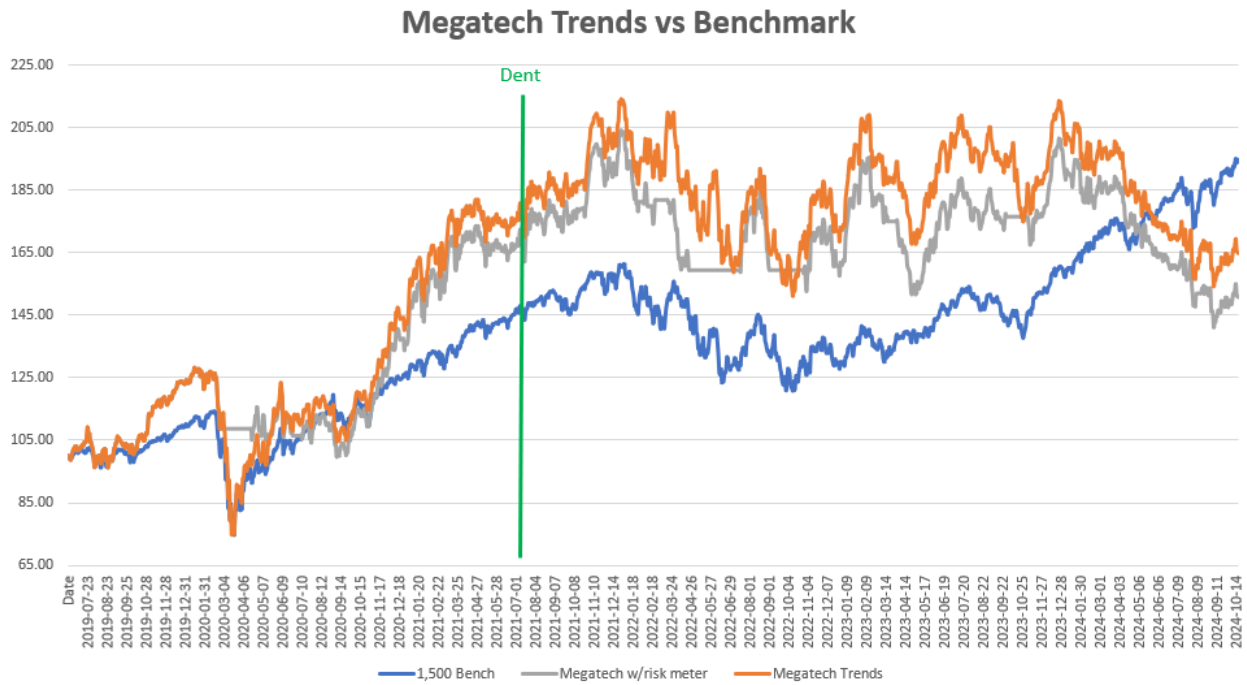
Micro-Cap Millions



There are no trades this week. Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
BWAY	Brainsway Ltd.	72.93%	213	Healthcare
CLMB	Climb Global Solutions, Inc.	7.99%	27	Technology
DDI	DoubleDown Interactive Co., Ltd.	12.82%	240	Technology
DSP	Viant Technology, Inc.	135.42%	353	Technology
ELMD	Electromed, Inc.	67.39%	240	Healthcare
ITRN	Ituran Location & Control Ltd.	0.62%	27	Telecommunications
KMDA	Kamada Ltd.	-8.30%	87	Healthcare
MPTI	M-tron Industries, Inc.	71.34%	157	Technology
MTLS	Materialise NV	-16.23%	73	Technology
RDVT	Red Violet, Inc.	41.34%	157	Technology

