2024

Spring Semester Report

May 17, 2024

Mizzou Investment Fund

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The Mizzou Investment Fund

- For the Spring 2024 semester, the Fund returned 17.87% compared to the S&P 500 Index return of 8.30%.
- The portfolio's top five holdings are **Amazon Inc. (AMZN)**, **NRG Energy Inc (NRG)**, **Walmart Inc. (WMT)**, **Apple Inc. (AAPL)**, and **Microsoft Corporation (MSFT)**, with weights of 9.88%, 8.00%, 7.65%, 7.51%, and 7.29%, respectively.
- The IFM team added a total of 10 names to the portfolio and sold or trimmed positions in 12 during the term.

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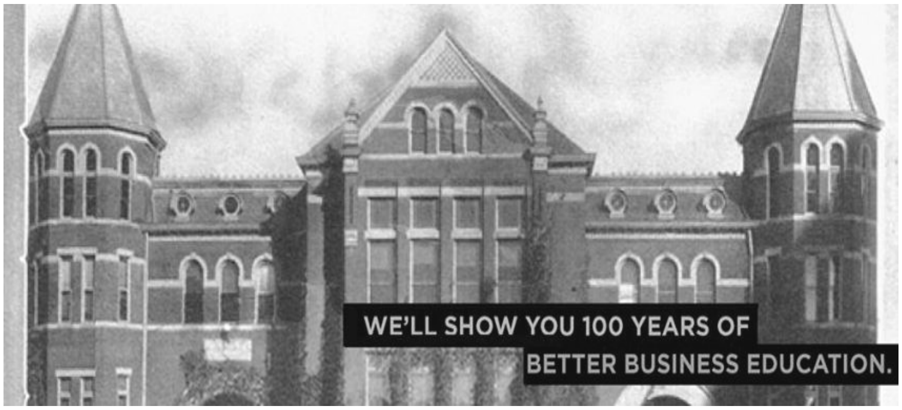
Robert J. Trulaske, Sr. College of Business
University of Missouri



Fund History

The Board of Curators of the University of Missouri established the Truman Tracy Memorial Investment Fund in 1967 as a tribute to Professor Truman Tracy, who passed away earlier that year. Dr. Tracy was the senior investments professor at the University of Missouri. The Truman Tracy Fund was originally established with memorial contributions from his students, colleagues, and friends.

In the same year as Tracy's death, Arie and Ida Crown established the Crown Memorial Student Investment Fund. Students initially managed the Tracy and Crown Funds as separate accounts, but the portfolios have since been merged and are now managed as a portion of the broader pool of assets within the Mizzou Investment Fund.

Before the Investment Fund Management (IFM) class began, students in the undergraduate investments and security analysis courses managed the funds. The portfolio has been actively managed since its inception, with the exception of the period from 1980 to 1984 when the funds were passively managed before Dr. Gary Trennepohl took over as advisor.

The Student Portfolio Analysis and Management Club was formed in 1991. This club sparked enough interest that eventually a portfolio management course was created in 1999 to meet student demand. The students competed in security analysis and portfolio management competitions, and their strategy presentations earned national awards.

In the Fall semester of 2005, the Department of Finance dedicated a separate course to manage the Fund, and the Mizzou IFM Program was born. Admission to the class continues to be competitive. Enrollment is typically limited and includes both undergraduate and MBA students. In 2006, the Fund saw a large increase in assets under management, as the IFM class began managing a portion of the endowment funds given to the college as a gift from the family of Robert J. Trulaske, Sr. The total value of assets under management by the Mizzou IFM Program now exceeds $2.2 million and includes funds from the Truman Tracy Fund, Crown Fund, and Trulaske endowment.

Management Team

Daniel Xu
Fund Manager

Amelia Schneider
Chief Economist

Michael Workineh
Chief Market Strategist

Analyst Team

Rubencito Reyes
Energy (GICS 10)

Jacob Fajen
Materials (GICS 15)

Bryan Rumping
Industrials (GICS 20)

Kyle Brown
Industrials (GICS 20)

Will Jones
Consumer Discretionary (GICS 25)

Hayden Black
Consumer Staples (GICS 30)

Collin Hickey
Healthcare (GICS 35)

Garrett Boersma
Information Technology (GICS 45)

Jake Henderson
Information Technology (GICS 45)

Jack Meyer
Utilities (GICS 55) and Real Estate (GICS 60)

Welcome Letter from the Fund Manager

The Mizzou Investment Fund Program creates an opportunity for students to manage a long-only equity portfolio as a part of the University of Missouri's Endowment Fund: providing student's a space to learn and apply portfolio management strategy and equity valuation.

I worked closely with the Chief Economist and Chief Market Strategist to direct the fund's strategy while providing regular updates to the analyst team regarding the fund's position, holdings, and broader economic events. Furthermore, I facilitated discussions and voting surrounding potential investments, ensuring each decision was ratified through a majority vote. The IFM team provided holistic analysis and complete due-diligence on potential investments to make intelligent decisions and create a cohesive portfolio.

The IFM team has gained a unique experience in portfolio management and equity research: far beyond the experience in a traditional class. I'm honored to have been a part of such a diligent and talented team. The team and I are extremely thankful for the opportunity presented by the IFM program. As of May 17th, 2024, I am excited to present the exceptional performance under the spring 2024 IFM team.

IFM Program Description

Across the first six weeks of the semester, Professor Adam Yore equipped the fund with the proper valuation and portfolio management skills to effectively manage the IFM fund. Professor Yore taught students essential relative and intrinsic valuation methods including but not limited to comparable companies, sector regressions, flow to equity, and discounted-cash-flow. Alongside these valuation tools, students performed extensive sector research and company due-diligence to discover investment ideas, and the team offered comprehensive analysis to produce sound investment decisions.

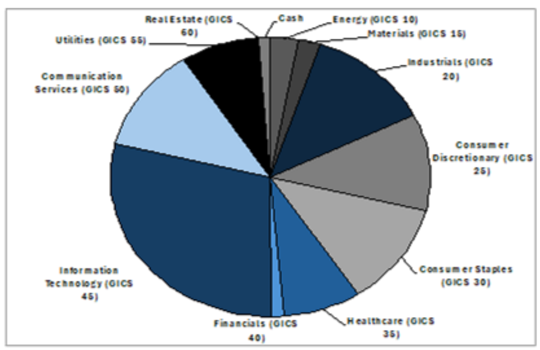
After developing the necessary skills to properly manage the fund, the class assigned a management and analyst team through a majority vote. The management team collected market and economic data creating a broader portfolio strategy. Analysts were assigned sectors according to the Global Industry Classification Standard (GICS) and conducted industry research and analysis to explore potential investment ideas. Then, analysts selected sector-specific equities and presented the team with investment recommendations (**Underperform**, **Market-perform**, and **Outperform**) and tactical recommendations (**Buy**, **Sell**, and **Hold**) backed by thorough company analysis and due-diligence. After careful consideration of recommendations, the IFM team underwent meticulous discussion on the potential investment: evaluating the potential upside as well as its fit in the broader investment strategy. Finally, the fund ratified investment decisions through a majority vote.

Daniel Xu
Fund Manager

Portfolio Characteristics	
Assets Under Management	$2.315 MM
Number of Equity Holdings	21

Weighted Average Holdings Statistics

Beta	1.21
Market Capitalization	$69,340 B
Book-to-Market	0.11
One-Year Return	32.50%



Top 10 Equity Holdings	Portfolio Weight
Amazon Inc. **(AMZN)**	9.88%
NRG Energy Inc. **(NRG)**	8.00%
Walmart Inc. **(WMT)**	7.65%
Apple Inc. **(AAPL)**	7.51%
Microsoft Corporation **(MSFT)**	7.29%
Nvidia Corporation **(NVDA)**	7.13%
Delta Air Lines Inc. **(DAL)**	6.88%
Alphabet Inc. **(GOOGL)**	5.20%
Eli Lily and Company **(LLY)**	5.20%
Meta Platforms Inc. **(META)**	4.79%

Strategy

After careful consideration of market and economic data, the management team created a broader fund direction: ratified unanimously by the IFM team.

The management team assigned target weighting to each GICS sector, according to the Chief Economist and Chief Market Strategist's guidance on sector performance. Sector shifts were agreed upon as follows, relative weighting uses the S&P 500 as a benchmark.

- Energy (underweight to equal-weight)
- Materials (no weight to equal-weight)
- Industrials (underweight to overweight)
- Consumer Discretionary (equal-weight to overweight)
- Consumer Staples (overweight to overweight)
- Health Care (overweight to underweight)
- Financials (underweight to underweight)
- Information Technology (overweight to overweight)
- Utilities (overweight to overweight)
- Real Estate (underweight to no weight)

Alongside sector tilts, the fund directed a strategy surrounding market, size, value, and momentum factors. The fund primarily keyed in on the market factor, targeting higher beta equities: driven off of strong economic and market guidance from the Chief Economist and Chief Market Strategist respectively. The fund lacked broader guidance surrounding the other three factors; however, individual sector guidance was given out regarding the last three factors, for example, more cyclical sectors loading up on more momentum while defensive sectors focused on value. Ultimately, the fund focused on individual sector strengths, pushing for beta levered returns in cyclical sectors while hedging against risk in defensive sectors, in an effort to capture strong economic and market tailwinds projected by the management team.

Performance

Through considerable market uncertainty and inflation concerns, the fund generated a return of 17.87% since January 16th, outperforming the S&P 500's return of 8.30%.

The IFM team is extremely proud of our performance over the term, depicting a 9.57% excess return. The fund saw significant outperformance in every sector besides energy and financials. Given the fund's decision to index the financials sector in spring of 2023, the fund only underperformed in the energy sector. The utilities sector represented the fund's largest outperformance, considering **NRG Energy (NRG)**'s staggering 80.84% return over the term: outperforming the sector by 72.25%. Furthermore, the fund saw considerable outperformance in the materials, industrials, and consumer discretionary sectors with returns of 27.51%, 23.70%, and 21.16% respectively. Overall, the fund is immensely satisfied with the tremendous return generated through the spring 2024 term.

