

SPENCER FOX ECCLES BUSINESS BUILDING

# MASTER'S STUDENT INVESTMENT FUND

---

Annual Presentation 2024 - 2025



# Our Team

***Starting from the back row, from left-to-right:***

Dr. Jonathan Brogaard, Stephen Fredrick,  
Richard Hickman, Kristofer Long, Jared Webb,  
Cody Clifford, Jackson Ainsworth,  
Fynn Haldeman, Ethan Neff, Cole Benedict,  
Nikhil Raj Singh, Yash Agrawal,  
Trevor Johnson, Yasmin Abuomar,  
Ishmit Singh Makkar, Hardik Jain Sogani,  
Darrell Day, Margaret Crookston,  
Bisesta Shrestha, Ed Enyart.

(Not Pictured: Nick Payne, Simen Strand,  
Ryan Wilson, Wilhelm Normannseth,  
Michael Hall).







# Cash Me If You Can

---

Cody, Cole, Jared, & Yasmin

# Cash Me If You Can



**Yasmin Abuomar**

**MBA**

**Undergrad:** Eng. Lit., Al-Azhar Univ.  
**From:** Gaza, Palestine



**Cole Benedict**

**MSF**

**Undergrad:** Engineering, Virginia Tech  
**From:** Bethel, ME



**Cody Clifford**

**MBA + MSF**

**Undergrad:** Marketing, U of U  
**From:** Santa Rosa, CA



**Jared Webb**

**MBA + MSF**

**Undergrad:** Finance, Utah Valley  
**From:** West Valley, UT



# Allocation Recap

Fall  
Semester

## Go Daddy

- Fundamental
- \$5,000

## Turkey Day

- Systematic
- \$13,500

Spring  
Semester

## Small Cap Syndrome

- Systematic
- \$50,000

## Progressive Insurance

- Fundamental
- \$13,500

**CMIYC**

**Total \$  
Allocated**

**\$82,000**  
(i.e., 8.0%)





# Go Daddy - Fundamental

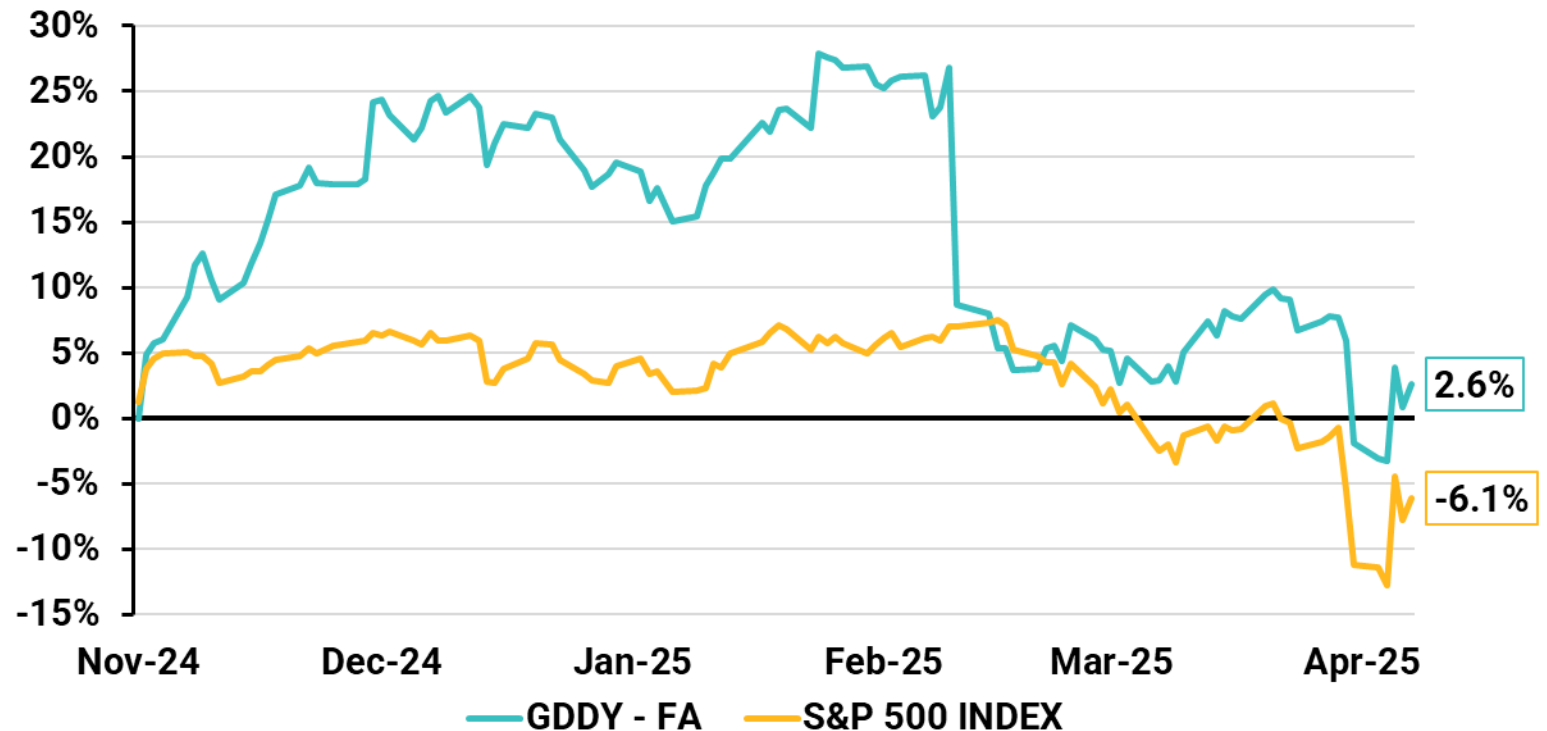
## Go Daddy

- Invested: 11/5/24
- PPS: \$167.63
- High (1/28): **+27.9%**
- Low (4/8): **-3.3%**
- EOY Closing: **+2.6%**
  - vs SPY: **-6.1%**

## Highlight

- Top MSIF performing FUNDAMENTAL (15 weeks)

Return Since Trade  
11/5/2024 - 4/11/2025



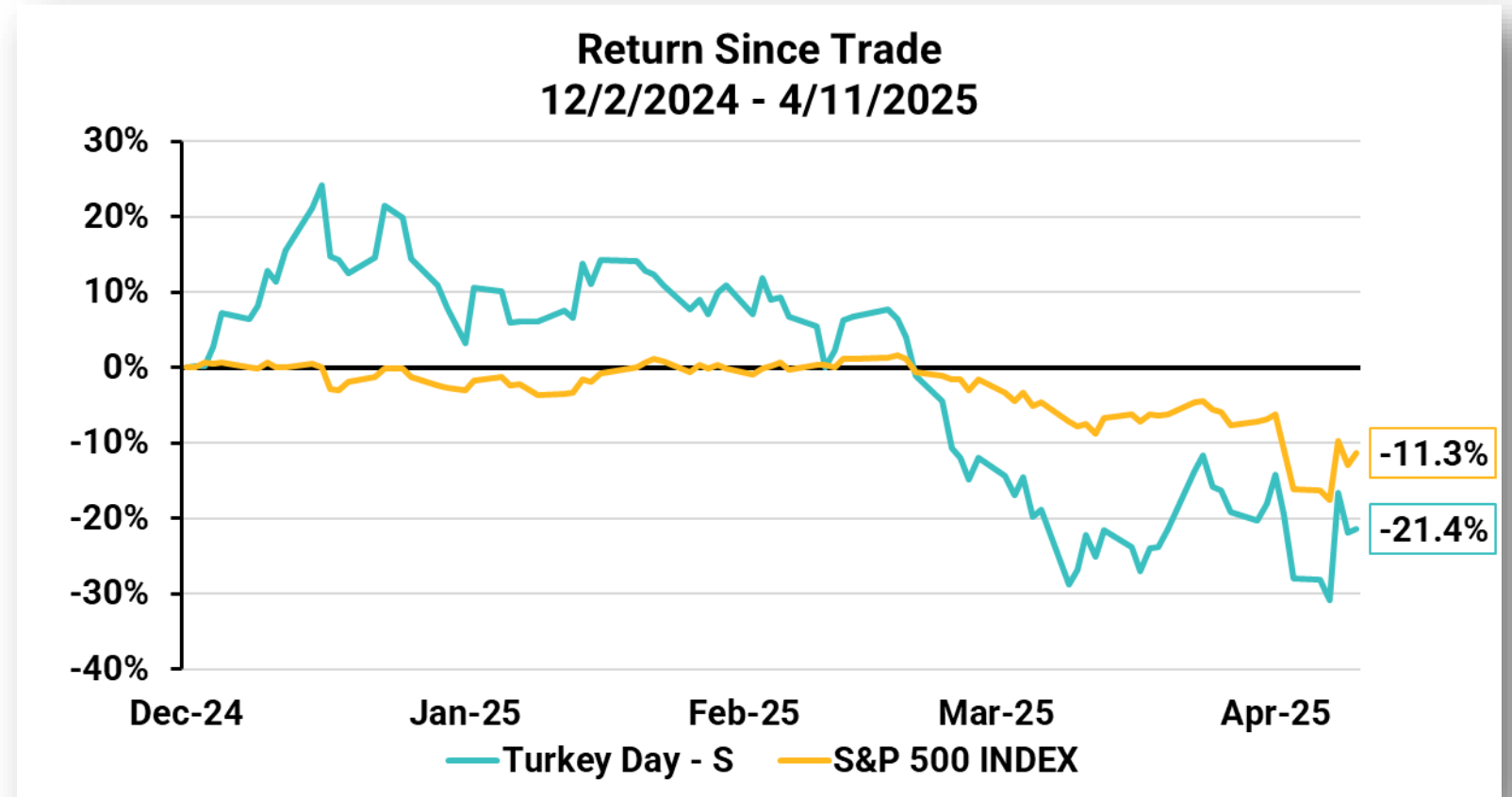
# Turkey Day - Systematic

## Turkey Day

- Invested: 12/2/24
- High (12/17): **+24.2%**
- Min (4/8): **-30.7%**
- EOY Closing: **-21.4%**
  - vs SPY: -11.3%

## Highlight

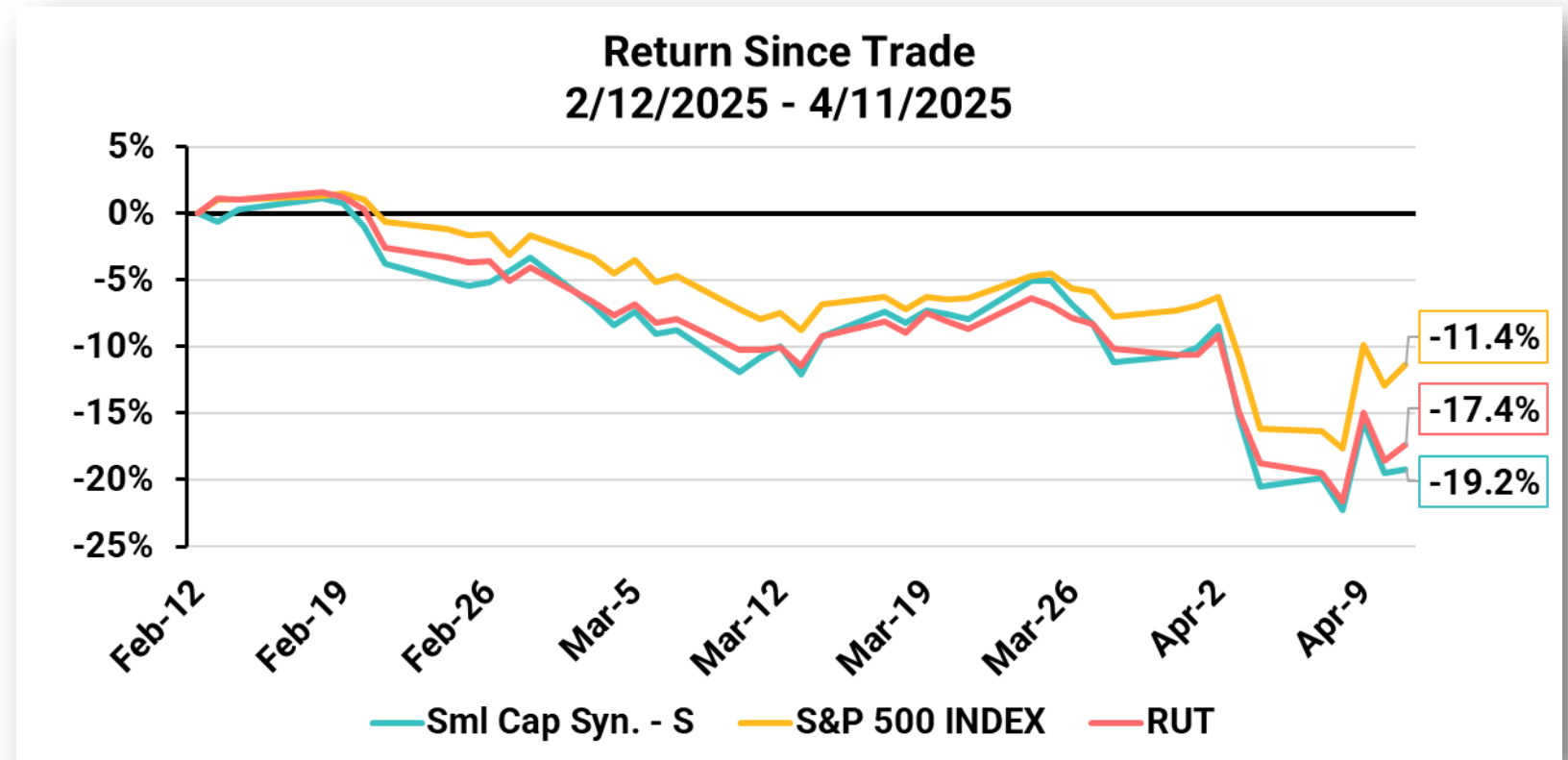
- Top MSIF performing SYSTEMATIC (8 weeks)



# Small Cap Syndrome - Systematic

## Small Cap Syndrome

- Invested: 2/12/25
- High (2/18): **+1.2%**
- Min (4/8): **-22.2%**
- **EOY Closing: -19.2%**
  - vs RUT: -17.4%
  - vs SPY: -11.4%

