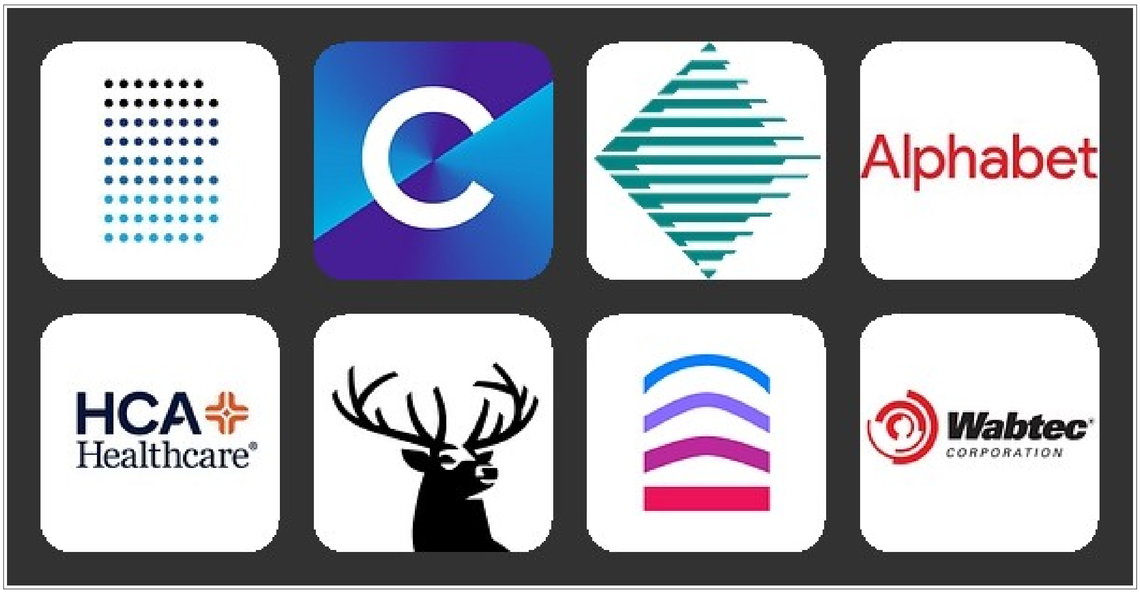
Rebalancing March 2026

Rebalancing March 2026. Significant changes to the portfolio. BKNG, EME, GOOGL, HCA, and RMD are added.



Notice required by CNMV: This article is not intended to be an investment recommendation for any financial product, nor financial advice of any kind. I do not receive any remuneration of any kind, nor does the article present any conflict of interest. I hold a CISI International Certificate in Wealth & Investment Management recognized by CNMV for advice/management in accordance with MIFID requirements. I do not hold any professional position in the financial sector. In this article, I outline my particular investment methodology, which I apply, as described, to my own capital.

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

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

Rebalancing

This will be a very significant rebalancing of the portfolio. Some very interesting opportunities have arisen, enough to use up all the cash that was parked.

The following will be added to the portfolio: Booking Holdings (BKNG), EMCOR Group (EME), Alphabet (GOOGL), HCA Healthcare (HCA), and Resmed (RMD).

Remaining in the portfolio: Cencora (COR), The Hartford Insurance Group (HIG), and Wabtec (WAB).

Leaving the portfolio: Adobe (ADBE), Ameriprise Financial (AMP), and Cigna (CI).

In addition to making these changes, the rebalancing consists of equalizing the weightings of all companies in the portfolio.

