

Semiconductor Trading Strategy

Tech Bulls

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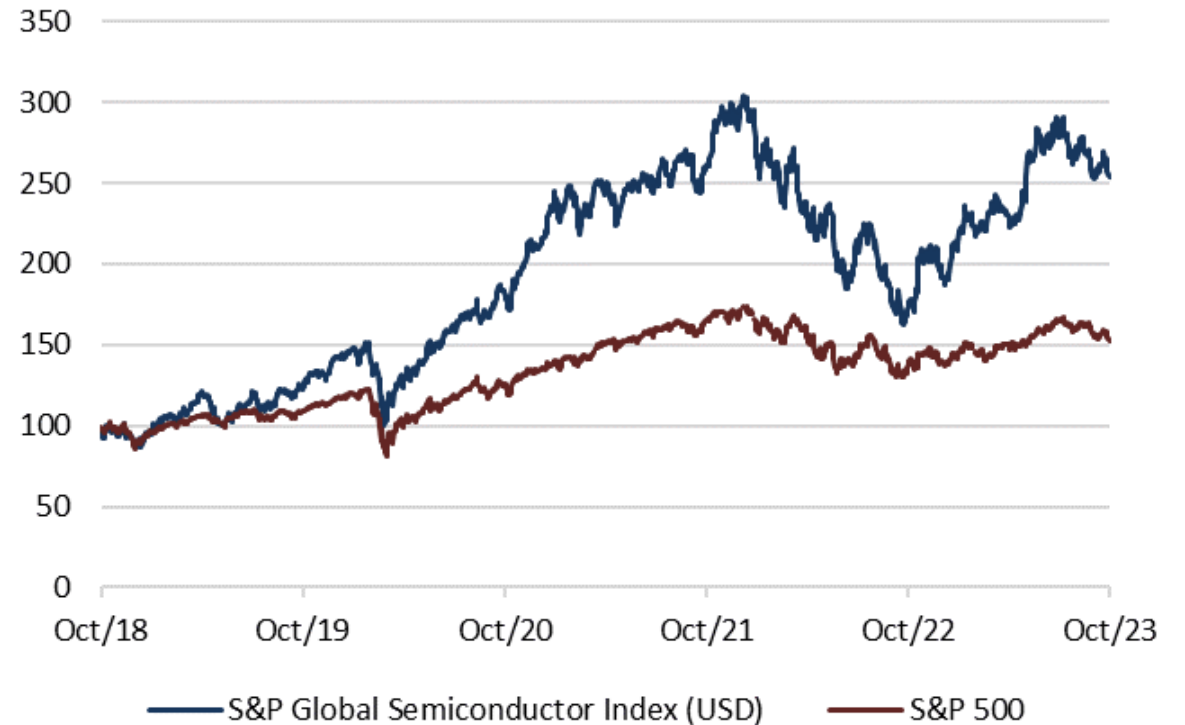
Overview

- ☐ Market overview and outlooks
- ☐ Filtering process – our trading strategy
- ☐ Backtesting using our filter process
- ☐ Our proposal



Semiconductors vs S&P 500

	S&P Global Semiconductor Index (USD)	S&P 500
5 Year	20.81%	9.00%
3 Year	11.91%	6.76%
1 Year	47.62%	12.37%
YTD	32.89%	9.83%
MTD	-1.97%	-1.66%



What is a Semiconductor?