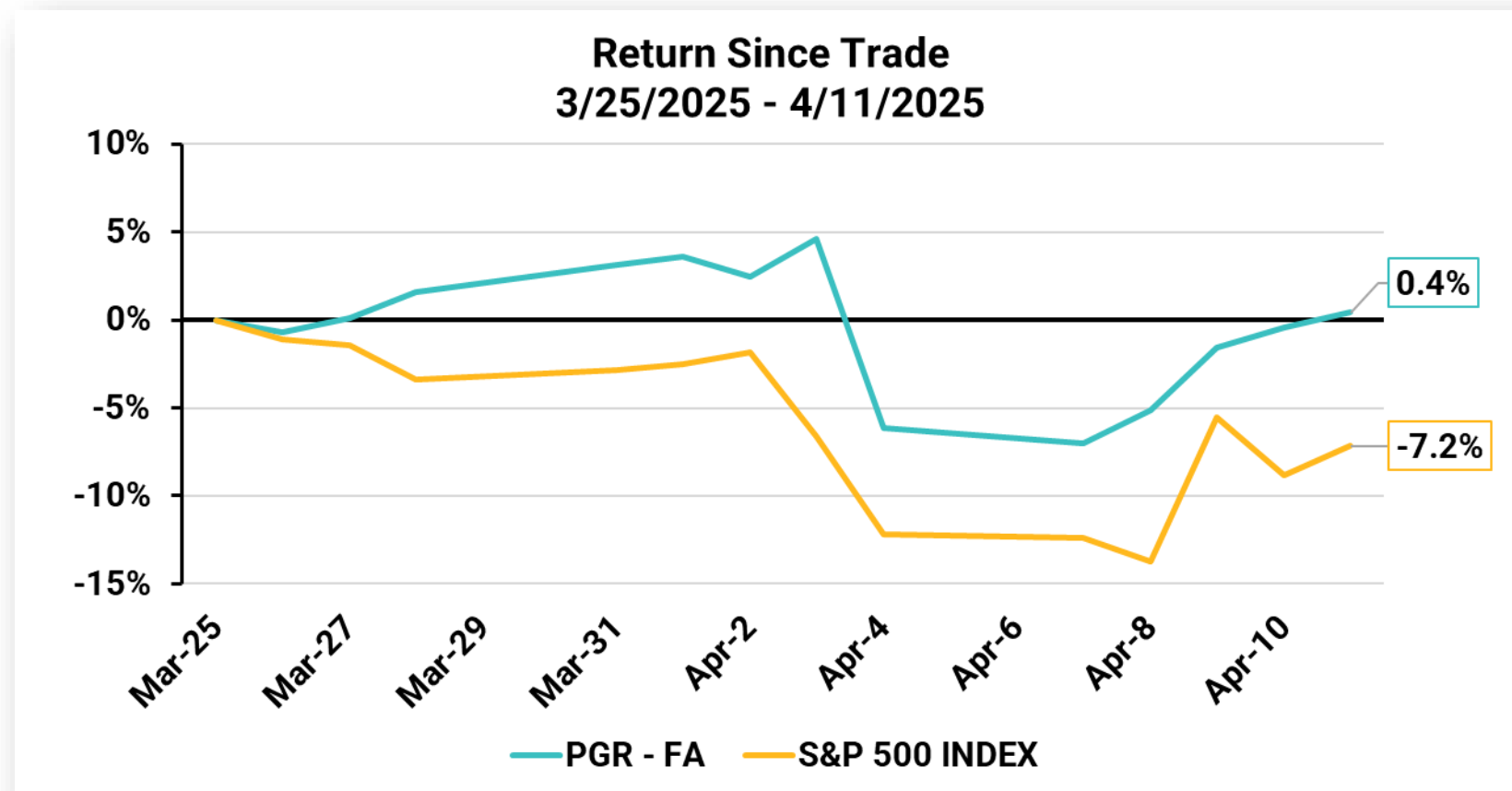




# Progressive Insurance

## Progressive Insurance

- Invested: 3/25/25
- High (4/3): **+4.6%**
- Min (4/8): **-7.0%**
- EOY Closing: **+0.4%**
  - vs SPY: -7.2%



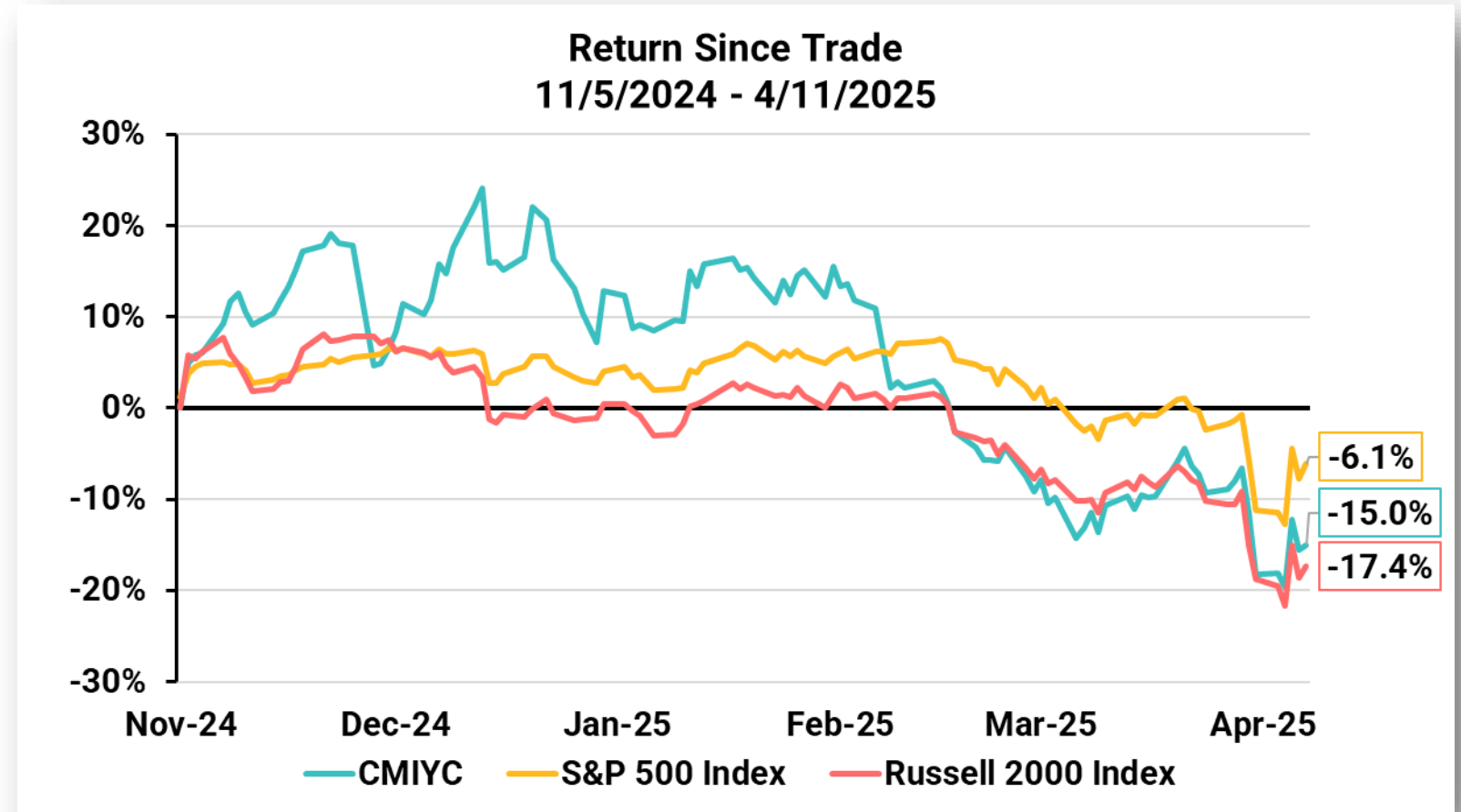
# CMIYC - Composite

## CMIYC ETF

- Invested: 3/25/25
- High (12/17): **+24.2%**
- Min (4/8): **-19.7%**
- EOY Closing: **-15.0%**
  - vs RUT: -17.4%
  - vs SPY: -7.8%

## \$ Weight at Full Allocation

- Go Daddy: 6.1%
- Turkey Day: 16.5%
- Small Cap Syndrome: 60.9%
- Progressive: 16.5%



# CMIYC - Highlights

Item	Description	Notes
<b>1st Fund Investment</b>	Go Daddy	+ 1st MSIF investment
<b>Largest Investment</b>	Small Cap Syndrome	Ex, Cash & Fixed Income
<b>Best Performance</b>	Go Daddy & Turkey Day	#1 for 15 weeks, #1 for 8 weeks
<b>Tickers (Winners)</b>	3 of Top 10 – April 11th	<b>PLTR +32.8%, VSEC +7.6%, GDDY +2.6%</b>
<b>Tickers (Losers)</b>	3 of Bottom 10 – April 11th	<b>FLS -31.8%, UAL -35.5%, MGNI -52.5%</b>

Do Different	Description	Notes
<b>Lesson #1</b>	Market Cap w/Turkey Day	Idiosyncratic Risk is no joke
<b>Lesson #2</b>	Rebalancing	Formalize process
<b>Lesson #3</b>	Backtesting	Optimize approach, not just performance





# Capital Builders Group

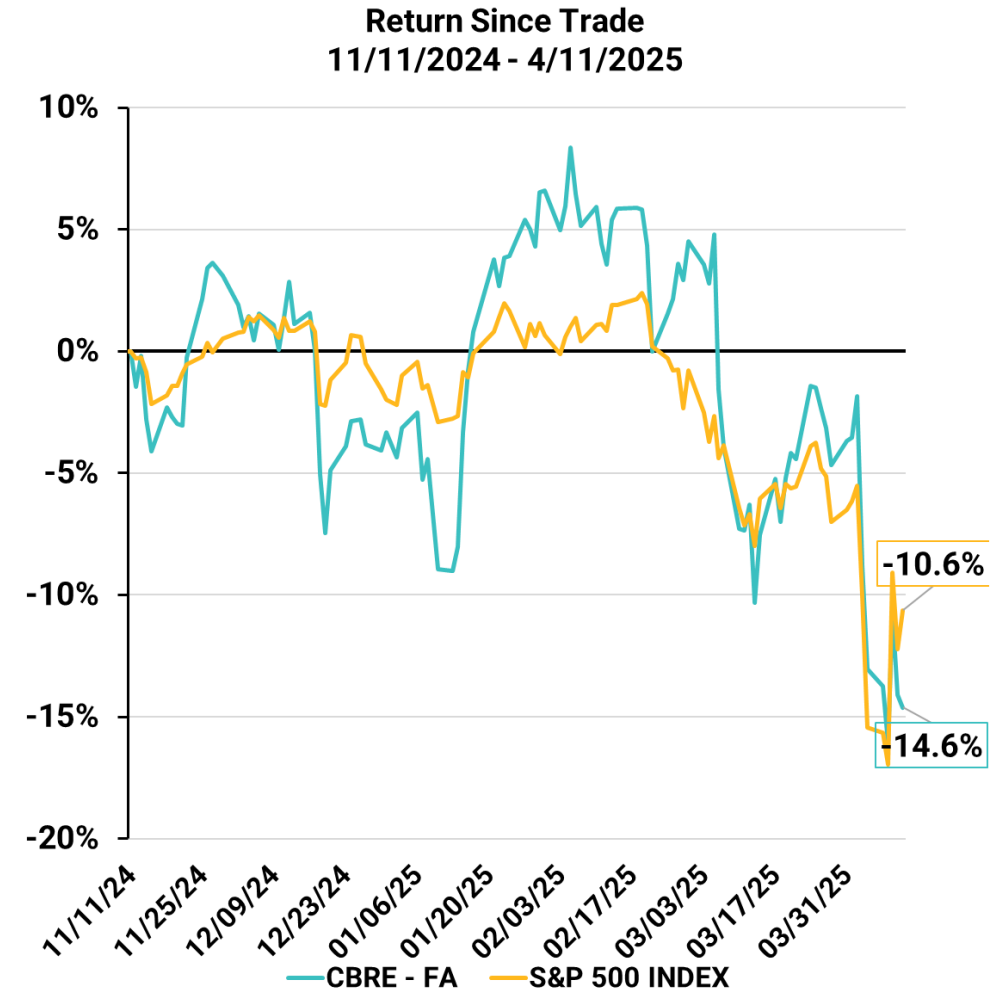
---

Darrell, Fynn, Kris, & Wilhelm

# CBRE – FA

<b>Company Name:</b>	Coldwell Banker Richard Ellis (CBRE)	<b>Ticker:</b>	CBRE
<b>Sector:</b>	Real Estate	<b>Industry:</b>	Real Estate Services
<b>Shares Out.:</b>	306 Million	<b>Monthly Volume:</b>	14.2 Million
<b>Market Cap.:</b>	34.77 Billion	<b>Beta (5y monthly):</b>	1.27

- Strategy
  - CBRE's dominant market position, consistent financial growth, operating efficiency and scale, and robust industry outlook make it a compelling buy.
- Performance
  - -2.22% below RE index since trade
- Recommendation
  - Hold