Purchases		
Stock	Date	Amount
Par Pacific Holdings Inc.	3/4/24	$49,432
Delta Air Lines Inc.	3/13/24	$66,603
Nvidia Corporation	3/13/24	$65,090
Celsius Holdings Inc.	4/1/24	$63,567
TransDigm Group Inc.	4/1/24	$48,382
NRG Energy Inc.	4/17/24	$18,422
Applied Materials Inc.	4/24/24	$61,838
Carpenter Technology	4/24/24	$39,963
Perion Network Ltd.	4/24/24	$43,748
Roivant Sciences Ltd	4/24/24	$60,508
Eli and Lily Company	4/29/24	$113,983
Constellation Brands Inc.	5/1/24	$38,084
Permian Resources	5/1/24	$61,902
Walmart Inc.	5/1/24	$59,560

Sales		
Stock	Date	Amount
Exxon Mobil Corporation	3/4/24	$26,328
United Health Group Inc.	3/4/24	$28,104
Public Storage	3/13/24	$17,875
United Health Group Inc.	3/13/24	$50,223
XLF	3/13/24	$63,695
Medtronic Plc.	4/1/24	$63,293
RTX Corporation	4/1/24	$11,333
XLF	4/1/24	$33,128
CVS Health Corporation	4/24/24	$60,369
Texas Instruments Inc.	4/24/24	$63,013
T-Mobile US Inc.	4/24/24	$40,213
XLF	4/24/24	$32,656
Abbvie Inc.	4/29/24	$127,845
Par Pacific Holdings Inc.	5/1/24	$70,848
Procter and Gamble Co.	5/1/24	$97,378

Closing Remarks

The class and I carry a great appreciation for Professor Adam Yore and his guidance throughout the semester. Without his invaluable instruction, we would not hold the same unique experience and intricate understanding of portfolio management. I believe that we will carry the skills and knowledge attained from the IFM program for the rest of our academic and professional careers. We would also like to extend our gratitude to the IFM coordinators, the IFM board, and all who have created this incredible opportunity through their contributions, evaluation, and dedication to The Mizzou Investment Fund.

I believe that the IFM program has been one of the most impactful experiences of my college career. I am honored to be given the opportunity to lead such a talented and motivated team and leave a substantial impact on the IFM fund. I would like to extend an additional thanks to Professor Michael O'Doherty for which I believe my IFM experience would not be whole without his guidance and instruction during my time in the program during the fall of 2023.

As I prepare to leave Mizzou, I will remember the lasting impact the IFM program has created on my career and passion towards asset management. My experience in the IFM program has cemented my dedication for asset management, and after passing my level one exam in November 2023, reaffirming my decision to pursue a CFA designation and career in asset management.

To those with an interest in finance, I would strongly encourage considering the IFM program. Through my career at Mizzou my time with the IFM program was truly unique and unrivaled, and although the class was demanding and sometimes exhausting, the experience was beyond fulfilling: the course undeniably provides a worthwhile glimpse into asset management and equity valuation.

Sincerely,

Daniel Xu

Daniel Xu

Fund Manager

Performance	IFM	S&P 500
Three Year	7.21%	22.49%
Semester	17.87%	8.30%

IFM Performance By Sector

Sector	Return	Benchmark
Energy	3.82%	12.84%
Materials	27.51%	7.93%
Industrials	23.70%	10.61%
Consumer Discretionary	21.16%	3.36%
Consumer Staples	6.43%	4.29%
Healthcare	5.33%	0.63%
Financials	9.29%	9.29%
Information Technology	13.08%	6.60%
Communication Services	18.88%	10.15%
Utilities	80.84%	8.59%
Real Estate	0.00%	-6.35%

Top Performing Holdings	Semester Return
NRG Energy Inc. **(NRG)**	80.84%
Nvidia Corporation **(NVDA)**	68.42%
Delta Airlines Inc. **(DAL)**	33.76%

Bottom Performing Holdings	Semester Return
Celsius Holdings Inc. **(CELH)**	-2.65%
Apple Inc **(AAPL)**	-2.26%
Constellation Brands Inc. **(STZ)**	1.35%

Performance as of 5/7/2024

Chief Economist's Outlook

The economy is currently in a slow to moderate growth stage. As the Federal Funds Rate increased in 2022, many expected our economy to go into a recession. Instead, our economy has had consistent growth.

GDP

GDP growth was slow in early 2023 but grew faster in the last half of the year. GDP for the first quarter of 2024 was below expectations and shows a trend of decreased growth. Unemployment has slowly increased from its low of 3.4% in 2023 as more people join the labor force. Leading indicators such as housing, manufacturing, consumer sentiment, and employment signal that we could see moderate economic growth.

The housing and manufacturing sectors saw decreased activity over the past few years but are slowly recovering and have seen consistent growth. These leading indicators suggest that the economy will continue the current growth.

I expect the U.S. real GDP to grow quarter-over-quarter by around 2%. With interest rates high, economic growth is expected to see little growth. With the leading indicators showing a positive outlook, I am confident there will not be a recession in the near future.

Manufacturing

In 2023, manufacturing activity stagnated, with slight growth at the beginning of 2024. However, recent growth in new orders has signaled increased activity. The Federal Funds Rate, which has remained high, has kept manufacturing activity from growing faster. If the Federal Funds Rate is not lowered this year, manufacturing activity could stagnate despite the current trend, resulting in a negative economic outlook.

Federal Funds Rate

The last time the Federal Funds Rate was 5.5% was 23 years ago, in 2001. As a result of the dramatic increase in inflation after COVID-19, the Federal Funds Rate was raised. The Federal Funds Rate is at its peak; however, rate cuts will only happen once inflation is closer to 2%. Because inflation is struggling to go below 3%, I do not think we will see three rate cuts this year. Furthermore, I do not believe we will see any rate cuts before or during June.

Consumer Confidence

Consumer confidence has been on an upward trend since the second half of 2022, signaling a positive economic outlook. However, it is still below 2019 levels. The high Federal Funds Rate dampened manufacturing activity and inflation, which could explain the low confidence. Economic activity and consumer confidence will grow as inflation and the Federal Funds Rate declines.

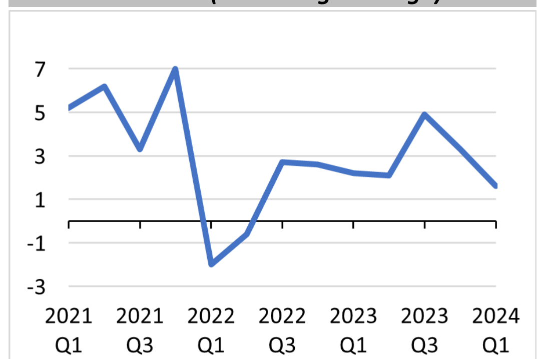
Inflation

During the beginning of 2023, inflation decreased significantly but has since slowed. The inflation goal is 2%, but inflation has stayed around 3% to 3.5% over the past ten months. Over the past twelve months, the CPI less food and energy decreased from 5.6% to 3.8%. The goal for the CPI is 2%, but the downward trend has slowed considerably.

The producer price index has decreased dramatically, maintaining around 1% and 2%. Typically, as producer prices increase, that additional cost is passed on to the consumer. With producer prices under control, consumer prices will have fewer factors driving them up. I do not expect inflation to reach its 2% target until late-2024 or mid-2025 when we might see the Federal Funds Rate decrease.

Amelia Schneider
Chief Economist

Real GDP *(Percentage Change)*

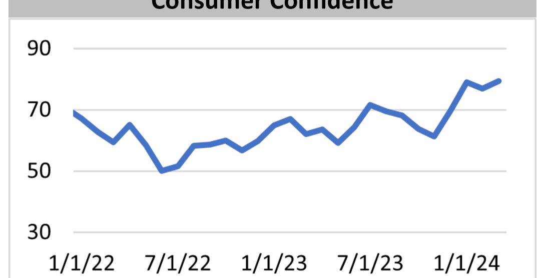


Source: bea.gov

New Orders Index

Source: ISM

Consumer Confidence



Source: University of Michigan

Labor Market

Recent unemployment has been around 3.8%, which is a low unemployment rate. Unemployment has increased slowly since the beginning of 2023, likely due to the increased labor force participation rate. After COVID-19, many people left the labor force, but as the labor market has improved, more are rejoining the labor force. The increased labor force participation has resulted in a steady decline in job openings. I expect unemployment to slowly rise to 4% this year, but not much higher.

Sector Outlooks

At the end of this semester, I had the following outlook for the following sectors: **Market Perform** for the Materials, Industrials, Consumer Discretionary, Information Technology, and Utilities sectors; **Market Underperform** for the Healthcare, Financials, and Real Estate sectors; **Market Outperform** for the Energy and Consumer Staples sectors. As a result of the slow economic growth, I estimate more sectors to be in the market perform category than market under or overperform.

The sectors that were given a market perform rating is because of the high interest rates, low consumer confidence, and low economic growth. The Materials, Industrials, Information Technology, and Utilities sectors are capital-intensive. With the cost of borrowing, the sectors could have difficulty maintaining their previous growth. The Consumer Discretionary sector depends on consumers buying goods with a useful life of three years or more. With consumer confidence low, consumers are more likely to save and purchase goods in the Consumer Staples sector. The positive economic growth is supporting these sectors.

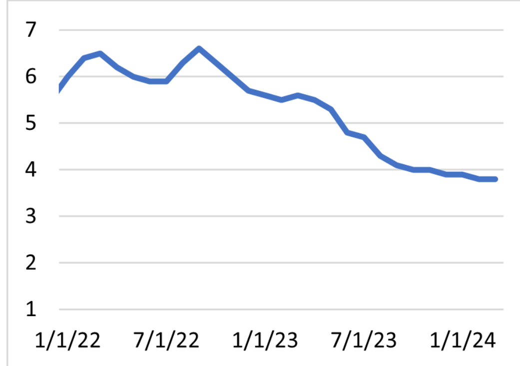
The Financials sector was given a market underperform rating because of the recent bank failures and high interest rates. The Real Estate sector was given a market underperform rating due to many vacant office spaces and high interest rates decreasing mortgage demand. The Healthcare sector was given a market underperform because of the large amount of research and development needed to develop products. With the cost of borrowing up, I am expecting a lower performance.

The Energy sector was given market outperform because of increased oil and gas prices and potential global conflict increasing demand for these products. Consumer Staples was given a market overperform due to consumers feeling the pressure of inflation and resorting to cheaper goods.