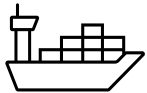


Brains of modern electronics

- Diversified with different end markets



U.S. semiconductor industry is the worldwide industry leader



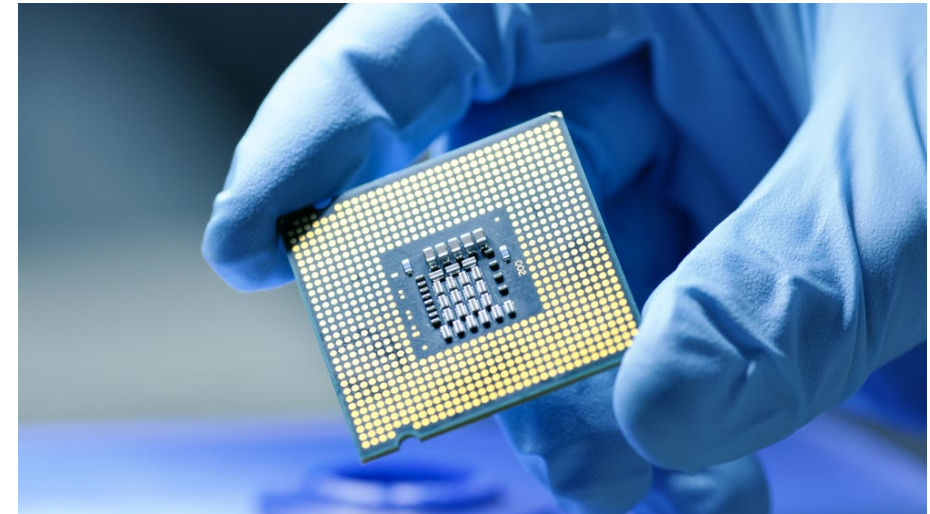
Semiconductors are a top-5 US export



Invests about one-sixth of revenue to R&D



Rapid innovation



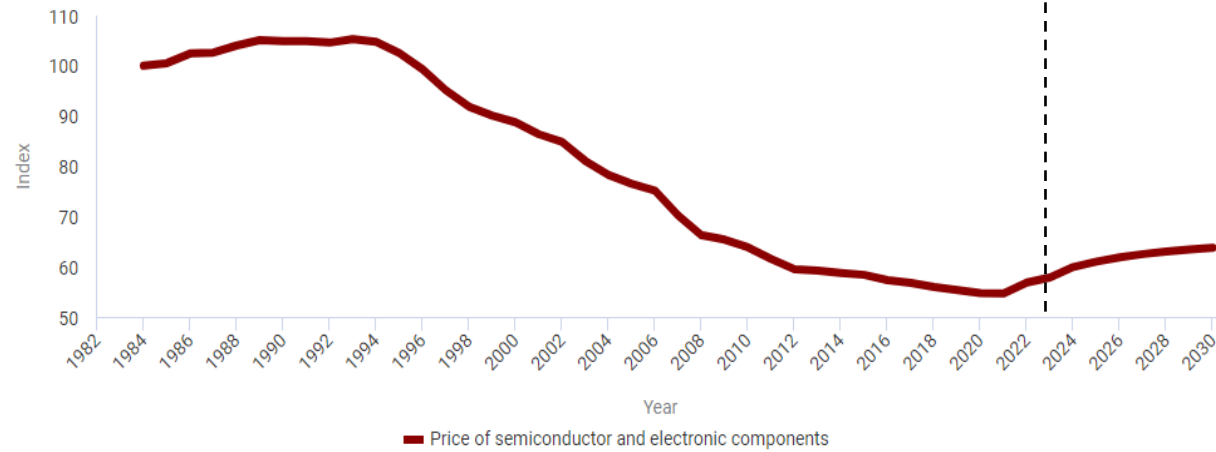
Macro Overview

- Risk factors
 - Regulation/Tensions with China
 - Current market relies on Asia for 75% of chips
- Moving towards supply line diversity
 - Many new facilities being brought to the U.S.
- Opportunities
 - Support and funding from Washington
 - Increased use of semiconductors in other applications
 - Semi-conductors are fueling the growth across all technology sectors.

