# UNIVERSITY OF CONNECTICUT
# STUDENT MANAGED FUND

## Fall 2024 Portfolio Report

Undergraduate Student Managed Fund - Team Green

UCONN
SCHOOL OF BUSINESS


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# Letter to the IAB

Dear Members of the Investment Advisory Board and University of Connecticut Foundation,

We, Team Green, are honored to express our gratitude for the opportunity to participate in the esteemed Student Managed Fund (SMF) program at the University of Connecticut School of Business. This experience has significantly shaped our undergraduate journey and prepared us for future careers in finance.

Managing a portfolio exceeding $500,000 has been both a privilege and a profound responsibility. We have embraced this fiduciary role with the utmost diligence, recognizing the trust placed in us by the board. This responsibility has driven us to uphold the highest standards of integrity and professionalism in every decision we make. The program has provided a transformative platform to bridge classroom theories with real-world application, offering an invaluable opportunity to develop the skills required for success in the dynamic world of investment management.

Throughout the SMF program, we have undertaken complex challenges in portfolio management, financial modeling, and risk analysis, gaining a deep understanding of market dynamics and investment strategies. This experience also developed essential professional skills such as communication, leadership, and teamwork. The mentorship we have received from faculty, especially Blake Mather, and the guidance provided by members of the Investment Advisory Board have been integral to our growth.

In the accompanying report, we present a review of our portfolio's performance, investment strategies, and sector-specific analyses. This document highlights the rationale behind our decisions, the challenges we encountered, and the lessons learned throughout the program.

We are deeply grateful for the support provided by the Investment Advisory Board and the University of Connecticut Foundation. This program exemplifies the University's commitment to academic excellence and experiential learning, and it has played a pivotal role in our development as aspiring finance professionals.

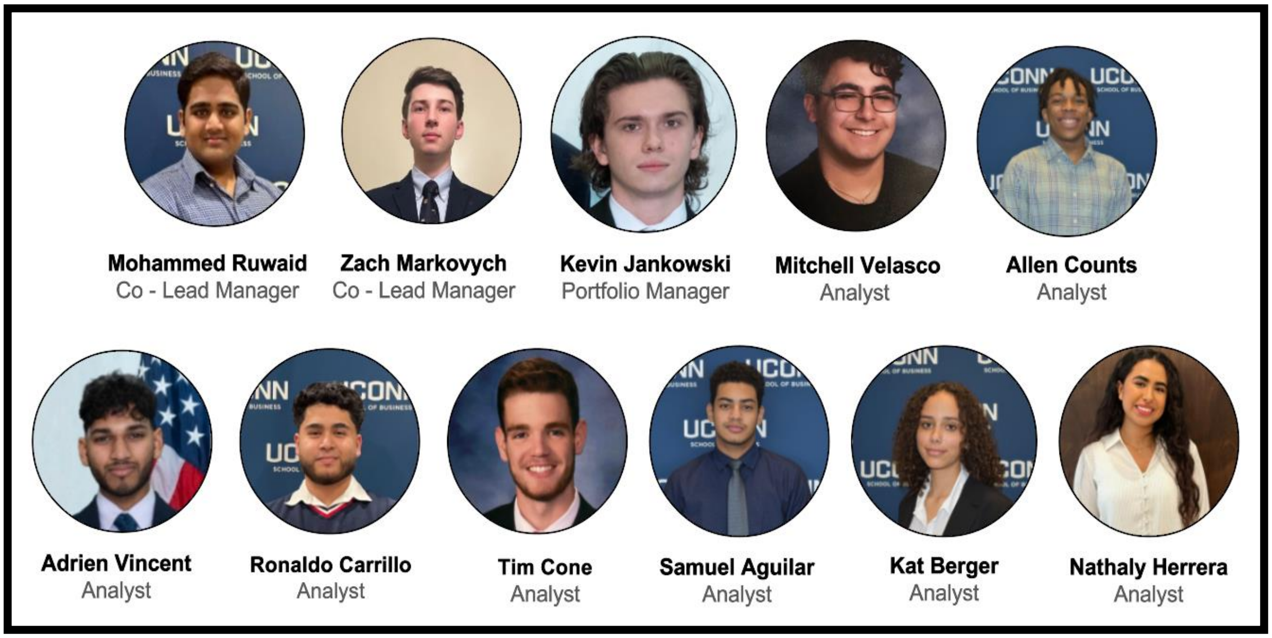
Thank you for your continued dedication to the success of the Student Managed Fund program. We look forward to your feedback and are committed to upholding the program's legacy of excellence.

Sincerely,

Team Green '24-'25

University of Connecticut School of Business

# SMF Undergrad Team Green '24-'25




Faculty Advisor: Blake Mather

Faculty Traders: Liping Qiu

## Sector Analysts

**Healthcare**: Sam, Ronaldo, Adrien

**Consumer Discretionary**: Kevin, Adrien

**Information Technology**: Allen, Nathaly

**Consumer Staples**: Tim, Kevin

**Utilities**: Zach, Mohammed

**Financials**: Ronaldo, Mitch, Allen

**Communication Services**: Mo, Tim, Kat

**Industrials**: Zach, Ronaldo

**Energy**: Kat, Nathaly

**Real Estate**: Allen, Zach

# Investment Approach

*Mission Statement*: Own quality businesses that deliver high returns on capital over time, acquired at attractive prices with a positive margin of safety.

*Portfolio Strategy*: Outperform the S&P 500 through superior stock selection, emphasizing a bottom-up approach with a 5–10-year time horizon.

*Investment Process*: We approach investing with a blend of thorough analysis, disciplined valuation methodologies, and a structured decision-making process:

1. Sector Overview & Screening
   - Analysts are assigned to specific sectors, conducting detailed reviews to identify attractive industries (e.g., financials: banking, payment processing, insurance; industrials: railroads, defense, waste management).
   - Perform equity screenings to generate a list of potential investments that meet initial criteria for profitability, growth, and value.
2. Qualitative Research
   - Focus on businesses with consistently high returns on invested capital, ample reinvestment opportunities, and the ability to maintain leading market positions.
   - Assess the quality of management, including their M&A track record and strategic alignment with shareholder interests.
3. Quantitative Analysis
   - Utilize Discounted Cash Flow (DCF) models with conservative assumptions to determine intrinsic value and establish a margin of safety.
   - Conduct relative analysis to compare valuation with industry peers.
4. Pitch & Decision
   - Analysts pitch the most compelling investment opportunities, presenting key qualitative and quantitative findings.
   - Final decisions are made through a voting process, with a focus on aligning with the portfolio's long-term objectives and mission.

*Voting Policy*: A quorum of eight members is required to vote. Decisions to buy or sell positions are based on a simple majority. When buying, position sizes are determined proportionally to the vote results. For sales, a majority vote leads to a full exit of the position.

*Risk Mitigation*: Managing risk is a cornerstone of Team Green’s investment approach. We continuously assess and adapt to changing market conditions, adjusting our models and assumptions as new developments arise. By staying informed about relevant news and market shifts, we ensure that our investment thesis remains robust and aligned with our long-term objectives, while also minimizing downside risk. This dynamic approach allows us to navigate market uncertainties effectively and preserve value for the endowment.

*Pre-Investment Risk Management*: We conduct sensitivity analysis to assess how changes in key assumptions impact the intrinsic value in our DCF models, ensuring a sufficient margin of safety to mitigate downside risks before making investment decisions.