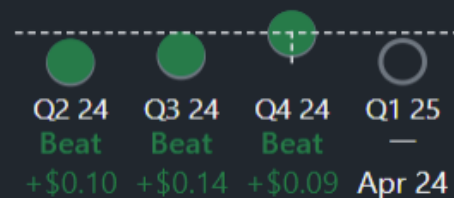


# CBRE – FA

## Research Analysis

### Earnings Per Share

**+2.32** Act... **+2.23** Esti...



### Revenue vs. Earnings

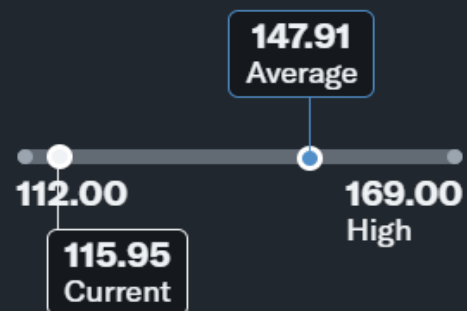
Reve... 10.4B Earni... 487M



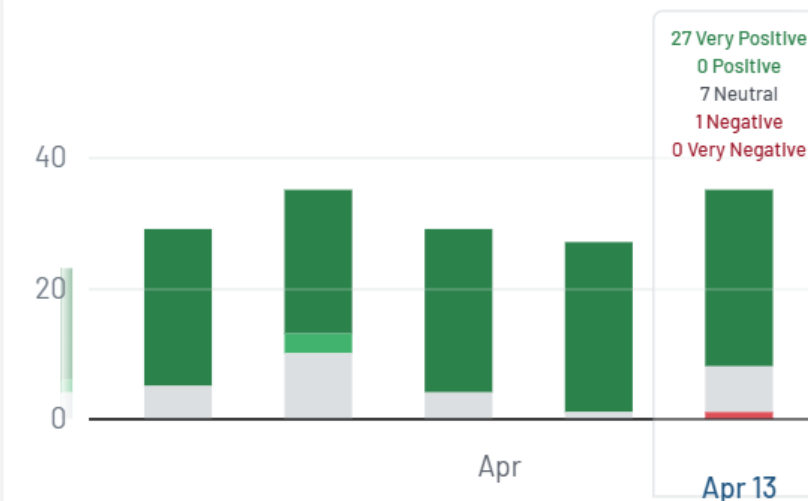
### Analyst Recommendations



### Analyst Price Targets



## CBRE Media Mentions By Week



## CBRE Media Sentiment





# REITs – M

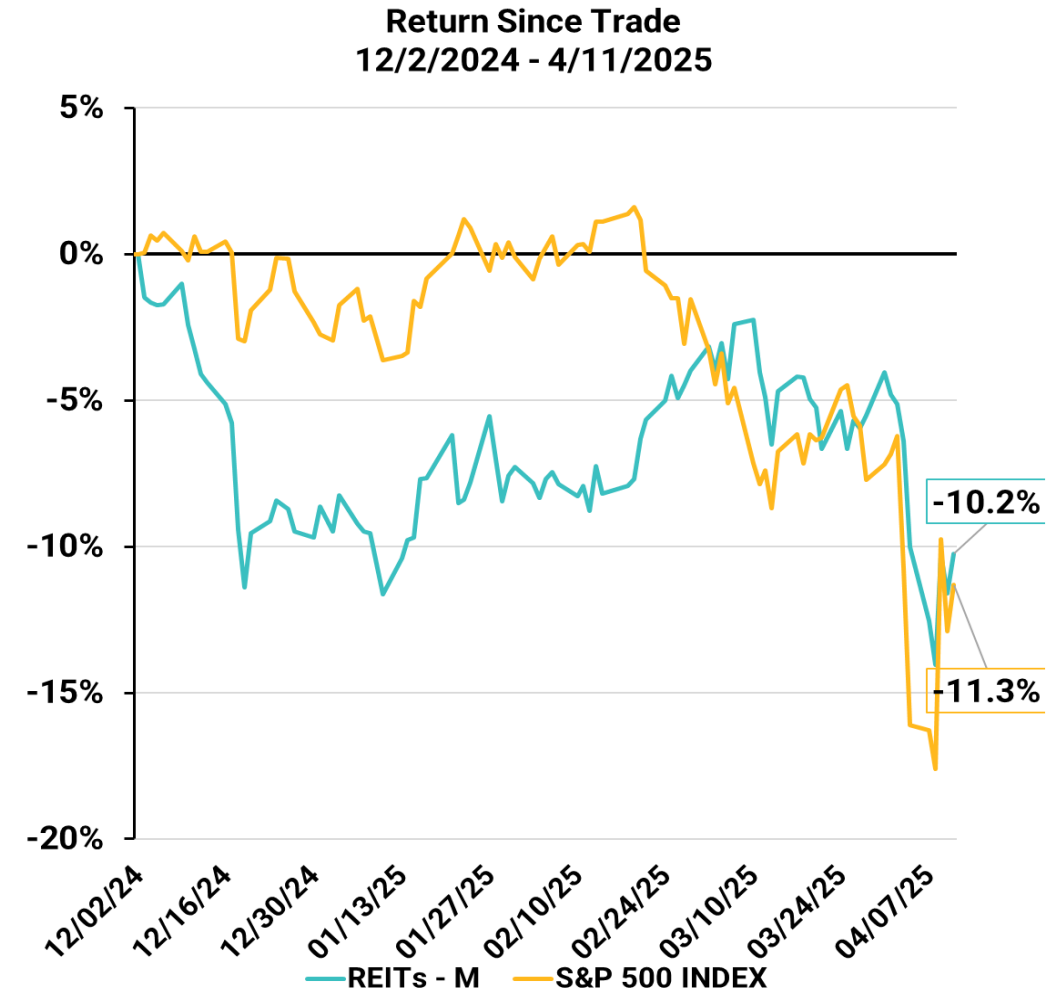
Realty Income – O  
-0.86%

Public Storage – PSA  
-16.37%

VICI Properties- VICI  
-0.54%

HealthPeak Properties –  
DOC  
-14.1%

- Strategy
  - Invest in REITs to take advantage of potential interest rate cuts while simultaneously hedging against inflation.
- Performance
  - O and PSA returns are substantially higher due to dividend payments
  - Annualized dividend yield 5.54%
- Recommendation
  - Hold



# High Energy Low Beta – S

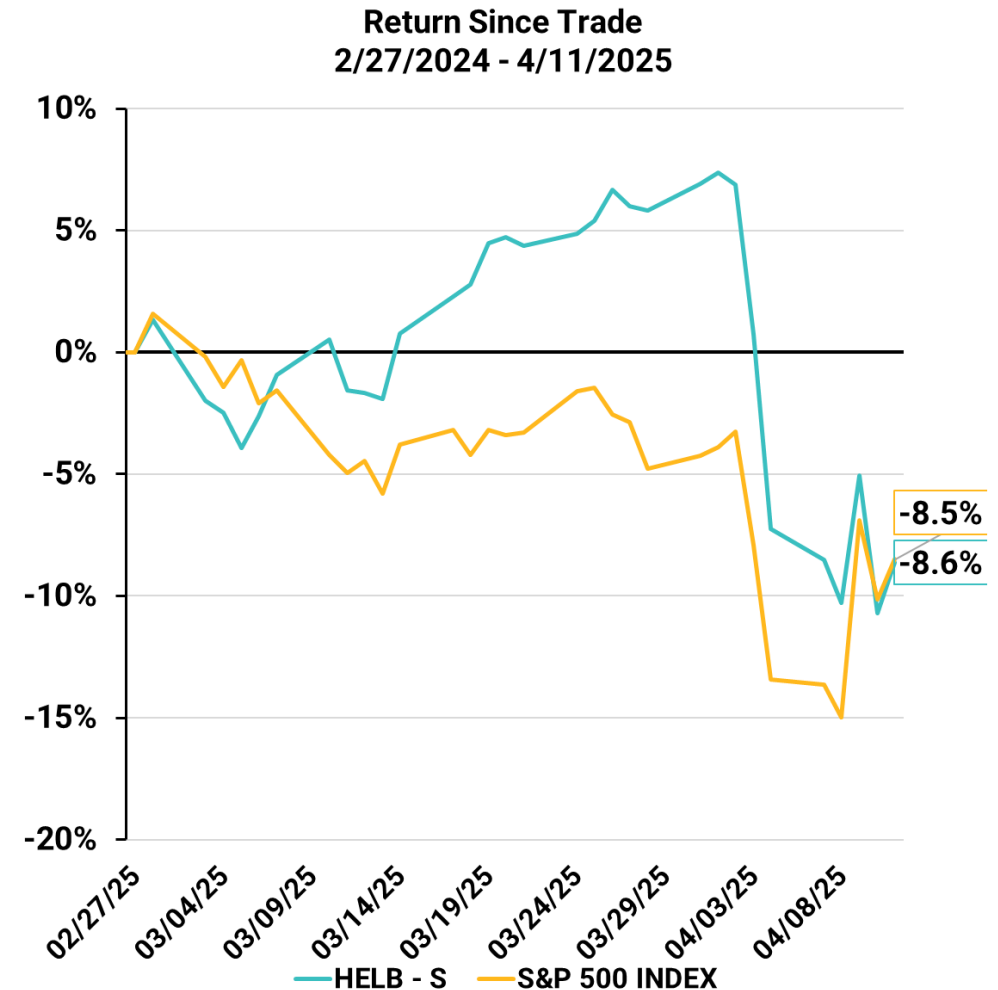
Exxon Mobil – XOM  
-5.77%

Chevron - CVX  
-13.09%

Cheniere Energy - LNG  
1.14%

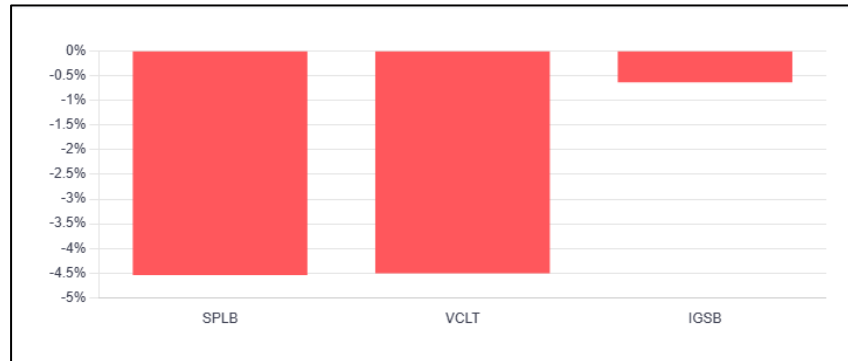
Cheniere Energy - CQP  
-8.45%

- Summary
  - The High Energy, Low Beta strategy systematically targets large-cap energy companies with high free cash flow yields and below-market beta to enhance returns while reducing volatility.
- Performance
  - 2.03% better than the S&P 500 Energy index
- Recommendation
  - Hold



# Bond Ultimatum

- Summary
  - Recommended a re-allocation of our fixed-income position to include a mix of 3 new bond ETFs: IGSB, SPLB, and VCLT.
- Performance
  - Currently unknown – this reallocation has been under affect for less than two (incredibly turbulent) weeks.
- Recommendation
  - Continue to hold. The upside of our original recommendation is contingent upon at least one FFR cut prior to the end of 2025.



	CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES									
MEETING DATE	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450
5/7/2025					0.0%	0.0%	0.0%	0.0%	22.6%	77.4%
6/18/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.8%	60.8%	23.5%
7/30/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.8%	46.5%	35.3%	7.5%
9/17/2025	0.0%	0.0%	0.0%	0.0%	0.0%	7.0%	34.0%	39.2%	17.2%	2.6%
10/29/2025	0.0%	0.0%	0.0%	0.0%	3.1%	19.1%	36.3%	29.3%	10.6%	1.4%
12/10/2025	0.0%	0.0%	0.0%	1.6%	11.5%	28.1%	32.7%	19.6%	5.8%	0.7%

	CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES									
MEETING DATE	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450
5/7/2025					0.0%	0.0%	0.0%	0.0%	18.5%	81.5%
6/18/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.7%	64.9%	21.5%
7/30/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.6%	42.2%	40.7%	9.5%
9/17/2025	0.0%	0.0%	0.0%	0.0%	0.0%	4.7%	29.0%	41.3%	21.4%	3.6%
10/29/2025	0.0%	0.0%	0.0%	0.0%	1.7%	13.5%	33.4%	34.1%	15.0%	2.3%
12/10/2025	0.0%	0.0%	0.0%	0.9%	7.6%	23.5%	33.7%	24.5%	8.6%	1.2%





# Dividends

Strategy	Dividends Received
CBRE	0
REITs	\$739.21
High Energy Low Beta	\$8.84
Bond Ultimatum	0
Total	\$748.05



# Weighted Average Returns – By Team

Team	Weighted Average Return	Average Return
Market Mavericks	-1.95%	-4.07%
Capital Builders Group	-6.55%	-9.30%
Profit Prophets	-8.53%	-9.25%
Cash Me if You Can	-14.07%	-9.39%
Team 7	-14.46%	-13.28%
Green Day Traders	-21.34%	-11.66%



# Green Day Traders

---

Ethan, Nick, Ed, & Simen



# Overview

## 5 Presentations

Fundamental Analysis Template, PepsiCo FA, Cash Allocation Strategy, GarpMo Systematic, Vital Farms FA

## Strengths

Deep understanding of each stock/strategy we pitched, comprehensive and well-rounded presentations, genuine conviction behind our recommendations, transparent process in how we reached our investment decisions

## Weaknesses

Tendency to stay within our comfort zone (i.e. PEP, VITL), being the first cohort and navigating new program led to limited exploration, learning curve with balancing research, collaboration, and structure

## Lessons

Clear communication is essential for alignment and progress, effective collaboration drives better outcomes, simplicity and clarity are key when presenting investment theses, confidence comes from preparation and shared conviction



# Fundamental Analysis Template

- Created original template for all fundamental analysis presentations
- Many revisions throughout the year to match style guide and fund standards
- The substance of company and industry overview remained relatively the same
- Focus on companies' financials going forward, as this seems to be frequently questioned.

## ANALYSIS STRUCTURE

- Company Overview and Investment Thesis
- Business Model
- Performance History
- Industry Analysis
- Governance
- Risk and Growth
- Valuations
- Conclusion



## Company Analysis

**Demand** - Demand for Vital Farms' products remains robust, driven by premium branding that emphasizes ethical production and sustainability.

Financial highlights for the fiscal year ended December 29, 2024 (52 weeks), compared to the fiscal year ended December 31, 2023 (53 weeks), include:

- **Net Revenue** increased 28.5% to \$606.3 million, compared to \$471.9 million
- **Gross Margin** expanded 352 basis points to 37.9%, compared to 34.4%
- **Net Income** grew 108.8% to \$53.4 million, compared to \$25.6 million
- **Net Income per Diluted Share** of \$1.18, compared to \$0.59
- **Adjusted EBITDA** of \$86.7 million, compared to \$48.3 million<sup>1</sup>

# Fundamental Analysis Template

## **Upgraded Excel analysis tools**

- Created multiple iterations to build a robust model
- Latest version is simpler and better automated
- Attempts to work universally



# PEP Fundamental Analysis



- **PepsiCo, Inc.** engages in the manufacture, marketing, distribution, and sale of various beverages and convenient foods worldwide.
- Wanted to purchase a steady consumer staples stock that pays consistent dividends.
- We pitched their stability and industry growth potential, especially their positioning to react quickly to consumer preferences.
- They purchased **Poppi** for \$1.95B a prebiotic soda brand, hoping to grow the health-conscious section of their brand portfolio.