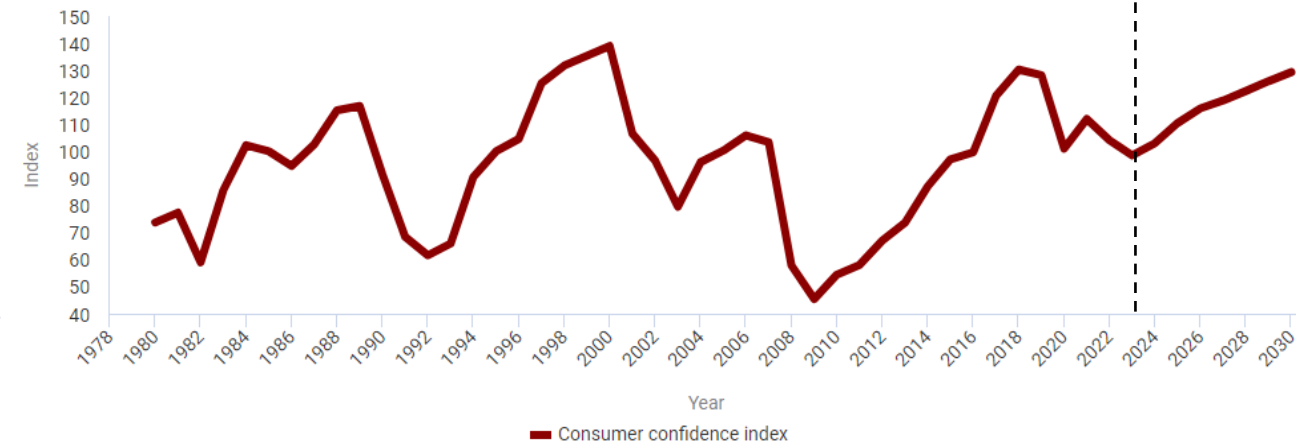


Key External Drivers – Positive Outlooks

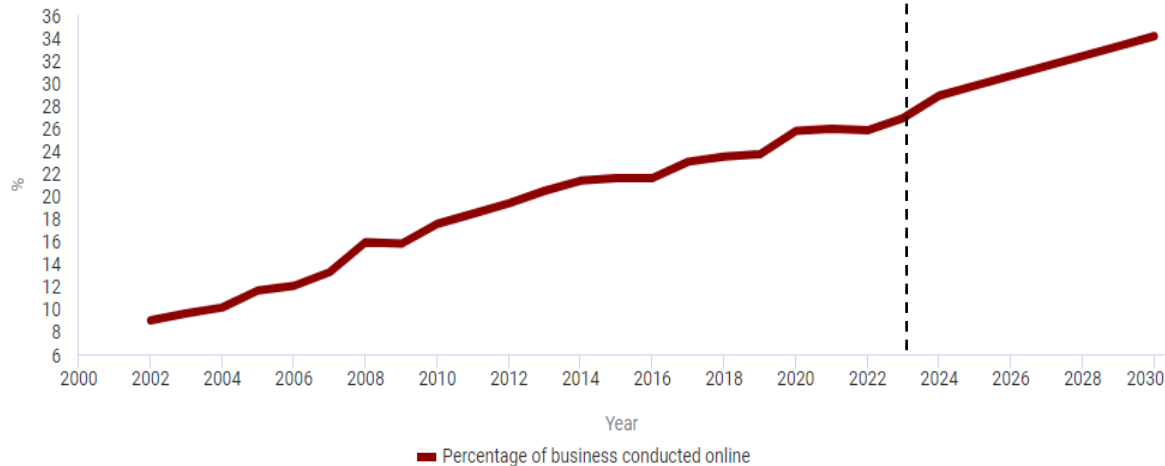
Price of semiconductor and electronic components



