

## Our Founder



**Robert C. Stimson, CPA**  
Founder, Chief Executive Officer  
And Chief Investment Officer

## Company Overview

Little House Capital, LLC is an SEC Registered Investment Advisor. The firm was established to redefine the wealth management experience by integrating investment management, financial planning, and complex estate and tax strategies. We provide seamless and comprehensive goal-based solutions that seek to achieve desired outcomes for individuals, families, trusts, and institutions.

## Contact Info

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## Overview

In Q4 2022, Little House Capital's Core+ posted returns of 6.36% against the benchmark (S&P 500) return of 7.53%. The product's return (-18.10%) was in line with that of the S&P500 for the full CY 2022 amongst a turbulent year for equities. At the end of the quarter, Core+ held 40 stocks and is exposed to all 11 economic sectors.

Heading into 2023, Core+ is overweight Consumer Staples (+3.22%), Cash (+2.70%), and Healthcare (+1.87%). Tactical underweights include Financials (-2.43%), Industrials (-2.53%), and Consumer Discretionary (-1.66%). For the full calendar year, allocation effect benefited our relative outperformance by 41 basis points while selection effect reduced our performance by 46 basis points.

Most notably, our Energy overweight contributed 39 basis points of outperformance as the sector returned 64.2% in 2022 given a favorable backdrop for rising oil prices. Stock selection was especially strong within healthcare contributing 91 basis points of outperformance as Amgen (AMGN) and Bristol-Meyers (BMY) outpaced the biopharmaceuticals industry. Stock selection within Consumer Discretionary was the largest hinderance on our CY performance with Tesla (TSLA) and Amazon (AMZN) underperforming the broader industry. However, our current weightings in these names only slightly differ from the benchmark leaving us more insulated to further drawdown. Strong performers in Q4 included Nike (NKE) and JP Morgan (JPM) offering returns of +41.02% and +29.49%, respectively. On the contrary, Amazon.com (AMZN) and Meta Platforms (META) were posted returns of -25.66% and -11.31%

To safeguard the portfolio against the challenges presented by a deteriorating macroeconomic environment, we made modifications to our sector allocations and stock selections during the 2022 calendar year. This included a heightened focus on free cash flow yielding assets, non-cyclical sector exposures, and companies with demonstrated economic moats. Furthering that notion, we made a number of position changes in the fourth quarter to tailor our portfolio to the current market environment and achieve favorable risk-adjusted returns. This included adding several positions and putting cash holdings to work take advantage of market volatility.

**New Positions:** Home Depot (HD), Synopsys (SNPS), Dow (DOW)

**Sold Positions:** Liberty Energy (LBRT), Emerson Electric (EMR), HP (HPQ), TE Connectivity (TEL), Zebra Technologies (ZBRA), PPG Industries (PPG), Verizon Communications (VZ)