*Post-Investment Risk Management*: We set stop-loss thresholds based on the underlying stock's historical volatility, which helps manage unsystematic risk. As new information and market conditions arise, we adjust our models and recommendations to reflect these developments, maintaining alignment with the investment thesis.

*Strategic Goals*:

1. Communicate available pitch options to the team in advance: To avoid presenting ideas unlikely to gain approval, we will share potential pitch options in advance. This ensures our efforts are focused on the options with the best chance of success.
2. Broaden the universe of stocks we consider: We aim to expand the scope of our investment ideas to include a more diverse range of stocks. Currently, eight out of our last ten pitches were large-cap stocks, so broadening our scope will help us diversify and balance risks.
3. Risk metrics and portfolio attribution: As we reduce exposure to the S&P 500 and increase allocations to our own investments, we will begin measuring key risk metrics and analyzing portfolio attribution. This will enable us to refine our decision-making process and enhance our risk management strategy.

# Portfolio Results

*Portfolio Construction*

Through our bottom-up fundamental strategy, we identified 10 promising stocks, ultimately selecting seven high-quality companies for our portfolio. Currently, 39.85% of the portfolio is allocated to these individual equity investments, while the majority remains in the S&P 500 as we continue to search for additional opportunities and bargains. Our portfolio consists of Visa, Amazon, Zoetis, Alphabet, The Hershey Company, Cheniere Energy Partners, Waste Management, and the S&P 500 ETF. While we aimed to reach a 50% allocation in equities this semester, we fell short due to changes in the prospectus. Specifically, restrictions on purchasing ADRs forced us to immediately sell Diageo and prevented us from acquiring ASML. However, moving forward, we aim to improve the consistency of pitches to ensure we stay aligned with our target allocation and pipeline objectives.

| Team Green Portfolio Overview | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Company | # of Shares | Avg. Fill Price | Current Price | Purchase Cost | Current Value | Weight | Total P/L | Return % |
| Diageo plc | 0 | $ 137.43 | $ 133.79 | $ 34,357.50 | $ - | 0.00% | $ (910.00) | -2.7% |
| Visa Inc. | 120 | $ 277.12 | $ 309.95 | $ 33,187.40 | $ 37,190.40 | 6.35% | $ 4,003.00 | 10.8% |
| Amazon.com Inc. | 242 | $ 185.99 | $ 197.18 | $ 45,009.58 | $ 47,703.04 | 8.14% | $ 2,693.46 | 5.6% |
| Zoetis Inc. | 181 | $ 182.39 | $ 176.40 | $ 33,012.59 | $ 32,029.76 | 5.47% | $ (982.83) | -3.1% |
| Alphabet Inc. | 146 | $ 174.86 | $ 165.15 | $ 25,528.89 | $ 24,054.96 | 4.11% | $ (1,473.93) | -6.1% |
| The Hershey's Company | 181 | $ 180.44 | $ 174.74 | $ 32,651.50 | $ 31,640.61 | 5.40% | $ (1,010.89) | -3.2% |
| Cheniere Energy Partners | 382 | $ 51.13 | $ 54.60 | $ 19,532.70 | $ 20,872.48 | 3.56% | $ 1,339.78 | 6.4% |
| Waste Management, Inc. | 177 | $ 218.26 | $ 225.86 | $ 38,619.61 | $ 39,720.57 | 6.78% | $ 1,100.96 | 2.8% |
| SPDR S&P 500 | 592 | $ 562.01 | $ 595.80 | $ 323,591.20 | $ 352,323.13 | 60.15% | $ 28,731.93 | 8.2% |
| CASH (USD) | | | | | $ 222.44 | 0.04% | | |
| | | | Beg. Balance | $ 551,133.47 | $ 585,757.39 | 100.00% | $ 34,623.92 | 6.28% |

Image 1. Snapshot of portfolio holdings

*Portfolio Results*

On November 22, 2024, the S&P 500 closed at $5,968.73, reflecting an unrealized gain of 6.09% for the fall semester. During this period, our portfolio delivered a gain of 6.28%, outperforming the S&P 500 by 19 basis points. While these results represent a short-term frame, we remain confident that our investments will continue to outperform over the long term by adhering to our investment philosophy and upholding our fiduciary responsibilities.

One of our strongest performers was Visa Inc., which delivered a return of 10.8% since its inclusion in the portfolio. Other notable top performers included Cheniere Energy Partners and Amazon. On the other hand, Alphabet was our worst performer due to a sharp, one-day decline following market overreaction to news about its antitrust case. Hershey also struggled, facing headwinds from a sales slowdown and a cocoa shortage.

Despite these challenges, we remain fully committed to our long-term strategy and investment thesis, confident in the resilience of our portfolio and its potential for success.

| Team Green's Relative Performance to SPY | | | | | |
|---|---|---|---|---|---|
| S&P 500 | | | TEAMS RETURN | | |
| Beginning Value | $ | 5,625.81 | Beginning Value | $ | 551,133.47 |
| Current Value | $ | 5,968.73 | Current Value | $ | 585,757.39 |
| Absolute Change | $ | 342.92 | Absolute Change | $ | 34,623.92 |
| % Change | | 6.09% | % Change | | 6.28% |
| Diffrence In Performance | | | 0.19% | | |
| SPY Beta | | 1.00 | Portfolio Beta | | 0.94 |

Image 2. Portfolio relative performance on last trading day

*Portfolio Risk and Return Metrics*

Risk management has been a cornerstone of our strategy, focusing on both minimizing volatility and maximizing returns. At the portfolio level, we achieved a beta of 0.94. While low-beta stocks were not specifically targeted, our diversified mix of holdings has resulted in lower overall volatility and higher returns. Notably, our portfolio outperformed the S&P 500 by 19 basis points this semester, demonstrating the effectiveness of our strategy. By maintaining disciplined investment practices and continuously assessing risk through various metrics, we aim to sustain strong performance while prudently managing risk.

Our stop-loss thresholds typically range from 15-25%, tailored to the historical volatility of each asset. This proactive approach accounts for industry-specific variations and allows us to mitigate idiosyncratic risk without triggering unnecessary exits during systematic market downturns, such as the S&P 500's average drawdown of 14.5%.

We also recognize the importance of reacting quickly to market updates and new information. Our models are constantly adjusted to incorporate relevant news, economic shifts, and company-specific developments. Whenever there are significant updates, our analysts promptly assess the impact. This allows us to make timely recommendations, which are then communicated to the team for evaluation. Regular team discussions ensure that new insights and adjustments are incorporated into our decision-making process, maintaining alignment with the portfolio's objectives while managing risk effectively.

# Economic Conditions & Factors

The current economic environment is marked by persistent inflationary pressures, elevated interest rates, and a generally stable macroeconomic backdrop. U.S. GDP continues to show strength, and unemployment remains low, supporting steady economic activity. While inflation is gradually cooling, certain sectors are still facing significant cost pressures. At the same time, rising bond yields and shifting political dynamics are influencing market conditions. These factors collectively shape the investment landscape and require us to continually assess risks and opportunities within our portfolio.