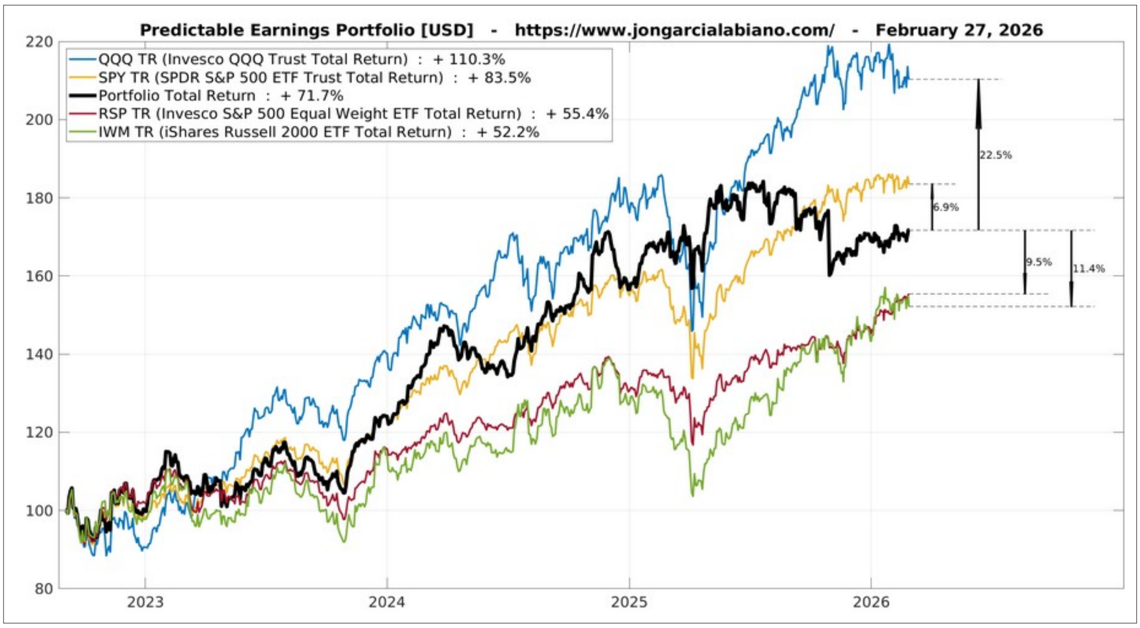
March 02, 2026		TOTAL REFERENCE CAPITAL	$100,000.00
		CAPITAL PER COMPANY	$12,500.00

TICKER	COMPANY	EXCHANGE	PRICE	SHARES	CAPITAL
BKNG	Booking Holdings Inc.	NASDAQ	$4,239.35	2	$8,478.70
COR	Cencora, Inc.	NYSE	$372.14	33	$12,280.62
EME	EMCOR Group, Inc.	NYSE	$724.62	17	$12,318.54
GOOGL	Alphabet Inc.	NASDAQ	$311.76	40	$12,470.40
HCA	HCA Healthcare, Inc.	NYSE	$529.70	23	$12,183.10
HIG	The Hartford Insurance Group, Inc.	NYSE	$140.83	88	$12,393.04
RMD	ResMed Inc.	NYSE	$256.26	48	$12,300.48
WAB	Wabtec Corporation	NYSE	$263.95	47	$12,405.65

EXCESS CASH	$5,169.47

Portfolio return

The following image and table show the evolution of the portfolio and the results for the last two months.



START DATE (+)	END DATE (++)
Jan 05, 2026	Feb 27, 2026

	INITIAL CAPITAL	ENDING CAPITAL (*)	RETURN
$	$12,500.00	$12,568.75	0.55%
$	$12,500.00	$12,568.75	0.55%
ADBE	$12,332.10	$9,707.69	-21.28%
AMP	$12,344.25	$11,792.25	-4.47%
CI	$12,281.28	$12,754.72	3.85%
COR	$12,199.32	$13,421.16	10.02%
HIG	$12,477.01	$12,815.53	2.71%
WAB	$12,327.96	$15,062.25	22.18%

	INITIAL CAPITAL	ENDING CAPITAL (**)	RETURN
PORTFOLIO	$100,000.00	$101,729.18	1.73%
SPY TR	$100,000.00	$100,455.23	0.46%
QQQ TR	$100,000.00	$99,058.91	-0.94%

BENCHMARK	RETURN PORTFOLIO = RETURN SPY TR + 1.27%
	RETURN PORTFOLIO = RETURN QQQ TR + 2.67%

(+) 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.