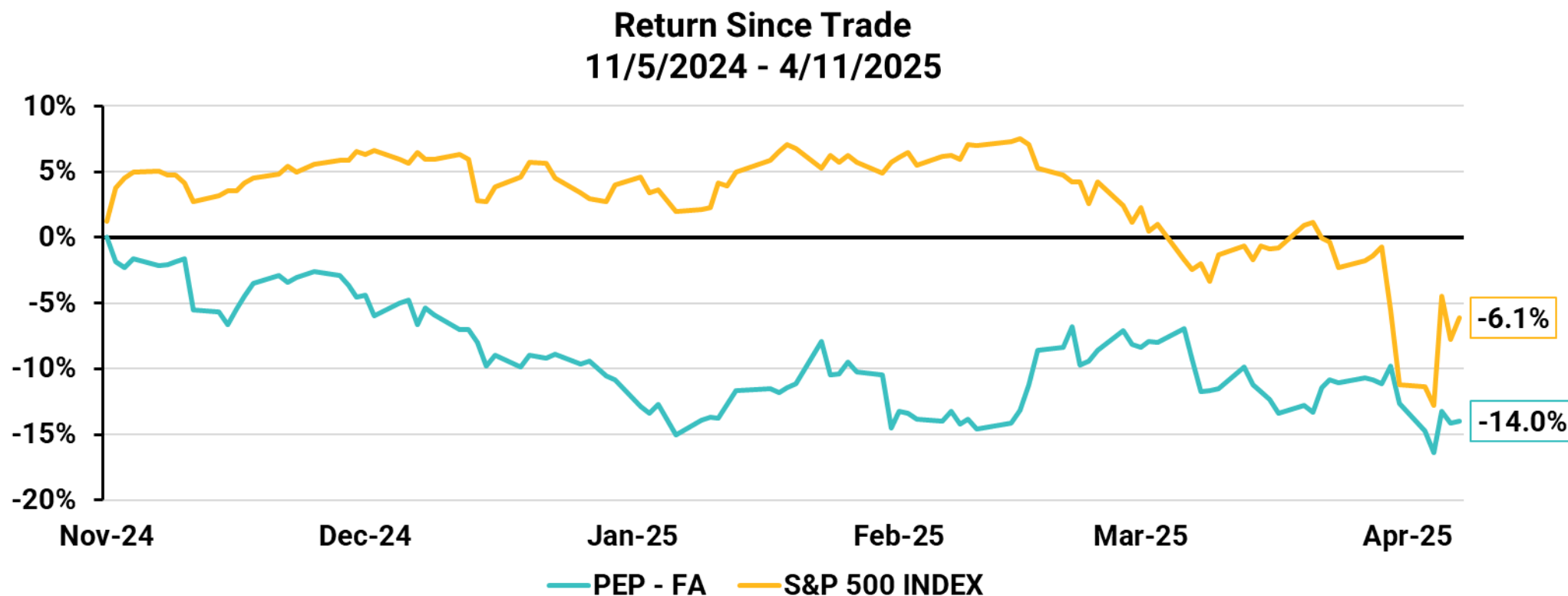




# PEP Fundamental Analysis



- Bought 50 shares at \$166.92
- Price as of 4/11/2025 is \$144.43



# Cash Allocation Strategy

- Invest \$900,000 in Ultra-Short-Term T-Bills, Total Market, and Gold ETFs
  - \$300,000 ICSH (iShares: Ultra-Short-Term Bonds ETF)
  - \$300,000 SGOV (iShares: 0-3 Month Treasury Bond ETF)
  - \$200,000 VTI (Vanguard Total Stock Market ETF)
  - \$100,000 IAU (iShares Gold Trust)
- Rationale: Maintain a low beta to limit market exposure while maximizing liquidity
- Allocating more defensively positions us to weather downturns effectively.



# Cash Allocation Potential Holdings

Name	Ticker	Cost Basis	Return	Weight	Weighted Change
VANGUARD TOTAL STOCK MARKET ETF	VTI	200,004	-11.73%	22.22%	-2.61%
ULTRA-SHORT-TERM BONDS ETF	ICSH	299,989	1.98%	33.33%	0.66%
0-3 MONTH TREASURY BOND ETF	SGOV	299,999	1.91%	33.33%	0.64%
ISHARES GOLD TRUST	IAU	100,015	19.34%	11.11%	2.15%
<b>Total</b>		<b>900,006</b>			<b>0.84%</b>





# GARPMO Systematic Strategy

- Our strategy focuses on strong growth potential and positive recent price trends. Aims to capture both solid growth and market momentum for optimal returns.
- Targets growth stocks with strong potential and high risk-adjusted returns, using Bloomberg screens for top total returns, lucrative Sharpe ratios, and a favorable PEG ratio.

## Screening Criteria

Parameter	Description	Stock Universe
[Sector]	Communications, Consumer Discretionary, Consumer Staples, Energy, Industrials, Materials, Utilities	5,000 stocks
[Price]	1 Day Price > \$10	1,000 stocks
[PEG Ratio]	$0 \leq 12 \text{ Month PEG Ratio} \leq 1$	500 stocks
[Sharpe Ratio]	6-month Sharpe Ratio $\geq 2$	120 stocks
[Total Return]	3-month Total Return, Top 15	15 stocks

## Sub-Criteria

Criterion	Description
[15 of Positions]	Hold Top 15
[Top 15 Factor]	Total Return
[Testing Period]	3 Months
[Rebalance Freq.]	Quarterly
[Weighting Scheme]	Equal-weighted

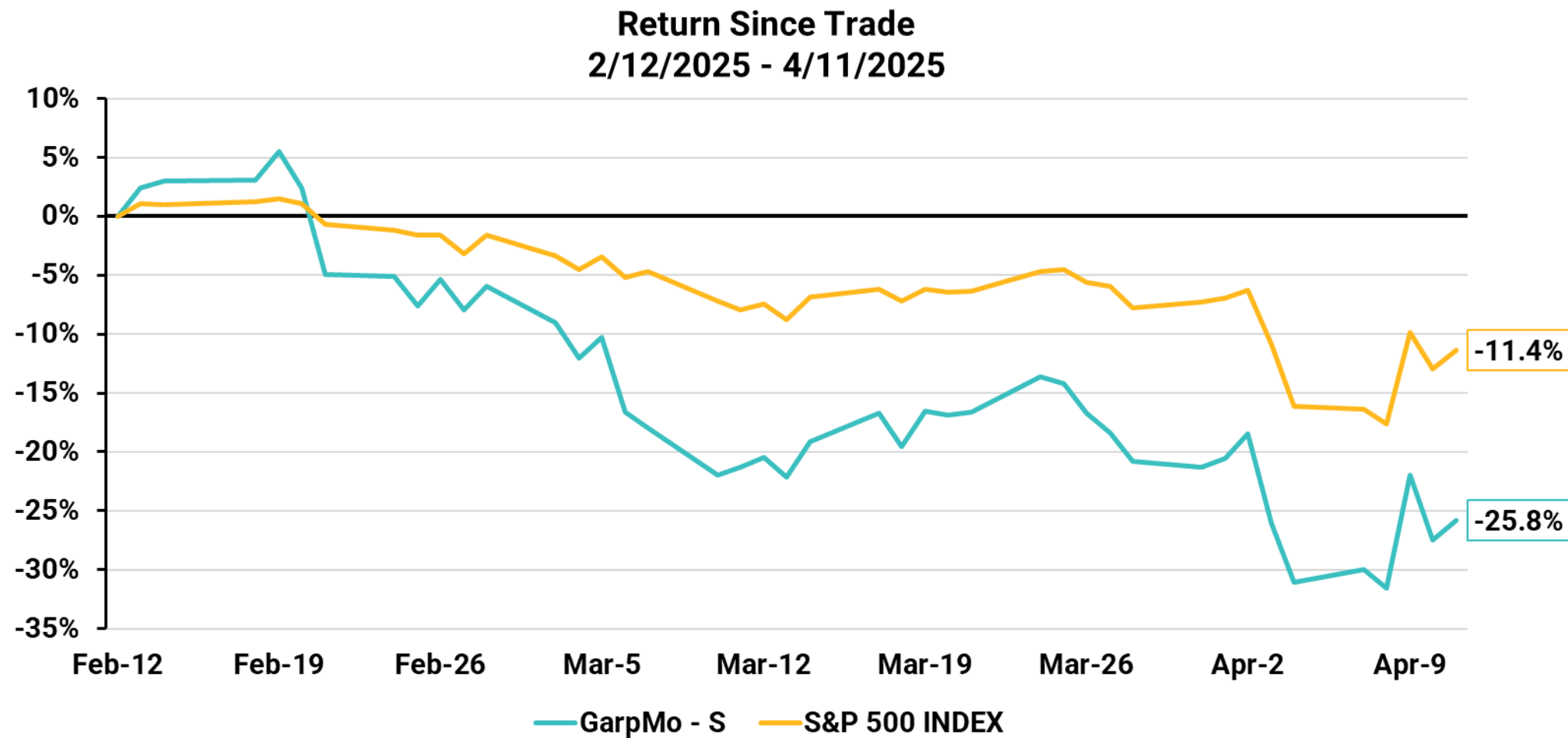


# GARPMO Holdings

Name	Ticker	Cost Basis	Market Value	\$ Change	% Change
AMERICAN AIRLINE	AAL	2,801	1,683	(1,118)	-40%
ALASKA AIR GROUP	ALK	2,917	1,785	(1,132)	-39%
CARNIVAL CORP	CCL	2,885	1,976	(909)	-32%
CHEWY INC- CL A	CHWY	2,909	2,599	(310)	-11%
DELTA AIR LI	DAL	2,864	1,799	(1,065)	-37%
ENERGY TRANSFER	ET	2,979	2,449	(530)	-18%
GE VERNOVA INC	GEV	2,641	2,250	(391)	-15%
HIMS & HERS HEAL	HIMS	3,199	1,906	(1,293)	-40%
KODIAK GAS SERVI	KGS	2,971	2,148	(823)	-28%
LIFETIME GROUP	LTH	3,000	2,967	(33)	-1%
ROYAL CARIBBEAN	RCL	2,830	2,112	(718)	-25%
SPOTIFY TECHNOLO	SPOT	2,589	2,175	(415)	-16%
TARGA RESOURCES	TRGP	2,838	2,290	(548)	-19%
UNITED AIRLINES	UAL	2,843	1,771	(1,071)	-38%
VISTRA CORP	VST	2,894	1,899	(995)	-34%
<b>Total</b>		<b>43,159</b>	<b>31,808</b>	<b>(11,351)</b>	<b>-26%</b>



# GARPMO Systematic Strategy





# VITL Fundamental Analysis



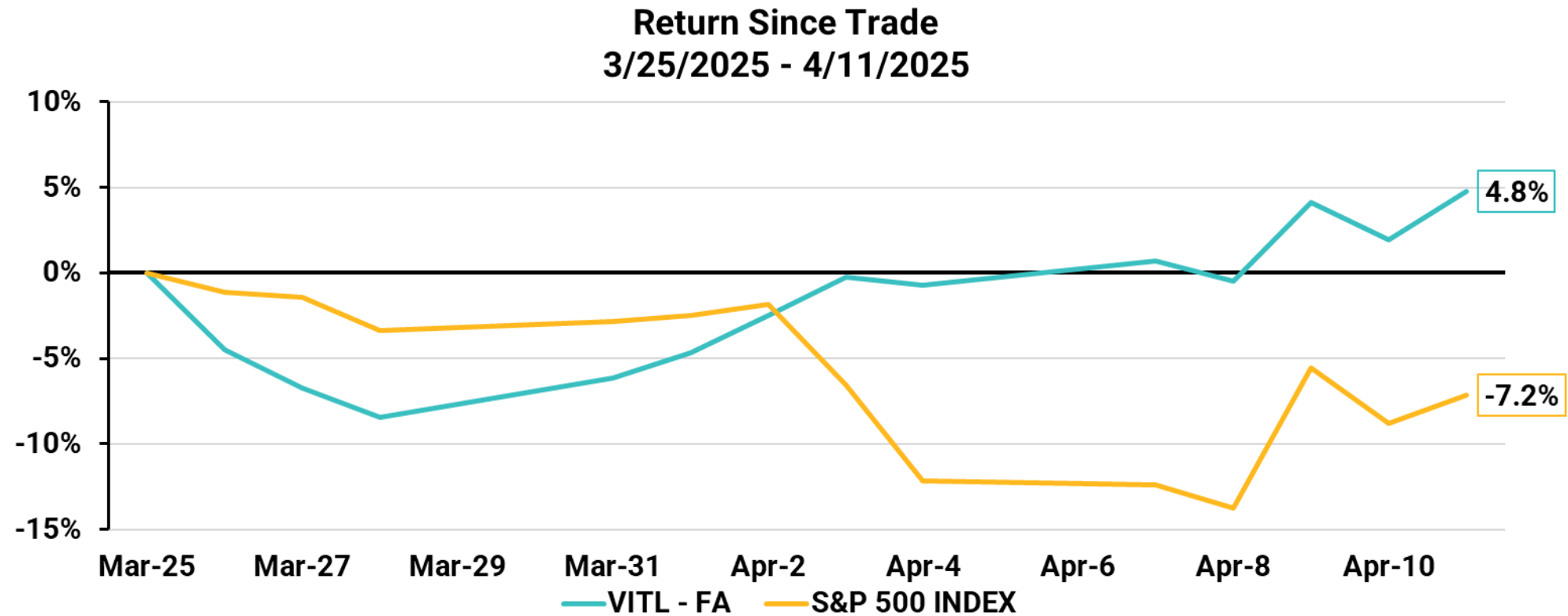
- Vital Farms, Inc. packages, markets, and distributes shell eggs, butter, and other products in the United States.
- Provides its products through third parties and directly to retailers and commercial and non-commercial foodservice operators.
- We pitched our conviction in their ethical and sustainable business model. They are positioned for significant growth with their strategic investments in production capacity and farm network expansion.