Economic Outlook

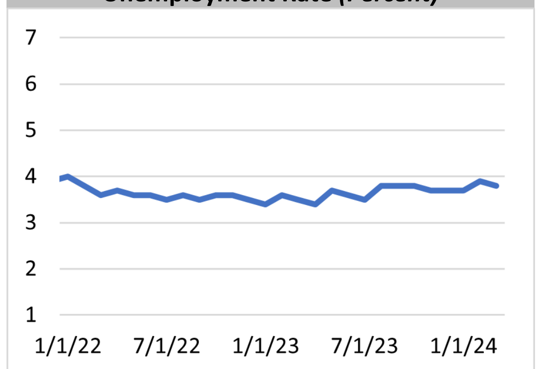
The current economic outlook is positive as there are many healthy leading indicators. Due to the high interest rates, the economy will respond in three ways. First, the Federal Reserve pulls off a "soft landing" where activity in sectors sensitive to interest rates slows to decrease inflation while maintaining a strong labor market to support other economic activity. Second, the Federal Funds Rate is raised because the strong labor market causes too much consumer spending, keeping inflation high. In the second response, high interest rates slow the manufacturing and housing sectors. Third, we enter a recession while interest rates remain high. There will likely be a mix of a soft landing and the third scenario. The economy will grow slowly as the Federal Reserve holds interest rates high.

CPI Less Food & Energy *(Percentage Change)*



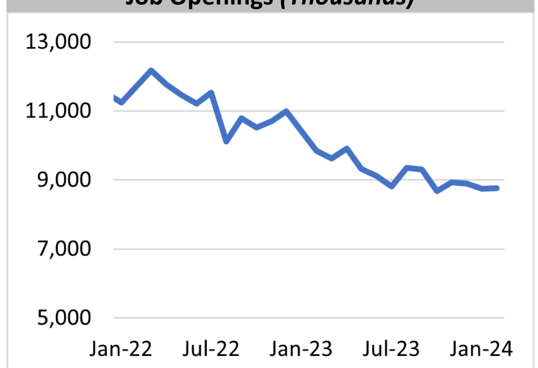
Source: BLS

Unemployment Rate *(Percent)*



Source: BLS

Job Openings *(Thousands)*



Source: BLS

Data as of April 27, 2024

Chief Market Strategist's Outlook

US equity markets remain fundamentally sound, yet global headwinds briefly caused short-term drawdowns. Conflicts in the middle-east and a hawkish FED could result in elongated drawdowns, however I remain bullish in both the medium and long timeframes.

US Market Outlook

The S&P 500 remains in a bull market and has posted returns of -2.83% , 7.53% and 23.33% in the one month, year-to-date and one year timeframes, respectively.

I project one year returns of 17% and my five year base case projection is 46%. My five year bull case estimate is 84% which results in an annualized return rate of 13%.

Fundamental Valuation

S&P 500 fundamentals indicate healthy price levels in line with intrinsic values. The base case DDM indicates the index's intrinsic value of $5,160 is 1.5% above current levels. Key assumptions include an equity risk premium of 4.97%, a risk free rate of 4.64%, earnings growth declining into the terminal year, terminal growth at the risk-free rate and a 75% payout ratio on the earnings. I modelled declining earnings growth to maintain conservatism, however my bull case features a slower decline and indicates a 5.29% premium to current levels. My bear case utilizes sharper earnings decline and indicates current levels are 6.67% above the intrinsic value of the S&P 500 index.

Historical multiples indicate the current P/E ratio of 23.7x is slightly high, however it is important to factor in tech's increasing importance in index weights and broad market performance. A Shiller CAPE ratio of 33.7x and the historical median P/E of 18.5x indicate the market has 26% upside and – -28% implied downside, respectively.

Technical Analysis

Recent declines from all time highs of $5,264.85 on March 28, 2024 saw the index settle at support of $4,955 established twice on February 13, 2024 and February 24, 2024. I believe this pullback was much needed following an extended run dating to October, 2023. I expect the index to be range bound in the short-term between all-time highs and local support as the market establishes clarity on conflicting US economic data, rate hikes/cuts and conflicts in the middle-east.

The 50-day moving average 0.5% above current levels indicates the index is neither over-extended or over-sold. However, the 200-day moving average indicates the index is entering over-bought territory as it sits approximately 10% above the moving average. A spread of 12% - 15% is commonly seen in market peaks.

Contrary to the 200-day moving average, the Relative Strength Index of 50 points indicates the market is neither over-bought or over-sold. Figures above 70 and below 30 indicate over-bought and over-sold conditions.

Market Indicators

Utilizing the 50-year geometric average return on stocks less the 50-year geometric average on bonds I arrive at an equity risk premium of 4.97%.

Michael Workineh
Chief Market Strategist

1 Year SPY

Source: LSEG | Refinitiv Workspace

S&P 500 Dividend Discount Model

	2024E	2025E	2026E	2027E	2028E	2029E	Terminal Year		
Earnings	240.93	273.98	307.68	340.91	372.61	401.68	420.27		
YoY Growth%		*13.72%*	*12.30%*	*10.80%*	*9.30%*	*7.80%*	*4.63%*		
Dividends + Buyback	75%	75%	75%	75%	75%	75%	75%		
	180.70	205.49	230.76	255.68	279.46	301.26	315.20		
Risk Free	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%		
Required Return on	9.60%	9.60%	9.60%	9.60%	9.60%	9.60%	9.60%		
								Terminal Value	6342.06
Present Value	164.87	187.49	210.55	233.29	254.99	274.88	287.60	Present Value	3833.27
Intrinsic Value	5159.33								
Actual Index	5077.93								
Implied Value	1.58%								

Data as of April 29, 2024

S&P 500 Market Multiples

Current	23.71			
Historical Median P/E	18.49			
Shiller CAPE	33.67			
S&P 500 Reported Earni	189.89			
S&P 500 Operating Earn	214.17			
Implied Price	6393.60 (CAPE*Reported Earnings)			
	3960.00 (Median*Operating Earnings)			
Current	5077.93			
	Current	One Month Projection	Three Months	One Year
Projected Upside	26%	28%	31%	51%
	0%	1%	4%	17%
	-28%	-21%	-19%	-9%

Data as of April 29, 2024

5 Year VIX (Candles) vs VIX3M (Orange)

Source: TradingView.com

Market Indicators Continued

The VIX briefly spiked to $20 in the second half of April before returning to the top of its local trading range of $12-$15. The 3-month volatility index indicates little worries of longer-term volatility as price-action has not diverged from the VIX.

The Commitment of Traders (COT) reports show the cumulative long and short positions held by various entities for exchange traded commodities and large indices. From the figure, we can see that large money managers are bullish on S&P 500 E-mini futures. E-mini futures are electronically traded contracts used to hedge bets and speculate on price moves. Institutional buyers remain bullish while leveraged funds remain net short with recent activity heading towards the bullish side.

Sector Focus: Industrials

I entered the semester bullish on the Industrials sector and expected out-performance due to rate cuts benefitting debt heavy firms. Rate cuts did not materialize and the sector ultimately traded in line with the market at 9.67% year to date while winners such as **Delta Airlines (DAL), TransDigm Group (TDG) and RTX Corp (RTX)** (all holdings of the fund) better outperformance of 15.88%, 19.37% and 11.47%, respectively. These firms benefitted from increased domestic travel and heightened global defense spending as fighting spread across the middle east and the south China sea.

I expect the broad sector to perform in-line with the market over the next year, however I believe outperformance for large aerospace and defense firms should continue due to unique global catalysts, high barrier to entry markets and strong pricing power.

Sector Focus: Communication Services

Communication services is the best performing sector year-to-date, recording performance of 16.48% despite laggards in telecom and gaming stocks. Telecom giants such as **T-Mobile (TMUS), AT&T (T) and Verizon (VZ)** recorded poor year-to-date performance of 1.64%, -2.32% and 0.03%, respectively. Gaming and live entertainment stocks were also lackluster with **Electronic Arts (EA), Take-Two Interactive (TTWO) and Live Nation Entertainment (LYV)** recording year-to-date performance of -4.57%, -8.40% and 3.10%, respectively. Despite these laggards, heavy sector weightings to members of the "magnificent seven" (**Meta Platforms (META) and Alphabet (GOOGL)**) resulted in top-heavy performance for communication services sector ETFs.

Driving performance in **META** and **GOOGL** were a pair of impressive Q1'24 earnings reports highlighted by **GOOGL's** +25% against consensus EPS beat and the announcement of the first-ever dividend for the company. Despite sector weight concentration risk, I believe the communication services sector will see continued out-performance as the sector tends to outperform when the economy is growing.

Further Sector Discussion: Outperformers

Beyond communication services, other sectors seeing outperformance are **information technology** and **utilities**. The performance of these two sectors highlights the truly unique market seen in 1H'24. Information technology has become synonymous with outperformance, posting five-year annualized returns of 24.09% versus the broader S&P 500's return of 13.11%. Meanwhile, utilities has largely served as a defensive sector posting five-year annualized returns of just 4.24%. This year utilities posted multiples of this figure with year-to-date returns sitting at 12.47%, a nearly 1% premium to the broader S&P 500. Thus, we are seeing both growth and defensive sectors catching investor appeal.

The IT trade largely revolves around earnings growth and rate cuts, which are becoming increasingly harder to forecast as the economy grapples with sticky inflation. Valuations and earnings multiples remain elevated, however simply selling IT due to higher-than-historical multiples has proven over time to be a mistake. Investors are willing to pay for growth as evidenced by **Nvidia's (NVDA)** market capitalization eclipsing $2T despite a 75x trailing P/E ratio.

Uniquely, utilities share a similar catalyst to **NVDA** and IT in artificial intelligence. The trade is fairly simple, increased EV and AI usage should lead to increased energy consumption. However, this thesis alone is too broad and too early to explain the impressive year-to-date returns. Instead, the sector caught a bid from traditional catalysts in risk-off transitions which saw investors turn away from growthy sectors and shift into traditionally defensive names. Utilities posted quarter-to-date returns of 8.57% versus IT's 0.53% return, highlighting the nature of the short-term risk-off environment. In short, utilities is seeing appeal from both defensive and opportunistic investors, a rare combination for this sector.

