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# The Green and White Fund

Semi-Annual Investment Report

Michigan State University

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# Introduction

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## Student Investment Association Overview

Founded in 2004, Michigan State University's Student Investment Association (SIA) is the premier investment group at the university and of the Eli Broad College of Business. Its mission is to provide members with an unparalleled understanding of financial markets by providing the optimal education and resources needed for highly motivated students interested in pursuing careers in the financial services industry. These resources include a weekly education series, the sponsoring of investment competitions, exclusive professional development opportunities, and roadshows to visit firms in major financial hubs across the nation. Last year, the organization visited various firms in New York City on a roadshow for twenty members of the organization. This year, SIA expects to take twenty members on a trip to the East Coast, visiting various firms in Boston. As SIA's goal is to increase the financial acumen amongst all members in preparation for a successful career in finance, the curriculum has been carefully constructed to maximize meetings throughout each semester. The majority of concepts taught pertain to accounting, valuation, and investment concepts, but SIA also takes time to focus on networking and communication skills that are equally important. With a strong executive board who has placed at top firms in the industry intertwined with a large alumni base in various financial services roles, SIA believes that it has taken the right actions to advance in reaching its goal of optimizing members' financial education, working relentlessly to ensure success. Although the curriculum sets forth a strong foundation for members to gain knowledge, SIA believes in the value of 'learning by doing' and aims to provide a hands-on experience to the most driven, intellectually curious students through a real-money equity and fixed-income investment fund, The Green and White Fund (GWF).

## The Green and White Fund Overview

### Strategy –

Founded in 2023, the Green and White Fund is Michigan State University's first and only fully student-managed investment fund comprised of two portfolios, the first of equity investments and the second of fixed-income investments. Fund I, the equity portfolio, that consists of ~70% AUM and is benchmarked to the S&P 500 Index. The fund follows a growth investing strategy, looking for companies that have high potential to grow at a rapid rate in the next 18-24 months. In total, GWF has made ~13 investments across more than five sectors in the portfolio to-date, adding diversification and limiting risk. Fund II, the fixed-income portfolio, consists of ~30% AUM and is benchmarked to the Bloomberg Barclays AGG Index. The fund invests in bond ETFs, looking for corporate, municipal, and government bonds with low expense ratios and high yields. In total, there are ~4 investments across all three areas in the portfolio to-date.

### Managers –

GWF is managed by 29 Spartans: 4 members of the Investment Committee, 18 Associates, and 7 Analysts. The fund has an AUM worth approximately \$43,000, built off the prior SIA analyst program. That prior analyst program was an equity-only portfolio that was benchmarked to the Russell 2000, focused on investing in small-cap companies trading below their intrinsic value. GWF is still currently invested in

equity securities that were part of the old fund but looks to liquidate holdings in the next 10-18 months and transition equities fully into a growth strategy benchmarked to the S&P 500. SIA's prior fund made no investments into fixed-income securities, a prevalent part of today's GWF.

### **Admittance to the Fund –**

Members undergo a selective interview process to gain admission into the Green and White Fund as an Investment Analyst. The interview process begins with approximately 10 short essay questions designed to gauge interest and dedication levels. Roughly half of students who apply are invited to participate in a first-round interview, consisting of a case study that analyzes at a basic level the candidate's understanding of markets and at an intricate level the candidate's ability to think critically about a specific industry. Candidates that are successful in this stage embark to the final interview round, where they will interview with members of the Investment Committee to determine if the candidate is a strategic fit, based on technical capabilities, market knowledge, and behavioral answers.

### **Getting Started in the Fund –**

All recently admitted fund managers start out as an Investment Analyst. Analysts are required to participate in a 5-week bootcamp led by the Investment Committee. In the bootcamp, students will learn equity and income valuation, capital markets IQ, financial ratios and analysis thereof, and financial modeling for investing. Weekly homework assignments supplement learning in the classroom, and quizzes ensure the understanding of content before continuing with new material. At the completion of the 5-week period, Analysts are paired with an Associate to present a potential investment to the Investment Committee for Fund I or Fund II. Pitches include a full model and pitch deck, after having conducted thorough research. Presuming strong performance in bootcamps, homeworks, quizzes, and most important, contribution and accuracy with the final pitch presentation, Analysts are promoted to Associate at the end of the semester. Any Analyst not promoted to Associate will no longer be in the fund.

### **Advancement in the Fund –**

All Analysts become Associates after the successful completion of the bootcamp semester. Associates have gained industry experience and are tasked with the following responsibilities:

1. Review all Analysts work to ensure model accuracy, thesis strength, and risk potential of pitches.
2. Pitch more than two investments into Fund I or Fund II after analyzing and taking a position on a security, building a full valuation model and pitch deck to accompany the recommendation.
3. Analyze current market trends, exploiting common themes to more effectively analyze the return profile of various opportunities.

The most successful Associates, determined by an array of factors from work ethic to intellectual curiosity to investor stamina, are invited to apply for the Investment Committee. There are four students total on the committee, who are ultimately responsible for final trades and maintaining the portfolio. All on the committee also have industry experience and are required to serve on the committee for a minimum of four semesters. This requirement helps ensure a lower pace of turnover to increase fund performance.

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## Mission Statement

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The Green and White Fund was founded with a three-pronged mission statement.

First, to enhance the awareness of fixed-income and equity markets to undergraduate students interested in careers in financial services. Current opportunities on campus exist only for investments in equity markets, limiting students' exposure to over 60% of markets by not including fixed-income investments. Increased awareness of capital markets allows students to understand interests and career opportunities.

Second, to amplify technical skills and boost confidence through a real-money investing experience. Technical expertise is amplified through a rigorous 5-week bootcamp, where textbook equity and fixed-income concepts are applied to practical scenarios. Unique from the bootcamp Financial Markets Institute (FMI) scholars undergo, this training series teaches buy-side investor materials rather than sell-side analyst materials. The combination of GWF and FMI bootcamps provide select students with a unique ability to apply knowledge learned in both bootcamps to a student-managed fund. The ability to create familiarity with performing financial analyses for different types of investments allows a candidate to bring a competitive skillset for positions in financial services.

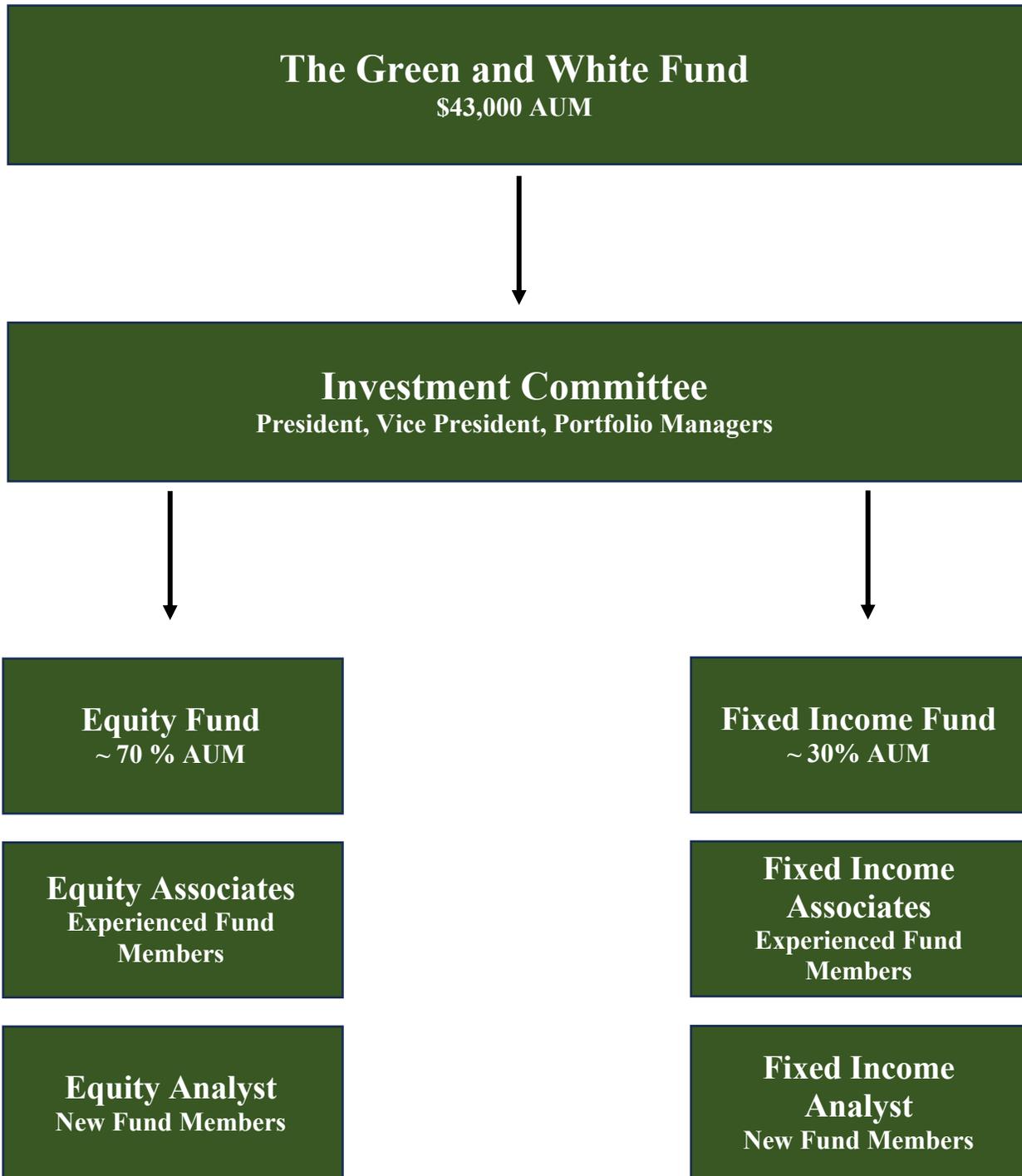
Thirdly, to grow the amount of Spartans pursuing careers on Wall Street while improving the stature of the university on the street. Across the country, various student-managed investment funds with real money investments are well-known; the goal is for GWF to create the same for Michigan State. We are confident that by teaching students skills and concepts important for success, along with unfolding a new side to capital markets, we can achieve this goal year-over-year.