# VITL Fundamental Analysis



- Bought 100 shares at \$31.59
- Price as of 4/11/2025 is \$34.01



# Market Mavericks

---

Hardik, Maggie, & Yash

# Overview of Presented Strategies

Name	Type of Strategy	Description	Result / Allocation	Date
<b>Tyson Food</b>	Fundamental	Consumer Staple Pick	Did Not Invest	10/28/24
<b>Uber</b>	Fundamental	Value Investing in Tech & Mobility	Invested \$7k	11/19/24
<b>Golden Cross</b>	Systematic	Momentum Strategy using SMA Crossovers	Invested \$12K	01/26/25
<b>3C</b>	Macro	Hedge Macro Volatility, Geo-political risk via Commodities	Invested \$50K	03/06/25



# Our Impact

~\$68.5k

Fund \$ Allocated to  
Our Strategies

-0.16%

Return of Active  
Investments





# Tyson Foods – Fundamental Strategy

**Recommendation: Buy \$20k (Rejected)**

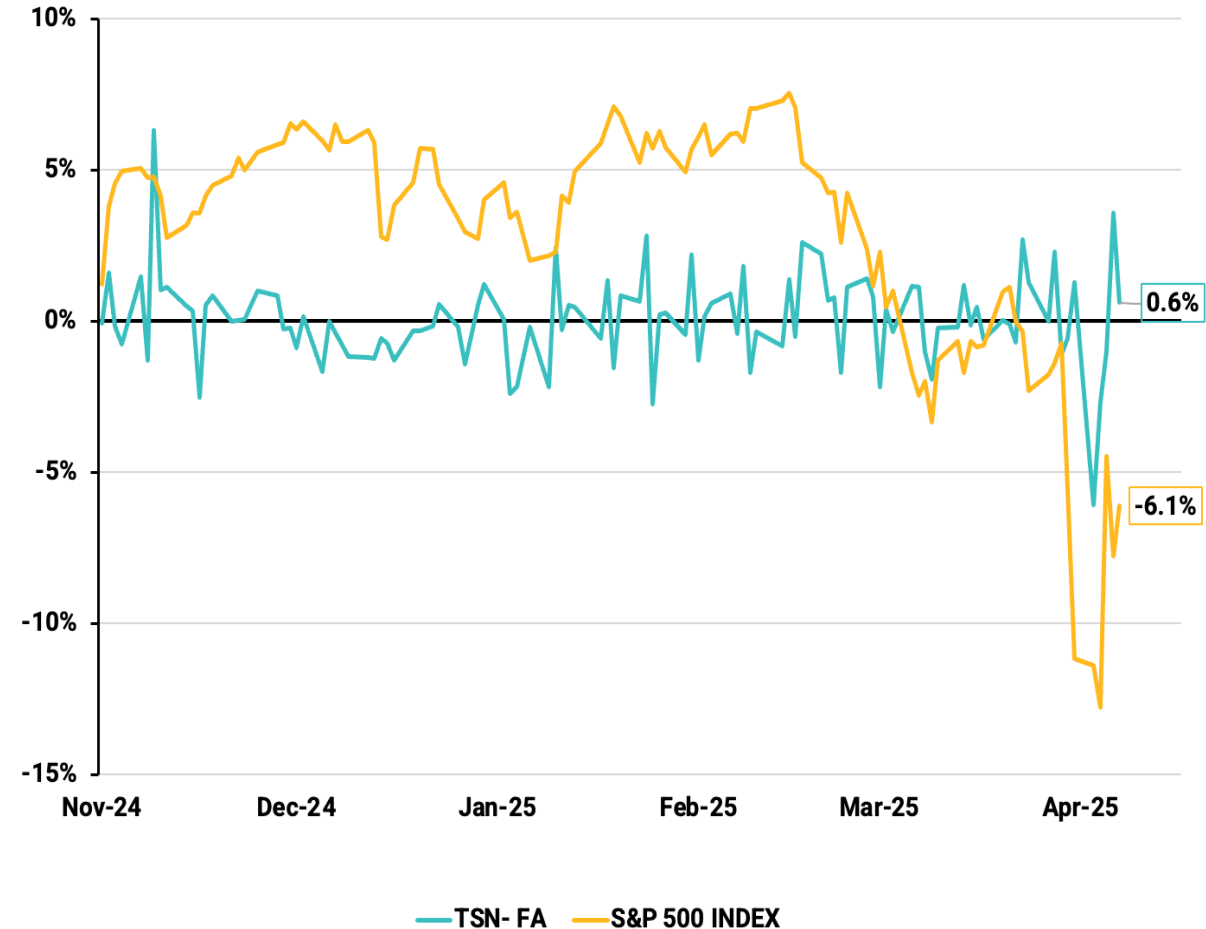
## Our Rationale:

- **Diversification Reduces Risk:** Broad product range (chicken, beef, pork, and plant-based proteins) helps hedge against risks.
- **Operational Efficiency and Automation:** Investments in automation technology and sustainability initiatives support lower production costs.
- **Vertically Integrated Business Model:** Tyson controls every stage of production, from sourcing to processing to distribution.
- **Expansion:** New footprint in emerging international markets like Asia-Pacific, capitalizing on growing demand for protein products.

## Results:

- If the strategy was accepted, the proposed \$20k would be worth **\$20,841** as of April 11th – a 4.1 % increase.
- We learned that we needed to be more *confident* in our decision and that ability to advise against when presenting on an investment.

Return Since Trade  
10/28/2024 - 4/11/2025



# UBER – Fundamental Strategy

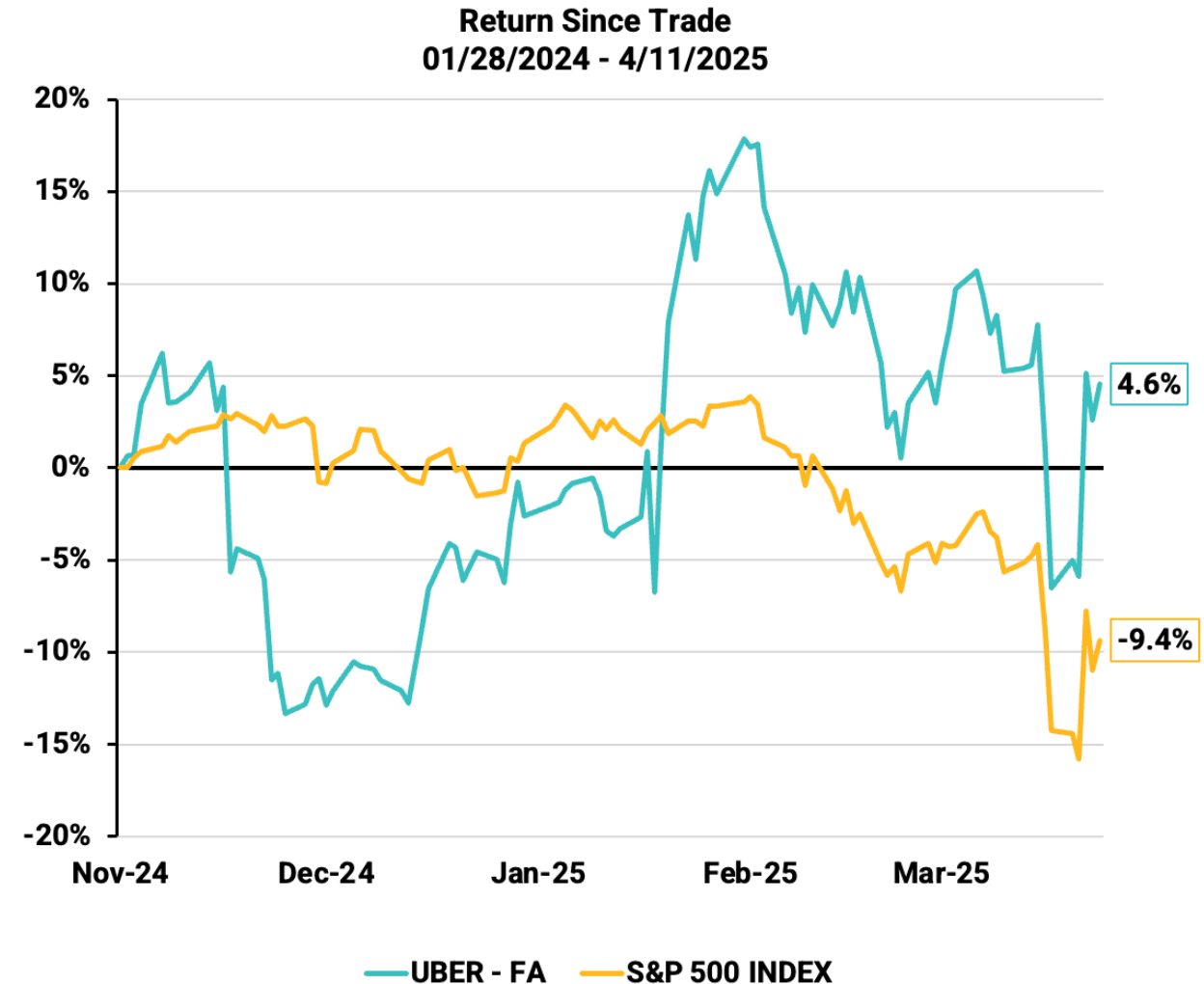
**Recommendation: Buy \$7k and Hold Long-term (Accepted)**

## Our Rationale:

- **Market Leadership:** Global leader in ride-hailing and food delivery services, operating in over 70 countries and 10,000 cities.
- **Growth Potential:** Market diversification, strategic expansions like Uber Eats and freight logistics, and advancements in autonomous vehicles.
- **Valuation Upside:** Potential upside driven by strong market trends, operational efficiency, and continued revenue growth.

## Results:

- The proposed \$6.9k is worth **\$7.2k** as of April 11th – a 5.1% increase.
- Outperformed the S&P500 by 14%.
- Spike in February was driven by positive investor sentiment fueled by strong earnings reports.



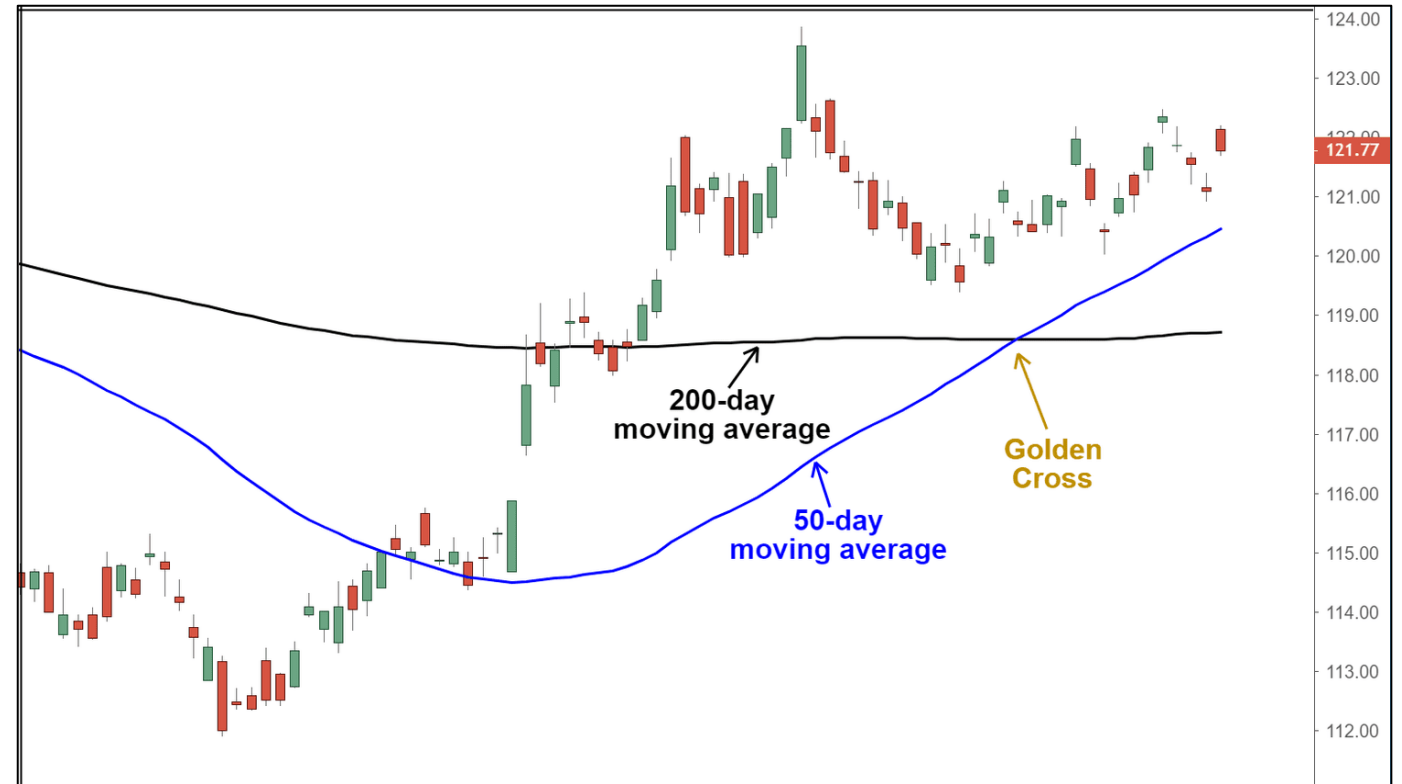
# Golden Cross – Systematic Strategy

## Momentum Growth Strategy:

A golden cross occurs when a **short-term moving average** crosses **above** a **long-term moving average**. It's often represented by the **50-day simple moving average (SMA)** crossing above the **200-day SMA**.

## How to Benefit:

Identify the **shorter-term moving average** or signal line rising **above** the **longer-term component**. As current or short-term prices move higher, the shorter-term component will naturally rise above average prices over the longer term.



*Candlestick charts reveal price momentum by visualizing the range between open and close, with larger candlesticks indicating stronger momentum.*



# Golden Cross – Systematic Strategy (Results)

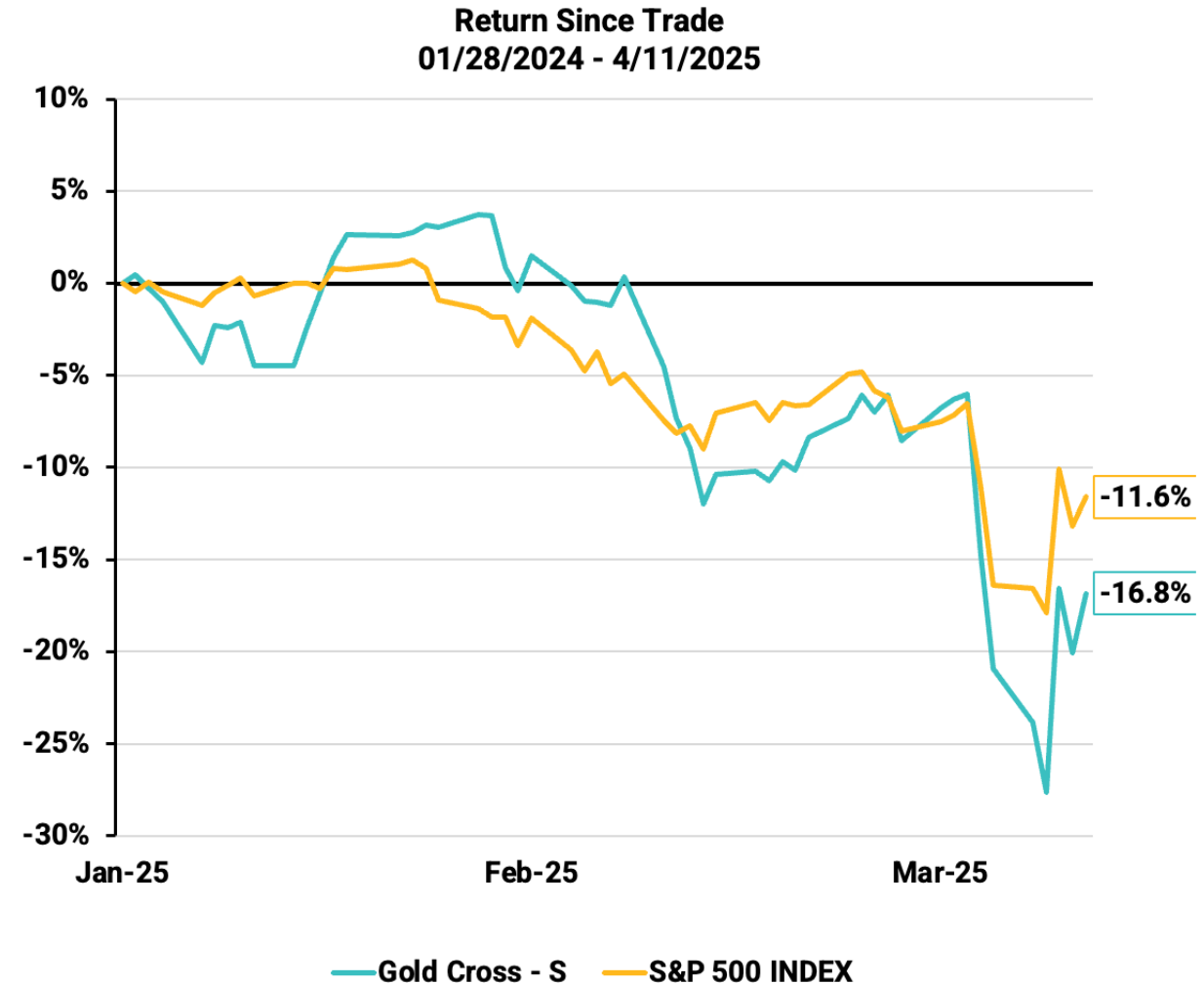
**Recommendation: Buy \$12k and Hold Medium-term (Accepted)**

## Results:

- The proposed \$12k is worth **\$9.9K** as of April 11th – a **18.7%** decrease.
- Underperformed the S&P500 by 5.2%.

