

Portfolio Review

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Overview



Fundamental: META – **Sell**



Systematic #1: Golden Cross – **Sell**



Systematic #2: Staples and Stethoscopes – **Sell**

Fundamental – Meta Platforms Inc (META)



Meta Platforms Inc. is a social media and communications company that monetize massive user engagement through targeted digital advertising while also heavily investing in VR and AI products to build future computing platforms

Original Investment Thesis:

- Meta's dominant market position in the social networking sector gives it stable and consistent revenue growth, additionally, the foray into AI and VR makes it a compelling buy.
- Global market leader in Social Media & Digital Advertising, with 21% market share in US
- 97% of all revenue comes from targeted digital ads, over \$131 billion
- Heavy emphasis on expansion into VR/AR markets, which were expected to grow to \$300B in 2025
- Meta's diversified Portfolio caters to both social networking and virtual reality markets
- Meta's global presence will drive their influence and ensure continued growth

Position Overview	
Shares Held	11
Original PPS	\$554.08
Current PPS	\$650.41
Unrealized Return	+17.39%
Unrealized Profit	\$1,059.63
Sector Weight	2.97%
Portfolio Weight	0.70%
Beta	1.28
Sector	Technology

Current Trends

- **Ads remain core driver:** Meta's scale across Facebook and Instagram, combined with better AI-driven ad targeting and measurement, continues to support strong ad performance and pricing power, consistent with the original thesis.
- **Shift toward short-form and messaging:** Reels now accounts for a larger share of user time and is becoming better monetized, while WhatsApp and click-to-message ads are growing in importance, expanding revenue beyond traditional feed ads.
- **AI and VR spending weighs on margins short term:** Heavy investment in AI infrastructure and Reality Labs pressures margins today but preserves long-term optionality around future platforms.

Current Outlook

- **Competitive Moat remains intact:** Meta is expected to maintain leadership in social media advertising due to its unmatched user reach, data, and ad tools, with key metrics being ad pricing, impression growth, and engagement.
- **Upside from AI and new monetization channels:** Improved AI-driven ad efficiency, continued Reels monetization, and growth in WhatsApp business messaging (with potential Threads monetization) could drive upside beyond initial assumptions.
- **Key risks:** Sustained high investment spending, and competition for user attention could pressure margins, engagement, or monetization if execution weakens.

Fundamental – Meta Platforms Inc (META)



Total Value (Dividends Reinvested)



Fundamental – Meta Platforms Inc (META)



Metric	At Strategy Inception	Current	Percent Change
Price per share	\$554.08	\$650.41	+ 17%
Market capitalization	\$1.44 T	\$1.85 T	+ 28%
P/E Ratio (TTM)	26.03	25.70	- 1.2%
Shares outstanding	2.60 B	2.57 B	- 1.2%
EPS (TTM)	21.23	23.35	+ 9%
Return on equity (ROE)	28.04%	32.64%	+ 4.6%
Beta	1.22	1.28	+ 5%

Systematic #1- Golden Cross



Statistics	
Unrealized Return	21.90%
Beta	1.11
Standard Deviation	22.90%
Original Position Size	\$11,997.18
Original Portfolio Weight	1.21%
Current Position Size	\$14,634.54
Current Portfolio Weight	1.43%
Purchase Date	01/27/2025
Last Rebalance	None
Rebalance Frequency	Quarterly

Original Thesis: Stock signals a bullish trend when the 50-day moving average crosses above the 200-day

Goals: Identify when the short-term moving average rises above the long-term average as prices increase.

Considerations:

- It is a well-known trading strategy
- The only purchase was Apple
- More risk for fewer returns