I expect this trend to continue in the short-term, however I believe utilities will see outflows once macro clarity is established and the market returns to a risk-on environment. However, early 2025 rate-cuts should hold-up this debt heavy sector resulting in a market-perform rating for the next year. I remain bullish on information technology citing similar catalysts to utilities, however with far larger appeal from growth investors, resulting in an outperform rating.

Market-performers

Classifying a "market-perform" summary as year-to-date returns within +/- 1% of the S&P 500 means financials and energy, in addition to the aforementioned industrials sector, posted returns in-line with the broader index.

Financials are in a dramatically improved environment from one-year ago when it seemed the worst-case scenario had come to fruition. Today, leaders in the sector, from banking heavyweights such as **J.P. Morgan (JPM)** to insurance giants such as **Berkshire Hathaway (BRK.A)**, are viewed as some of the safest investments. However, considerable headwinds weigh on this sector resulting in a market-perform outlook. The heaviest headwind for large banks and capital markets participants is the Federal Reserve and the many decisions that come with reining in the largest economy in the world. To fight inflation, the FED has shifted from QE to quantitative tightening, ultimately reducing deposits in the largest banks. Further dampening investment banking and capital markets activity is elevated rate cuts, which make it much harder for private equity and large strategics to acquire companies, and for investment banks to receive fees from advisory and capital raising activities. Financials ETFs themselves are concentrated to the largest banks and financial institutions, ultimately posing concentration risk. This is exacerbated by bank mergers and alternative investment shops seeking increased fees by increasing AUM through in-organic growth (M&A).

Energy, for the large part of 1H'24, out-performed the S&P 500 as elevated oil prices saw investors pile into the sector. Performance has largely cooled with quarter-to-date performance in the red and volatility easing from April highs. A function of high oil prices are wars in the middle-east and the Russia-Ukraine conflict, as refineries and energy infrastructure serve as vulnerable targets in any war featuring escalated combat. These conflicts are impossible to predict and the price-shocks are massive, thus cooling tensions usually result in lower oil prices. COT reports, defined in the market indicators section, indicate large speculators consisting of manage money decreasing exposure, while small speculators indicate a small uptick in buying activity. Producer activity is trending upwards, typically associated with a bearish trend in oil prices. The energy trade is fairly nuanced as producers and refineries benefit from inverse moves in oil prices, ultimately balancing out the broader sector.

Both financials and energy are seeing macro tailwinds slowly shift against them, thus I have a market-perform rating for both sectors.

Underperformers

Consumer discretionary, consumer staples, healthcare, materials and real estate all underperformed the S&P 500 index year-to-date.

Staples and materials fared a bit better than the rest, returning 8.11% and 7.15% YTD, respectively. Consumer staples caught a smaller part of the risk-off transition than utilities, weighed down by inflation induced price increases pressuring end consumers. Despite solid wage growth, the US consumer seems to have reached a limit which poses a strange mix of upside and downside to firms like **Walmart (WMT)** and **Proctor & Gamble (PG)**. When consumers spend less, top-line usually suffers however discretionary spend usually gets cut first which translates to staples catching appeal as defensive names against broader slowdown. Staple firms serving more affluent customers such as **Costco (COST)** should see better returns as evidenced by +5% in **COST** over **WMT** year-to-date. The broader sector contains a mix of discounters and upstream retailers thus I have a market-perform rating for this sector over the next year. Materials however has less antidotes to macro challenges including higher for longer interest rate-cuts which directly clashes against the debt-heavy business models. Further, the broader sector is incredibly concentrated with **Linde Plc (LIN)** representing 22% of XLB and the top 10 holdings representing 66%. These challenges and little investor interest result in a market underperform rating.

Consumer discretionary and healthcare posted year-to-date returns of 2.88% and 5.51% as both sectors underperformed their 10 year annualized returns. The consumer discretionary has a strange mix of names which ultimately hampers the returns and predictability of the returns. The sector contains growthy names in **Amazon (AMZN)** and **Tesla (TSLA)** in addition to household defensive names in **McDonalds (MCD)** which results in volatile performance with capped upside. I have an underperform rating on this sector as aforementioned headwinds to discretionary spend and better defensive options limit investor appeal. Conversely, healthcare has tremendous catalysts in an aging population and high-demand for new offerings such as Ozempic. However, broad performance is lackluster and a clear gap between the winners, **Eli Lilly and Co. (LLY),** and the losers, **UnitedHealth Group (UNH)**, has emerged. The nature of healthcare means success is binary, in that the drug is either effective or not. Thus, biotech trials and new offerings from the large drugmakers result in clear price-action, which presents a challenge for the average investor who may not be well-versed in the latest healthcare trends. Thus, I have an under-perform rating despite clear tailwinds.

Real Estate is the worst-performing sector with year-to-date returns of –4.65% as the industry grapples with post-covid evaporation of office leases and higher interest rates limiting deal-making. It seems the industry is split between those who believe the worst has passed and those who view the next six months as the trough in real estate. Regardless, sector specific REITs such as data center focused operators will likely see inflows, however the broader sector will likely suffer as large asset managers rethink their real estate allocations. As a result, I have a market underperform rating for this sector.

ENERGY SECTOR

After my analysis this semester, I have a **Market Perform** rating on the energy sector due to rise of commodity prices, increases in production/inventory on United States oil, and global conflicts.

Ruben "Cito" Reyes

Energy Sector Analyst

Economic Drivers and Recent Developments

In 2024, many drivers of the energy sector have brought I volatility within companies in the sector. The price of crude oil in 2024 began to be on track o follow a steady decline from 2023, but recent global tensions brought in a rise of price. The continuing war between Russia and Ukraine and the war in the Middle East between Israel, Palestine, and Iran have brought uncertainty with oil supply chains. After Middle East tensions rose, crude oil futures are beginning to drop as both an increase of United States crude oil inventories/ production and expectations of a ceasefire in Gaza. Still, the new conflict between Israel and Iran can bring uncertainty with the price of crude oil futures if the United States wants to get involved within the conflict.

The Inflation Reduction Act of 2022 is still aiming to invest into clean energy and reaching net-zero emissions by 2050. Energy companies can see a decrease of gas and fossil fuel demands in the next couple of decades. The sector will see smaller companies fail as bigger firms can figure out a way to transition into a cleaner energy business model.

Performance Outlook

I expect the sector to **Market Perform** and give an expected return of ~8%. Sales for 2024 will be similar or higher compared to 2023 due to slightly higher commodity prices. The sector so far has been beating the S&P 500, one of the better performers of the sectors. Due to higher prices in the first quarter, the sector's performance has risen. Heading into the second quarter, the sector has seen a lower performance as commodity prices fall. Still, prices of oil and gas are still higher than 2023 so far. All of my data was used from Compustat/Capital IQ.

Sector Winners and Losers

The metric I determined important for the valuation of the Energy Sector is EV/EBITDA. After my regression, the adjusted R-Square that was produced was a .80, meaning 80% of my data can explain the EV/EBITDA valuation ratio. EV/EBITDA explains the firm's valuation to earnings and with a median of 7.12, investors are willing to pay $7.12 for every dollar of earnings the Energy Sector produces.

I filtered down my three winners by a predicted ratio trading at a discount, positive long-run growth rate, and a positive YOY sales growth rate. One of our previous holdings, **Par Pacific Holdings (PARR)** made the cut. The other two winners are **Halliburton Company (HAL)** and **Schlumberger N.V. (SLB)**.

For my three losers, I filtered them by negative long-run growth rate, negative YOY sales growth, and a predicted ratio trading at a premium. The three losers are **Oneok, Inc (OKE), Green Plains Inc. (GRPE),** and **Texas Pacific Land Corporation (TPL).**

Sector Vital Statistics

Energy Sector (GICS 10; XLE)

Market Weight						4.13%
Average Market Capitalization						$77.1B
Number of Companies						23
Sector Performance	**1 Mo**	**3 Mo**	**YTD**	**1 Yr**	**3 Yr**	**5 Yr**
XLE	-0.76%	13.24%	12.82%	13.04%	29.41%	12.67%
Sector Metrics	**EV/EBITDA**	**Beta**	**P/B**	**Gr. Rate**	**Altman**	**PEG**
XLE	7.12	1.61	0.12	7.98%	3.50	1.09

Source: LSEG | Refinitiv Workspace

Sector Winners and Losers

Company	Ticker	Multiple	Price	Target	% Diff
Outperform					
Par Pacific Holdings	PARR	3.53	$29.39	$42.20	42.60%
Halliburton Company	HAL	8.20	$37.41	$51.31	10.40%
Schlumberger N.V.	SLB	10.37	$48.38	$49.54	2.4%
Underperform					
Oneok, Inc.	OKE	16.20	$79.64	$72.34	-9.20%
Green Plains Inc.	GPRE	56.92	$19.92	$17.76	-10.80%
Texas Pacific Land Co.	TPL	28.65	$612.71	$554.32	-9.50%

Ticker	Beta	ROE	Gr. R	Payout	P/E
PARR	2.03	113.05%	2.00%	0.00%	4.92
HAL	1.96	33.07%	15.26%	21.83%	12.83
SLB	1.60	23.36%	27.25%	33.90%	15.94
OKE	1.62	40.95%	-15.80%	69.20%	18.53
GPRE	1.54	-8.80%	-35.00%	0.00%	-
TPL	1.61	52.48%	-6.75%	24.65%	34.82

Data as of May 1, 2024

MATERIALS SECTOR

I am initiating a **Market Underperform** rating for the Materials sector over the next twelve months.

Jacob Fajen

Materials Sector Analyst

Economic Drivers and Recent Developments

The Materials Sector is inherently cyclical, meaning its performance is closely tied to the broader economy. Changes in interest rates, inflation, and geopolitical tensions lead to fluctuations in economic activity, affecting sector performance by reducing activity and contributing to price volatility. Moreover, global supply and demand dynamics influence commodity prices, significantly impacting sector constituents closely linked to raw materials.

The energy transition, increased infrastructure spending, and a growing emphasis on sustainability are driving demand for specific materials, particularly those critical for batteries and renewable energy. Furthermore, advancements in AI-powered material discovery and circular economy solutions offer promising avenues for innovation and resource efficiency.