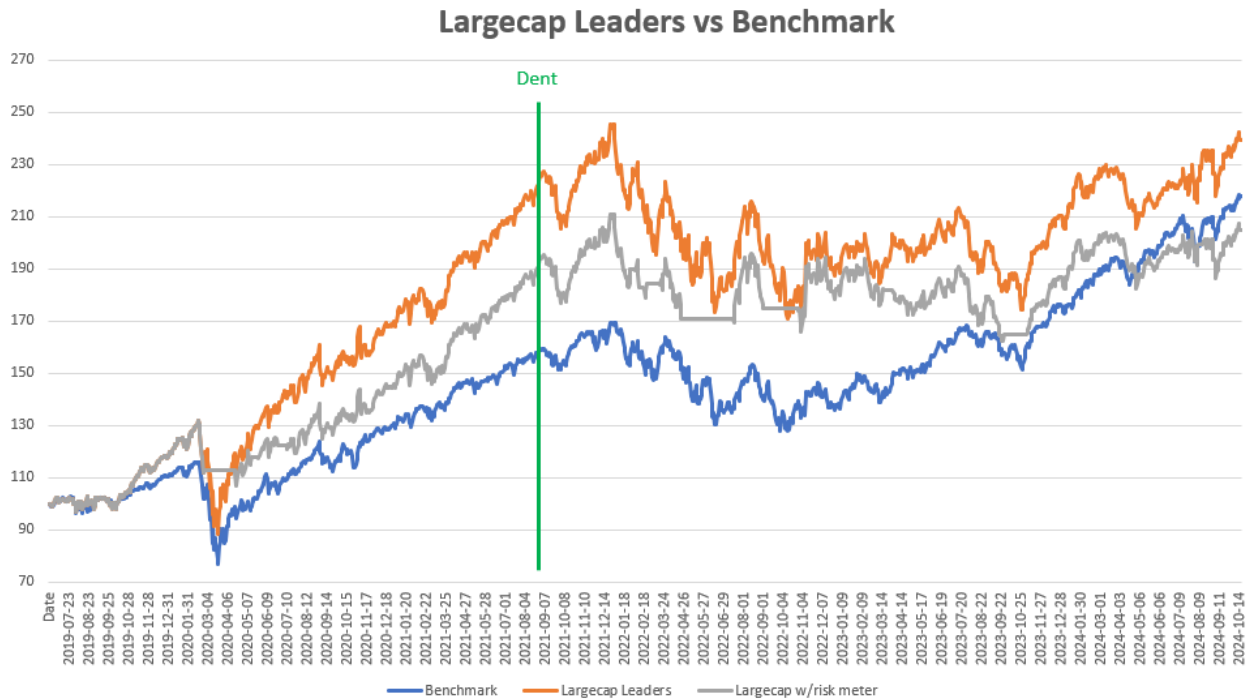
Mega-Tech Trends



There are no trades this week. Here is the current portfolio.

Ticker	Name	Return	Days Held	Sector
CVLT	Commvault Systems, Inc.	-5.90%	48	Technology
FFIV	F5, Inc.	25.48%	101	Technology
GDDY	GoDaddy, Inc.	13.19%	101	Technology
JNJ	Johnson & Johnson	0.44%	73	Healthcare
META	Meta Platforms, Inc.	17.43%	73	Technology
NXPI	NXP Semiconductors NV	-13.14%	101	Technology
QCOM	QUALCOMM, Inc.	-13.64%	101	Technology
QRVO	Qorvo, Inc.	-5.30%	59	Technology
RMBS	Rambus, Inc.	-18.92%	101	Technology
VIAV	Viavi Solutions, Inc.	3.29%	20	Technology

Large Cap Leaders



There are no trades this week. Here is the current portfolio.

Ticker	Name	Return	Days Held	Sector
ADBE	Adobe, Inc.	-1.32%	6	Technology
BMJ	Bristol Myers Squibb Co.	7.44%	59	Healthcare
FFIV	F5, Inc.	19.63%	269	Technology
GDDY	GoDaddy, Inc.	13.33%	101	Technology
JNJ	Johnson & Johnson	0.47%	73	Healthcare
KEYS	Keysight Technologies, Inc.	3.52%	48	Technology
META	Meta Platforms, Inc.	8.94%	101	Technology
NXPI	NXP Semiconductors NV	-12.35%	101	Technology
QCOM	QUALCOMM, Inc.	-12.76%	101	Technology
QRVO	Qorvo, Inc.	-2.81%	73	Technology

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