*Inflation Trends*: Inflation is gradually cooling, with the Consumer Price Index (CPI) nearing the Fed's 2% target. As of November 2024, U.S. inflation stands at 2.7% down from the 8% average in 2022. However, inflation remains sticky in certain sectors, particularly housing, insurance, and healthcare, where supply constraints and strong demand continue to exert upward pressure on costs. While these factors present challenges (e.g. cocoa shortage affecting Hershey), our portfolio companies' strong pricing power and operational efficiencies position them to weather these headwinds more effectively than others in the market.

*Political and Trade Factors*: The re-election of Former President Donald Trump for a second term is expected to lead to the continuation of the Tax Cuts and Jobs Act (TCJA), which should benefit corporate profits and economic growth. While proposed tariffs could add cost pressures, we do not anticipate a significant impact on our holdings, as they are minimally reliant on importing goods. Furthermore, the new administration's stance on energy may support the sector by reducing regulatory burdens, thereby benefiting our portfolio company, Cheniere.

*Rising Bond Yields*: Since the start of our trading period, the Federal Reserve implemented a 50bps rate cut in September and a 25bps cut in November. Despite this, U.S. treasury yields have increased significantly. The 10-year bond yield has risen 79 bps from 3.62% to 4.41%, and the 1-year yield has climbed from 3.97% to 4.41%. Markets anticipate gradual rate reductions in the coming years. However, our portfolio companies, with their strong returns on invested capital, are well positioned to withstand elevated discount rates.

*Market Valuations and Potential Risks*: Most conventional S&P 500 valuation metrics are above their historical average. While this increases the risk of multiple contraction, our investment models are designed to withstand lower exit multiples. We focus on high-quality companies with strong fundamentals, ensuring our portfolio remains resilient, regardless of broader market movements, and continues to outperform even if valuations correct.

# Performance & Analysis by Sector

| Energy | | |
|---|---|---|
| Top-down Sector Weighting of 3.25% | Weight Compared to Benchmark Overweight | Sector Analysts Kat and Nathaly |

The energy sector is comprised of three main industries: upstream (exploration and extraction of oil and gas), midstream (transportation of oil and gas, typically via pipelines), and downstream (refineries and gas stations). Of these, the midstream segment is the least sensitive to fluctuations in commodity prices, since companies act as toll takers, earning fees for transportation services.

Natural gas is critical to the global energy transition. According to the EIA, the shift from coal to natural gas-fired electricity accounts for 65% of the United States' decline in CO2 emissions. Demand for natural gas and LNG remains strong, particularly in China and India, as these nations work to transition from coal to gas. Despite its importance, the sector faces challenges, including overproduction, geopolitical risks, competition from renewables, and regulatory scrutiny.

Cheniere Energy Partners (CQP) is a midstream company that operates a natural gas export terminal in the United States. Over 95% of its supply is secured under 20-year take-or-pay contracts with investment-grade customers. These contracts ensure predictable revenue streams regardless of natural gas price fluctuations. The company's Sabine Pass terminal, the first of its kind in the U.S., offers a strategic geographic advantage and access to liquid North American energy markets, facilitating efficient global distribution.

Challenges for CQP include its reliance on a single terminal, high debt levels from infrastructure investments, and competition from renewable energy. However, Cheniere's cost-efficient production, strategic expansions, and proactive environmental measures support its competitive edge.

As a team, we identified CQP as a strong investment due to its predictable cash flows, high dividend yield (6.67%), and growth potential tied to LNG demand. While risks remain, such as regulatory scrutiny and competition, we believe its operational scale and stable contracts position it for long-term success. Overall, our selection reflects confidence in CQP's ability to navigate challenges and capitalize on evolving opportunities in the sector.

| S&P 500 vs Sector Index | | | |
|---|---|---|---|
| S&P 500 | | Energy - XLE | |
| Sep 13' 24 | $ 5,625.81 | Sep 13' 24 | $ 85.59 |
| Nov 22' 24 | $ 5,968.73 | Nov 22' 24 | $ 97.27 |
| Absolute Change | $ 342.92 | Absolute Change | $ 11.68 |
| % Change | 6.09% | % Change | 13.65% |
| Diffrence In Performance | | 7.56% | |

| Sector Index vs Positions | | | |
|---|---|---|---|
| Energy | | Company | |
| Nov 13' 24 | $ 94.51 | CQP | 6.4% |
| Nov 22' 24 | $ 97.27 | | |
| Absolute Change | $ 2.76 | | |
| % Change | 2.92% | Avg Return | 6.42% |
| Diffrence In Performance | | 3.50% | |

| Industrials | | |
|---|---|---|
| Top-down Sector Weighting of 7% | Weight Compared to Benchmark Underweighted | Sector Analysts Ronaldo & Zach |

The industrials sector is a key driver of global economic growth, encompassing industries such as aerospace and defense, transportation and logistics, manufacturing, commercial services and supplies, professional services, electrical equipment, construction and engineering. These industries collectively drive innovation, infrastructure development, and economic growth, making the sector integral to the broader economy.

Recent trends in the sector reflect a growing emphasis on sustainability and technological integration. Companies are increasingly investing in resource-efficient operations to meet stringent regulatory requirements and shifting customer expectations. Meanwhile, advancements in automation, artificial intelligence, and digital logistics are enhancing operational efficiency and competitiveness. The sector still faces challenges, including sensitivity to economic cycles, geopolitical uncertainties, and regulatory complexities.

Waste Management (WM) stands as the largest integrated provider of traditional solid waste services in the United States. The company commands a significant market share, operating 263 landfills, 332 transfer stations, and 97 material recovery facilities. WM enjoys a competitive advantage with its well-positioned disposal sites, while competitors incur higher transportation costs. The regulatory landscape, which has made landfill development nearly impossible, further supports WM's position as the largest waste services provider in the U.S. With strategic investments in recycling, renewable natural gas, and fleet modernization, WM is leading the way in sustainability. However, the company does face risks, including the volatility of recycled material prices, environmental regulation changes, and potential acquisition challenges, such as its recent purchase of Stericycle.

As the industrials sector continues to evolve, companies like WM are exemplifying how operational efficiency, environmental stewardship, and strategic investments can drive long-term value. With growing alignment around sustainability goals, the sector is well-positioned for transformative growth in the coming years.

| S&P 500 vs Sector Index | | | |
|---|---|---|---|
| S&P 500 | | Industrials - XLI | |
| Sep 13' 24 | $ 5,625.81 | Sep 13' 24 | $ 130.57 |
| Nov 22' 24 | $ 5,968.73 | Nov 22' 24 | $ 142.65 |
| Absolute Change | $ 342.92 | Absolute Change | $ 12.08 |
| % Change | 6.09% | % Change | 9.25% |
| Diffrence In Performance | | 3.16% | |

| Sector Index vs Positions | | | |
|---|---|---|---|
| Industrials | | Company | |
| Nov 20' 24 | $ 138.95 | WM | 2.8% |
| Nov 22' 24 | $ 142.65 | | |
| Absolute Change | $ 3.70 | | |
| % Change | 2.66% | Avg Return | 2.77% |
| Diffrence In Performance | | 0.11% | |

## Industrial Stocks Considered

| Financials | | |
|---|---|---|
| Top-down Sector Weighting of 12% | Weight Compared to Benchmark Underweighted | Sector Analysts Ronaldo, Allen, & Mitch |

The financial sector is essential to the global economy, encompassing banking, insurance, investments, payment processing, and financial technology. It remains stable, driven by long-term demand and the dominance of key players. Between August 30th and December 12th, the S&P 500 Financials returned 8.40%, fueled by strong earnings and favorable macroeconomic conditions. Key growth drivers include robust consumer spending, the rise of digital payment platforms, and the shift towards cashless economies, supported by stable interest rates and easing inflation.