GWF remains committed to its goal of increasing student's knowledge and growing MSU's reputation by teaching students how to think like an investor through a real-world investing experience.

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## Fund Structure

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## Message from Head of Investment Committee

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In 2024, the equity markets sustained strong performance, largely driven by the "Magnificent Seven" stocks. The rise of artificial intelligence played a significant role in fueling the growth and boosting the S&P 500's performance. The latter half of the year saw heightened market volatility, influenced by key events such as the Federal Reserve's first interest rate cut since 2020 and uncertainty surrounding the presidential election. Despite high valuations, the continued market expansion was supported by strong economic fundamentals such as resilient consumer spending and a strong job market.

The fixed-income fund delivered a 4.62% return, outperforming the Bloomberg Barclays AGG Index benchmark of 1.25% by 3.37%. The equity fund achieved a 21.51% return, performing competitively despite slightly trailing its S&P 500 Index benchmark of 25.02%. Importantly, the equity fund continues to transition from its historical portfolio composition, which includes a significant allocation of small-cap securities benchmarked to the Russell 2000. That said, the equity fund demonstrated robust performance, exceeding the Russell 2000 Index return of 11.54% by an impressive 9.97%. Overall, GWF experienced organic growth from \$37k to \$44k since January, reflecting a \$7k increase. Looking forward, we plan to continue the investments in large-cap securities and appropriately sell our small-cap holdings.

This fall marks the fourth semester of fund performance for GWF. Throughout the semester, the Investment Committee reviewed over 40 investment pitches for the equity and fixed-income portfolios. Over the past year, the fund has added 7 equity securities and 3 fixed-income bond ETFs to its holdings. One key area of focus has been the medical technology sector, with 2 equity investments made over the past year. This sector presents significant growth opportunities that the fund aims to leverage. Information technology and technology infrastructure have also emerged as areas of strategic interest for GWF.

Our fund managers are selected from the Student Investment Association (SIA), which has seen record-high attendance and engagement. Aspiring analysts undergo a rigorous interview process to become fund managers. In Fall 2024, GWF welcomed its fourth cohort, consisting of 7 analysts, who participated in an intensive investment training program. Currently, GWF sits at 30 members with 4 individuals on the Investment Committee, 19 Associates, and 7 analysts. This upcoming spring, we will see our senior associate's graduate. We thank them for the continued time and effort they contributed to enable growth in the fund. While the fund continues to expand and grow, we stay true to our mission statement of (1) enhancing students' awareness of capital markets, (2) amplifying technical skills through real-money portfolio management and (3) building a community of intellectually curious and eagerly ambitious students, encouraging advancement in careers or passions of finance.

Thank you for your interest in our fund. Please contact me at [majtaraa@msu.edu](mailto:majtaraa@msu.edu) with any questions.

Best,

Andy Majtara

*Head of Investment Committee*

*Student Investment Association President*

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## 2024 Market Overview

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The 2024 market landscape is expected to be marked by cautious optimism as global economies adjust to stabilizing inflation and recalibrate following a period of historically high interest rates. Central banks, led by the U.S. Federal Reserve, are shifting from aggressive rate hikes to rate cuts, with two reductions implemented this year. In September, the Federal Reserve introduced a 50-basis-point cut, followed by a 25-basis-point cut in November. This pivot has supported broader economic stability, raising hopes that the Fed has achieved a "soft landing" for the U.S. economy, a slowdown without tipping into a recession. This belief has fueled a broad-based stock market rally, with gains across a wider range of stocks.

In the latter half of the year, the equal-weighted S&P 500 has outperformed both the market-cap-weighted S&P 500 and the "Magnificent 7" mega-cap tech stocks (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla), marking a significant shift from the first half of 2024 when these mega-cap stocks drove the bulk of market gains. Additionally, the ten-year Treasury yield has climbed, reflecting investor confidence in sustained economic growth.

Despite challenges such as tighter monetary policy, weak global growth, geopolitical conflicts, and low consumer confidence, the U.S. economy has continued to grow faster than anticipated. GDP growth has averaged about 3% on an annualized basis over the past four quarters, largely fueled by resilient consumer spending, which remains supported by steady job and income growth.

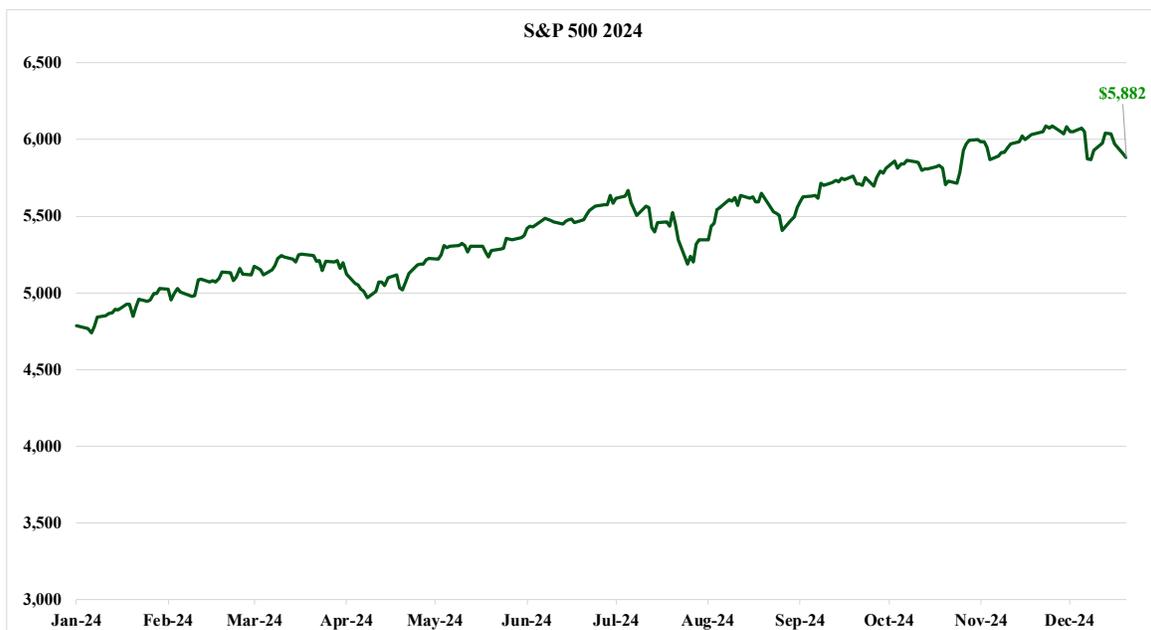
In the Treasury bond market, yields have rebounded, driven by signs of economic strength, including a 2.6% year-over-year productivity increase in the second quarter. This productivity boost is likely due to tight labor markets incentivizing investment in labor-saving technologies, though AI's impact remains modest at this stage.

In the global markets, Europe's growth has been more subdued as the region grapples with its own economic constraints. High energy costs, driven by continued geopolitical tensions in Ukraine and the Middle East, have impacted business and consumer confidence. Although inflation has cooled slightly, it remains a concern, leading the European Central Bank (ECB) to adopt a cautious approach, pausing rate hikes but not yet signaling cuts. Some of the stronger economies, like Germany, have managed to maintain modest growth, but overall, the Eurozone has been slower to rebound. Asia has presented a mixed picture. China's economy has faced challenges from a property sector slowdown, high youth unemployment, and weakened global demand for exports. In response, the Chinese government has implemented various fiscal and monetary measures to stimulate domestic spending and stabilize growth, though with limited success. Japan, on the other hand, has continued to see moderate growth and low inflation, benefitting from its accommodative monetary stance. The Bank of Japan has maintained ultra-low rates, encouraging domestic spending and investment, although a shift may be on the horizon as inflation begins to creep up.

Market volatility has also been impacted by the ongoing U.S. presidential election cycle, adding an extra layer of uncertainty. Investors are closely watching for potential shifts in policy direction, tax regulations, and fiscal spending that could influence market dynamics. This election-driven volatility, combined with the evolving economic landscape, makes 2024 a year of both opportunity and caution for market participants.

It is important to realize that the macroeconomic landscape over the past couple of years has fundamentally changed the way investors perceive correlations in global and securitized markets. Stock and bond correlations, currency pairs correlations, and commodity correlations have been wavering as investor expectations and priorities shift at the fundamental level. As global economic growth decouples to some extent across regions, the relative importance of regional and sector-specific factors is likely to rise in determining the performance of various asset classes. The normalization of interest rates and shifting monetary policies across major economies have also led to more volatile reactions in global markets. As such, for the next two years, it is safe to assume that the Federal Reserve's actions will continue to be at the forefront of investors' priorities, and its decisions will likely play a pivotal role in shaping the trajectory of both U.S. and global markets. With the Fed's evolving stance on inflation, future policy shifts will be scrutinized, influencing investor sentiment and overall market behavior. Consequently, investors may need to adopt a nimbler, sector-specific approach while navigating an increasingly complex global economic environment.

### S&P 500 Performance YTD Price Chart



**S&P 500 Performance Overview** The S&P 500 has performed well in 2024, returning a 24.38% YTD. Throughout the year, the index consistently reached record highs, driven by a strong earnings season, a "soft landing" for the economy, and better-than-expected unemployment data. Several key events shaped the market's trajectory:

- January–March: The year started with optimism as cooling inflation data prompted the Federal Reserve to slow the pace of interest rate hikes. Improved consumer spending and a rally in technology stocks pushed the S&P 500 higher.
- April–June: A temporary dip occurred in late April and early May, partly due to missed earnings, rising tensions in the Middle East, and concerns about the persistent inflation and

how it would affect rate cuts. However, a cooling labor market and a cooler-than-expected inflation report in mid-May alleviated market fears, fueling a June rally. Positive quarterly earnings from major companies further supported growth.