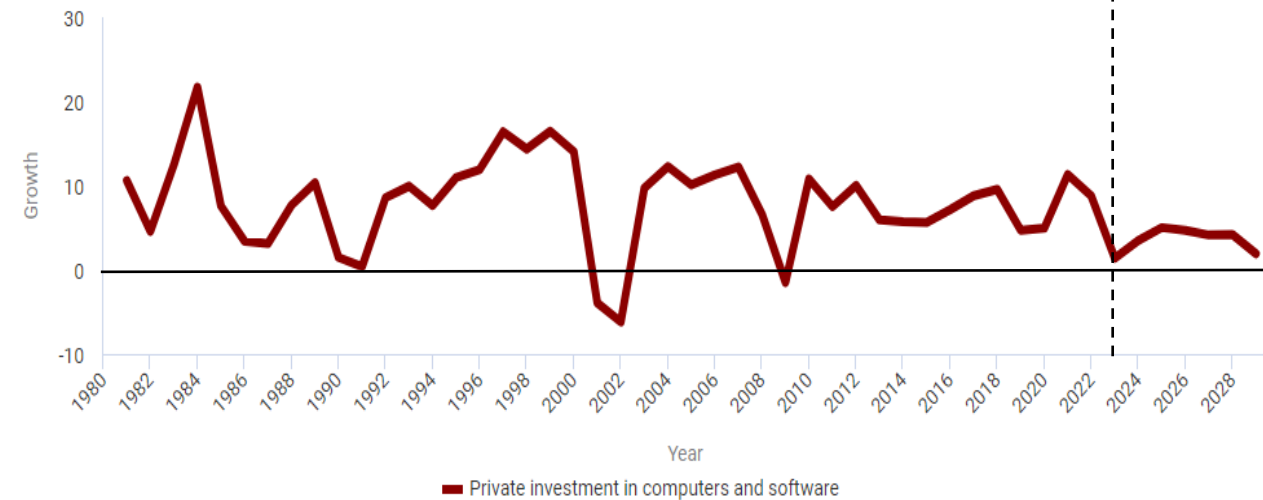
Consumer confidence index



Percentage of business conducted online



Private investment in computers and software



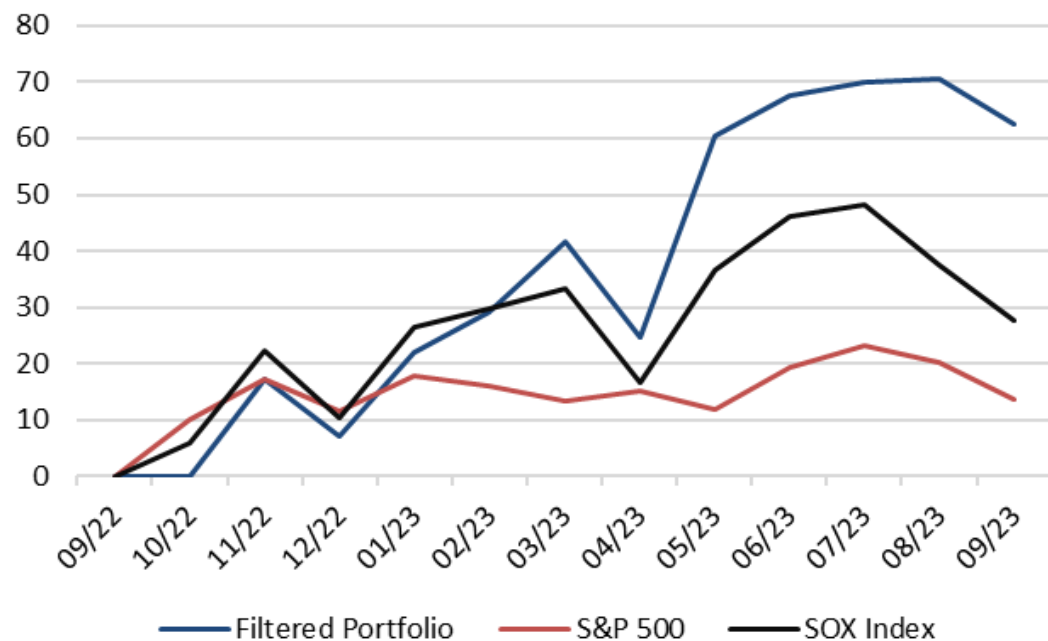
Filtering Criteria

Selected Screening Criteria		Matches		
Security Universe		1657122		
51)	:: Trading Status: Active	532316		⊗
52)	:: Security Attributes: Show Primary Security of company only	93969		⊗
53)	:: Sectors (BICS): Semiconductor Manufacturing; Semiconductor Devices	918		⊗
54)	:: Exchanges: United States	107		⊗
55)	:: Current Market Cap > 100 Million	76	i	⊗
56)	:: Price 1 Day ago > 10	62	i	⊗
57)	:: T12M EBITDA > 0 Million	53	i	⊗
58)	:: LF Revenue Growth Adjusted 5 Year CAGR > 10	20	i	⊗
59)	:: Latest FY R & D Expenditure to Net Sales > 14.2	10	i	⊗
Display Only Fields		10		