However, the sector faces regulatory challenges, particularly in the U.S. and EU, including antitrust investigations, data privacy regulations, and compliance costs. Geopolitical instability, fluctuating exchange rates, and uneven post-pandemic recovery in emerging markets also present risks. Despite these challenges, the sector's adaptability and technological innovation position it for continued growth.

The global payment processing industry is expanding, driven by the shift to cashless transactions and technological innovation. With a CAGR of 19.03%, the market offers significant growth potential, particularly in the U.S. payment processing solutions market, which grows at 12.6%.

Visa, a leader in payment processing, operates the world's largest retail electronic payments network. The company generates revenue primarily from transaction processing fees, data analytics, and value-added services. Visa's global reach, brand recognition, and secure network (VisaNet) give it a competitive edge in the evolving digital payments space.

Visa's strong financial performance, driven by double-digit revenue and earnings growth, positions it well to capitalize on global trends like digital payments, e-commerce expansion, and emerging market adoption. The company's diversified revenue streams, strong balance sheet, and investments in fintech and blockchain support its continued growth and long-term value creation.

| S&P 500 vs Sector Index | | | |
|---|---|---|---|
| **S&P 500** | | **Financial Services - XLF** | |
| Sep 13' 24 | $ 5,625.81 | Sep 13' 24 | $ 44.51 |
| Nov 22' 24 | $ 5,968.73 | Nov 22' 24 | $ 50.73 |
| Absolute Change | $ 342.92 | Absolute Change | $ 6.22 |
| % Change | 6.09% | % Change | 14.0% |
| Diffrence In Performance | | 7.88% | |

| Sector Index vs Positions | | | |
|---|---|---|---|
| **Financial Services** | | **Company** | |
| Oct 9' 24 | $ 45.77 | Visa Inc. | 10.8% |
| Nov 22' 24 | $ 50.73 | | |
| Absolute Change | $ 4.96 | | |
| % Change | 10.84% | Avg Return | 10.8% |
| Diffrence In Performance | | -0.07% | |

| Healthcare | | |
|---|---|---|
| Top-down Sector Weighting of 11.75% | Weight Compared to Benchmark Underweighted | Sector Analysts Adrien, Ronaldo, & Sam |

The Healthcare sector is a cornerstone of the global economy, encompassing pharmaceuticals, biotechnology, medical devices, and healthcare services. The sector benefits from long-term demand driven by aging populations, increasing chronic diseases, and medical advancements. With an 11.75% weight in the S&P 500, Healthcare remains vital to a diversified portfolio. Our portfolio's exposure includes a 5.18% allocation to Zoetis (ZTS), leaving room to explore further opportunities within the sector.

The sector has exhibited steady growth, fueled by innovation and increased global healthcare spending. Key growth areas include biotechnology, with advancements in gene therapy and mRNA technology, and the medical device sector, which is driving innovations in minimally invasive surgeries and diagnostics. Additionally, telehealth and digital healthcare solutions are reshaping patient care delivery.

Despite its growth, the sector faces regulatory challenges, particularly in the U.S. and EU, including pricing pressures, rigorous clinical trial processes, and compliance with data privacy laws like HIPAA. Political debates around healthcare reform and drug pricing add uncertainty. However, non-discretionary demand for healthcare mitigates these risks.

Our investment in Zoetis provides exposure to the animal health market, for companion animals as well as livestock. Zoetis's diverse portfolio of vaccines, diagnostics, and therapeutics, combined with its focus on R&D and digital tools, positions it as a leader in addressing animal health needs. Its global presence in over 100 countries reduces reliance on any single market.

Zoetis aligns with broader Healthcare trends, including sustainability and precision medicine, exemplified by its initiatives to reduce traditional antibiotic use and improve diagnostics. This innovation supports the One Health approach, linking human, animal, and environmental health.

Though underweight in Healthcare, Zoetis adds diversification and stability to our portfolio. Its strong balance sheet, partnerships with veterinarians, and consistent revenue growth solidify its value. With a 6% allocation, we have room to capitalize on other opportunities, such as biotechnology and medical devices, targeting a total sector allocation of 11.75%.

| S&P 500 vs Sector Index | | | |
|---|---|---|---|
| S&P 500 | | Health Care - XLV | |
| Sep 13' 24 | $ 5,625.81 | Sep 13' 24 | $ 156.16 |
| Nov 22' 24 | $ 5,968.73 | Nov 22' 24 | $ 144.16 |
| Absolute Change | $ 342.92 | Absolute Change | $ (12.00) |
| % Change | 6.09% | % Change | -7.68% |
| Diffrence In Performance | | -13.77% | |

| Sector Index vs Positions | | | |
|---|---|---|---|
| Health Care | | Company | |
| Oc 29' 24 | $ 148.40 | Zoetis Inc. | -3.1% |
| Nov 22' 24 | $ 144.16 | | |
| Absolute Change | $ (4.24) | | |
| % Change | -2.86% | Avg Return | -3.07% |
| Diffrence In Performance | | -0.21% | |

## Communication Services

| Top-down Sector Weighting of 9.11% | Weight Compared to Benchmark Underweighted | Sector Analysts: Tim, Kat & Mo |
|---|---|---|

The Communication Services sector plays a key role in global connectivity, encompassing telecommunications, media, entertainment, and internet-based platforms. With a target weight of 9.11% in the S&P 500, it is a critical component of a diversified portfolio. Our portfolio holds Alphabet Inc. (GOOGL) at 4.11%, underweight relative to the benchmark.

The sector has been transformed by the rise of 5G, streaming platforms, social media, and cloud-based tools. AI has enhanced operational efficiency across the industry, improving customer service, content personalization, and network management. Despite privacy and ethical challenges, AI has become integral to sector innovation.

Robust growth in the sector is driven by expanding internet access, the rise of streaming services, and increasing digital advertising demand. Telecommunications companies are expanding 5G networks, while media and entertainment firms focus on original content to attract subscribers. Alphabet's dominance in digital advertising and leadership in AI and cloud computing positions it as a key player in this evolving sector.

Alphabet generates substantial revenue from digital advertising, particularly through Google Search and YouTube, and diversifies with Google Cloud. The company's investment in AI strengthens its competitive edge, although regulatory scrutiny, including data privacy and antitrust issues, may impact its growth. The firm is a strong representative of the sector, but our 4.11% allocation leaves room for opportunities in digital technologies, media, and telecommunications.

The sector faces macroeconomic risks, including fluctuating advertising budgets and foreign exchange volatility. However, ongoing consumer engagement and the essential nature of communication services help mitigate these risks. The expansion of 5G and increasing demand for digital content, along with emerging technologies like augmented and virtual reality, support continued sector growth.