Golden Cross - Screening Criteria

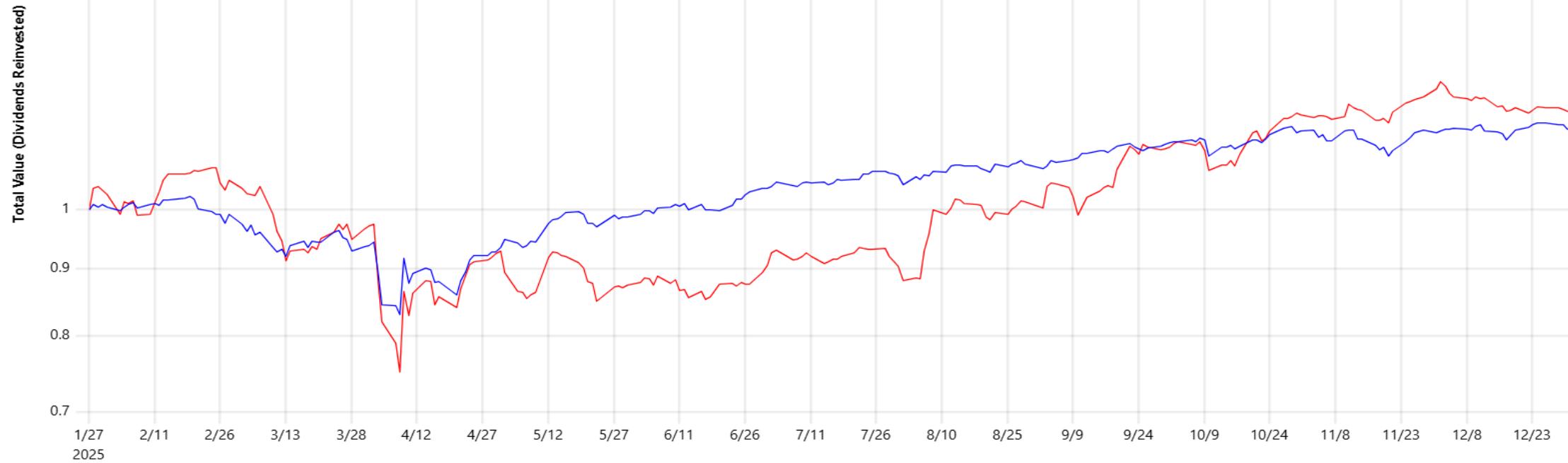


Parameter	Description	Stock Universe
S&P 500, Nasdaq 100, Russell 2,000	Common Indices	2,473 stocks
LF Diluted EV	$> 2B$	1,184 stocks
Deviation	Price Deviation $<$ S&P Median Value of Price Deviation * 0.8	608 stocks
Moving Average	50 Day Moving Average $>$ 200 Day Moving Average	309 stocks
Sharpe Ratio	1 Month Annualized Return Sharpe Ratio $>$ 2	80 stocks
ROE	LF ROE $>$ S&P 500 Index Median Value of LF ROE * 1.1	25 stocks
Rank	Top 5 LF ROE Higher is Better	5 stocks

Golden Cross - Current Positions



Ticker	Company	Shares	Original Price	Current Price	Unrealized Profit	Total Return	Sector Weight	Portfolio Weight	Beta	Sector
AAPL	Apple Inc	54	222.17	271.01	\$2,637.36	21.9%	6.07%	1.43%	1.11	Technology



Current Trends

- **Services keeps growing and supports margins:** App Store, iCloud, Apple Music, AppleCare, and advertising are a bigger share of profit, helping offset slower hardware cycles.
- **iPhone demand is more “cycle-driven”:** Upgrades depend more on new features and promotions; growth is steadier in emerging markets, while mature markets are more replacement-focused.
- **Wearables and ecosystem lock-in remain strong:** Apple Watch/AirPods + tight integration across devices keeps retention high and increases spend per user.
- **Capital returns stay a key pillar:** Large buybacks and dividends continue to be a major driver of per-share value.

Current Outlook

- **Base case: ecosystem moat stays intact:** We assume Apple keeps a premium position through brand, hardware/software integration, and a large installed base that supports recurring Services revenue.
- **Upside: faster Services + new product catalysts:** Higher attach rates (subscriptions, payments, ads), enterprise adoption, and any meaningful new category (AI-enabled features, spatial computing, or other hardware) could re-accelerate growth.
- **Key risks:** iPhone concentration, China/regulatory exposure, services scrutiny (App Store rules/fees), and supply chain shocks could pressure growth or margins, in addition to lack of competition in AI

Systematic #2- Staples & Stethos



Statistics	
Unrealized Return	12.85%
Beta	0.81
Standard Deviation	27.08%
Original Position Size	\$39,929.97
Original Portfolio Weight	4.10%
Current Position Size	\$45,053.88
Current Portfolio Weight	4.98%
Purchase Date	02/24/2025
Last Rebalance	Never
Rebalance Frequency	Quarterly

Original Thesis: Given the concentration of existing strategies in large-cap stocks and crowded sectors, we target small- and mid-cap companies in less-popular industries with strong cash flows and long-term growth potential to capture differentiated alpha.

Goals: The strategy targets mid-cap equities from the S&P 400 in underrepresented sectors—Healthcare, Utilities, Materials, and Consumer Staples—emphasizing strong fundamentals through high cash flow yields and positive profitability to capture durable, long-term growth.