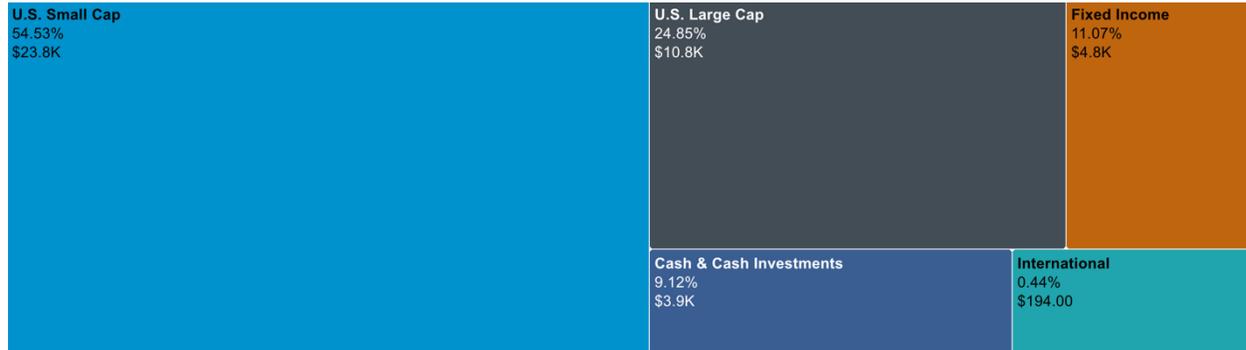
- July–September: The index experienced volatility in August, with a slight pullback caused by rising Treasury yields and investor concerns about prolonged high interest rates. However, a robust jobs report in September, a 50-bps interest-rate cut, and continued strong corporate earnings helped the S&P 500 recover and climb to new highs.
- October–December: November marked a significant rally, supported by lower-than-expected inflation numbers, a 25-bps rate cut, and the presidential election. The core Personal Consumption Expenditures (PCE) index, the Federal Reserve’s preferred inflation gauge, indicated cooling price pressures. However, December brought some uncertainty as the Federal Reserve cut the rate for the third time this year by 25bps, but signaled fewer rate cuts in 2025, leading to a slight decline in the index.

Despite short-term fluctuations, the market's upward trajectory reflected confidence in the resilience of the U.S. economy, strong corporate fundamentals, and investor optimism about future growth.

# Portfolio Analytics

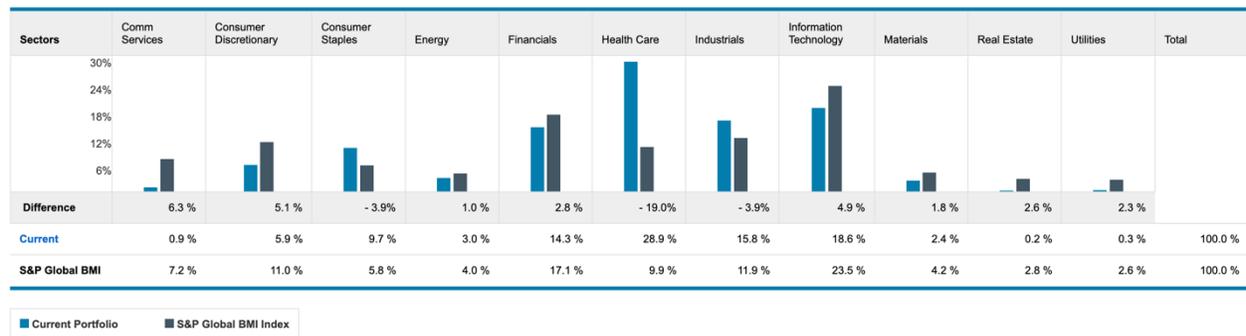
## Fund I, Equity Portfolio

### Composition by Market Capitalization, Fund I – Visual 1



**Visual 1** illustrates the current asset allocation of the fund. The portfolio continues to include a significant number of small-cap investments initiated through the SIA Analyst Fund. As of 2024, U.S. small-cap investments represent a substantial 54.53% (\$23.8K) of the portfolio. U.S. large-cap investments account for 24.85% (\$10.8K), fixed income comprises 11.07% (\$4.8K), cash and cash equivalents make up 9.12% (\$3.9K), and international investments hold a smaller share at 0.44% (\$194). Looking ahead, we plan to gradually divest from small-cap securities to focus on large-cap investments that better align with our growth strategy. Notably, our allocation to large-cap investments has increased from approximately 21.31% in 2023 to 24.85% in 2024. Additionally, we aim to expand Fund II, our fixed-income portfolio, which currently represents 11.07% of the total fund, to further diversify the portfolio and enhance its overall stability.

### Composition by Sector, Fund I – Visual 2



**Visual 2** describes our weightage in various sectors to the benchmarked S&P 500 index and portfolios of that strategy. Sector allocation is a vital aspect of portfolio strategy, and sector holdings are constantly being adjusted to closely resemble the benchmark to a favorable extent. Currently, GWF is overweight in the healthcare, industrial, and consumer staples sectors. The substantial overweight in the healthcare sector, with a portfolio allocation of 28.9% compared to the S&P Global BMI Index's 9.9% (+19.0%), underscores

the sector's strong performance and potential for continued growth. Since inception, healthcare investments have provided consistent returns, further solidifying the sector's role as a cornerstone of the portfolio. Meanwhile, the industrials sector, previously overweight, now reflects a more moderate allocation of 15.8%, slightly over the index's 11.9% (+3.9%). This adjustment suggests that fund managers are redeploying capital from mature positions to focus on faster-growing opportunities in other sectors. Conversely, GWF continues to maintain underweight positions in energy (3.0% vs. 4.0%, -1.0%), consumer discretionary (5.9% vs. 11.0%, -5.1%), and utilities (0.2% vs. 2.6%, -2.4%). The fund's reduced exposure to consumer discretionary reflects the sector's susceptibility to volatility, particularly in an economic environment shaped by higher interest rates, inflation, and declining consumer savings. This strategic avoidance mitigates the risk of reduced demand for nonessential goods. The underweight in utilities is consistent with the cautious approach taken during high-interest rate conditions, where lower dividend yields make fixed-income investments more attractive. However, the prospect of potential rate cuts in 2024 presents an opportunity for the utilities sector to regain favor, blending capital appreciation with growth opportunities. Similarly, the energy sector, particularly its renewable and unregulated components, continues to hold promise as ESG trends and emissions reduction efforts gain momentum globally. The information technology sector, with a slight overweight of 23.5% compared to the index's 18.6% (+4.9%), highlights the fund's focus on innovation-driven industries. Materials, another overweight sector (+4.9%), aligns with increasing demand for sustainable resources, signaling proactive investment in industries with long-term growth potential. These allocations demonstrate GWF's approach to capitalize on dynamic market conditions while retaining a well-diversified portfolio.

Overall, while GWF aims to align with the S&P Global BMI benchmark to a favorable degree, the fund exercises flexibility to adapt to market trends and strategic opportunities. This proactive, research-driven approach ensures that the fund not only captures long-term growth in key sectors but also mitigates risk in those with heightened volatility. Through deliberate sector allocations and continuous assessment of market conditions, GWF remains well positioned to outperform the benchmark while maintaining a resilient and forward-looking portfolio.

## Fund II, Fixed-Income Portfolio

### Composition by Maturity, Fund II – Visual 4

Maturity Range	\$ Market Value	% Fixed Income	0	20	40	60	80	100
0-90 Days	\$ 0.00	0.0 %						
91 Days to 1 Year	\$ 0.00	0.0 %						
1-3 Years	\$ 1,496.85	30.9 %						
3-5 Years	\$ 1,746.86	36.1 %						
5-10 Years	\$ 938.63	19.4 %						
10-20 Years	\$ 302.11	6.2 %						
20-30 Years	\$ 268.93	5.6 %						
30+ Years	\$ 85.42	1.8 %						
Other	\$ 0.00	0.0 %						

**Visual 4** is a diagram showing the maturities of GWF’s fixed-income fund, Fund II. The majority of current investments are concentrated in securities maturing within the 3-5 year range, which constitutes the largest portion at 36.1% of the fixed-income allocation. These investments fall within the belly of the yield curve, making them particularly sensitive to volatility during periods of rate hikes. Additionally, a significant portion of investments is allocated to the 1-3 year range (30.9%), while smaller allocations are spread across longer durations, such as 5-10 years (19.4%), 10-20 years (6.2%), and 20-30 years (5.6%). The allocation to securities with maturities beyond 30 years is minimal (1.8%), and there are no investments in ultra-short maturities of 0-90 days or 91 days to 1 year.

As the portfolio evolves, the strategy will aim to broaden its scope across various maturity ranges, including longer-duration securities, particularly in anticipation of future rate cuts that could lead to a healthier yield curve. At the same time, the current high-interest-rate environment offers opportunities to maximize returns through short-term securities with lower durations, which the portfolio may emphasize over the next 2-3 months.

### Composition by Ratings, Fund II – Visual 5

Current Credit Rating	\$ Market Value	% Fixed Income	0	20	40	60	80	100
US Govt or AAA	\$ 12.06	0.2 %						
AA	\$ 2,133.21	44.1 %						
A	\$ 555.14	11.5 %						
BBB	\$ 602.77	12.5 %						
Below BBB	\$ 1,435.89	29.7 %						
Not Rated or Not Available	\$ 99.73	2.1 %						

**Visual 5** illustrates the credit ratings of the underlying fixed-income bond ETFs in our portfolio. Our investments span both investment-grade and non-investment-grade bonds, with a significant portion allocated to AA-rated securities and those below BBB. This year, we diversified our credit rating

composition, notably increasing our holdings in A-rated securities from 6.3% to 11.5%. We aim to continue enhancing the diversity of our credit rating allocation moving forward.