Entran en cartera

Booking Holdings (BKNG). It meets the portfolio requirements, has excellent figures, and the price has been punished by the risk of AI agents stealing a large part of its business. I think this is excessive and believe it is a good opportunity. It has EBITDA margins of around 35-40% and extraordinary cash generation. It is likely that in the future these new AI agents will use Booking's infrastructure in exchange for commissions in order to access Booking's entire property inventory, as Trivago, Kayak, TripAdvisor, and others currently do. This is a pattern that has already occurred in the past and has not worked against Booking but rather in its favor, helping it to prosper. In my opinion, AI agents will be a customer acquisition channel for Booking rather than competition. They need property inventories, payment systems, post-booking support, etc., which any AI agent is better off obtaining from Booking in exchange for a commission. The risk that may exist is a reduction in margins if, in one way or another, these AI agents end up having bargaining power because they dominate booking traffic, which could lead to large hotel chains negotiating directly with these AI agents for a lower commission without going through Booking.

EMCOR Group (EME). It is the largest electrical and industrial contractor in the United States. In recent years, it has focused on more technically sophisticated project contracts, which has led to an increase in its margins. Its business has recently been boosted by the construction of data centers. The construction of data centers currently has a very clear trend based on a real need, beyond AI, for modernization, energy regulation, etc. These are long-term projects with plans spanning several years. There is a risk that the production of AI data centers will slow down at some point and the company will have to focus on lower-margin projects, which would cause the company's valuation multiples to fall, possibly from 25 to a more reasonable value of 15 or 20, which could mean a 30% drop in the share price, but this is not a short-term risk.

Alphabet (GOOGL). Alphabet is currently at a very interesting point, and it is beginning to meet the predictability requirements for inclusion in the portfolio. We cannot leave out a company of this caliber if the opportunity arises. Alphabet's business has long been to create a steady stream of cash from advertising, optimizing it over time, with which it finances different high-tech business lines, calmly and without urgency. Although many will fail, others will survive and become another huge cash flow. And it is generating a snowball effect that I believe will grow exponentially over the next decade. Right now, its advertising business accounts for 75% of its revenue. The rest comes from Google Cloud, subscriptions, etc. That 25% that is not advertising is still a very small volume, and the potential of the projects it has “under the carpet” is enormous: the growth of Google Cloud, computing, artificial intelligence, health, autonomous driving, quantum computing. And most notably, in my opinion, it has already become one of the big winners in the long-term artificial intelligence race; it has software, talent, resources, and independence from Nvidia to build chips, enough to win decisively, plus Gemini has impressive acceptance and growth even after managing to get into Apple's ecosystem natively. Comparatively, there are other high-tech companies such as Meta and Microsoft, which have shortcomings compared to Google: Meta has a similar business model but with a greater concentration of projects and is highly dependent on Mark Zuckerberg's personal decisions, it is difficult to forget the metaverse crisis at Meta; and Microsoft has a more conservative business model with regard to technology and is more oriented towards the corporate world, but it is one of the laggards in the AI race with little success. It would almost be more profitable to monetize an option to disable Windows Copilot.

HCA Healthcare (HCA). It operates one of the largest private hospital networks in the United States with a very dominant position, offering significant economies of scale for negotiating with insurers, purchasing supplies, and adopting technology. The greatest risk is the elimination of Obamacare subsidies, which account for 10% of current revenue, causing a large number of patients to lose health coverage and leading to lower reimbursements for this type of patient. Although growth may be somewhat lower this year for this reason, its figures are excellent, with an EBITDA margin of around 20%, debt/EBITDA of around 3 times, EBITDA growth of around 10% per annum, and EPS and free cash flow growth of around 20%. It carries out a large number of share buybacks, which explains the difference in the growth rate of EPS compared to EBITDA, and distributes dividends, although only a small part of the buybacks, in the order of 15 to 1.