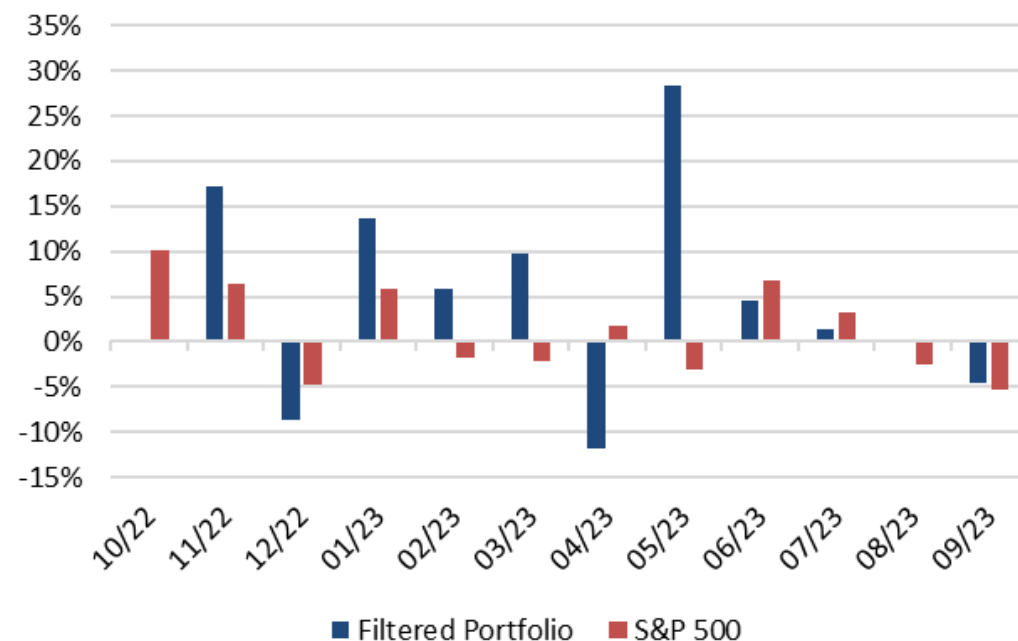


Backtesting Results

1Y Cumulative Return (%)