### Composition by Sector, Fund II – Visual 6

Type	\$ Market Value	% Fixed Income	0	20	40	60	80	100
<b>US Core Bonds</b>	\$ 913.89	18.9 %						
US Inv Grade Corp	\$ 913.89	18.9 %						
<b>US TIPS</b>	\$ 2,020.60	41.8 %						
HI Yield Muni Bonds	\$ 245.95	5.1 %						
Int'l Dev Ctry Bonds	\$ 248.96	5.1 %						
US High Yield Corp	\$ 1,409.40	29.1 %						
Int'l Emg Mkt Bonds	\$ 0.00	0.0 %						

**Visual 6** is a diagram that shows the percentage of each holding within the fixed-income sector. The primary portion of investments are in US TIPS with the high-yield corporate bonds coming in at the second highest. US TIPS allow for safer and stable investments while the high yield bonds can earn a much greater return.

## 2024 Transactions

Date	Action	Symbol	Quantity	Price	Amount
11/14/24	Sell	SYK	2	\$389.25	\$778.48
11/14/24	Buy	ISGR	2	\$541.45	(\$1,082.90)
11/14/24	Buy	UBER	5	\$72.04	(\$360.20)
11/14/24	Buy	IGSB	10	\$51.85	(\$518.54)
11/7/24	Sell	AMD	3	\$146.56	\$439.67
11/7/24	Sell	CALM	20	\$90.48	\$1,809.55
9/26/24	Buy	ET	48	\$16.22	(\$778.32)
9/9/24	Buy	VOO	1	\$500.70	(\$500.70)
8/29/24	Sell	SMCI	1	\$441.00	(\$440.99)
7/11/24	Buy	HOLX	3	\$76.62	(\$229.85)
7/9/24	Buy	ABBV	3	\$165.26	(\$495.78)
7/9/24	Buy	MSFT	3	\$464.47	(\$1,393.40)
7/9/24	Buy	HOLX	5	\$74.18	(\$370.88)
7/9/24	Buy	AMD	3	\$177.60	(\$532.80)
4/26/24	Buy	ABBV	5	\$159.61	(\$798.04)
4/26/24	Sell	SMCI	2	\$836.00	\$1,671.98
4/26/24	Buy	SPLB	10	\$22.07	(\$220.70)
4/26/24	Buy	FALN	20	\$26.25	(\$524.90)
3/5/24	Sell	SMCI	2	\$1,033.94	\$2,067.86

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# Industry Coverage and Holdings

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## Fund I, Equity Portfolio

### Technology

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#### Overview –

The Technology Sector has shown strong performance through its continuous innovation in fields like AI and cloud computing. As we approached the end of 2024, the S&P 500 Communication Services and Information Technology index was up more than 40%, indicating a strong year for tech stocks, especially following a substantial gain of 57% in 2023.

Market analysis throughout the past year reveals a notable increase in the market capitalization and earnings of major technology companies, showing consistent growth across various indicators like earnings and price-to-earnings ratios from early in the year onward. This growth trajectory underscores the sector's resilience and ongoing appeal to investors.

AI stocks have been significant contributors to the sector's success, with companies like Nvidia showing outstanding performance. This trend is expected to continue as AI technology evolves and expands into new applications. Overall, the technology sector's strong performance is part of a broader trend of significant gains across the stock market, suggesting a robust economic backdrop and investor confidence in technological advancements as critical drivers of growth. This performance sets a positive outlook for the technology sector moving forward into 2025, with expectations for continued strong earnings growth and market influence.

The sector's robust performance can also be attributed to broader market dynamics where technology, and AI in particular, continues to play a critical role in enabling digital transformations across various sectors. This has led to AI being a key focus for investment, not just from tech companies, but also from businesses looking to integrate advanced AI capabilities into their operations. As we move into the new year, the Technology sector continues to hold some of the strongest positions in the market including the top four companies of the S&P 500 (Microsoft, Apple, Nvidia, and Alphabet Class A and C). Expectations of strong performance from these companies and the sector overall continue to hold strong with the advancements in each subsector of the industry.

#### Securities:

- **OKTA INC. (OKTA)** is a San Francisco-based identity and access management firm. Okta provides cloud services to companies and assists them with user authentication, web services, and other management controls to assist businesses. OKTA has seen a slight decrease in price since the initial investment of -12%, but the company has shown consistent growth in past years, expanding its customer base from 15,000 in 2021 to 17,600 in 2022. This upward trajectory reflects the company's robust market penetration, business expansion, and potential for future opportunities,

underlined by its revenue generation through customer subscriptions. The company's success is further underscored by its ability to attract significant clientele, particularly large organizations, setting it apart from its primary competitor, Microsoft, due to its superior product offerings. A key strength lies in its customer retention strategy, contributing positively to net income margins. Looking ahead, the company anticipates improving revenue gross margins by leveraging economies of scale. Future growth plans include an emphasis on expanding the customer base, reducing operating margins, and pursuing strategic acquisitions.

- **DOLBY LABORATORIES (DLB)** create audio and image technology for entertainment in cinemas. DLB always produces DTV transmissions and devices, mobile devices, home entertainment services, home devices, and many more. The various products allow DLB to have steady and diverse revenue streams. DLB is the fund's largest investment in the technology industry and the third largest in the portfolio. The fund has seen a great upside of 166% since our initial investment. While the YoY growth for Dolby's expectations is looking to contract, the business operations are expected to improve with an increase in margins from 29.2% to 36.5%.
- **GENASYS. (GNSS)** produces critical communications hardware and software solutions to create notifications, and instructions for public safety threats and important business events. GNSS has had a weak performance in the industrial sector with a 56% decrease in price due to consecutive losses and missed earnings. GNSS is expected to increase earnings in 2024 and 2025 to become positive. The company expected top-line growth to come from increased marketing efforts and expanding into new markets. Sales are expected to come directly from the government and agencies that want to integrate the Genasys systems. Expansion of sales with the U.S. military also allows for new opportunities.
- **MICROSOFT (MSFT)** is a global leader in the software market and services including its Windows platform, Microsoft 365 suite, and most recently, its Azure AI Studio cloud-based platform. The fund has seen a very small negative return since our purchase in July of 2024. At a purchase price of \$464.46 per share, the fund expects to see continued growth, with analyst ratings reaching a target value of \$490 per share. Microsoft's continued expansion into the realm of AI poses a strong indicator of its growth, even while being such a large company. Recent partnerships with OpenAI, Accenture, and NVIDIA also show Microsoft's drive of expansion into the realm of AI, which continues to be a growing industry.
- **UBER TECHNOLOGIES (UBER)** is the global leader in rideshare technologies, with additional services including food delivery and freight transport. Uber's most recent increase in profitability has put them in the net positive, showing their rapid increase in business across the globe. Lowered personal vehicle ownership has also been prevalent, causing an increase in the use of rideshare apps. With a purchase price of \$72, we estimate Uber to continue to grow in share price, with analyst predictions sitting at a target value of \$89. Uber continues to promise large future growth with their continued use of surge pricing, and high demand for rideshare.

## Industrials

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### Overview –

The Industrials experienced a year of strong performance, although it encountered some fluctuations that slightly lagged the broader market performance. The sector started the year strongly, matching the pace of the S&P 500 through the end of April, but saw some underperformance in May and June. However, it rebounded strongly in July and maintained relative gains for the remainder of the year. This was influenced by a mix of optimism about potential economic soft landings and substantial infrastructure projects, contrasted with concerns over weaknesses in manufacturing surveys and high stock valuations.

Significant trends throughout the year included a push for reshoring manufacturing to the U.S. due to geopolitical risks and a shift towards domestic infrastructure investment spurred by various government policies such as the Inflation Reduction Act, the Infrastructure Investment and Jobs Act, and the CHIPS Act. These movements are seen as likely to continue driving demand within the sector, especially for companies involved in construction and manufacturing related to these initiatives.

The industrial market also benefited from ongoing trends in aerospace, where an aging air fleet has increased demand for parts and maintenance. This is particularly beneficial for companies involved in the supply and repair of aircraft components. The U.S. industrial market also showed positive demand and improved supply fundamentals through the third quarter of 2024. Despite a projected decrease in the construction pipeline, which is expected to hit five-year lows by year-end, overall conditions were supportive of a gradual market equilibrium. The fund claims a diverse number of holdings in a multitude of subsectors including construction and engineering, aerospace, building products,

### Securities:

- **APOGEE ENTREPRISES, INC. (APOG)** is a leader in architectural products and services for buildings, and high-performance glass. The company operates in four segments: Architectural Framing Systems, Architectural Services, Architectural Glass, and Large-Scale Optical Technologies. APOG has seen strong returns of a 26% increase since the initial investment. APOG is expected to increase its earnings in 2024 and then to remain stable in 2025. The company has seen a significant increase in operating income from 2022 to 2023 due to a high impairment expense and restructuring charges seen on the 2022 financials. Overall, APOG has positioned itself better in 2023 with costs and expects the growth to continue into 2024.
- **APTIV PLC (APTIV)** is based in the automotive technology industry and produces various parts for vehicles. The company operates under the Signal and Power Solutions segment and the Advanced Safety and User Experience segment. APTV was recently purchased in March of 2023 but has seen weak performance since the initial investment. The weak performance can be seen due to the constrained demand for EVs as well as the UAW strikes that affected the whole automotive industry. We see future growth for APTV as the market may have mispriced the company. The company is expected to have growing earnings in the coming years.