In conclusion, the sector offers significant growth opportunities, and increasing our allocation would allow the portfolio to capitalize on its potential while leveraging Alphabet's strengths.

| S&P 500 vs Sector Index | | | |
|---|---|---|---|
| S&P 500 | | Communication Services - XLC | |
| Sep 13' 24 | $ 5,625.81 | Sep 13' 24 | $ 86.87 |
| Nov 22' 24 | $ 5,968.73 | Nov 22' 24 | $ 96.88 |
| Absolute Change | $ 342.92 | Absolute Change | $ 10.01 |
| % Change | 6.09% | % Change | 11.52% |
| Diffrence In Performance | | 5.43% | |

| Sector Index vs Positions | | | |
|---|---|---|---|
| Communication Services | | Company | |
| Nov 6' 24 | $ 95.40 | Alphabet Inc. | -6.1% |
| Nov 22' 24 | $ 96.88 | | |
| Absolute Change | $ 1.48 | | |
| % Change | 1.55% | Avg Return | -6.13% |
| Diffrence In Performance | | -7.68% | |

| Consumer Discretionary | | |
|---|---|---|
| Top-down Sector Weighting of 10.21% | Weight Compared to Benchmark Underweighted | Sector Analysts Kevin & Adrien |

In our portfolio, the Consumer Discretionary sector is represented by Amazon (AMZN), comprising 8.14% of the allocation, slightly underweight compared to the sector's 10.21% weight in the S&P 500. This sector includes industries dependent on discretionary consumer spending, such as retail, e-commerce, automotive, and leisure, with Amazon as a dominant player in e-commerce and cloud computing.

The sector has seen strong growth, driven by robust consumer spending, increased e-commerce adoption, and post-pandemic recovery. Between August 30 and December 12, the Consumer Discretionary sector returned 10.12%, reflecting resilient household spending, improving labor markets, and moderating inflation. Amazon, with its extensive product offerings and technological advantages, remains a central growth driver.

Amazon’s multi-faceted business model includes its retail operations and Amazon Web Services (AWS), which provide diversification. Technological innovations like AI-driven personalization and automated fulfillment centers further strengthen its market position. Prime membership expands customer loyalty and recurring revenue streams.

Despite its leadership, Amazon and the broader sector face challenges such as regulatory scrutiny, supply chain disruptions, and macroeconomic uncertainties. However, Amazon’s scale, innovation, and cost efficiencies mitigate these risks. The global e-commerce market, with a projected CAGR of 14.7% through 2028, offers growth opportunities, particularly in emerging markets.

Amazon’s competitive advantages, including its logistics network, product selection, and economies of scale, create a wide economic moat, ensuring continued market dominance. Over the past decade, Amazon has delivered strong revenue growth, supported by its global expansion and strategic initiatives.

In conclusion, the Consumer Discretionary sector, led by Amazon in our portfolio, offers significant growth potential driven by e-commerce, technological innovation, and consumer spending trends. Amazon’s resilience and ability to adapt to challenges position it as a strong player in this sector, aligning with our strategy to capture growth while managing risk.

| S&P 500 vs Sector Index | | | |
|---|---|---|---|
| S&P 500 | | Consumer Cyclical - XLY | |
| Sep 13' 24 | $ 5,625.81 | Sep 13' 24 | $ 192.48 |
| Nov 22' 24 | $ 5,968.73 | Nov 22' 24 | $ 218.10 |
| Absolute Change | $ 342.92 | Absolute Change | $ 25.62 |
| % Change | 6.09% | % Change | 13.31% |
| Diffrence In Performance | | 7.22% | |

| Sector Index vs Positions | | | |
|---|---|---|---|
| Consumer Cyclical | | Company | |
| Oct 16' 24 | $ 198.81 | Amazon.com | 5.6% |
| Nov 22' 24 | $ 218.10 | | |
| Absolute Change | $ 19.29 | | |
| % Change | 9.70% | Avg Return | 5.65% |
| Diffrence In Performance | | -4.06% | |

| Consumer Staples | | |
|---|---|---|
| Top-down Sector Weighting of 5.76% | Weight Compared to Benchmark Underweighted | Sector Analysts Kevin & Tim |

Our portfolio's exposure to the Consumer Staples sector is represented by Hershey's (HSY), which currently holds a 5.35% allocation, slightly underweight relative to the S&P 500's target of 5.76%. The sector, encompassing essential goods such as food, beverages, and household products, remains resilient due to steady demand, regardless of economic cycles. Hershey's, as a leader in the confectionery market, offers stability in both growth and defensive markets. We also previously held Diageo, which we sold due to it being an ADR.

Recently, the Consumer Staples sector has faced mixed performance, with inflationary pressures easing but ongoing challenges such as rising input costs, shifts in consumer preferences, and competitive pressures within the packaged food industry. Hershey's has underperformed in line with these challenges, reflecting the impact of higher raw material costs and evolving consumer spending habits. Nonetheless, the defensive nature of the sector supports steady demand.

Inflationary pressures on consumer goods and raw materials like cocoa, sugar, and dairy remain a risk for firms like Hershey, impacting margins. Additionally, regulatory scrutiny over product labeling, advertising, and health implications poses compliance challenges. To mitigate these risks, Hershey's employs strategies like hedging commodity risks, optimizing supply chains, and investing in sustainable sourcing initiatives.

Despite current underperformance, Hershey's remains well-positioned in the sector due to its strong market position, diversified product offerings, and strategic adaptability. The global confectionery market, particularly in emerging markets, continues to grow, presenting avenues for Hershey's expansion.

In conclusion, the Consumer Staples sector offers stability, with Hershey's serving as a key holding. While the position is currently down 5%, the company's robust brand equity and strategic initiatives position it for recovery and long-term growth. Reassessing position sizing to align more closely with the S&P 500's goal weight of 5.76% would optimize our exposure to the sector's resilience and benchmark performance.

| S&P 500 vs Sector Index | | | | | |
|---|---|---|---|---|---|
| S&P 500 | | Consumer Staples - XLP | | | |
| Sep 13' 24 | $ 5,625.81 | Sep 13' 24 | $ | 83.93 | |
| Nov 22' 24 | $ 5,968.73 | Nov 22' 24 | $ | 81.84 | |
| Absolute Change | $ 342.92 | Absolute Change | $ | (2.09) | |
| % Change | 6.09% | % Change | | -2.49% | |
| Diffrence in Performance | | -8.58% | | | |

| Sector Index vs Positions | | | | |
|---|---|---|---|---|
| Consumer Staples | | | Company | |
| Oct 4' 24 | $ | 81.47 | Diageo Plc | -2.7% |
| Nov 22' 24 | $ | 81.84 | Hersheys | -3.2% |
| Absolute Change | $ | 0.37 | | |
| % Change | | 0.45% | Avg Return | -2.97% |
| Diffrence in Performance | | | -3.42% | |

# Company One Pager Analysis Reports

**Index of Reports**

| | | | |
|---|---|---|---|
| **Diageo plc**<br>**NYSE: DEO**<br>**Sector: Consumer Staples**<br>**Industry: Alcoholic Beverages** | **Intrinsic Value: $ 154**<br>**Current Price: $ 133**<br>**Stop Loss: $ 108** | **TTM P/E: 19.23x**<br>**Forward P/E: 19.64**<br>**Beta: 0.80**<br>**5 Yr. ROIC: 13.66%** | **Market Cap: $70.83Bn**<br>**Dividend Yield: 3.03%**<br>**52 Wk. Range: 119.48 -161.64** |

**Business Description:** Diageo produces, transports, and sells alcoholic beverages globally. As a market leader in scotch, vodka, stout beer, liqueur, Canadian whisky, gin, and tequila, Diageo has over 200 brands in its portfolio: Johnnie Walker, Smirnoff, Guinness, Don Julio, Casamigos, Crown Royal, Cîroc, Ketel One, Captain Morgan, Baileys, Tanqueray, 34% of Moet Hennessy, etc. Sales globally are: North America - 39% of sales, EU - 24%, Asia – 19%, Lat. Am - 9%, Africa - 9%. Based in London with ADRs listed on the NYSE.