## The Strategy Underperformed due to....

- **Market Volatility:** The strategy was activated during a high-volatility period in Q1 2025, triggering buy signals just before a steep market decline.
- **Lagging Indicator:** GC relies on moving averages which react slowly to real-time market reversals, resulting in late exits and missed sell opportunities.
- **No Stop-Loss Mechanism:** Without any stop-loss or dynamic rebalancing triggers, the strategy remained exposed during drawdowns, compounding losses.
- **Broader Market Decline:** While the S&P 500 dropped approximately -11.6% by April 11, GC dropped further (-16.8%) due to its momentum lag.



# C'mon C'mon Commodities – Macro Strategy

**Recommendation: Buy \$50k (Accepted)**

## Our Rationale:

Create a resilient, inflation-hedged portfolio using diversified commodity exposure.

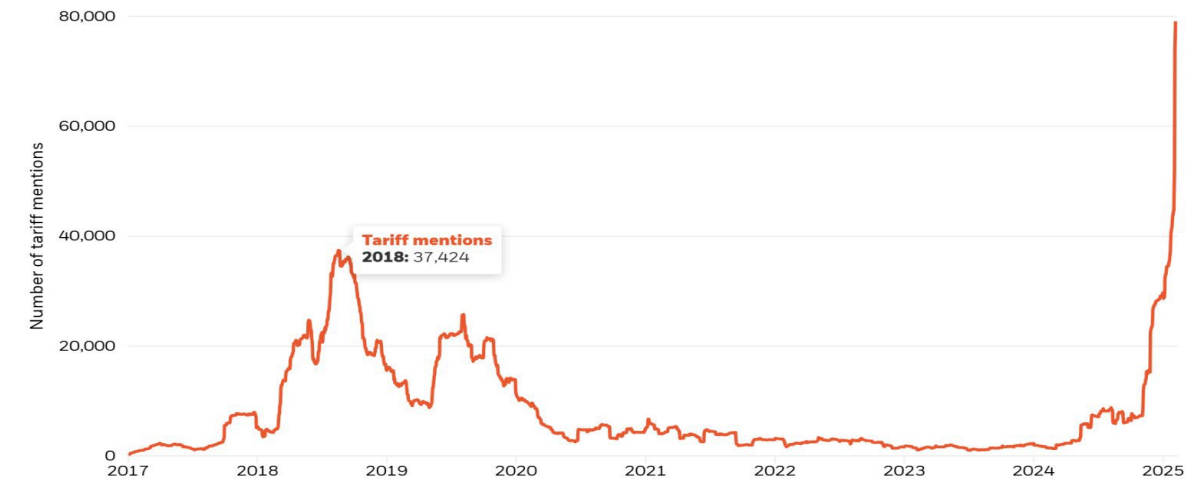
- **Tariffs & Supply Chain Disruptions:** Rising protectionism and trade barriers driving input cost volatility.
- **Inflation Hedge:** Commodities historically outperform during inflationary and macro-uncertain periods.
- **Climate Change:** Extreme weather events and water scarcity increasing commodity price instability.
- **AI Boom & Infrastructure Investment:** Industrial metals and water resources facing higher demand from chip manufacturing and datacenter cooling systems.

## Results:

- The proposed \$49.7k is worth **\$49.8k** as of April 11th – a **0.12%** decrease.
- Outperformed the S&P500 by 6.4%.
- Recommend future cohorts to rebalance when tariffs settle down.

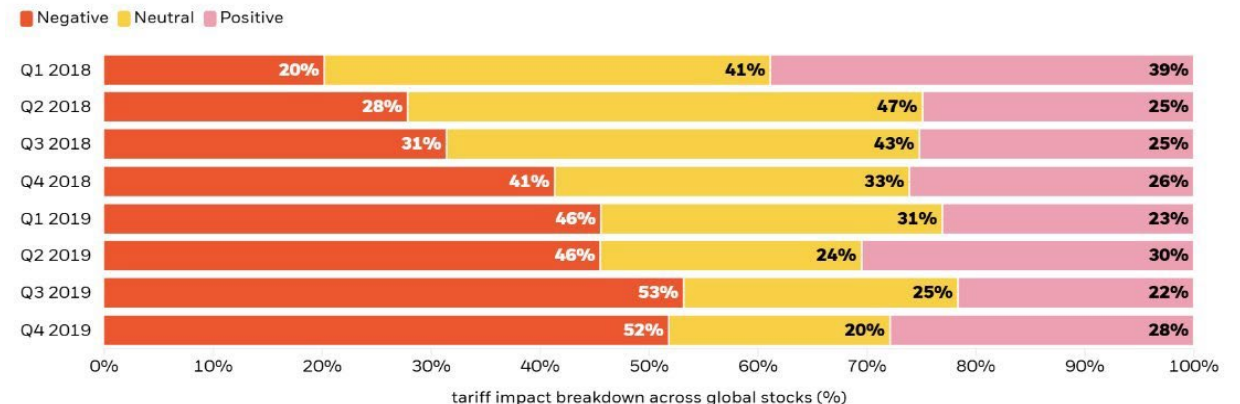
**Figure 2: Attention to tariffs across news articles has already surpassed 2018/2019 highs**

Tariff mentions in news articles (rolling 90 day)



Source: BlackRock Systematic, with data from Dow Jones, as of February 2025.

## Business impact of tariffs reflected in conference calls





# C'mon C'mon Commodities – Macro Strategy

## Strategic Rationale:

Low beta (0.38) and low correlation (0.4) to equities – strengthens portfolio diversification and cushions against macroeconomic shocks.

**DBC: Invesco DB Commodity Index Tracking Fund (40%)**

**DBA: Invesco DB Agriculture Fund (20%)**

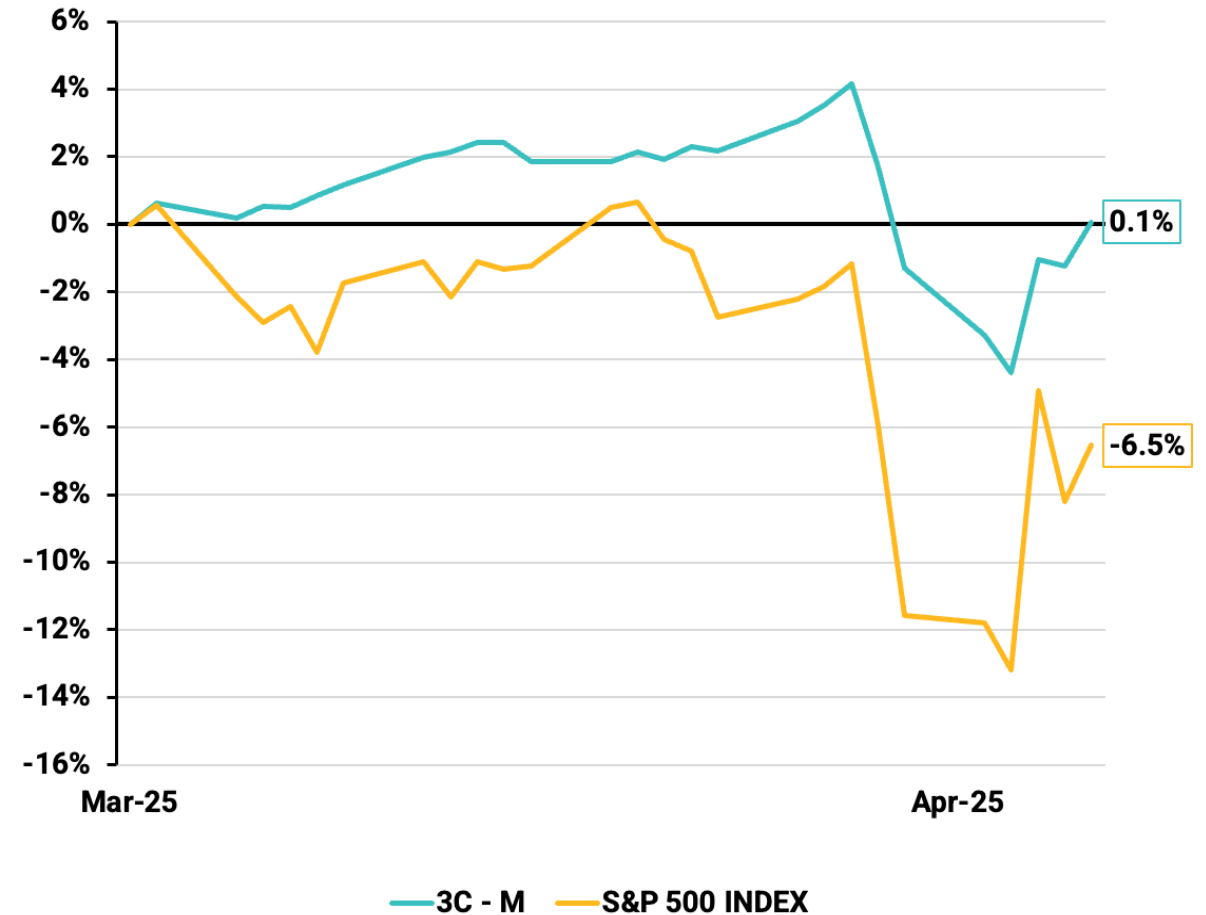
**USG: United States Gypsum Corporation (30%)**

**PHO: Invesco Water Resources (10%)**

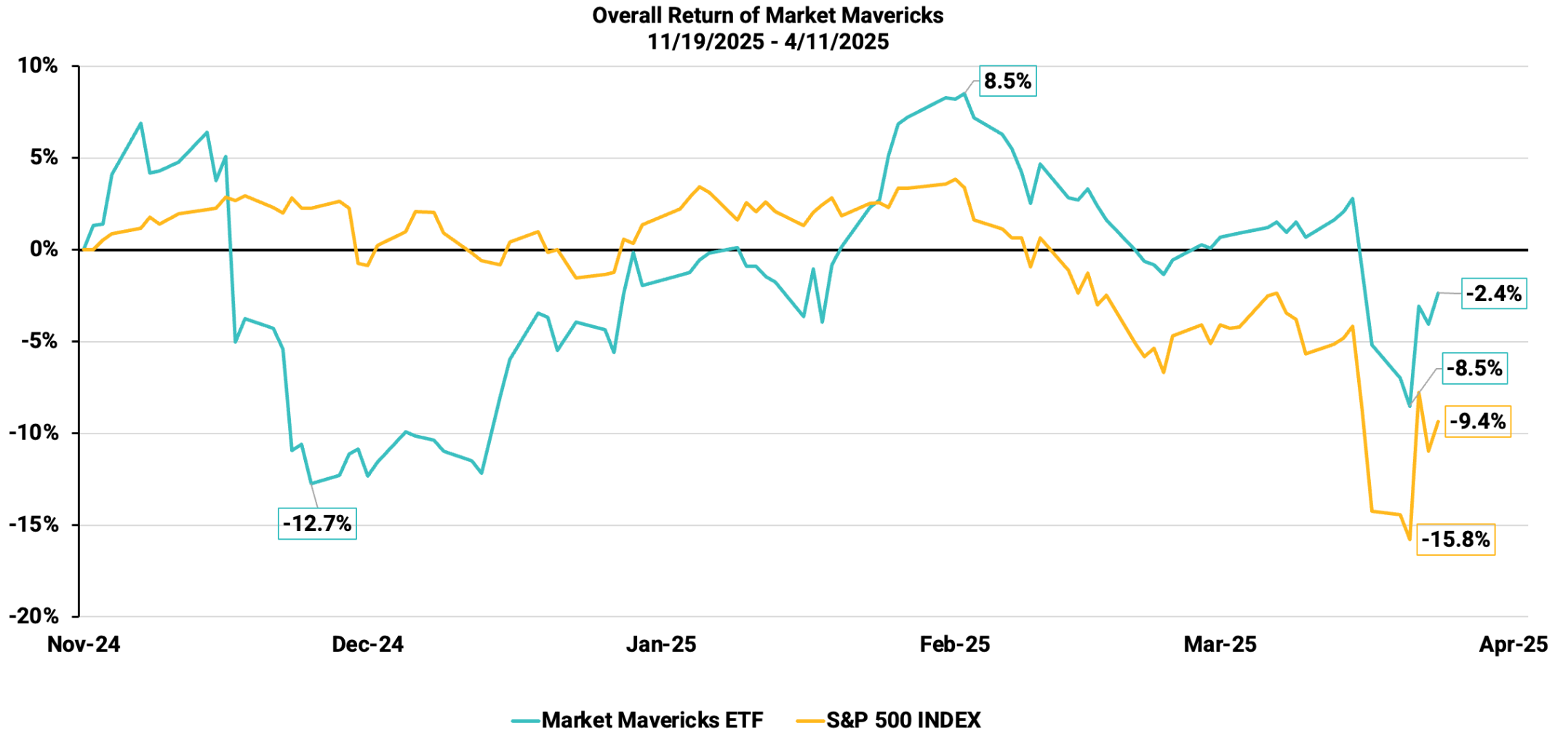
## Risk Consideration:

**Underperformance in Equity Bull Markets** → If stock markets continue to rally without inflationary pressures, commodities may lag, leading to a lower overall return compared to a stock-heavy portfolio.