- **MOSAIC CO. (MOS)** is one of the largest producers of phosphate and potash which are primarily used for crop nutrition and animal feed. The company operates internationally, producing approximately 75% of sales internationally. MOS has remained relatively stable with a 2.6% increase since our initial investment. MOS has performed weak YTD with a 23.72% decrease in price. This is primarily due to the falling earnings in 2023 and the missed earnings in Q4 of 2022. MOS earnings are expected to stabilize in 2024 and 2025. Supply chain disruption and the volatility in commodity prices such as steel, copper, and plastic have caused price spikes leading to diminishing earnings.
- **ENERSYS (ENS)** operates through three business segments: Energy Systems, Motive Power, and Specialty. ENS provides stored energy solutions for industrial companies. ENS is our best-performing security in the industrial sector with a 242% increase since the initial investment. ENS has beaten its earnings for the past two quarters and Analysts expect their earnings to continue growing in the coming years. These expectations arise from growing EBITDA with an improvement in their margins. ENS is trading in the middle of its 52-week range, which provides a further positive outlook on the potential to grow.
- **BOEING CO. (BA)** is the largest producer of aircraft. The company's clients include many of the largest airlines in the world. BA was one of our most recent investments with the initial purchase in November 2023. Security has seen a 20% increase YTD and the primary cause for this growth is the rise in commercial jet deliveries. Boeing is expected to deliver 520 commercial jets in 2023, which is a 10% increase from the year prior. Moving forward, Boeing maintains a backlog of 6,000 airplanes valued at over \$440 billion. Additionally, Boeing recently secured a massive new order for its 777X from Emirates, reassuring concerns surrounding the viability of this new design.
- **LEAR CORPORATION (LEA)** is a global leader in automotive technology that provides electronic systems and seating for major automakers around the world including GM, Ford, and Stellantis. Since our initial investment in December of 2023, Lear has performed weakly compared to our other investments in the industrials sector due to the decrease in demand for automobile electronics, as well as automobiles in the United States. We expect growth from Lear in 2025 as auto manufacturers continue to increase their sales to large auto manufacturers through a better economic climate since the Covid 19 pandemic.

## Healthcare

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### Overview –

The Healthcare Sector faced challenges primarily within the Biotechnology and Healthcare Services subsectors. Biotechnology struggled with regulatory pressures, rising interest rates, and a volatile drug pipeline, which collectively dampened growth prospects and heightened volatility.

In the Healthcare Services subsector, profitability was impacted by rising Medicare Advantage claims, margin compression in retail pharmacy, and challenges related to Medicaid coverage in multiple states. These factors contributed to significant headwinds for the sector. In Pharmaceuticals, the sector experienced

widespread revenue pressures due to patent expirations for several blockbuster drugs, although some recovery was observed from the successful launch of new treatments. However, ongoing healthcare reforms and pricing pressures created persistent headwinds, limiting top-line growth.

On the other hand, the Medical Technology subsector was the standout performer, driven by increased demand for surgical and diagnostic equipment as elective procedures rebounded post-pandemic. This growth was supported by innovations in minimally invasive surgical tools and diagnostic imaging, which saw strong adoption rates.

The portfolio currently reflects an overweight position in Biotechnology and Healthcare Services, focusing on high-growth opportunities but with increased exposure to regulatory and market risks. Conversely, it remains underweight in Pharmaceuticals and Equipment & Supplies, emphasizing a cautious approach in areas facing significant pricing pressures and competition. Looking ahead, we aim to rebalance our allocation to capture stability in Medical Technology and capitalize on emerging opportunities within Pharmaceuticals.

### Securities:

- **CELLECTIS (CLLS)** is a clinical-stage French biotech company, that utilizes proprietary gene-editing technologies. Purchased in March 2023, the investment has seen a 11% decrease in our portfolio in 2024. Over the past year, Cellectis has faced a significant stock price decline, with a 1-year change of -41%. This downturn reflects the inherent volatility of the biotech sector and the challenges faced by companies advancing cutting-edge therapies, including high R&D costs, delays in clinical trials, and navigating complex regulatory landscapes. Additionally, the stock has suffered from excessive selling pressure, pushing it into oversold territory. These factors combined have overshadowed the company's potential, contributing to its underperformance in 2024.
- **CVS (CVS)** is a multi-service healthcare solutions company that operates internationally. The company is extremely diversified across the healthcare space with Health Services, Health Care Benefits, and Pharmacy & Consumer Wellness Segments. Since the initial investment in March of 2023, yielding a 39% decrease in our portfolio in 2024. The security has seen relatively weak performance YTD because of CVS Health's stock has declined in 2024 due to challenges such as declining profit margins in retail pharmacies, rising Medicare Advantage claims, and Medicaid pressures across multiple states. Additionally, CVS has faced headwinds from three consecutive earnings guidance cuts, a CEO change driven by shareholder Glenview Capital, an FTC lawsuit over insulin prices, and the potential need for a premium deficiency reserve if medical costs remain high.
- **ADDUS HOMECARE CORPORATION (ADUS)** provides at-home healthcare services to clients in three segments: personal care, hospice, and home health. The primary driver of revenue comes from the personal care segment. ADUS continues to grow its business operations organically as well as inorganically through acquisitions. ADUS is up 23% since the initial investment. Addus HomeCare's growth in 2024 has been driven by strategic acquisitions, such as Tennessee Quality Care, which expanded its patient reach, and by a robust personal care segment, which accounts for

74.1% of its business and grew 9.3% in same-store revenue in Q1. Additionally, the hospice segment contributed with a 5.8% organic revenue increase in the same quarter.

- **STRYKER CORPORATION (SYK)** is our largest holding in the healthcare sector and the largest in the overall portfolio. The fund has seen a 461% increase in equity since our initial investment, which has been our largest return since inception. The company's three business segments are Orthopaedics, MedSurg, and Neurotechnology & Spine. Stryker is well-poised for growth, backed by a robust robotic arm-assisted surgery platform, Mako, and a diversified product portfolio. Its prospects seem promising on the back of strong customer demand for its existing products as well as new launches. Stryker's recent acquisitions also raise optimism about the stock.
- **HEALTHERQUITY (HQY)** is focused on providing technology-enabled services for healthcare and spending decisions. HQY was purchased in March 2023 and has seen an upside of 68% since the initial investment. Recent growth has been seen this past year with three consecutive quarters beating EPS estimates for 2024. The stock is expected to grow into 2025 primarily due to its strong growth trajectory, consistently beating earnings estimates, and positive trends in the HSA market, which is its core business, leading to increased revenue and earnings per share expectations for the current fiscal year.
- **ABBVIE INC. (ABBV)** is a global biopharmaceutical company that focuses on the research and development of drugs to treat serious health conditions. Since the purchase of AbbVie in July of 2024, we have experienced a price increase of 10%. This growth is seen through a variety of factors from the company including the continued growth of their drug pipeline. Drugs such as Skyrizi and Rinvoq that are both used to treat diseases such as psoriasis, arthritis, and Crohn's disease, have continued to be successful products in the pipeline. The stock currently sits at \$179 per share, with analyst estimates reaching a price target of \$211, a price we expect AbbVie to reach with their continued research and production of advanced therapies.
- **HOLOGIC INC. (HOLX)** is a global leader and medical technology company that develops and manufactures products that target the improvement of women's health and well-being. Hologic was purchased in July of 2024 at a price of \$75.40 per share and has seen a downside of roughly -4% since the purchase date. In October of 2024, Hologic announced the acquisition of Gynesonics, a developer of minimally invasive solutions for women's health. This acquisition leads us to the expectation of continued growth from the company as it expands into personal treatment and minimally invasive solutions for women's health.
- **INTUITIVE SURGICAL (ISRG)** specializes in providing robotic-assisted surgical solutions and minimally invasive care through a comprehensive ecosystem of products and services. Its flagship offerings include the da Vinci Surgical System and the Ion Endoluminal System, which have revolutionized surgical procedures across a range of specialties. Purchased in November 2024, ISRG has seen a small downside of 4% since the initial investment. However, its strong growth prospects are fueled by an expanding base of da Vinci systems, rising recurring revenue from instruments, accessories, and maintenance, and an 18% growth in procedure volumes in 2024.

Recent achievements, including FDA clearance for the da Vinci 5 system, underscore its innovation and position ISRG for long-term growth in sales and earnings.

## Consumer & Retail

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### Overview –

The Consumer and Retail Sector faced a mixed performance, with some subsectors benefiting from consumer trends, while others encountered significant headwinds from inflationary pressures, changing consumer behavior, and supply chain challenges.

In the Apparel & Retail subsector, the industry faced significant headwinds primarily due to persistent inflationary pressures, rising material costs, and ongoing supply chain disruptions. Consumers, facing economic uncertainty, shifted spending toward more affordable or casual options, leading to reduced demand for higher-end apparel and accessories. Additionally, the continued growth of e-commerce and direct-to-consumer sales partially offset the struggles of brick-and-mortar retailers, although the profitability of traditional retail outlets was impacted by increased operating costs.

The Food Products subsector performed relatively well, with strong demand for staple items and protein products supporting revenue growth. However, rising input costs, including labor and raw materials, led to margin pressures for some companies. Additionally, regulatory changes around food safety and sustainability standards affected certain segments of the industry, creating additional operational complexity. Despite these pressures, the overall food products market remained resilient, benefiting from higher consumer spending on essentials and the ongoing recovery of the foodservice sector.

In the Consumer Electronics subsector, the year was marked by a cooling in demand following the pandemic-driven surge in gaming and tech product sales. The industry struggled with oversupply and a slowdown in consumer discretionary spending, particularly on high-end gadgets and gaming peripherals. The increasing competition from both established players and new entrants also put pressure on margins. However, certain segments of the consumer electronics market, such as home office equipment and content creation tools, saw continued demand as remote work and digital content creation remained prominent trends.

The Airlines subsector experienced a strong recovery in 2024, driven by an ongoing rebound in both domestic and international travel. Higher demand for air travel, particularly leisure travel, helped airlines post strong revenue growth. However, the sector faced challenges from rising fuel prices, which put pressure on operational costs, as well as ongoing labor negotiations and staffing shortages that affected service levels. Despite these issues, airlines benefitted from higher ticket prices and greater passenger volumes, contributing to a favorable overall performance for the subsector.

Overall, the Consumer and Retail Sector's performance in 2024 reflected a dynamic environment, with inflationary pressures, changing consumer preferences, and supply chain disruptions weighing on certain subsectors. While some areas like food products and airlines showed resilience, apparel, retail, and consumer electronics faced a mix of demand volatility and operational challenges. Moving forward, we aim

to adjust the portfolio to capitalize on subsectors with more stable growth, such as food products and airlines, while maintaining caution in the areas of apparel and consumer electronics, where market conditions remain uncertain.