Sector outlook requires recalibration due to the Federal Reserve's hawkish shift. Initial expectations for accommodative monetary policy with rate cuts in 2024 have been upended by stubbornly persistent inflation and continued upbeat economic indicators including robust nonfarm payroll figures. A tighter monetary stance poses challenges to our initial thesis as historically cyclical sectors struggle with higher interest rates. Reduced access to cheap credit could dampen construction activity, a key driver of sector demand. Additionally, higher interest rates could increase existing commodity price volatility. However, sub-sectors aligned with infrastructure spending and the clean energy transition, alongside fundamentally strong companies, fueled by long-term interest rate independent trends, may exhibit resilience.

Performance Outlook

Materials sector revenues are projected to decline by 0.95% in 2024, given strict monetary policy dampening economic activity. I project a one year return for the sector of about 6%, driven by the selective strength of sub-sectors aligned with industry tailwinds and improving sector fundamentals.

Sector Winners and Losers

I estimated a quantitative model utilizing economic determinants to assess the variance of sector constituents from intrinsic value, based on fundamentals. The P/B metric, which represents the ratio of stock price to book-value per share, had the most explanatory power and, thus, formed the basis of my valuation analysis.

I predict **Carpenter Technology Corporation (CRS)**, **Linde plc (LIN)**, and **PPG Industries (PPG)** will outperform the Materials sector over the NTM. **CRS's** normalizing sales volumes, operating leverage dynamics, and product-mix optimization will drive margin significant expansion. This, paired with a strong 22.9% long-term growth outlook support CRS's investment thesis. **LIN's** wide economic moat and operational efficiencies drive robust FCF, supporting investments in clean energy and a 15.0% ROE. **PPG's** solid balance sheet and strong FCF's drive a 18.9% ROE and 10.4% projected long-term growth.

Fundamental analysis and regression modeling identifies **Westrock Co** (WRK), **International Flavors & Fragrances** (IFF), and **Westlake Corp** (WLK) as potential laggards within the materials sector and the broader S&P 500. These companies exhibit concerning factors: weak underlying fundamentals, limited growth prospects, and current valuations exceeding intrinsic value.

Sector Vital Statistics

Materials Sector (GICS 15; XLB)

Market Weight						2.30%
Average Market Capitalization						$38.1B
Number of Companies						28
Sector Performance	**1 Mo**	**3 Mo**	**YTD**	**1 Yr**	**3 Yr**	**5 Yr**
XLB	-2.6%	8.9%	4.3%	17.6%	7.9%	13.3%
Sector Metrics	**P/B**	**LR g**	**ROE**	**Payout**	**Beta**	
XLB	5.0x	8.0%	17.8%	48.8%	1.13	

Source: LSEG | Refinitiv Workspace

Sector Winners and Losers

Company	Ticker	Multiple	Price	Target	% Diff
Outperform					
Carpenter Tech Corp	CRS	2.8x	$78.91	$101.23	28.29%
Linde plc	LIN	5.2x	$446.97	$473.92	6.03%
PPG Industries	PPG	4.13x	$130.38	$157.62	20.85%
Underperform					
WestRock Co	WRK	1.2x	$48.07	$48.30	0.48%
International Flavors	IFF	1.4x	$84.89	$87.86	3.50%
Westlake Corp	WLK	1.7x	$149.68	$153.39	2.48%

Ticker	LR g	ROE	Payout	Beta
CRS	22.9%	4.2%	69.9%	1.48
LIN	9.7%	15.0%	40.0%	0.94
PPG	10.4%	18.9%	47.1%	1.28
WRK	-18.4%	-14.4%	100.0%	1.10
IFF	12.1%	-14.5%	100.0%	1.23
WLK	-18.3%	4.6%	46.1%	1.30

Data as of April 22, 2024

INDUSTRIALS SECTOR

After initiating coverage on the Industrials sector this semester, we predict a **Market Perform** based on the sectors cyclical nature paired with uncertainties relating to macroeconomic conditions.

Kyle Brown

Industrials Sector Analyst

Bryan Rumping

Industrials Sector Analyst

Economic Drivers and Recent Developments

The industrial sector is inherently cyclical typically matching market trends. Over the previous twelve months, the sector has returned 21.4% compared to the markets 22%.

GDP growth, government spending, and current interest rates are key economic drivers for the sector. During periods of GDP growth the sector typically thrives with increased demand for manufacturing and infrastructure. Moreover, interest rates also have a significant influence on the sector as low interest rates are typically paired with increased government and consumer spending, driving growth within the sector. Furthermore, the price of crude oil is an important determinant of sector performance as it influences the Aerospace & Defense, Manufacturing, and Airline industries.

Most of the sector has seen strong recovery following the headwinds presented by the COVID-19 pandemic in 2020. The manufacturing industry is still facing some adversity which negatively impacts both sales and demand potential. However, increased backlog and supply chain recovery on the horizon indicates strong demand for manufacturing. The stagnant decrease in interest rates is currently an inhibitor for the growth of the sector. Current geopolitical tension will catalyze sector growth as manufacturing and Aerospace & Defense see increased demands. Furthermore, the bipartisan law which provides $550 billion of federal infrastructure investment will continue to stimulate sales in the construction, manufacturing and engineering industry groups.

Performance Outlook

Over the next twelve months, we anticipate the Industrial sector to perform comparatively to the broader market index. While initial indicators in 2024 suggest positive sentiment regarding the Fed's decisions relating to the direction of interest rates, uncertainty continues to rise as the year progresses. However, our forecast's indicate a 1.56% growth in sector sales and a 7.34% increase in the XLI over the next twelve months.

We expect the sub-industry groups of Aerospace & Defense, Transportation, and Infrastructure to outperform the rest of the sector as a direct result of geopolitical tensions, military modernization, government spending, and post COVID-19 recovery. In addition, the entire sector will experience growth as macroeconomic confidence returns. Despite delays in macroeconomic predictions like rate cuts, inflation, and GDP growth, analysts express optimism moving towards the latter part of 2024 and into 2025.

Sector Vital Statistics

Industrial Sector (GICS 20; XLI)

Market Weight						8.5%
Average Market Capitalization						$49.7 B
Number of Companies						78
Sector Performance	**1 Mo**	**3 Mo**	**YTD**	**1 Yr**	**3 Yr**	**5 Yr**
XLI	4.4%	11.0%	11.0%	26.6%	10.4%	12.9%
Sector Metrics	**EV/EBITDA**	**Growth**	**Beta**	**ROE**	**NPM**	**EM**
XLI	26.4x	10.93%	1.10	24.0%	11.3%	2.7

Sector Winners and Losers

Using a linear regression, we predicted five potential winners and losers to keep an eye on in the sector. When performing the regressions, we found the most appropriate market multiple to predict over/under valuation to be EV/EBITDA. We chose this multiple in an effort to incorporate the income the company is generating, while also taking into account depreciation and debt figures due to the sectors capital intensive nature and heavy use of leverage. In making our valuation predictions, we also compared our EV/EBITDA regression against a P/E regression to reduce the probability of error.

We found our top five outperformers to be **Delta Air Lines (DAL)**, **Textron Inc. (TXT)**, **Westinghouse Air Brake Technologies (WAB)**, **CSX Corporation (CSX)**, and **Snap-On Inc. (SNA)**. The top five underperformers were found to be **Fastenal Company (FAST)**, **Copart, Inc. (CPRT)**, **Old Dominion Freight Line, Inc (ODFL)**, **Dayforce, Inc (DAY)**, and **Broadridge Financial Solutions, Inc. (BR)**.

Upon conducting our analysis of our winners and losers compared to the Industrials sector, we established the fundamental determinant medians for the XLI. They are as follows; EV/EBITDA: 26.4x, Growth: 10.93%, Beta: 1.10, ROE: 24.0%, Net Profit Margin: 11.3%, and Equity Multiplier: 2.7x. Featured in the chart to the right, the outperformers EV/EBITDA ratio's are significantly lower than that of the XLI and the underperformers. Beta is tilted higher towards the outperformers group over the XLI average and the underperformers. Furthermore, **Delta Air Lines (DAL)'s** ROE dwarfs the sector average and mentioned companies with 70.02% ROE following a strong fiscal year 2023. Net profit margin is led by underperformer **Copart, Inc (CRPT)**. This can be attributed to the companies less capital intensive nature paired with lower variable costs compared to the rest of the industry.

When analyzing the featured companies equity multiplier to the broader sector, the average is comparable at 2.7. The companies on the higher end include **Delta Air Lines (DAL)**, **Dayforce, Inc. (DAY)**, and **Broadridge Financial Solutions, Inc (BR)**, signaling their use of debt financing. The companies at the lower end include **Copart, Inc**. **(CRPT)**, **Old Dominion Freight Line, Inc. (ODFL)**, and **Fastenal Company (FAST)**, indicating their preference of equity financing.

Source: LSEG | Refinitiv Workspace

Sector Winners and Losers

Company	Ticker	Multiple	Price	Target	% Diff
Outperform					
Delta Air Lines Inc.	DAL	6.67x	$49.92	$78.14	56.54%
Textron Inc.	TXT	15.46x	$86.51	$115.11	33.05%
Westinghouse Corp.	WAB	17.78x	$164.36	$206.10	25.40%
CSX Corporation	CSX	12.08x	$33.99	$44.49	30.90%
Snap-On Inc.	SNA	11.14x	$14.55	$352.16	2320.34%
Underperform					
Fastenal Company	FAST	23.05x	$68.17	$52.13	-23.54%
Copart Inc.	CPRT	32.15x	$55.73	$38.90	-30.19%
Old Dominion Inc.	ODFL	21.71x	$182.42	$155.69	-14.65%
Dayforce Inc.	DAY	38.35x	$60.98	$26.50	-56.54%
Broadridge Financial Inc.	BR	21.56x	$194.15	$159.21	-18.00%

Ticker	Lr G	Beta	ROE	NPM	EM
DAL	9.61%	1.40	70.02%	7.94%	6.63
TXT	12.60%	1.31	12.95%	6.73%	2.41
WAB	13.45%	1.37	8.03%	8.42%	1.80
CSX	9.23%	1.18	29.43%	25.35%	3.50
SNA	3.80%	1.00	22.45%	19.79%	1.48
FAST	6.33%	1.06	36.51%	15.72%	1.33
CPRT	12.50%	1.22	26.76%	31.99%	1.13
ODFL	10.40%	1.07	33.93%	21.13%	1.29
DAY	21.86%	1.30	2.60%	3.62%	3.76
BR	11.80%	0.99	32.86%	10.40%	3.67

Data as of April 28, 2024

CONSUMER DISCRETIONARY SECTOR

The Consumer Discretionary sector is coming off a strong year but is facing persistent economic headwinds. Steady sales growth along with mixed economic signals indicate that the Consumer Discretionary sector will **Market Perform** relative to the S&P 500 index over the next twelve months.