Resmed (RMD). I mentioned it in the previous rebalancing as a possible candidate and have now decided to add it to the portfolio. It has excellent figures and I think it's a good time. These are not fully reflected in the price due to fears of a possible reduction in the CPAP market due to GLP-1 type drugs for obesity. But the reality is that adherence to GLP-1 treatment is low: after twelve months, half of patients abandon treatment, and after 24 months, 75% abandon it, either due to side effects or because there is no change in the patient's habits. And in the remaining 25%, there is a rebound effect in some cases. CPAP devices account for approximately 50% of Resmed's revenue.

30/06/22	30/06/23	30/06/24	30/06/25	AV(3Y)	YoY%(23)	YoY%(24)	YoY%(25)	AV(YoY%)	RMD
3578.13	4222.99	4685.30	5146.33	4684.87	18.02	10.95	9.84	12.94	REVENUE
1161.76	1317.15	1575.74	1884.36	1592.42	13.38	19.63	19.59	17.53	EBITDA
1000.29	1224.41	1478.35	1763.27	1488.68	22.41	20.74	19.27	20.81	EBIT
5.79	6.44	7.72	9.55	7.90	11.23	19.88	23.70	18.27	EPS
216.31	573.63	1301.80	1661.72	1179.05	165.19	126.94	27.65	106.59	FREE CASHFLOW
134.84	119.67	99.46	89.87	103.00	(11.25)	(16.89)	(9.64)	(12.59)	CAPEX
1936.44	2770.30	2842.06	3046.68	2886.35	43.06	2.59	7.20	17.62	GOODWILL
31.50	30.60	32.70	36.10	33.13	(2.86)	6.86	10.40	4.80	EBITDA MARGIN %
28.00	27.30	29.50	32.80	29.87	(2.50)	8.06	11.19	5.58	EBIT MARGIN %
23.40	19.90	23.80	24.50	22.73	(14.96)	19.60	2.94	2.53	ROCE %
0.79	1.19	0.56	0.45	0.73	50.63	(52.94)	(19.64)	(7.32)	DEBT / EBITDA
3360.75	4129.90	4864.04	5967.86	4987.27	22.89	17.78	22.69	21.12	EQUITY
1.68	1.76	1.92	2.12	1.93	4.76	9.09	10.42	8.09	DIVIDENDS PER SHARE
147.04	147.46	147.55	147.34	147.45	0.29	0.06	(0.14)	0.07	SHARES
5.03	(18.51)	105.68	243.66	110.28	(467.99)	(670.93)	130.56	(336.12)	REPURCHASE OF STOCKS

Remain in portfolio

Cencora, **Hartford**, and **Wabtec** remain in the portfolio. They are excellent companies and are performing exceptionally well. Hartford may suffer somewhat this year due to the nature of its business, but for now it can remain in the portfolio.

Portfolio exits

Cigna is not going anywhere, growth is already below 10% and insufficient, so the right thing to do is to remove it from the portfolio. It entered on January 1, 2024, at $299 and is now leaving at $289, practically the same price, but along the way we have made money from its volatility, buying on the dips and selling on the ups at each rebalancing by equalizing the weights of all companies.

Ameriprise Financial is also leaving the portfolio. It's not a bad company, but its growth is currently slowing down, and I prefer to allocate that capital to other more promising companies.

Adobe is also leaving the portfolio. I think it has been unfairly punished by all the talk about artificial intelligence, but I have decided to replace it with Booking Holdings (BKNG), which is also suffering unfairly for the same reason. Booking has much better numbers than Adobe, and I think it is better to replace it rather than have both in the portfolio. I think it would be a mistake to have more than one company in the portfolio that is being punished by the AI narrative.