### Securities:

- **G-III APPAREL GROUP, LTD. (GLL)** focuses on designing, marketing, and sourcing women's apparel, along with a wide range of accessories and bags. The company operates in two key segments: Wholesale, which drives the majority of its revenue, and Retail, which includes its branded stores. The firm's diverse portfolio features well-known brands such as DKNY and Karl Lagerfeld, as well as licensed brands. Since the initial investment, GLL has delivered outstanding performance, with a 169% increase, reflecting strong operational execution and growth in consumer demand. Recent strategic moves, including its increased investment in All We Wear Group, aim to expand its global footprint and strengthen its position in the fashion industry. These efforts, coupled with robust financial performance, highlight the company's potential for continued growth.
- **CAL-MAINE FOODS (CALM)** is a leading producer and distributor of shell eggs, catering to both national and regional grocery stores. As the largest egg producer in the U.S., CALM has a significant market share, enabling it to capitalize on increased demand and price fluctuations. The company has benefited from high demand for eggs, a cost-effective protein source, especially during economic uncertainty, which has driven consistent sales. Additionally, recent outbreaks of avian influenza have reduced the national egg supply, pushing prices higher and further benefiting CALM. Strategic acquisitions have also bolstered its market position and production capacity, while a diversified product line, including conventional, cage-free, organic, and pasture-raised options, allows CALM to meet a range of consumer preferences. Since our initial investment, CALM's stock has experienced a 161% price increase and now constitutes 7.3% of our portfolio.
- **CORSAIR GAMING, INC. (CRSR)** designs and produces components for personal computers, with two main business segments: Gamer and Creator Peripherals, and Gaming Components and Systems. Despite its position in the gaming and PC hardware market, Corsair has underperformed compared to other consumer and retail sector investments, with a decline of 80% since our initial investment. The company has faced decreased demand for high-end gaming peripherals and signs of market saturation in the gaming PC sector. Economic factors and disappointing earnings reports showing a drop in revenue and profits have contributed to this decline. However, analysts expect earnings growth through 2026, driven by stronger top-line performance from ongoing increases in gaming engagement and the introduction of new high-performance hardware. As technology continues to advance in the gaming industry, the demand for powerful hardware is anticipated to rise, offering growth potential for Corsair.
- **DELTA (DAL)** is an airline company that allows for the scheduled air transportation of passengers and cargo. Delta was purchased in November of 2023 and has since seen a 64% return. In 2024, Delta has delivered strong performance, with significant revenue growth, improved operating

margins, and robust international demand, particularly on transatlantic routes. Despite a July IT disruption that led to over 7,000 flight cancellations, Delta remains a leader in the industry, known for its high operational efficiency and strong financial results. Investor optimism surrounding the airline's recovery and growth prospects has driven a rebound in Delta's stock.

## Financial Services

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### Overview –

The Financial Sector experienced a mixed performance shaped by monetary policy, credit conditions, and technological advancements.

The Banking subsector benefited from higher interest rates, which boosted net interest margins, but faced challenges with slowing mortgage lending and competition from fintech's. Economic uncertainty dampened loan demand early in 2024, though improved confidence supported lending later in the year. Heightened regulatory pressures and the push for digital transformation added costs. In 2025, stabilizing interest rates may spur loan growth while tighter credit standards could temper expansion. Banks are expected to focus on technological investments to remain competitive, with increased M&A activity likely as smaller institutions face cost pressures.

Investment banking faced a challenging 2024, with reduced M&A activity and subdued IPO markets. Asset management saw steady interest in ESG-focused investments but experienced margin compression due to competition from passive investment vehicles. Looking ahead to 2025, improved economic conditions may drive corporate deal-making and IPO activity, while asset managers are likely to continue focusing on ESG strategies. Operational efficiency and innovation will remain crucial to counter competitive pressures.

The payments and Financial Technology sector grew steadily in 2024, supported by rising e-commerce and digital payment adoption. However, competition and regulatory changes around data privacy impacted margins. For 2025, fintech growth is expected to accelerate with expanding real-time payments and AI-driven fraud prevention technologies. Emerging markets will provide key opportunities, though regulatory challenges and geopolitical risks may persist.

Overall, the Financial Sector in 2024 reflected the interplay of rising interest rates, regulation, and technological transformation. In 2025, stabilizing rates and a recovery in corporate activity are expected to support growth, particularly in fintech. We aim to strengthen exposure to resilient subsectors like payments while maintaining caution in rate-sensitive banking segments.

### Securities:

- **HUNTINGTON BANCSHARES (HBAN)** is a bank holding company that provides commercial and consumer banking services, mortgage services, and various financing services. HBAN is our largest holding in the sector. The security has performed well since the initial investment with a 69% increase in price. It has had a good performance this year with a 27% increase YTD. In 2024, the bank has demonstrated solid financial performance, driven by steady loan growth, improved

net interest margins, and strong customer demand for its services. Despite broader economic uncertainty, HBAN has maintained a stable position within the banking sector, benefiting from its diversified business model and strong capital position. Investor confidence in the bank's resilience and growth prospects has helped boost its stock price.

- **LAZARD LTD. (LAZ)** is a financial advisory and asset management firm. The financial advisory segment leads a wide clientele of corporations, partnerships, government, and individual clients. LAZ has had a 65% return since the initial investment. Lazard has experienced impressive growth in 2024, driven by a resurgence in mergers and acquisitions, with a 39% increase in financial advisory revenue. This surge in dealmaking has been fueled by favorable market conditions, including an anticipated rise in IPO activity and the potential for rate cuts in 2025, which could further stimulate business transactions. Under the leadership of CEO Peter Orszag, Lazard has also focused on operational efficiency, leading to a 50% increase in total revenue. These factors, combined with investor optimism, position Lazard for continued success in the coming years, as more deals are expected in a favorable financial environment.
- **EVERTEC, INC (EVTC)** is a leading full-service transaction processing business in Latin America and the Caribbean. The Company is based in Puerto Rico and provides a broad range of merchant acquiring, payment processing, and business process management services. EVTC is our largest investment in the financial industry returning 109% since inception. In 2024, EVERTEC reported 10% growth in net income, driven by increased transaction volumes and digital payment services. The company launched the "Evertec One" platform, utilizing AI and blockchain to streamline payments, and acquired a payments tech company to expand its market reach. With the rise of digital payments, especially among the unbanked, EVTC is poised for continued growth.

## Utilities

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### Overview –

The sector saw steady demand throughout the year but grappled with rising costs, regulatory pressures, and the ongoing transition to cleaner energy sources.

The renewable energy industry continued to grow in 2024, spurred by government incentives and corporate commitments to sustainability goals. Investments in solar, wind, and battery storage expanded significantly, although rising material costs and permitting delays challenged project timelines and profitability. Looking ahead, the momentum in renewables is likely to accelerate further in 2025 as energy storage technologies advance and permitting processes improve. However, integrating these resources into aging power grids and addressing supply chain constraints will remain critical areas of focus.

Traditional utilities delivered stable performance in 2024, driven by the consistent need for energy reliability. Rising natural gas prices, aging infrastructure, and tightening emissions regulations, however, created operational and financial pressures. As companies transition to hybrid energy models incorporating both traditional and renewable energy, modernization and decarbonization efforts will

likely gain speed in 2025. Stabilizing gas prices may provide some relief, but stricter environmental standards and high modernization costs will continue to challenge traditional operators.

The water and waste management sector performed solidly in 2024, fueled by increased public and industrial demand for resource conservation and sustainability initiatives. The aging infrastructure required heavy investment, and rising concerns about water quality and recycling highlighted the need for innovation. In 2025, growth in this subsector is expected to be supported by government and corporate priorities around water resource management and recycling technologies. However, addressing higher infrastructure costs and evolving regulatory requirements will be essential to maintaining profitability.

The Utilities Sector in 2024 reflected steady performance amidst the dual challenges of rising costs and the transition to cleaner energy sources. In 2025, the sector is set to benefit from continued investments in renewables, infrastructure modernization, and sustainability initiatives.

### Securities:

- **ENERGY TRANSFER (ET)** is one of the largest midstream energy companies in North America. Energy Transfer focuses on the transportation of different forms of energy, with a focus on oil. The company manages over 130,000 miles of pipeline and infrastructure that moves oil and gas across the country. Energy Transfer was introduced to the fund in September of 2024, with a return of nearly 7% since the purchase date. The company continues to perform well with a recent release of Q3 growth of 12% YoY with an increase of crude oil and natural gas transportation demand.

## Fund II, Fixed-Income Portfolio

### Equity ETF's

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#### Overview –

The equity ETF section of the portfolio focuses on low-risk, steady-growth investments in funds tracking the top 500 U.S. companies. These ETFs have delivered strong returns, driven by robust performance in the technology sector and broad market growth. While these investments provide stability to the portfolio, future considerations include balancing sector exposure as market conditions evolve and exploring opportunities to enhance diversification.

#### Securities:

- **VANGUARD S&P 500 (VOO)** is Vanguard's passively managed fund that follows the top 500 U.S. companies. We currently hold only one share of VOO which was purchased in September of 2024 as a low risk allocation of cash to continue steady growth of the fund without creating significant risk. With bolstering growth in the technology sector, we see it as the driving force that continues to grow the S&P 500. The VOO has performed well with a 10.78% return since investing.
- **ISHARES CORE S&P 500 ETF (IVV)** is Blackrock's iShares fund that follows the top 500 large-cap U.S. companies. Like our fund's holding of VOO, this equity ETF is meant to bear low risk and steady growth within the fund. The fund currently holds 5 shares of IVV which were purchased before inception of the fund and have performed exceptionally well with an 84% return since the investment date.

### Government Bonds

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#### Overview –

The government bond section of the portfolio focuses on investing in funds that follow government-issued bonds which help reduce our overall portfolio risk. These funds hold a portfolio of bonds including, but not limited to, U.S. Treasuries, municipal bonds, and agency bonds. These bond funds come with a very high credit quality, which typically implies lower risk compared to corporate bonds. These government bond funds are considered a safer investment for the portfolio, particularly in volatile or uncertain economic climates. The fund currently only holds one government bond fund, but we plan to continue growing our investments in this form of fixed income in the near future.