Will Jones

Consumer Discretionary Sector Analyst

Economic Drivers and Recent Developments

The Consumer Discretionary sector is cyclical in nature. The sector's performance is subject to fluctuations in consumer spending. Important economic indicators to gauge consumer spending are the Consumer Sentiment Index (CSI) and Disposable Personal Income (DPI). The primary determinants for these indicators are inflation, wage growth, unemployment, and changes in interest rates. The CSI decreased by 2.8% in April but is up 21.2% since April of the prior year. DPI, however, has increased by 1.8% YTD.

In the automotive industry, total auto sales have decreased by 2.9% YTD, but have recovered from a significant, 7% decrease in January. In the retail industry, e-commerce sales increased by 9.4% in 2023 and are projected to increase by 8.6% in 2024. Many retailers are investing in their online stores to improve their higher-margin direct-to-consumer sales channel.

Performance Outlook

The Consumer Discretionary sector is likely to **Market Perform** in 2024; I am projecting the sector will return 8% by the end of the year. Improvements in disposable income are offset by stagnating inflation and a decrease in consumer sentiment. For 2024, I anticipate sales growth of 3.2% for the entire sector driven by steady growth in e-commerce sales. The sector is not likely to see significant growth over the next year and will likely track the market. In the past year, SPY returned 25.16% while XLY returned 21.80%.; however, XLY outpaced SPY until recent dips in March.

Sector Winners and Losers

MGM (MGM) saw record revenues of $16.2B in 2023. They've made a series of strategic acquisitions to increase market share for their Las Vegas Strip locations and online gaming segment. **Autozone's (AZO)** resilient business model has allowed them to avoid cyclicality. They have prioritized expansion and seen margins increase with each new location. **Amazon (AMZN)** is the dominant player in the rapidly growing e-commerce segment of the retail industry. In 2023, **Amazon (AMZN)** accounted for 37.6% of all e-commerce sales. They have diversified, high-margin revenue streams through software, streaming service, and third-party fulfillment offerings.

Hilton (HLT) has gone up 42.6% in the past year, but is likely well beyond its intrinsic value. Additionally, their occupancy rates have yet to recover from pre-Covid levels and recently consumers are opting for independently listed rentals through companies like **AirBnB (ABNB)**. **Wynn (WYNN)** performs relatively weaker across most metrics when compared to peer company, **MGM (MGM)**. Also, they had to close operations for their online gaming segment, WynnBET. **Tesla (TSLA)**, in recent quarters, has had weaker-than-expected sales growth. They have been subject to regulatory scrutiny due to their self-driving vehicles, and overall auto sales have been declining.

Sector Vital Statistics

Consumer Discretionary Sector (GICS 25; SPDR XLY)	
Market Weight	10.3%
Average Market Capitalization	$93.7 B
Number of Companies	53

Sector Perfor-	1 Mo	3 Mo	YTD	1 Yr	3 Yr	5 Yr
SPDR XLY	-4.0%	2.5%	-1.3%	21.8%	-1.6%	48.0%

Sector Metrics	P/S	LRG%	NPM	P-O	Beta	SGRTH
SPDR XLY	2.7x	22.3%	10.6%	22.6%	1.42	13.1%

Source: LSEG | Refinitiv Workspace

Sector Winners and Losers

Company	Ticker	Multi-	Price	Target	% Diff
Outperform					
Amazon.com	AMZN	3.25x	$173.67	$219.84	26.6%
AutoZone	AZO	2.92x	$2945.25	$4223.55	43.4%
MGM	MGM	0.81x	$42.18	$67.00	58.8%
Underperform					
Hilton	HLT	4.96x	$203.93	$152.09	-25.4%
Wynn	WYNN	1.64x	$96.60	$38.84	-59.7%
Tesla	TSLA	5.54x	$170.18	$114.92	-32.5%

Ticker	LRG%	NPM	Payout	Beta	SGRTH
AMZN	16%	5%	0%	1.16	12%
AZO	11%	15%	0%	0.72	7%
MGM	8%	7%	0%	2.21	23%
HLT	16%	11%	14%	1.26	17%
WYNN	15%	11%	12%	1.91	74%
TSLA	9%	16%	0%	2.43	19%

Data as of April 26, 2024

CONSUMER STAPLES SECTOR

I believe the Consumer Staples sector will **Market Perform** relative to the S&P 500 in the coming twelve months. Despite slow growth in 2023, inflation and the subsequent uncertainty of rate cuts are still dominating headlines, and consumer demand is unlikely to shift away from stable industries such as supermarkets and household-name product manufacturers.

Hayden Black

Consumer Staples Sector Analyst

Economic Drivers and Recent Developments

In addition to general GDP growth, two crucial economic factors that drive the performance of Consumer Staples are the Consumer and Producer Price Indices. When CPI rises, consumers become more price-conscious and cut their discretionary spending in favor of staple goods. Conversely, higher input prices in supply chains negatively impact profit margins for producers.

In 2023, the sector saw reorganization with the renaming of an industry group (Consumer Staples Distribution and Retail) and industry (Consumer Staples Distribution and Retail), as well as the renaming of several sub-industries.

Performance Outlook

Over the next twelve months, I am projecting 1.0%-2.0% sales growth for the sector. High producer input prices relative to CPI in the post-COVID years have stifled opportunity for expansion, and moderate GDP growth estimates reinforce a neutral outlook. As for one-year returns, I am projecting between 6.0%-7.0%.

Sector Winners and Losers

My analysis indicates that **Walmart, Inc. (WMT), Constellation Brands, Inc. (CAG)** and **Pepsico, Inc. (PEP)** will provide superior risk-adjusted returns compared to both the Consumer Staples sector and the S&P 500 in the coming periods. Walmart recently beat Revenue and EPS estimates for Q2, exhibits a positive 12-month momentum factor, and is poised to solidify itself as an indefinite industry leader in light of the FTC's block of a potential **Kroger (KR)** and **Albertson's (ACI)** merger. Constellation has capitalized on the recent decline of Bud Light, propelling Modelo Especial to the best-selling beer in the United States. Meanwhile, Pepsi has experienced strong, consistent sales growth and is set to overtake **Coca-Cola (KO)** as the largest U.S. beverage company (by market value) in the near future.

In contrast, my data implied that **The Clorox Company (CLX), Church & Dwight Co., Inc. (CHD),** and **The Estee Lauder Companies Inc. (EL)** will underperform both the Consumer Staples sector and broader market over the same period. Simply put, weak fundamentals and market multiple valuations signal a more pessimistic investment outlook than other comparable securities.

Sector Vital Statistics

Consumer Staples Sector (GICS 30; XLP)

Market Weight						6.11%
Average Market Capitalization						$78.5B
Number of Companies						38
Sector Performance	**1 Mo**	**3 Mo**	**YTD**	**1 Yr**	**3 Yr**	**5 Yr**
XLP	3.3%	6.8%	6.8%	5.2%	21.1%	55.4%
Sector Metrics	**EV/EBITDA**	**LR g**	**ROE**	**Payout**	**Beta**	**Sales Gr.**
XLP	12.96	6.35%	39.92%	40.21%	0.62	5.50%

Sector Winners and Losers

Company	Ticker	EV/EBITDA	Price	Target	% Diff
Outperform					
Constellation	STZ	13.52	$260.04	$290.00	11.52%
Walmart	WMT	13.91	$60.16	$65.00	8.05%
Pepsi	PEP	13.96	$175.58	$180.00	2.52%
Underperform					
Clorox	CLX	17.80	$146.48	$130.00	-11.25%
Church & Dwight	CHD	20.02	$106.32	$98.00	-7.83%
Estee Lauder	EL	19.94	$147.45	$140.00	-5.05%

Ticker	L/R Growth	ROE	Payout	Equity Beta	Sales Growth
STZ	11.40%	-0.59%	0.00%	0.94	7.16%
WMT	8.32%	12.71%	52.35%	0.49	6.76%
PEP	6.96%	52.53%	75.37%	0.53	5.88%
CLX	12.01%	20.44%	100.00%	0.43	3.97%
CHD	9.10%	12.80%	61.61%	0.52	3.57%
EL	20.13%	18.00%	92.15%	1.07	-10.17%

Data as of April 26, 2024

HEALTH CARE SECTOR

Although there are positive external trends and drivers influencing the health care sector, announcements from the Biden administration stating that there will not be a 2025 increase in Medicare Advantage rates have contributed to a one year **Market Underperform** rating on the sector.

Economic Drivers and Recent Developments

The economic drivers that affect the Health Care Sector are public and private spending on medical expenditures. The number of individuals with private insurance is expected to increase by 0.59% per IBIS World reports. Total health expenditures are expected to increase by 1.66% in 2024. Additionally the aging population is expected to further support health care growth as the number of adults aged 65 and older is predicted to increase by 2.92% this year. The sector's recent underperformance can be linked to the Biden administration's announcement that they will not increase Medicare Advantage rates for 2025. The government has only announced once in the past decade to not increase rates. This has caused health insurance stocks to decline by upwards of 13% as of the announcement. The aforementioned announcement has been a negative shock to revenue expectations for the sector.

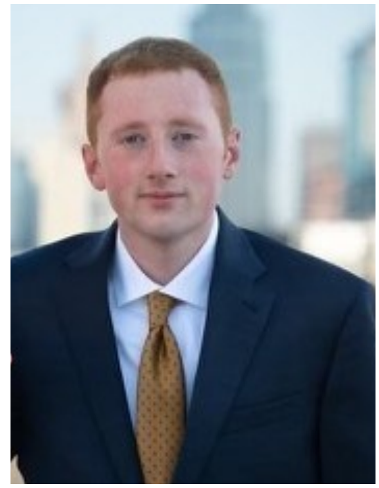
Performance Outlook

Growth for the sector is expected to be stagnant again this year. Slow growth related to health related spending has led to an expected sales growth of 0.3% for 2024. I project a one year return for the sector of about 5%.