**Industry Overview & Analysis:** Diageo is in a long-term stable industry growing in the mid-single digits. Most products are high-end, benefiting from premiumization trends. This has led to an average ROIC of 12% over the past 20+ years. However, there has been a notable slowdown in 2023-24, with challenges expected to persist into 2025. Soft demand in many markets, especially Latin America, has caused inventory issues. The largest market, U.S. has been impacted by cautious consumers.

**Investment Thesis:** Our DCF valuation reflects a prolonged recovery from the slowdown, with sales growing 0-1% in 2025, 4% in 2026, and ~ 5% in 2027-29 (below guidance of 5-7%). We believe there is heightened uncertainty but no fundamental issues with the business. Excluding Lat. Am. sales grew 1.8%. Premiumization should continue as well as demand from the rising middle-class across the world.

**Competitive Advantage:** Strong brand recognition as well as the aging process drives scarcity, pricing power, and loyalty. Diageo grew or held market share in over 75% of measured markets (FY2024).
<u>Supply-Chain Advantage</u> – provides all categories and major brands, creating a one-stop shop for customers to buy everything from one supplier.
<u>Cost Advantage</u> – Large distribution scale and raw material procurement (barley, agave, grapes, etc.)
<u>Protection from New Entrants</u>:
*E-commerce* - age verification limits disruption
*Discounters* - private label volumes are minimal
*Aged Spirits* - face fewer new entrants due to high upfront costs and revenue lag in production.

**Risks:**
U.S. alcohol consumption has steadily increased over the past 20 years but may reverse in the future.
The premium spirits segment is sensitive to economic cycles.
China's crackdown on gifting alcohol to officials presents ongoing regulatory challenges.
Scottish tariffs are significant, as whisky produced outside Scotland cannot be labeled as Scotch.
Diageo also faces foreign exchange risk, with expenses primarily in British pounds and sales in U.S. dollars.

**Stock Performance – 10 Years**


| Company Name | Description | Market Cap (Bn) | EV | EBITDA | EV/EBITDA | P/E TTM | 5Yr Avg. ROIC | Gross Margin % | Net Margin % | 5Yr Beta | Credit Rating |
|---|---|---|---|---|---|---|---|---|---|---|---|
| DIAGEO PLC | Sells many well-known/premium liquor brands. Scotch, tequila, gin, rum, vodka, liquor, wine brandy, beer, & foreign liquors. | $74.48 | 95,553 | 6,497 | 14.7 | 17.6 | 13.66% | 60.5% | 19.1% | 0.36 | A- |
| BROWN-FORMAN CORPORATION | 70% of sales comes from whiskey & bourbon (Jack Daniels, etc.) Also sells tequila, vodka, rum, gin, and premium wines. | $21.57 | 25,160 | 1,198 | 21.0 | 23.0 | 18.06% | 59.6% | 24.2% | 0.75 | A- |
| CONSTELLATION BRANDS, INC. | 80% of sales from Mexican beer imports (mainly Modelo & Corona). 3rd-largest market share of all major beer suppliers. | $46.50 | 57,859 | 3,787 | 15.3 | 18.8 | 5.11% | 51.1% | 24.4% | 0.87 | BBB |
| Kweichow Moutai Co., Ltd. | Moutai is a premium alcohol and China's national drink. Consumed during many high-profile historical & political events | $224.71 | 201,538 | 15,312 | 13.2 | 19.8 | 32.46% | 92.0% | 50.3% | 0.66 | - |
| Anheuser-Busch Inbev SA | Sells 6 out of the top 10 beer brands. Budweiser, Stella Artois, Michelob Ultra, Bud Light, Corona outside of the US, etc. | $113.52 | 210,057 | 18,002 | 11.7 | 28.3 | 5.11% | 54.5% | 9.9% | 0.98 | A- |
| MOLSON COORS BEVERAGE COMPANY | Owns well-known beer brands including Miller, Coors, Blue Moon, and Carling. Ranks as the second-largest beer maker | $10.67 | 17,501 | 2,559 | 6.8 | 10.1 | 1.36% | 39.1% | 9.8% | 0.81 | BBB |
| THE BOSTON BEER COMPANY, INC. | 4 main brands: Samuel Adams, Angry Orchard, Twisted Tea, and Truly. Strong positions in craft beer, malt, hard cider, hard seltzer | $3.17 | 2,993 | 237 | 12.6 | 36.1 | 10.42% | 43.8% | 4.6% | 1.06 | - |

| Exit Multiple Method - Value per Share | |
|---|---|
| Free Cash Flow at year 5 | 5,501 |
| WACC (After Tax) | 6.04% |
| Exit Enterprise Value / EBITDA | 14.99 |
| Terminal Value in 5 years | 128,445 |
| PV of Terminal Value (@ WACC) | 95,781 |
| (+) PV of Free Cash Flows (@ WACC) | 19,438 |
| (=) Current Enterprise Value | 115,219 |
| (-) Total Debt | 22,481 |
| (-) Minority Interest | 2,038 |
| (+) Cash and Marketable Securities | 1,405 |
| (=) Equity Value | 92,105 |
| Shares outstanding | 555 |
| Estimated Value per Share (USD) | 165.92 |
| Current Price (USD) | 133.00 |
| Margin of Saftey | 24.75% |

| Share Price | Exit Multiple Sensitivity Analysis | | | | |
|---|---|---|---|---|---|
| : | 10 | 12.5 | 15 | 17.5 | 20 |
| 6.50% | $ 106 | $ 134 | $ 162 | $ 191 | $ 219 |
| 6.25% | $ 107 | $ 136 | $ 164 | $ 193 | $ 221 |
| 5.50% | $ 112 | $ 141 | $ 171 | $ 200 | $ 230 |
| 4.75% | $ 116 | $ 146 | $ 177 | $ 208 | $ 238 |
| 4.50% | $ 117 | $ 148 | $ 179 | $ 210 | $ 241 |


ESG SCORE

ESG Score: 71

| Pillar | Score | YoY Change |
|---|---|---|
| Environment (Weight: 29.7%) | 76 | |
| Social (Weight: 45.5%) | 82 | |
| Governance (Weight: 24.8%) | 44 | |

| | | | |
|---|---|---|---|
| Visa<br>NYSE: V<br>Sector: Financials<br>Industry: Credit Services | Intrinsic Value: $302<br>Current Price: $277.93<br>Stop Loss: $222 | TTM P/E: 29.8x<br>Forward P/E: 24.86x<br>Beta: 0.96<br>5 Yr. ROIC: 23.65% | Market Cap:<br>$549.16B<br>Dividend Yield:<br>.75%<br>52 Wk. Range:<br>228.03 - 293.07 |

Business Description: Visa Inc. operates as a payment technology company in the United States and internationally. The company operates VisaNet, a transaction processing network that enables authorization, clearing, and settlement of payment transactions. It also offers credit, debit, and prepaid card products; tap to pay, tokenization, and click to pay services; Visa Direct, a solution that facilitates the delivery of funds to eligible cards, deposit accounts, and digital wallets; Visa B2B Connect, a multilateral business-to-business cross-border payments network; Visa Cross-Border Solution, a cross-border consumer payments solution; and Visa DPS that provides a range of value-added services, including fraud mitigation, dispute management, data analytics, campaign management, a suite of digital solutions, and contact center services. The company also provides acceptance solutions, which include CyberSource that provides modular and value-added services for connecting merchants to payment processing; risk and identity solutions, such as Visa Advanced Authorization, Visa Secure, Visa Risk and Decision Manager, Visa Consumer Authentication Service, and payment-decisioning solutions for fraud prevention; and Visa Consulting and Analytics, a payment consulting advisory services. It provides its services under the Visa, Visa Electron, Interlink, V PAY, and PLUS brand names. The company serves merchants, financial institutions, and government entities. Visa Inc. was founded in 1958 and is headquartered in San Francisco, California.