#### Securities:

- **ISHARES 0-5 TIPS BOND ETF (STIP)** is invested in treasuries that mature within 5 years. 41% of the underlying bonds will mature within 3-5 years. The Bond ETF has a short duration of 2.35 years which allows us to maximize the current high interest rate environment. While maximizing the short-term returns, this investment allows us to be protected against near-term inflation.

## Corporate Bonds

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### Overview –

The corporate bonds section of the portfolio focuses on a balanced mix of investment-grade and high-yield bonds across varying maturities. This diversification provides stability through lower-risk, steady-growth investments while also capturing higher returns from riskier opportunities. The portfolio spans multiple sectors, including industrials, finance, consumer, and technology, ensuring resilience in different market conditions. By combining short-term, long-term, and unique strategies like fallen angel bonds, the corporate bond allocation supports both income generation and long-term growth potential.

### Securities:

- **ISHARES INTEREST RATE HEDGED HIGH YIELD BOND ETF (HYGH)** is primarily made up of high-yield securities with most of the bonds ranging from BB – CCC rated. The lower ratings on the various bonds allow the fund to seek opportunities for bond investments that return over 4%. HYGH is extremely diversified across sectors with the largest holdings in the consumer cyclical sector. Other large sector holdings include communications, consumer non-cyclical, energy, capital goods, and technology. The Bond ETF has returned 7.33% since our initial investments with the majority of the returns coming from earlier in the year.
- **VANGUARD CORPORATE BOND ETF (VCIT)** is comprised primarily of investment-grade corporate bonds with maturities of 5-10 years. The bonds range from ratings of A – BBB. The higher ratings are attributed to a steady growth of the fund through low-risk investments. The diversification of the fund includes holdings from the finance, industrial, and utility sectors, with 37%, 54%, and 8.8% allocation respectively. Since our initial investment, the bond fund has shown a return of 1.45%.
- **SPDR LONG TERM CORPORATE BOND ETF (SPLB)** is a long-term corporate bond fund run by State Street Global Advisors. All the bonds within the fund have a maturity of 10 years or greater, 54% of which are 20-30 years until maturity. The fund consists mostly of corporate bonds in the industrial sector, followed by finance and utility. Since our initial investment, SPLB has shown a return of nearly 5%, our second-highest return from fixed income within the fund.
- **ISHARES 1-5 YEAR CORPORATE BOND ETF (IGSB)** is a shorter-term corporate bond fund that is comprised mainly of corporate bonds within the financial sector, followed by consumer and technology. Most of these bonds hold a credit rating of BBB+ or greater, and a maturity of 5 years or less, with a majority being less than 3 years. This bond fund was purchased in November of

2024, and we expect its continued growth through a push in the financial services sector in the coming years.

- **ISHARES FALLEN ANGELS BOND ETF (FALN)** is a unique fund that seeks to expose itself to several high-yield bonds that had previously been rated as investment grade. The Fallen Angels Fund utilizes the opportunity of downgraded bonds that still pose high potential compared to the greater high-yield bond market. The fund holds nearly all of its investments with a rating of BB+ and lower. Since our investment in April of 2024, we have seen a return of 3.49%. We expect continued steady growth from this fund with its unique investment strategy and strong management team.

## Municipal Bonds

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### Overview –

The municipal bonds section of the portfolio emphasizes tax-advantaged income through investments in municipal debt securities. These bonds offer federal income tax exemptions, making them an attractive option for steady, tax-efficient returns. The portfolio has a significant market exposure in Florida and a focus on longer-term maturities of 15-20 years. This allocation provides a reliable source of income while contributing to the overall stability and diversification of the portfolio.

### Securities:

**MORNINGSTAR MUNICIPAL HIGH INC. BOND ETF (FMHI)** is a municipal bond fund that invests at least 80% of assets into municipal debt securities. These securities pay interest that is completely exempt from federal income tax. The fund has roughly 580 total holdings with a total market value of \$2.77 billion with many individual securities having a market value of over \$1 million. The fund has the greatest market exposure in the state of Florida and holds mostly bonds with a maturity exposure of 15-20 years.

# Fund Investing Process

## Fund I, Equity Portfolio

### Screening –

Associates and Analysts are expected to find large-cap securities of the S&P 500 that follow the growth investment strategy of the fund. To screen for potential investments meeting these criteria, managers seek to find future revenue growth, underlying industry trends, and potential markets to tap into.

### Analysis & Valuation –

After deciding which security to analyze, the associate or analyst is to conduct an analysis and valuation of the security. Initial expectations include building a three-statement analysis, all projected forward three years. This analysis sheds light on where the company is deriving its revenue and profits in the coming years, how the company is perceived from a liquidity standpoint, and how management is planning on

<i>Super Micro Computer (SMCI)</i>			
<i>Valuation Dashboard</i>			
<i>Company Specific Information</i>			
Company Name (TICKER):	Super Micro Computer (SMCI)		
	12 Months Ended May 31,		
<i>(USD In Millions, Except per Share Amounts)</i>	2023E	2024E	2025E
Revenues	\$ 9,489	\$ 11,572	\$ 14,470
Earnings before interest and tax (EBIT)	843	1,029	1,402
Net operating profit after tax (NOPAT)	709	861	1,165
Earnings before interest, tax, depreciation and amortization (EBITDA)	888	1,079	1,452
PV Unlevered Free Cash Flows	\$ 602	\$ 663	\$ 681
Expected cost of capital			10.6%
Terminal Value - EBITDA Exit Multiple Method			\$ 11,816
Exit Multiple Assumed (Based on RV)			11.0x
Terminal Value - Perpetuity Growth Method			\$ 8,102
Growth Rate Assumed			2.0%
Implied Price Per Share			330
Current Share Price			\$286.56
Expected gain/ loss			15.25%

returning capital to its shareholders. After the model is complete, the valuation is run. Fund managers create a discounted cash flow analysis (DCF) and a comparable company analysis to determine the appropriate intrinsic and relative valuation of the security, comparing whether it is over- or under-valued. A WACC analysis is also done to determine the proper discount rate for the DCF. The visual to the left demonstrates the dashboard of one of our recent investments, SMCI.

### Investment Committee –

Investment ideas are pitched to the Investment Committee, giving a well-researched opinion on proper entry, optimal holding time, and percentage of AUM for the investment. After further review, members of the Investment Committee vote on whether to invest. Pitches that have at least two votes are invested into by the Investment Committee, and all managers are alerted thereof. The committee also invests in securities that they find bullish, in effort to continue growing the fund organically.

### Entry and Exit –

The current diversification of the portfolio and the market conditions are two factors heavily considered for entry and exit. Market conditions and the current performance of the sector allow the Investment Committee to decide if more growth is viable in the sector and the security. The committee reviews the financial analysis of the security to determine the strength of the investment and after all valuations and analyses are completed, for an investment to be considered, the share price should show an 8% increase from the current price to reflect a proper growth investment. Companies that are to be investments should show opportunities for revenue growth as well as margin expansion. If an investment has been made, to determine an appropriate exit, we consider the suggested exit price recommended in the initial pitch. Just like the entry, we look at the current conditions in the market and examine where we think the security and sector are heading in the future. If we believe that there is future potential growth after reevaluating the security, we continue to hold. It is when we find the thesis no longer viable past or before the target price that we exit investments. Investments are reviewed on a semi-annual basis.

## Fund II, Fixed-Income Portfolio

### Screening –

Associates and Analysts are expected to screen for fixed-income holdings benchmarked to the Bloomberg Barclays AGG Index. Fund managers are given a wide range of criteria for the investment where they are allowed to find securities across municipal, treasury, and corporate bonds. GWF is currently investing in Bond ETFs only, so fund managers are not allowed to pitch singular bond investments. This is due to capital restraints coupled with higher liquidity of investments.

### Analysis & Valuation –

After the proper fixed-income investment is found, fund managers conduct an in-depth analysis and bond valuation on potential securities. Managers look for comparable securities and compare different traits of the securities compared to one another. Final analyses involve comparing the different returns of our investment to other investments within the benchmark. More specifically, fund managers compare the SEC 30-day yield, distribution yield, and dividend yield. Determining the underlying investments and the sector of the investments, the maturity of the bonds, and the duration of the Bond ETF is also crucial in the analysis of the security. Lastly, the current price versus the Net Asset Value (NAV) of the security is also considered when conducting the analysis to determine whether the Bond ETF is trading at a premium or discount, and the markets reasoning for such valuation. The analysis below is a compact example of the financial analysis that fund managers conduct when determining a fixed-income investment.

<i>Bond Data - Information for Analysis</i>								
<i>Source: TD Ameritrade, Prospectus</i>								
Bond Ticker	Price	Indicative Value	Assets	Shares	Net Asset Value	Yields		
						SEC 30-Day Yield	Distribution Yield	Dividend Yield
FLOT	\$50.49	\$50.54	\$7,700	145.5	\$52.92	5.74%	2.83%	3.23%
SHY	82.02	82.03	27,800	339.4	\$81.91	4.23%	1.61%	1.79%
FLRN	30.51	30.51	2,460	80.7	\$30.48	5.41%	2.79%	3.19%
BSV	76.45	76.48	37,480	490.0	\$76.49	4.48%	1.59%	1.67%
VRIG	24.81	24.80	537	21.6	\$24.84	5.76%	3.53%	3.91%
BIL	91.73	91.72	29,120	318.2	\$91.51	4.50%	1.97%	2.37%
AGG	99.56	99.59	88,090	889.0	\$99.09	3.92%	2.49%	2.59%
<b>Average</b>	<b>\$67.51</b>	<b>\$67.52</b>	<b>\$30,914</b>	<b>356.5</b>	<b>\$67.39</b>	<b>4.72%</b>	<b>2.33%</b>	<b>2.59%</b>
<b>Median</b>	<b>79.24</b>	<b>79.26</b>	<b>28460</b>	<b>328.8</b>	<b>79.20</b>	<b>4.49%</b>	<b>2.23%</b>	<b>2.48%</b>

### **Investment Committee –**

As with equity investments, ideas are pitched to the Investment Committee with a well-researched opinion on proper entry, optimal holding time, and percentage of AUM for the investment. After further review, members of the Investment Committee vote on whether to invest. Pitches that have at least two votes are invested by the Investment Committee, and all managers are alerted thereof. The committee also invests in bond ETFs that they find bullish, in an effort to continue growing the fund organically.