Sector Winners and Losers

I estimated a quantitative model using the economic determinants of several valuation ratios to assess the valuation of stocks in the sector. The P/E metric, which represents shareholder value per dollar of earnings explained the most variance and formed the basis of my analysis.

Eli Lilly and Company (LLY) was selected as an outperformer based on its explosive sales growth surrounding its blockbuster drug Mounjaro and 52.03% long-run growth rate. **Eli Lilly** has an implied upside of 26.92%. **AbbVie Inc. (ABBV)** was selected as an outperformer based on the projected explosive sales of its drugs Skyrizi and Rinvoq. The company boasts a strong ROE of 28.19%. **Regeneron Pharmaceuticals, Inc. REGN** is projected to be the biggest winner at with a 101.19% undervaluation despite 3.28% long-run growth rate and ROE of 17.44%. **United Health Group Incorporation (UNH)** was selected as an underperformer because of its decreased projected revenues in light of the Medicare Advantage news. **Johnson & Johnson (JNJ)** was selected as an underperformer because they are now exploring a move for bankruptcy court filing in Texas to resolve recent lawsuits. **JNJ** was selected as the biggest underperformer despite a high ROE at 45.77%. **Quest Diagnostics Incorporated (DGX)** was selected as an underperformer due to pricing pressures and sales declines.



Collin Hickey

Health Care Sector Analyst

Sector Vital Statistics

Health Care Sector (GICS 35; SPDR XLV)

Market Weight	12.5%
Average Market Capitalization	$83.9B
Number of Companies	64

Sector Performance	1 Mo	3 Mo	YTD	1 Yr	3 Yr	5 Yr
SPDR XLV	-5.26%	0.50%	0.85%	4.82%	13.16%	55.24%

Sector Metrics	P/E	ROE	Margin	Payout	Beta	Sales Growth
SPDR XLV	28.38	15.20%	6.4%	37.31%	0.68	8.7%

Source: LSEG | Refinitiv Workspace

Sector Winners and Losers

Company	Ticker	Multiple	Price	Target	% Diff
Outperform					
Eli Lilly and Company	LLY	133.08x	$733.51	$930.96	26.92%
AbbVie Inc	ABBV	58.00x	$159.62	$279.00	74.79%
Regeneron Pharmaceuticals, Inc.	REGN	24.52x	$883.20	$1,776.92	101.19%
Underperform					
United Health Group Incorporation	UNH	20.36x	$495.35	$273.39	-44.81%
Johnson & Johnson	JNJ	10.02x	$146.14	$49.23	-66.31%
Quest Diagnostics Incorporated	DGX	17.46x	$134.26	$68.14	-49.25%

Ticker	Long-Run Growth Rate	ROE	Payout	Equity Beta	Sales Growth
LLY	52.03%	48.63%	80.55%	0.39	19.56%
ABBV	3.28%	28.19%	53.00%	0.59	-6.44%
REGN	3.56%	17.44%	0.00%	0.16	7.76%
UNH	12.66%	27.48%	30.21%	0.56	14.64%
JNJ	4.70%	45.77%	33.48%	0.54	-10.31%
DGX	5.16%	14.40%	36.77%	0.88	-6.38%

Data as of April 26, 2024

INFORMATION TECHNOLOGY SECTOR

The Information Technology sector is comprised of 65 constituents, representing 26.86% of the broader index. The sector diverges into three main industry groups: Software & Services, Technology Hardware & Equipment, and Semiconductors & Semiconductor Equipment. The three largest players, Microsoft Corp **(MSFT)**, Apple Inc. **(AAPL)**, and NVIDIA Corp **(NVDA)** make up 60.39% of the sector's total market capitalization. As a result of this market concentration, investor sentiment towards major players severely impacts price volatility. As of April 25th, the XLK Index (Technology Select Sector SPDR Fund) has underperformed the S&P500 by -3.09% YTD.

Garrett Boersma

Information Technology Sector Analyst

Economic Drivers and Recent Developments

Due to the capital intensity and globalization of the Information Technology sector, its performance is tied to macroeconomic conditions prevalent in the current economy. Heightened interest rates in 2023 had a negative impact on the amount of investment customers were willing to commit, which contributed to the decreased order volume seen throughout the sector. The FEDs March 20th guidance communicated a continuation of these higher rates, and the GDP report released April 25th showed slowing economic growth accompanied by increased inflationary pressure.

Artificial Intelligence has provided immense sector growth in 2024, increasing the market share of both Semiconductor and IT Infrastructure industries. AI stands as catalyst for improving data management , decision- making, and realizing cost savings across many industries. Outside of the sector, AI poses to impact financial services, advertising, and legal services substantially. Despite the bullish outlook, returns from AI's implementation and efficacy have yet to be realized, and a decrease in semiconductor revenues at the end of FY2023 signaled decreased investment in the IT sector. As these returns are realized and AI's value translates to revenue, the sector will rebalance in accordance.

Globally, relationships between the US and China remain tense, mainly due to China's ever tightening grasp on Taiwan. With the majority of chip fabrication infrastructure based in Southeast Asia, Chinese aggression is seen not only as a civil encroachment but also as a major intellectual property risk. In response to tensions rising between the United States and China, the US government has been subsidizing domestic semiconductor production. Even with increased domestic production, the geopolitical risk will still be evident in the supply chain, causing backlog and variable costs.

Jake Henderson

Information Technology Sector Analyst

Sector Vital Statistics

Information Technology Sector (GICS 45; XLK)						
Market Weight						28.9%
Average Market Capitalization						$201.6 B
Number of Companies						65
Sector Performance	**1 Mo**	**3 Mo**	**YTD**	**1 Yr**	**3 Yr**	**5 Yr**
XLK	0.8%	8.5%	8.5%	39.1%	17.2%	24.2%
Sector Metrics	**EV/EBITDA**	**LR g**	**Tax Rate**	**Dep %**	**Reinvest %**	**WACC**
XLK	21.3x	10.3%	14.5%	17.8%	8.7%	9.3%

Performance Outlook

We are initiating coverage of the IT sector with a **Market Perform** rating. Despite initial strength driven by management's optimistic guidance amid declining sales, the sector's performance YTD has been mixed. Sales forecasts expect a modest downturn over the next year, projecting an overall retraction of -1.7% YoY from 2023 across US markets. We trust that the sector's resilience and adaptability will enable sales to rebound stronger in the long-term, driven by emerging trends and innovations in tech.

The Technology Select Sector SPDR ETF (XLK) boasts a 5-year median annualized return of 16.24% and reached a record high of $212.35 on March 7th. After recently trading below $200, we anticipate XLK's performance to closely mirror the broader index, with pressure from macroeconomic conditions hopefully easing in the near-term. If recovery materializes, we optimistically forecast continuation and envision a target range of $230-$240 for XLK through early 2025.

Sector Winners and Losers

There are a few ratios that are key to determining pricing within the Information Technology Sector. These being EV/EBITDA (34.1x sector avg.), P/S (8.4x sector avg.), and EV/Assets (5.4x sector avg.). These are fundamental indicators of how the market prices in a company's earnings, growth profile, and balance sheet, respectively.

After performing a regression analysis on the Information Technology Sector these three market multiples were found to have the most statistical significance. To derive our sector winners and losers, we decided to employ the EV/EBITDA multiple. Due to the sector's high utilization of financial leverage, and the metric's ability to highlight the firm's management of operating expenses, without any non-cash adjustments.

The winners for the sector include **Skyworks Solutions, Inc. (SWKS)**, **On Semiconductor Corp (ON), HP INC. (HPQ)**, **Applied Materials, Inc. (AMAT)**, and **Qorvo, Inc. (QRVO)**. The firms that are overvalued are **Palo Alto Networks, Inc. (PANW)**, **ServiceNow, Inc. (NOW)**, **Cadence Design Systems, Inc. (CDNS)**, **Tyler Technologies (TYL)**, and **Intuit, Inc. (INTU).**

Skyworks Solutions, Inc. (SWKS) is considered the overall winner based on its EV/EBITDA multiple of 9.8x, and its long-term growth rate of 15%. In addition, the firm exhibited a PTOM 25.33% . **Palo Alto Networks (PANW)** is supposed to perform the worst with an overvaluation of 74.2%. Despite its long-term growth rate of 22.5%, the firm's enterprise value is at 152.2x earnings, much higher than the sector average. Furthermore, the company had a PTOM of only 5.90% and a return on invested capital of only 6.25%.

Source: LSEG | Refinitiv Workspace

Sector Winners and Losers

Company	Ticker	Multiple	Price	Target	% Diff
Outperform					
Skyworks Solutions, Inc.	SKWS	9.8x	$102.95	$182.43	77.2%
HP Inc.	HPQ	7.7x	$28.13	$49.62	76.4%
ON Semiconductors Inc.	ON	11.2x	$66.38	$113.97	71.7%
Applied Materials, Inc.	AMAT	20.6x	$197.50	$318.57	61.3%
Qorvo, Inc.	QRVO	15.2x	$102.95	$184.21	60.6%
Underperform					
Palo Alto Networks, Inc.	PALO	152.1x	$288.79	$74.65	-74.2%
ServiceNow, Inc.	NOW	125.7x	$716.25	$215.91	-69.9%
Tyler Technologies, Inc.	TYL	55.8x	$458.07	$164.02	-64.2%
Cadence Design Systems	CDNS	55.6x	$277.08	$124.77	-54.9%
Intuit, Inc.	INTU	48.4x	$626.39	$402.39	-35.8%

Ticker	Growth %	Tax Rate	D&A	Reinvestment	WACC
SKWS	15.0%	8.9%	33.7%	0.0%	9.8%
HPQ	7.7%	0.0%	16.6%	0.0%	8.1%
ON	4.6%	13.8%	18.9%	100.0%	11.4%
AMAT	15.0%	11.2%	6.3%	0.0%	11.1%
QRVO	10.0%	17.2%	39.7%	0.0%	9.9%
PALO	22.5%	22.3%	40.8%	0.0%	9.5%
NOW	22.8%	0.0%	36.4%	0.0%	8.5%
TYL	10.6%	12.5%	40.9%	17.1%	7.5%
CDNS	18.0%	18.8%	10.4%	59.7%	8.8%
INTU	14.8%	20.2%	20.4%	0.0%	9.5%

Data as of April 26, 2024

Utilities Sector

I have a **Market Perform** rating for utilities in the current environment, given the hold on high interest rates as well as growth opportunities in the sector.