**Competitive Advantage:**

Network Effects: Visa is the largest payment network operator globally, with strong banking partnerships and 61% of transaction value market share.

Cash Generation: Management drives consistent industry-leading profit margins through volume growth and innovation.

Payment Industry Leader: Visa dominates the shift to digital payments, benefiting from increasing cashless transactions.

Innovation: Visa invests in fintech and digital wallet partnerships to stay competitive.

Increasing Returns to Scale: Expanding into emerging markets with high cash usage, positioning for future growth and increasing current value of their network.

**Risks:**

Regulatory Pressure: Potential impact from fee regulations and antitrust scrutiny.

Competition: Threats from fintech, alternative payments, and cryptocurrencies.

Economic Downturns: Reduced consumer spending could lower transaction volumes.

Technological Disruption: New payment technologies could outpace Visa's innovations.

Currency Fluctuations: Exposure to exchange rate risks in emerging markets.

Stock Performance – 10 Years


Comparative Analysis

| Company Name | Description | Market Cap (Bn) | EV | EBITDA | EV/EBITDA | P/E TTM | 5Yr Avg. ROIC | Gross Margin % | Net Margin % | 5Yr Beta | Credit Rating |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Visa | Enables secure, fast, and global electronic payments. Credit, debit, prepaid cards, online and in-store | 549.16 | 544,120 | 24,384 | 22.3 | 29.8 | 23.65% | 79.89% | 54.7% | 0.96 | AA- |
| Mastercard | 65% of its revenue from the US and the remaining 35% from international markets, Approx 43% of US population | $459.79 | 407,410 | 15,429 | 26.4 | 38.0 | 42.39% | 76.0% | 46.8% | 1.10 | A+ |
| Block ( Formerly Square) | Developed a payment platform aimed at small and medium sized businesses, additionally Block's portfolio includes | $41.26 | 44,145 | 790 | 55.9 | 52.3 | 5.11% | 34.2% | 3.17% | 2.49 | BB+ |
| Paypal | Provides secure online payments for 431 million users. Facilitates transfers, purchases, and business transactions. Acquired Venmo, expanding mobile | $81.13 | 63,354 | 6,016 | 10.5 | 18.7 | 16.14% | 46.0% | 14.3% | 1.44 | A- |

| Statistics Summary | Market Cap (Bn) | EV | EBITDA | EV/EBITDA | P/E TTM | ROIC | Gross Margin % | Net Margin % | 5Yr Beta |
|---|---|---|---|---|---|---|---|---|---|
| High | 549.16 | 544,120 | 15,429.00 | 55.9 | 52.3 | 42.39% | 79.89% | 54.74% | 2.49 |
| Low | 41.26 | 44,145 | 790 | 10.5 | 18.7 | 5.11% | 34.24% | 3.17% | 0.96 |
| Average | 282.84 | 264,757.25 | 11,654.75 | 28.78 | 34.71 | 21.82% | 59.04% | 29.75% | 1.50 |
| Financials | | | | 15.28x | 25.5x | 15.81% | 35.00% | 10.00% | |

Source: S&P Capital IQ, Morningstar, Roic.ai, Yahoo! Finance

**Fair Value Estimates:**

| | |
|---|---|
| Exit Multiple Method | $322 |
| Perpetuity Growth Method | $319 |
| Bear Case | $264 |
| Average | $302 |
| Margin of Safety | 15.39% |

**Assumptions:**

| | |
|---|---|
| WACC | 7.89% |
| Cost of Debt | 4.25% |
| Cost of Equity | 8.06% |
| Perpetual Growth Rate | 4% |
| Exit Multiple (EV/EBITDA) | 21x |

**ESG:**

| | |
|---|---|
| MSCI ESG Rating: | AA |
| Sustainalytics ESG Rating: | 15.2 (low risk) |

Ranked 97th (out of 1097 companies) within the Software & Services/Credit Services industry.

| Amazon.com Inc<br>NASDAQ: AMZN<br>Sector: Consumer Discretionary<br>Industry: E-Commerce | Intrinsic Value: $ 213.02<br>Current Price: $ 186.89<br>Stop Loss: 26% ($)158.61 | TTM P/E: 45.17x<br>Forward P/E: 32.49x<br>Beta: 1.15<br>5 Yr. ROIC: 13.24% | Market Cap: $1.98Tr<br>Dividend Yield: 0%<br>52 Wk. Range: 118.35 -201.20 |
|---|---|---|---|

**Business Description:** Amazon is a global leader in e-commerce, cloud computing, digital streaming, and AI, known for key brands like Amazon.com, AWS, Prime Video, Kindle, Alexa, and Whole Foods.#1 in U.S. e-commerce, holding 39.3% of U.S. online retail sales.AWS leads in cloud infrastructure, with 32% global market share.Prime Video has over 200 million subscribers, competing in the growing digital streaming market..Geographic Sales Breakdown: North America: ~61% of total revenue.International: ~27% of total revenue.AWS: Contributes 16% of total revenue, serving over 190 countries.

**Industry Overview & Analysis:** Global e-commerce is expected to grow at a 10.4% CAGR through 2027, with Amazon expanding internationally, especially in Asia-Pacific and Latin America. AWS, Amazon's most profitable segment, is projected to grow at 19.9% CAGR through 2025, despite rising competition. its diversified portfolio, leadership in cloud computing, and growth in digital advertising and streaming position it well for long-term growth.

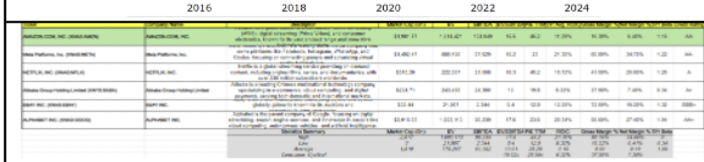
**Investment Thesis:** Amazon's sales growth is expected to stabilize at 10%, driven by AWS, advertising, and international e-commerce. The company aims to maintain a 50-55% gross margin through cost efficiency. With an ROIC of 13.24% above its 8.26% WACC, Amazon demonstrates strong capital efficiency, with AWS and advertising as key profit drivers.

**Competitive Advantage:** Amazon holds 39.3% of the U.S. e-commerce market and 32% of the global cloud infrastructure market through AWS. Its wide economic moat is reinforced by strong brand recognition, pricing power in AWS and advertising, and a vertically integrated supply chain. Amazon's scale, advanced logistics, and high customer switching costs protect it from new entrants in e-commerce and cloud computing. Economies of scale and top-tier talent further enhance its cost efficiency and innovation capabilities.