### **Entry and Exit –**

Nearly identical to equity investments, entry into and exit out of fixed-income investments is heavily dependent on current market sentiment and the rate environment. With the inverted yield curve beginning to shape back to normal, the duration and maturity of a fixed-income investment are crucial in deciding whether to enter and at what appropriate time. When looking at an investment, consider the fixed-income asset performed in the past and how the returns compare to the rate environment at the time allows the committee to consider how the security could perform in the future with where we see interest rates go. We look to maximize the returns in the fixed-income portfolio while maintaining a safe fund to stabilize the riskiness of the equity fund. To consider an exit from a fixed-income investment, we look at the initial pitch and reason with the thesis points. If the committee believes that we have maximized the returns of a fixed-income ETF we will exit the position as well if we believe that the thesis points no longer hold.

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## Fund Roles and Responsibilities

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### Investment Committee –

The Investment Committee (IC) is made up of four individuals who are responsible for managing the current investments, allocating capital, and hearing about new potential investments. All four members hear both fixed-income and equity pitches. For an investment to be made into the fund, at least 50% of the committee must approve. The committee considers the pitch, valuation of the security, current market conditions, and the diversification of the portfolio at the time. The committee will decide the amount of capital for new investments by determining the strength of the security, potential for growth, and associated risks. New investments brought in the fund range from 1% - 3% of AUM to ensure proper diversification. As we grow both Fund I and Fund II, we look to allocate 70% of capital towards the equity portfolio and 30% of capital towards the fixed-income portfolio. The committee is also responsible for staying up to date on all market trends and news to properly know when to enter and exit positions. We consider the individual who pitched the security and heard the exit price and investment length recommendation. When bringing in new securities, the current securities are evaluated to ensure a healthy balance in the portfolio. While conducting all necessary work for the fund to operate, the committee is also responsible for conducting all administrative work towards SIA and GWF while working alongside other finance organizations. The Investment Committee reports to the finance department and FMI for the performance of the fund.

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### Investment Associates -

The Associates in the fund are students who have been in the fund for at least one semester and have gone through the analyst boot camp. Associates are responsible for presenting potential securities to the Investment Committee at least twice a semester. One of the potential investments is working alongside an analyst. The two will work together with the Associates reviewing the financial modeling and analyses that pass through from the analyst to create a new pitch. The Associates act as the leaders and mentors to the analyst. Working together and reviewing the work of the analyst, they find potential investments to buy into and sell out of current holdings. Associates who have been involved in the fund for at least three semesters will have the opportunity to apply and join the Investment Committee.

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### Investment Analyst –

Analysts are new members of the fund. Analysts are responsible for working alongside an associate to create a pitch. The analyst will work on the financial modeling, analyses, and due diligence, staying in review with their paired associate to bring a potential investment to the Investment Committee. The Analysts are also responsible for attending all meetings and boot camps to allow for proper engagement in the fund and the ability to learn all necessary information. Finally, Analysts are responsible for reviewing the current portfolio holdings to gain familiarity with the fund and help draw attention to potentially outdated investments. After one semester inside the fund, successful Analysts get promoted to Associate.

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## Meet the Leadership Team

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### Investment Committee



***President of SIA, IC of GWF***

**Andy Majtara** is a Junior at the Broad College of Business, majoring in Finance with a minor in Computational Mathematics, Science, and Engineering. Andy spent this past summer with Calder Capital as a Summer Analyst. Previously, he also gained experience as an Accounting Intern at Comau. Next summer, he will intern with Deutsche Bank as an Investment Banking Summer Analyst in New York City.



***Vice President of SIA, IC of GWF***

**Brady Kraft** is a Junior at the Broad College of Business, majoring in Finance with a minor in Computational Mathematics, Science, and Engineering. Brady spent this past summer with Calder Capital as a Summer Analyst. Previously, he also gained experience as a Finance Intern at Tenneco. Next summer, he will intern with Moelis and Company as an Investment Banking Summer Analyst in New York City.



***Portfolio Manager, IC of GWF***

**Blake Griffith** is a Junior at the Broad College of Business majoring in Finance and a minor in Wealth Management. Blake spent his Freshman year summer at Raymond James on their Wealth Management team. Next summer he will be interning with JP Morgan as a Private Bank Summer Analyst in Grand Rapids.



***Portfolio Manager, IC of GWF***

**Sadie Dragon** is a Junior at the Broad College of Business, majoring in Finance with a minor in Computational Mathematics, Science, and Engineering. Sadie spent this past summer with FINNEA Group as an Investment Banking Summer Analyst. Previously, she also gained experience as a Wealth Asset Management Intern at UBS. Next summer, she will be with Barclays as an Investment Banking Summer Analyst in Chicago.

As the leadership team of GWF, IC remains committed to growing our portfolio by maintaining current positions and seeking new ones. We believe this is made possible through our breadth of experiences up to this point, coupled with our dedication to the fund and commitment to its success.

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## Meet the Fund Associates

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### Fund Associates



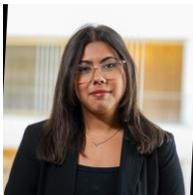
**Surush Kataev – ‘25**

**Experience:** Investment Banking Summer Analyst at Greenwich Capital Group, Treasury Analyst at Michigan State, Incoming Investment Banking Analyst at BNP Paribas



**Jack Gripton – ‘25**

**Experience:** Investment Banking Summer Analyst at Calder Capital, Investment Banking Summer Analyst at Houlihan Lokey, Incoming Full-Time Analyst at Houlihan Lokey



**Manasvi Jain – ‘25**

**Experience:** Automotive Industrial Summer Analyst at Alvarez and Marsal, Restructuring and Turnaround Summer Analyst at Alvarez and Marsal, Incoming Full-Time Restructuring and Turnaround Analyst at Alvarez and Marsal



**Nihal Gowda – ‘25**

**Experience:** Global Procurement Intern at Abbott, Private Equity Investment Summer Analyst at Ottawa Avenue Private Capital, Investment Banking Summer Analyst at William Blair, Incoming Investment Banking Full-Time Analyst at William Blair



**Ryan Smalley – ‘25**

**Experience:** Investment Banking Summer Analyst at Finnea Group, Private Equity Summer Analyst at Shore Capital Partners, Incoming Private Equity Full-Time Analyst at Shore Capital Partners



**Mac Chalem – ‘25**

**Experience:** Private Equity Summer Analyst at K2 Growth Partners, Investment Banking Summer Analyst with Amherst Partners



**Dylan Primeau – ‘26**

**Experience:** Wealth Management Intern with Edward Jones, Wealth Management intern with Waggoner Financial, Investment Banking Fall Analyst with Saber Advisors



**Luke Preston – ‘26**

**Experience:** Financial Accounting Intern with Fusion Education Group, Private Equity Summer Analyst with Auxo Investment Partners, Incoming Private Equity Summer Analyst for Lorient Capital



**Nicklas Birkle – ‘26**

**Experience:** Legislative Intern for Michigan House of Representatives, Consulting and Valuation Intern for Savills Portugal



**Carter Kelly – ‘26**

**Experience:** Investment Banking Summer Analyst for Donnelly Penman and Partners. Incoming Investment Banking Summer Analyst for PMCF.



**Parth Tiwari – ‘26**

**Experience:** Investment Banking Summer Analyst for Ambit Private Limited, Search Fund Analyst for Brightside Legacy.



**Ethan Chen – ‘27**

**Experience:** Equity Research Summer Analyst for IBF Securities, Private Equity Analyst for Brightside Legacy, Incoming Investment Banking Summer Analyst for Calder Capital



**Yash Reddy – ‘26**

**Experience:** Financial Planning Analyst for Axonics, Summer Analyst for The Sterling Group, Incoming Summer Investment Banking Summer Analyst for William Blair



**Shaurya Arora – ‘26**

**Experience:** Security Trading and Investor Relationship Intern for IIFL Securities, Student Accountant of Business and Financial Services for Michigan State University



**James DePorre – ‘26**

**Experience:** Summer Analyst with Seneca Partners, Incoming Investment Banking Summer Analyst at Finnea Group



**Cameron McClosky – ‘26**

**Experience:** Office Management Intern for Creative Exteriors



**Jiong Lei – ‘26**

**Experience:** Investment Banking Summer Analyst with Calder Capital



**John Hart – ‘26**

**Experience:** Investment Banking Research Analyst for PMCF Investment Bank, Private Equity Analyst with Rockbridge Growth Equity, Investment Banking Junior Analyst with Calder Capital, Incoming Investment Banking Summer Analyst with Piper Sandler



**Hai Le – ‘26**

**Experience:** Financial Analyst Intern with BIDV Securities, Financial Due Diligence Intern with KPMG, Venture Capital Fall Analyst with Edge Case Capital Partners, Summer Investment Analyst with MERS of Michigan

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## Meet the Fall 2024 Analyst Class

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**Nick Carlisle – '26**



**Matthew Thompson – '26**



**Brian Apple – '26**



**Gavin Koryto – '27**



**Boston Tuvell – '28**



**Dimitri Dimovski – '28**



**Alin (Tran) Nguyen – '28**



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**Green & White Fund Placement**

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**Deutsche Bank**



**Houlihan Lokey**

**J.P.Morgan**

PRIVATE BANK

**JPMorganChase**

**Moelis**

**P / W / P**

/ PERELLA WEINBERG  
/ PARTNERS



*William Blair*