Return Since Trade  
03/06/2024 - 4/11/2025



# Overall Return for Market Mavericks



# Weighted Average Returns – By Team

Team	Weighted Average Return	Average Return
Market Mavericks	-0.16%	-3.34%
Capital Builders Group	-6.55%	-9.30%
Profit Prophets	-8.53%	-9.25%
Cash Me if You Can	-14.07%	-9.39%
Team 7	-14.46%	-13.28%
Green Day Traders	-21.34%	-11.66%



# Market Mavericks – Highlights + Reflections

Highlights	Description	Notes
Top Fund Investment	Uber	Among top performing FA based stock pick
Largest Investment	3C	Commodity based Macro Strategy; Protected portfolio against severe drawdown.
Tickers (Winners)	2 of Top 10 – April 11th	<b>USG +7.61%, UBER +6.44%</b>
Tickers (Losers)	0 of Bottom 10 – April 11th	<b>AAPL -15.24%, PHO -4.94%, DBC -3.68%</b>

Reflections	Description	Notes
Lesson #1	Backtesting Doesn't Guarantee Future Wins; Market Timing Matters	GC dropped 18.7% due to lagging signals and no stop-loss mechanism.
Lesson #2	Strategic Diversification Pays Off	Invested only \$7k



# Profit Prophets

---

Ishmit, Jackson, Trevor, & Ryan



# Our Impact

~982k

Fund \$ Allocated to  
Our Strategies

(Includes Cash Allocation Strategy)

-8.54%

Return of active  
investments

(\$53,580 allocated)



# Executive Summary



## Strategies

- CRWD - Fundamental Analysis
- Midas' Mattress - Cash Allocation
- Staples and Stethoscopes - Systematic
- Too Small to Fail - Systematic



## Recap

- Revisiting investment thesis
- How did approved investments play out?
- How would have uninvested pitches play out?



## Improvements

- Areas of weakness
- Concerns
- Hindsight



# CRWD

## Our Thesis:

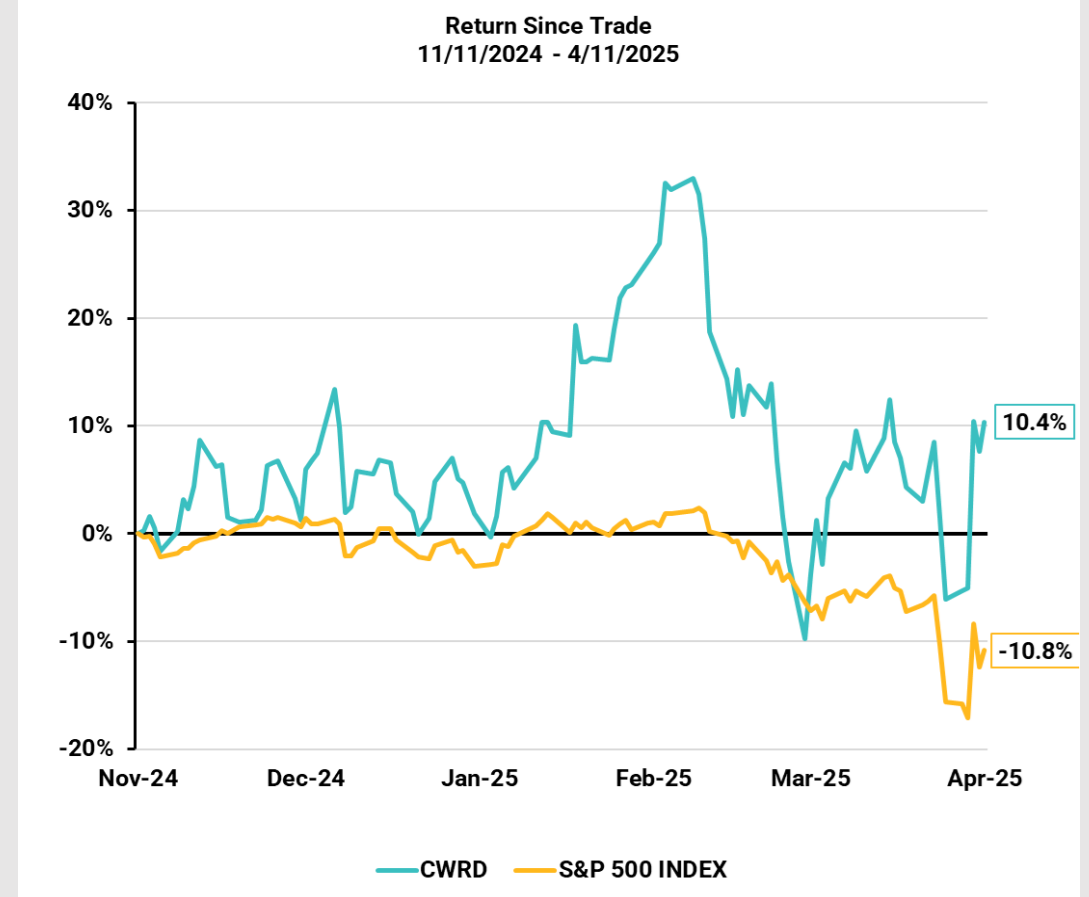
That CrowdStrike had not only recovered value from its summer outage, but had become overvalued relative to its peers and rivals; **recommended against purchase**

## How It Played Out:

- Despite volatility in tech space, the proposed **\$7,500** investment would be worth **\$8,280** today - an increase of **10.4%**

## Where We Went Wrong:

- Overly focused on P/E ratio
- Valuation Analysis



# CRWD - Improvements

- Our comparative analysis focused on technology niche peers (Trend Micro, SentinelOne, Sophos) rather than complementary market share peers (Microsoft, AWS, SFDC)
- DCF valuations to create estimation of value per share didn't capture what the market views as future upside
- Current valuation is more reflective of general market uncertainty (all time high of \$455.36/share achieved Feb 6th)



# Cash Allocation Strategy

## Our Thesis:

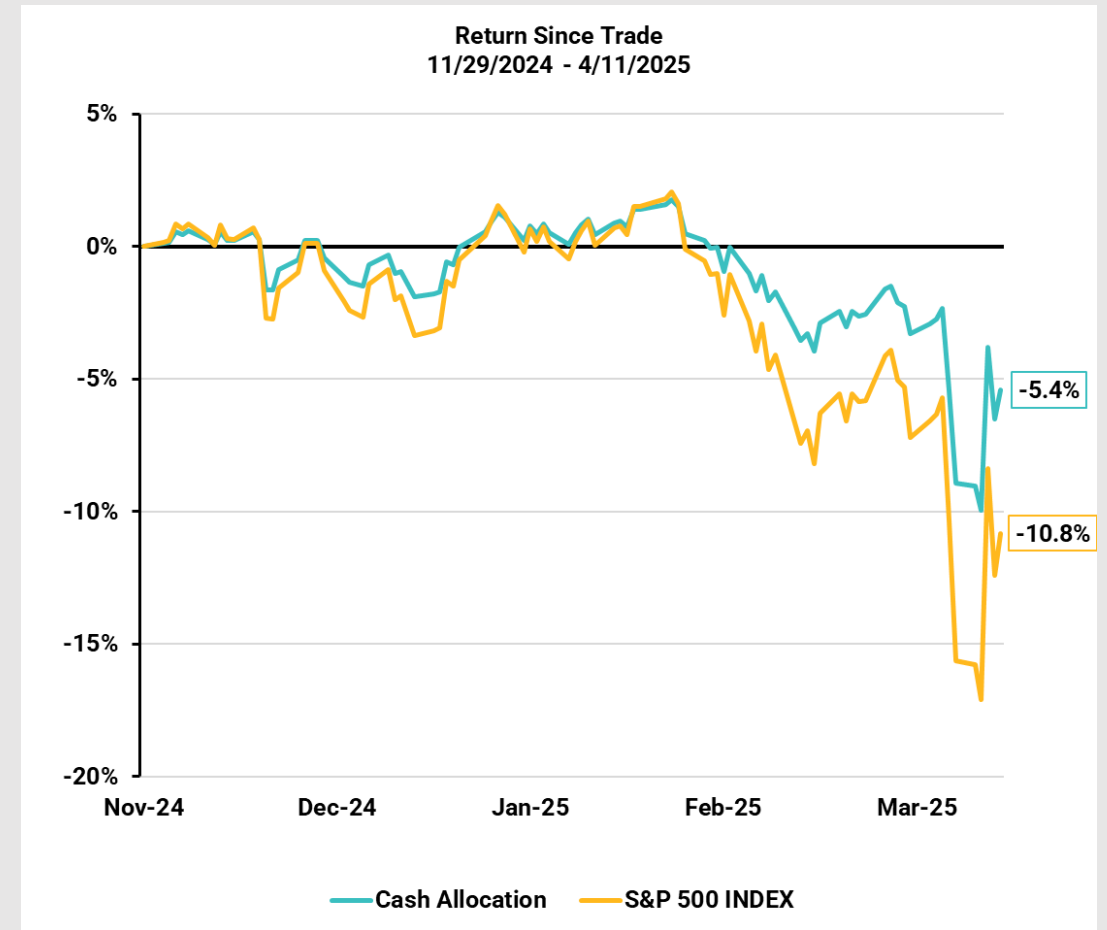
Allocate our cash based on our fund's target metrics, prioritizing our target beta of 0.70, allowing us to gain exposure to market returns as we continue to allocate our funds. Future pitches can decide how to draw down from this allocation, depending on the pitch's beta.

## How It Played Out:

- Outperformed the S&P 500 by 5.4%
- Negative return over the period
- Fund mostly drew down from SPY

## Where We Went Wrong:

- Should have researched alternative market indices
- Initial pitch called for a 5% cash allocation for liquidity





# Cash Allocation - Improvements

- Could've done more research on potential downsides, having a better idea of the risks this strategy proposed
- Lots of focus on historical performance, incorporating market forecasts would have enhanced the pitch
- SPY's Large Cap and Info. Tech. concentration may have been mitigated with a blend of market ETFs, helping diversify the riskier portion of our cash allocation



# Staples & Stethoscopes

## Our Thesis:

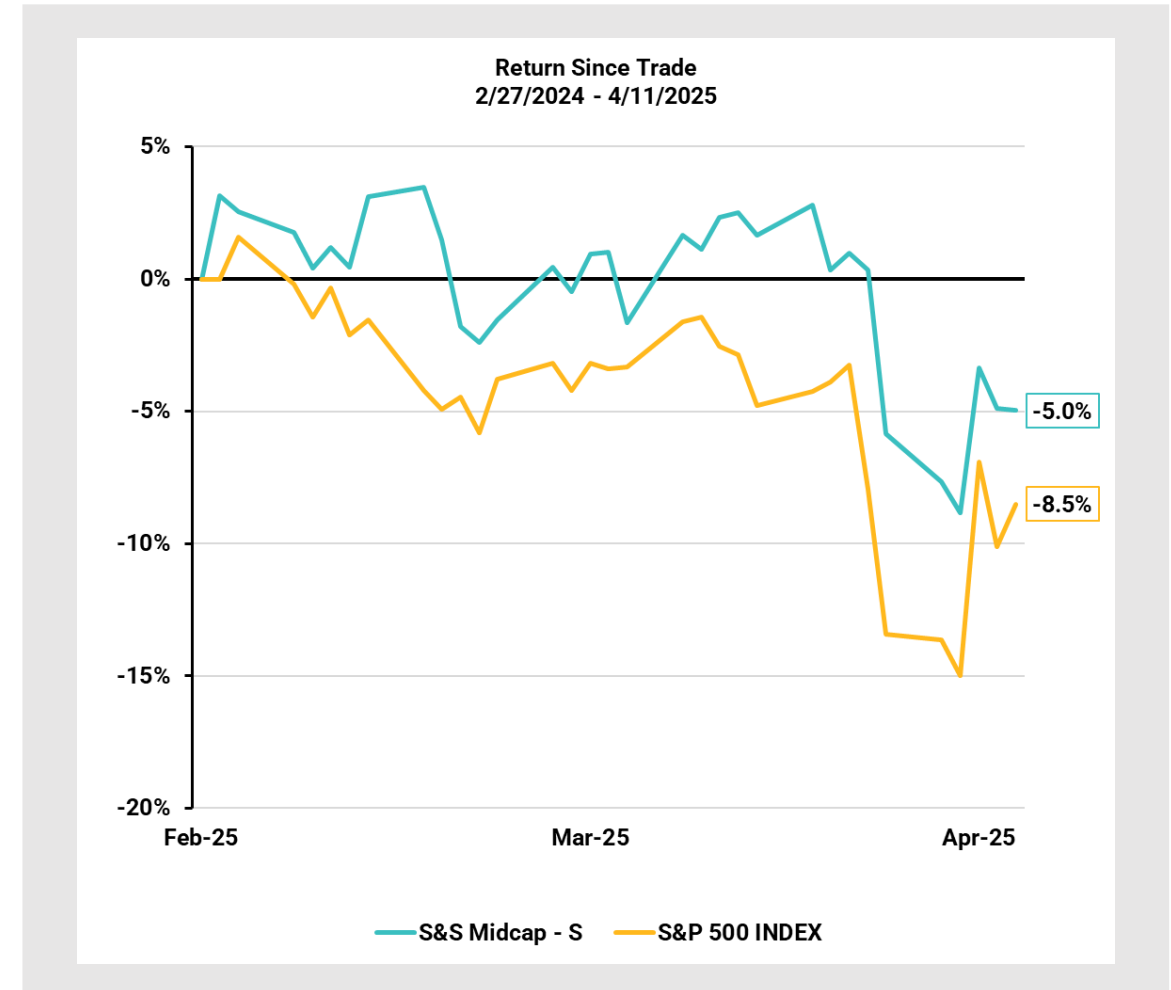
The main thesis of this investment strategy is to achieve diversification and capitalize on market inefficiencies by focusing on mid-cap stocks with strong free cash flow in sectors like Healthcare, Consumer Staples, Utilities, and Materials for the purpose of gaining and exposure and diversification in our fund holdings

## How It Played Out:

- Outperformed the S&P 500 by 3.5%
- Negative return over the period
- Chose some pretty defensive stocks

## Where We Went Wrong:

- Company Evaluation
- Higher Allocation to Healthcare than Staples



# S&S - Improvements

- Could've done a deeper dive into the stocks we invested in with this strategy, specifically a deeper dive into what they do
- Wish we had looked into how these companies might fair under Tariffs and Economic turmoil
- Higher emphasis on Consumer Staples would have been better in hindsight (PPC is doing great, if only there were more of them)