Considerations:

- The original thesis has not lent itself to strong risk-adjusted returns
- \$THC is the main driver
- Strategy has never been rebalanced

Staples & Stethos- Criteria

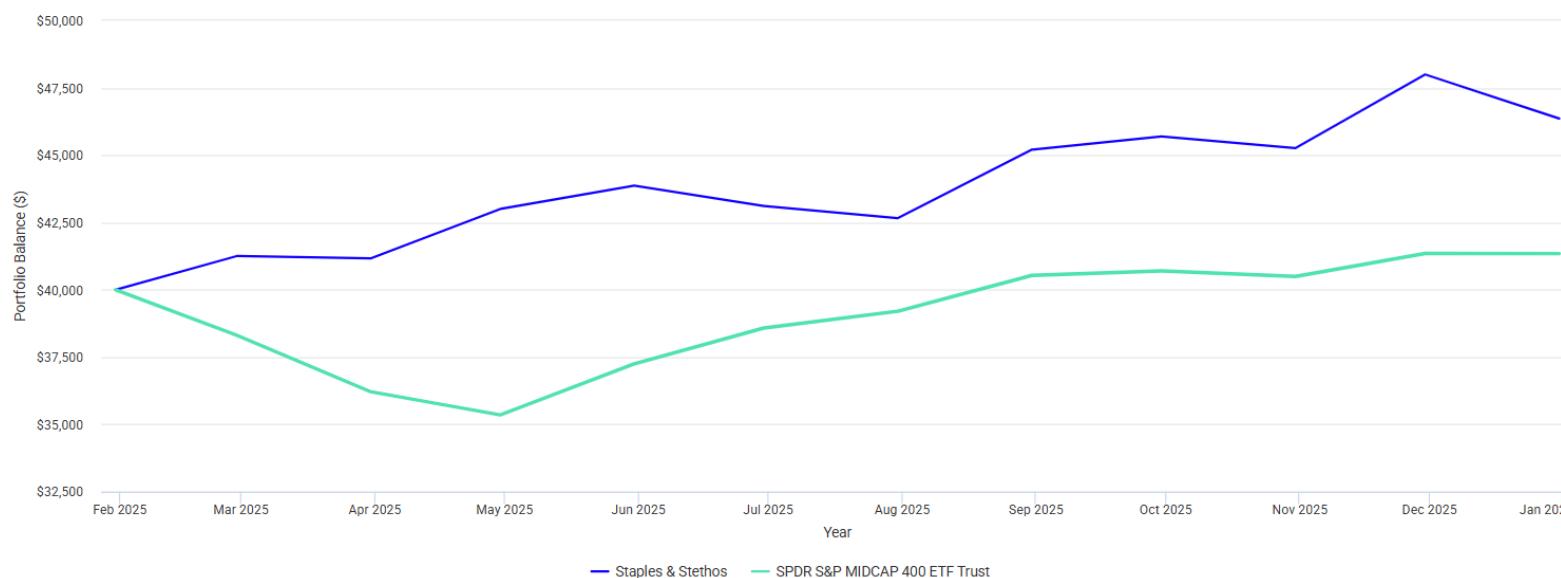


Parameter	Description	Stock Universe
S&P 400 Midcap Index	Common Midcap Equities Index	400 stocks
Sectors	Utilities; Materials; Health Care; Consumer Staples	97 stocks
Current FCF Yield	> 10%	17 stocks
T12 M Net Income/ Net Profit	> 0M	4 stocks
Top 10 Rank (T12 M Net Income/ Net Profit)	Higher is Better	4 stocks

Staples & Stethos - Current Positions



Ticker	Company	Shares	Original Price (\$)	Current Price (\$)	Unrealized Profit (\$)	Unrealized Return (%)	Strategy Weight (%)	Portfolio Weight (%)	Beta	Sector
THC	Tenet Healthcare	101	129.60	199.45	7,054.85	53.90	32.80	1.97	1.45	Healthcare
JAZZ	Jazz Pharma	54	136.01	173.15	2,005.56	27.31	18.40	0.92	0.31	Healthcare
PPC	Pilgrims Pride	203	53.13	39.87	-2,691.78	-24.96	27.00	0.79	0.45	Consumer Staples
INGR	Ingredion Inc	68	128.08	109.79	-1,243.72	-14.28	21.80	0.73	0.71	Consumer Staples



Metrics	S&S	SPDR S&P Midcap 400
Return	12.85%	3.67%
St. Dev	27.03%	11.62%
Max Drawdown	-3.41%	-11.62%
Beta	0.81	0.08
Alpha	9.18%	0.00%
Sharpe	0.19	0.01
Correlation	0.08	0.01
Information Ratio	0.90	N/A

Conclusion



Fundamental: Meta – **Sell**



Systematic #1: Golden Cross – **Sell**



Systematic #2: Staples and Stethoscopes – **Sell**