Jack Meyer

Utilities Sector Analyst

Economic Drivers and Recent Developments

A key economic driver of the utilities sector is the price of electric power. Sector revenues are positively correlated with the price of electric power as companies can charge more for the same amount of power, keeping cost of goods sold stable and increased revenues. The average price of electric power is expected to increase in 2024. A recent development in the utilities sector was the change in largest source of electric generation, going from coal based power plants to now natural gas is the number on power plant

Performance Outlook

Utilities revenues are expected to increase in 2024 by 1.2%, given the increase in electric power prices. I project the XLU to have a one year return of 5.13% in 2024.

Sector Winners and Losers

NRG Energy (NRG) is a current fund holding with substantial returns in previous months. As **NRG** continues to expand its operations and dominate the unregulated Texas utilities market, it is prime for future growth. **NRG** has a very high beta for the utilities sector coming in at 1.10, leaning toward our funds preferred factor tilt. **NRG's** recent acquisition of Vivint smart home allows the company to use smart home data to predict usages and create a more efficient grid. This efficiency is what has helped **NRG** have substantial growth in Texas as they can charge a lower price with the same margins of competitors. This prices out competitors and leaves **NRG** in a sustainable situation for future growth. These factors are what lead to NRG being a out perform rating.

Entergy Corporation (ETR) is a Louisiana based utilities corporation with an attractive upside with lower volatility than our current holding **NRG Energy (NRG)**. **Entergy** has a beta of 0.71 compared to NRG's 1.10. Along with **ETR's** undervaluation its high beta compared to the sector makes this a great addition for the fund. **Entergy** has market share in east Texas, making them able to take advantage of the deregulated state. This deregulation can decrease margins but opens up the opportunity for growth significantly. **Entergy's** margins are quite high which allows them to reinvest significantly into future growth Because of these factors I have given Entergy a out perform rating for 2024.

Sempra (SRE) is the one of the largest utilities holding company's. The company's focus is electric and natural gas infrastructure with over forty million customers. Based out of San Diego, California, the company operates in the south western region of the united states. **Sempra** is currently over valued and has limited growth in future years as infrastructure improves. Sempra falls right into the average category for EB/EBITDA, with a 12.93 compared to sector average 12.22. Because of this over valuation, I have placed this company on the under perform list for 2024.

Sector Vital Statistics

Utilities Sector (GICS 55; NYSE: XLU)

Market Weight					2.3%	
Average Market Capitalization					$31.30B	
Number of Companies					30	
Sector Performance	**1 Mo**	**3 Mo**	**YTD**	**1 Yr**	**3 Yr**	**5 Yr**
XLU	4.5%	11.30%	5.32%	-4.64%	4.92%	15.04%
Sector Metrics	**P/E**	**ROE**	**Payout**	**Beta**	**Sales Growth**	
XLU	17.6x	9.2%	64.8%	0.58	-3.6%	

Source: LSEG | Refinitiv Workspace

Sector Winners and Losers

Company	Ticker	EV/EBITDA	Price	Target	% Diff
Outperform					
Entergy Corporation	ETR	10.33x	$106.46	$126.15	15.6%
NRG Energy	NRG	16.23x	$73.13	$110.98	34.1%
Duke Energy Corporation	DUK	12.55x	$97.99	$105.94	7.5%
Underperform					
Southwest Gas Holdings	SWX	11.65x	$75.39	$73.63	-2.3%
Sempra	SRE	12.98x	$71.79	$68.47	-4.8%
PPL Corporation	PPL	10.89x	$27.22	$23.35	-16.5%

Ticker	ROE	Payout	Beta	Y/Y Sales Growth
ETR	17.88%	39.43%	0.70	-11.75%
NRG	-5.28%	100.00%	1.10	-8.62%
DUK	5.48%	100.00%	0.45	0.85%
SWX	4.93%	100.00%	0.36	9.56%
SRE	10.51%	50.21%	0.71	15.80%
PPL	5.32%	96.08%	0.83	5.10%

Data as of April 25th, 2024

Real Estate Sector

I have a **Market Underperform** rating for the real estate sector in 2024, based on sustained high interest rates and a decrease in rental usage.

Economic Drivers and Recent Developments

A key economic driver of the real estate sector is the yield on 10-year Treasury notes. As the yield increases on these notes the cost to borrow money does as well. As interest rates have increased it will slightly increase revenues until consumers are priced out of the market, decreasing demand. In the current economic environment interest rates will stay too high for too long for growth in this sector. Another driver of the real estate sector is rental vacancy rates. There is a negative correlation between rental vacancy rates and real estate rental revenues. Rental vacancy rates are expected to increase in 2024.

Performance Outlook

The real estate sectors revenues are expected to increase 0.7% in 2024. This low revenue growth rate can be attributed to the hold on current high interest rates. I project the XLR to have a one year return of 1.57% in 2024.

Sector Winners and Losers

Public Storage (PSA) was a REIT fund holding at the beginning of the semester. **Public Storage** is the largest self storage company in the sector tilting away from the funds size factor preference. The company operates in 40 states and 7 European Union nations. With the current over valuation and self storage rental rates expected to decrease though 2024 the fund decided to decrease our holding by 100.00%. At the time of this report **(PSA)** has had a -11.50% draw back since the sale. 2024 will continue to be a hard year for Public Storage as rental rates decrease and rising interest rates slim their margins. Because of this **Public Storage** is on the under perform list

Digital Reality Trust (DOC) is a database warehouse real estate investment trust, one of the biggest players in it's industry. A global provider of data centers for lease **Digital Reality Trust** is at the top of the AI and data center frenzy. Because of this **Digital Reality** is currently over valued leaving this company on the under perform list. With a P/E ratio 118.10, significantly over the sector average of 31.44, every dollar of earning **Digital Reality Trust** produces cost the shareholder significantly more. Combined with Digital Reality Trust's EV/Sales of 13.44, over the sector average of 11.49.

Lamar (LAMR) is one of the largest outdoor advertising companies. Known for its extensive network of billboards for rent, this company is based out of Baton Rouge, Louisiana and has customers all across the United States as well as in Canada. **Lamar** has a large share of outdoor advertising market share and will use this to their advantage in coming months as advertising usage is expected to uptick. **Lamar's** P/E ratio of 26.65 falls below the sector average of 31.44, a favorable position.

Jack Meyer

Real Estate Sector Analyst

Sector Vital Statistics

Real Estate Sector (GICS 60; NYSE: XLRE)

Market Weight						2.4%
Average Market Capitalization						$33.00 B
Number of Companies						31
Sector Performance	**1 Mo**	**3 Mo**	**YTD**	**1 Yr**	**3 Yr**	**5 Yr**
XLRE	-5.2%	-5.7%	-9.0%	-0.8%	-13.68%	1.31%
Sector Metrics	**P/E**	**ROE**	**Payout**	**Beta**	**Sales Growth**	
XLRE	31.49x	6.8%	68.0%	0.98	9.8%	

Source: LSEG | Refinitiv Workspace

Sector Winners and Losers

Company	Ticker	EV/Sales	Price	Target	% Diff
Outperform					
Welltower Incorporated	WELL	11.90x	$94.34	$101.83	7.36%
Lamar Advertising Company	LAMR	8.00x	$114.37	$124.52	8.15%
Independence Reality Trust	IRT	9.32x	$17.23	$17.23	7.95%
Underperform					
Public Storage	PSA	12.06x	$257.73	$229.85	-12.14%
Digital Reality Trust	DOC	13.44x	$142.83	$134.26	-6.38%
American Tower Corporation	AMT	11.88x	$171.69	$163.47	-5.03%

Ticker	ROE	Payout	Beta	Y/Y Sales Growth
WELL	0.76%	100.00%	1.52	23.74%
LAMR	36.04%	100.00%	1.08	13.69%
IRT	-0.46%	0.0%	1.06	4.81%
PSA	46.49%	90.00%	0.58	18.29%
DOC	2.04%	100.00%	0.56	4.49%
AMT	19.47%	100.00%	0.70	14.14%

Data as of April 25th, 2024

Schedule of Investments

As of May 7th, 2024

Company	Ticker	Shares	Market Value
Energy (GICS 10)			
Permian Resources Corporation	**PR**	3,700	$64,269.00
Materials (GICS 15)			
Carpenter Technology Corporation	**CRS**	500	$50,955.00
Industrials (GICS 20)			
Delta Air Lines Inc.	**DAL**	2,970	$157,202.10
RTX Corporation	**RTX**	825	$84,075.75
TransDigm Group Inc.	**TDG**	40	$52,065.20
Consumer Discretionary (GICS 25)			
Amazon.com Inc.	**AMZN**	1,197	$225,873.90
Autozone Inc.	**AZO**	11	$32,644.70
Consumer Staples (GICS 30)			
Celsius Holdings Inc.	**CELH**	790	$61,880.70
Constellation Brands Inc.	STZ	150	$38,596.50
Walmart Inc.	WMT	2,920	$174,820.40
Healthcare (GICS 35)			
Eli Lilly and Company	**LLY**	155	$118,835.40
Roivant Sciences Ltd.	**ROIV**	5,600	$64,960.00
Financials (GICS 40)			
Financial Select Sector SPDR Fund	XLF	685	$28,132.95
Information Technology (GICS 45)			
Apple Inc.	**AAPL**	945	$171,715.95
Applied Materials Inc.	**AMAT**	315	$65,790.90
Microsoft Corporation	**MSFT**	403	$166,656.62
Nvidia Corporation	**NVDA**	177	$163,087.80
Salesforce Inc.	**CRM**	380	$104,739.40
Communication Services (GICS 50)			
Alphabet Inc.	**GOOG**	700	$118,881.00
Meta Platforms Inc.	**META**	235	$109,434.80
Perion Network Ltd.	**PERI**	3,760	$48,353.60
Utilities (GICS 55)			
NRG Energy Inc.	**NRG**	2,349	$182,963.61
Real Estate (GICS 60)			
Cash and Cash Equivalents			
Cash			$28,823.47
Total Holdings			**$2,314,758.75**

Investment Fund Coordinator

Adam S. Yore, Ph.D.

Associate Professor of Finance and Stephen Furbacher Professor of Organizational Change

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