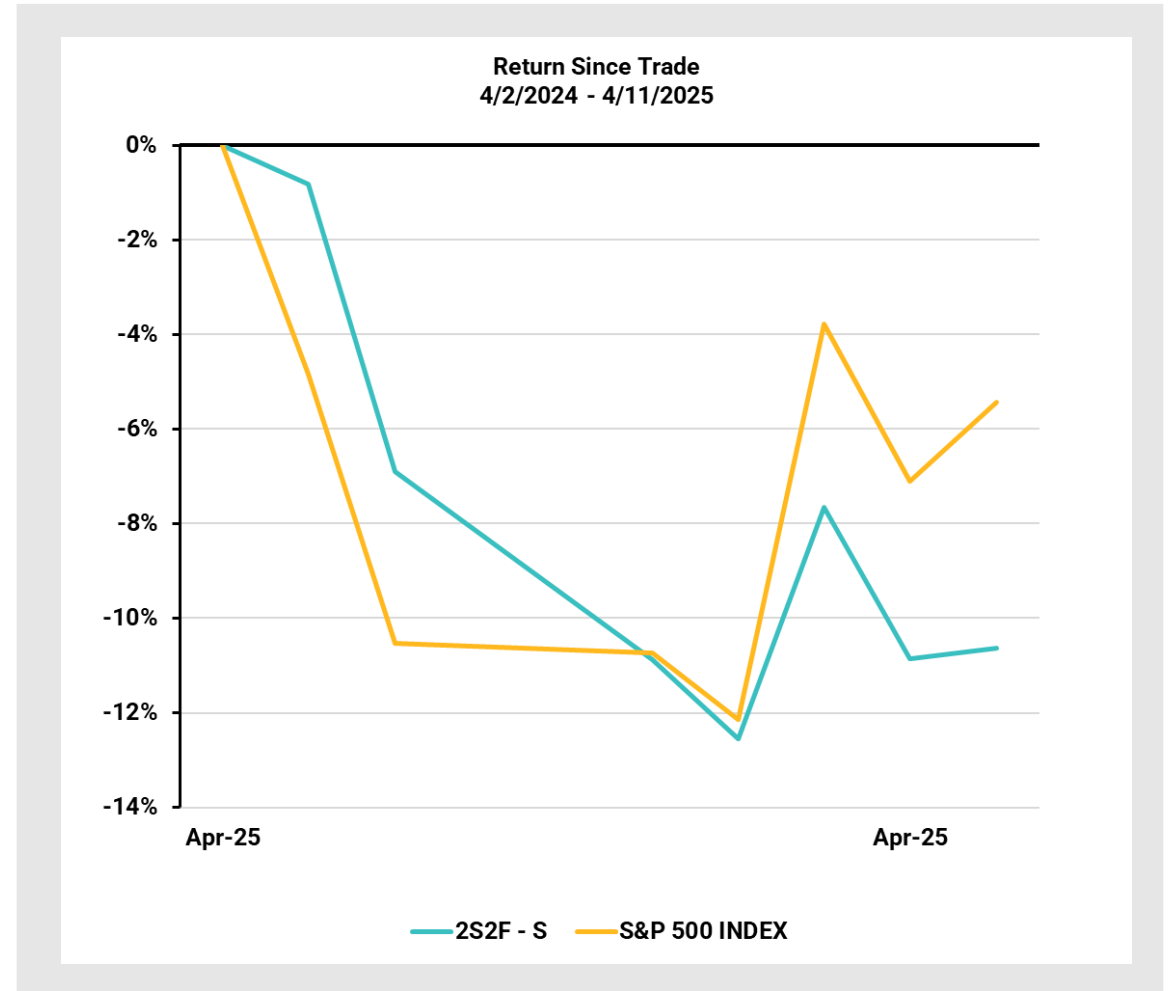
# Too Small To Fail

## Our Thesis:

We believed small-cap financial services were undervalued and poised for a rebound following improved capitalization in the sector. The strategy aimed to add exposure and enhance fund diversification by targeting small-cap firms with healthy fundamentals.

## How It Played Out:

- Underperformed the SPY by 5.2%
- Outperformed S&P 600 by 3.3%
- Risk-adjusted returns didn't justify increased exposure
- Strategy leaned too conservative for a small-cap allocation



# 2S2F - Improvements

- Small-cap financials were more cyclical than expected — not as defensive.
- Valuation screens (P/E, dividend) may have been overly restrictive.
- Strategy lacked a strong risk-adjusted return case.
- A “stock characteristics” slide should be added to show what we’re actually allocating to.



# Team 7

---

Bisesta, Michael, Nikhil, & Richard





# Our Impact

3.09%

Percent of Fund Allocated  
to Our Strategies

-13.28%

Average Return of Trades



# INVESTMENT

META

FUNDAMENTAL

- \$6,000

SJB

SYSTEMATIC

- \$14,000

AXP

FUNDAMENTAL

- \$15,000



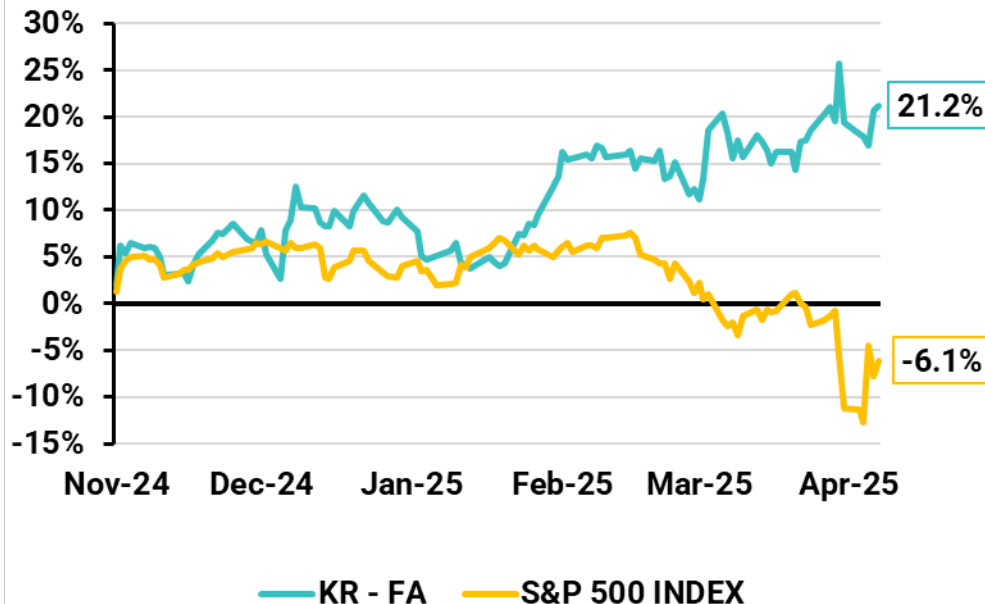
# KROGER

**Our Thesis:** To identify stable, low beta and high return grocery retail company.

**How It Played Out:** The stock is up 19% overall. The price went up as high as 71.93, i.e 25%. It beat SPX which has return of -6%.

As it has Beta of 0.6 (historical 5 year). We proposed \$30,000 to be invested which wasn't approved.

**Return Since Trade**  
11/5/2024 - 4/11/2025

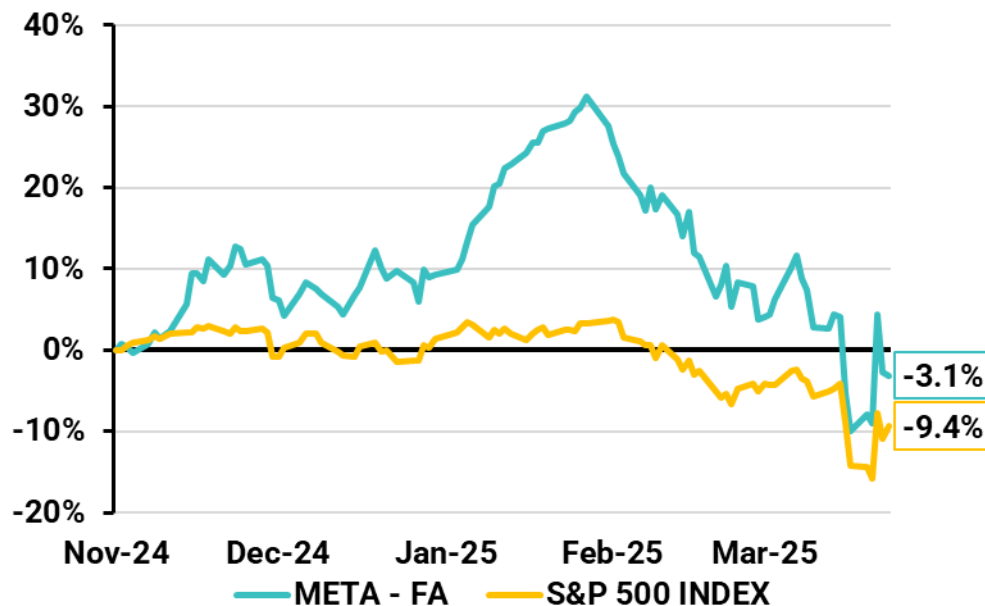


# META

**Our Thesis:** To identify an undervalued Tech company with strong growth potential in the metaverse and digital advertising, backed by solid financials and market alignment.

**How It Played Out:** META surged to a peak of 31.3% by February, strongly outperforming SPY, which topped at 3.8%. Both saw sharp declines afterward, with META ending at -3.1% and SPY at -9.4%. META showed stronger momentum but also higher volatility. It still outperformed SPY overall during the period. The strategy captured gains early but struggled in the downturn.

**Return Since Trade**  
11/19/2024 - 4/11/2025

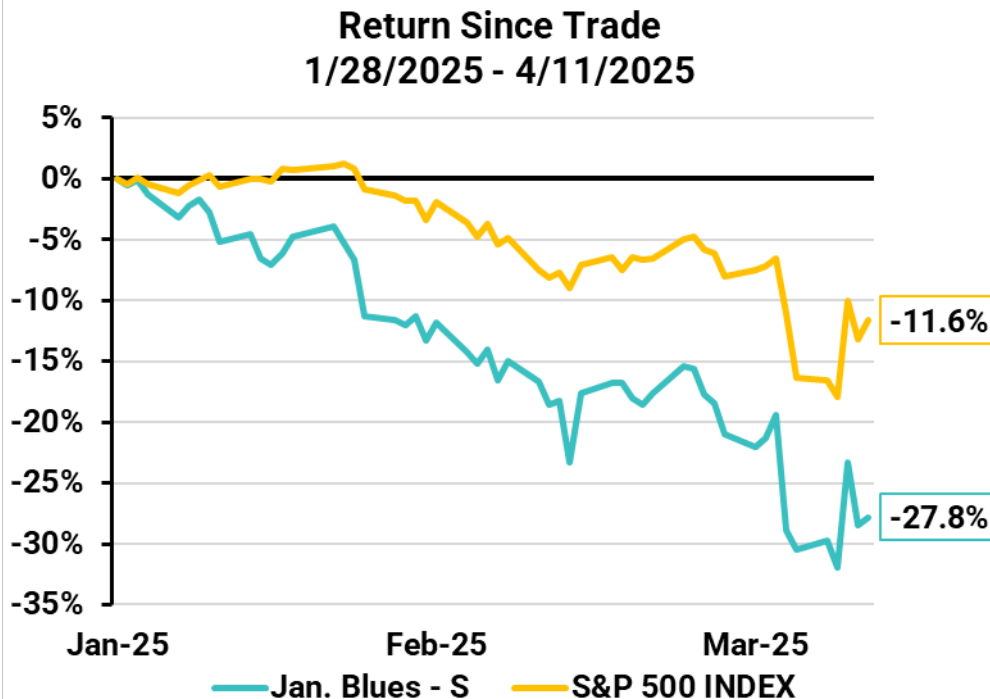


# Surviving January Blues

**Our Thesis:** Look for stocks that have less volatility than the market which would be considered underpriced.

**How It Played Out:** Turned out to be more volatile than expected. Selected stocks were too narrow to diversify the risk and mitigate the losses. These two sectors were prone to increased As a result, they responded more negatively than the market.

The strategy is down -27.8% since the day of sale



# AMEX

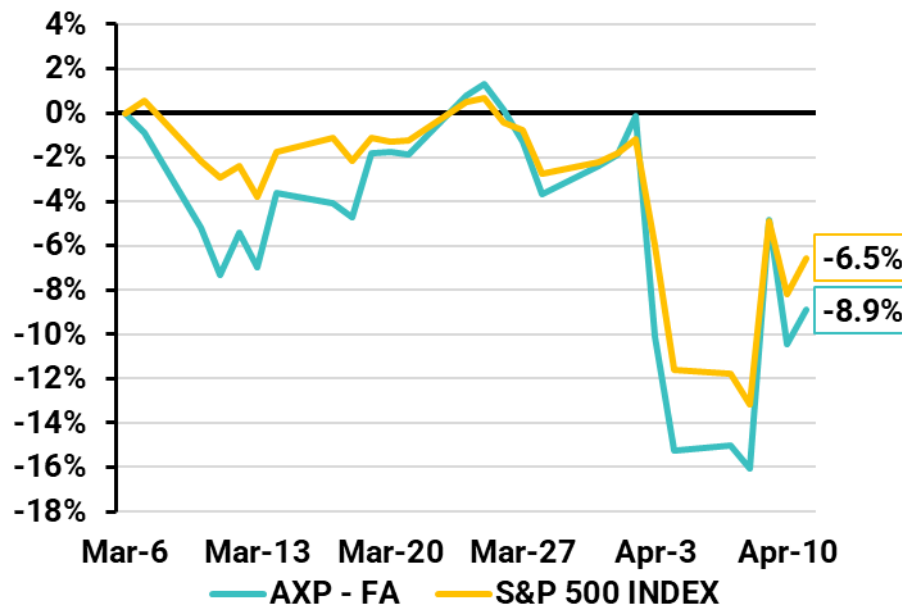
**Our Thesis:** AMEX is a highly profitable vertically integrated credit car company that serves higher end customers. AMEX has had higher returns than XFL by 50%.

## How It Played Out:

XFL is down 5.4% since 3/6  
The Stock is sensitive to rising unemployment and household debt.

Has been trending down before the tariffs.

**Return Since Trade**  
**3/6/2024 - 4/11/2025**





# Lessons Learned

## Description

Focus on investing in low beta stocks which will reduce our exposure to the market as it is going to be volatile like it was in 2018 after the trade war started. We believe the market will perform similar to how it was performing before 2017- 2020 when COVID-19 hit.

## Goal

High return with lower exposure to the market so we will be investing in low beta stocks.

## Parameters

We should focus on implementing strategies according to the risk metrics of the fund in future. We believe there is going to be high volatility therefore instead of implementing systematic strategy we should go for fundamental strategies as only stable companies with stable cashflows will be able to give higher returns than market.



A group of men in business attire, some wearing red blazers, looking intently at something off-camera. The scene is dimly lit, with a warm, slightly desaturated color palette. The men are of various ages and are gathered closely together, suggesting a formal event or a meeting. Some are pointing or gesturing, while others are looking directly at the camera with serious expressions. The background is dark and out of focus, emphasizing the group in the foreground.

# Thank you!

Class of 2025