1 Y Periodic Return (monthly)

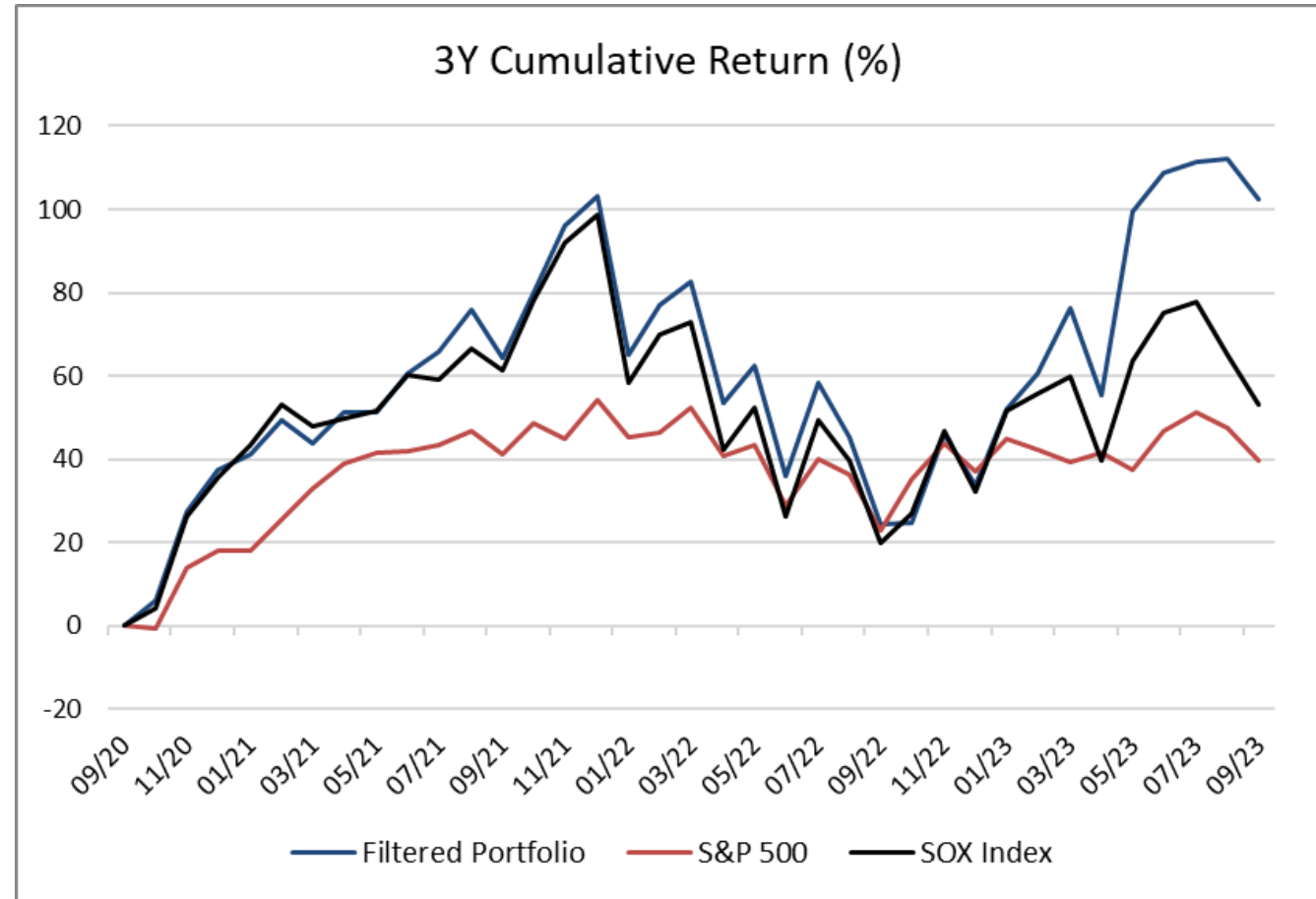


	Filtered Port.	S&P 500	SOX Index
Cumulative Return (%)	62.64%	13.69%	25.92%



Backtesting Results

	Filtered Port.	S&P 500	SOX Index
Cumulative Return (%)	102.53%	39.63%	53.16%



Filtered Results

Company Name	Ticker
ACM Research - A	ACMR
AVD Micro Device	AMD
Broadcom Inc	AVGO
Lattice Semiconductors	LSCC
Marvell Technology	MRVL
Maxlinear	MXL
Nvidia Corp	NVDA
Nova LTD	NVMI
Universal Display	OLED
Rambus Inc	RMBS



Companies Grouped and Tailwinds

Semiconductor Design		Manufacturing Equipment & Tech		Semiconductor Solutions & Connectivity		Semiconductor Display and Materials	
Nvidia	NVDA	Nova LTD	NVMI	Lattice	LSCC	UDC	OLED
Marvel Tech	MRVL	ACM	ACMR	Maxlinear	MXL		
Advanced Micro Device	AMD						
Broadcom	AVGO						
Rambus Inc	RMBS						



Investment Decision

- Semiconductors make up 6.55% of the S&P 500
- Our goal is to have SIF portfolio eventually be composed of approximately 6.55% of the semiconductor space



Thank You!