**Risks:**

Amazon faces economic sensitivity in retail and advertising due to shifts in consumer spending and ad budget cuts during downturns. Regulatory risks include antitrust scrutiny, tax changes, and stricter data privacy laws. Its aggressive acquisition strategy carries risks of overpayment, while supply chain disruptions and rising costs could impact efficiency and margins. Additionally, foreign exchange fluctuations from global operations may affect profitability, especially for AWS.

**Stock Performance – 10 Years**

| Exit Multiple Method - Value per Share | |
|---|---|
| Free Cash Flow at year 5 | 50,529 |
| WACC (After Tax) | 8.47% |
| Exit Enterprise Value / EBITDA | 18.80 |
| Terminal Value in 5 years | 3,196,100 |
| PV of Terminal Value (@ WACC) | 2,128,854 |
| (+) PV of Free Cash Flows | 172,315 |
| (=) Current Enterprise Value | 2,301,169 |
| (-) Total Debt | 157,842 |
| (+) Cash and Marketable Securitie | 89,092 |
| (=) Equity Value | 2,232,419 |
| Shares outstanding | 10,496 |
| Estimated Value per Share (USD) | 212.70 |
| Current Price (USD) | 188.82 |
| Margin of Saftey | 12.65% |

| Share Price | Exit Multiple Sensitivity Analysis | | | | |
|---|---|---|---|---|---|
| : | 16.0 | 17.0 | 18.0 | 19.0 | 20.0 |
| 8.40% | $ 183 | $ 194 | $ 205 | $ 216 | $ 226 |
| 8.30% | $ 184 | $ 195 | $ 206 | $ 217 | $ 227 |
| 8.20% | $ 185 | $ 196 | $ 206 | $ 218 | $ 228 |
| 8.10% | $ 186 | $ 197 | $ 208 | $ 219 | $ 230 |

ESG SCORE

ESG Score: 80

| Pillar | Score | YoY Change |
|---|---|---|
| Environment (Weight: 30.0%) | 84 | - |
| Social (Weight: [illegible]) | 64 | |
| Governance (Weight: 34.6%) | 71 | |

| | | | |
|---|---|---|---|
| Zoetis<br>NYSE: ZTS<br>Sector: Healthcare<br>Industry: Drug Manufacturing – Specialty & General | Intrinsic Value: $206.02<br>Current Price: $182.76<br>Stop Loss: $148.60 | TTM P/E: 35.2x<br>Forward P/E: 27.69x<br>Beta: 0.89<br>5 Yr. ROIC: 19.38% | Market Cap: $81.55B<br>Dividend Yield: 1.0%<br>52 Wk. Range H/L: 201.92/144.80 |

Zoetis Inc. engages in the discovery, development, manufacture, and commercialization of animal health medicines, vaccines, and diagnostic products and services in the United States and internationally. The company commercializes products primarily across species, including livestock, such as cattle, swine, poultry, fish, and sheep and others; and companion animals comprising dogs, cats, and horses. It also offers parasiticides, vaccines, dermatology, other pharmaceuticals, anti-infectives, animal health diagnostics, and medicated feed additives. In addition, the company provides animal health diagnostics, including point-of-care diagnostic products, instruments and reagents, rapid immunoassay tests, reference laboratory kits and services, and blood glucose monitors; and other non-pharmaceutical products, which include nutritional, as well as products and services in biodevices, genetic tests, and precision animal health. It markets its products to veterinarians, livestock producers, and pet owners. The company has collaborated with Blacksmith Medicines, Inc. to discover and develop novel antibiotics for animal health. Zoetis Inc. was founded in 1952 and is headquarters in Parsippany, New Jersey.

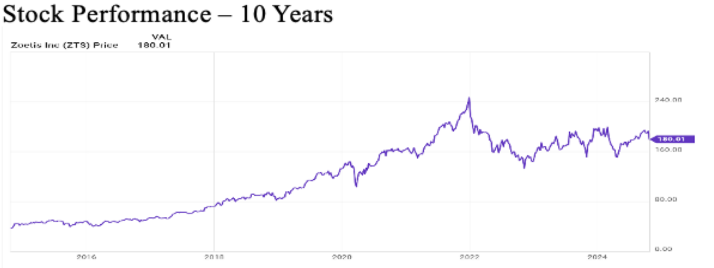
**Competitive Advantage:**

Diverse Product Portfolio: With over 300 product lines in vaccines, medicines, and diagnostics, revenue is diversified, reducing dependency on single products.
Brand Recognition: Established brands with loyal customers.
Innovation and R&D: Heavy R&D investments to stay innovative and ahead of the competition.
Regulatory Expertise: Zoetis's expertise in regulatory requirements accelerates product approvals.
Strategic Acquisitions: Good acquisitions speed up time-to-market for new tech and reinforce niche expertise.

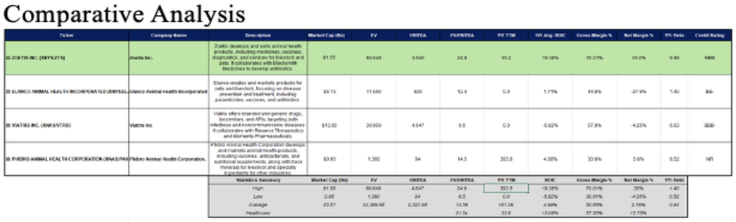
**Risks:**

Market Competition: Competition with other pharm. Companies.
Supply Chain Disruptions: Global supply dependencies can delay production and increase costs.
Economic Conditions: Economic shifts affect pet ownership and livestock investment, impacting product demand.
Public Health Issues: Zoonotic diseases or health crises may lead to more regulation and influence consumer behavior.

Stock Performance – 10 Years




Comparative Analysis



Source: S&P Capital IQ, Morningstar, Roic.ai, Yahoo! Finance,

**Fair Value Estimates:**

| | |
|---|---|
| Exit Multiple Method | $205 |
| Perpetuity Growth Method | $196 |
| Bear Case | $188 |
| Average | $207 |
| Margin of Safety | 9.54% |

**Assumptions:**

| | |
|---|---|
| WACC | 7.47% |
| Cost of Debt | 3.54% |
| Cost of Equity | 7.75% |
| Perpetual Growth Rate | 4.5% |
| Exit Multiple (EV/EBITDA) | 24.9x |

**ESG:**

| | |
|---|---|
| MSCI ESG Rating: | N/A |
| Sustainalytics ESG Rating: | 15.2 (low risk) |

Ranked 20th (out of 914 companies) within the pharmaceuticals industry.

| Alphabet Inc<br>NASDAQ: GOOGL<br>Sector: Communication Services<br>Industry: Internet Content and Information | Intrinsic Value: $206<br>Current Price: $171.29<br>Stop Loss: $37 | TTM P/E: 22.9<br>Forward P/E: 18.76x<br>Beta: 1.04<br>5 Yr. ROIC: 20.39% | Market Cap: $2.16T<br>Dividend Yield: 0.46%<br>52 Wk. Range H/L: 191.75/127.90 |
|---|---|---|---|

Alphabet Inc. is a holding company. The Company's segments include Google Services, Google Cloud, and Other Bets. The Google Services segment includes products and services such as ads, Android, Chrome, devices, Google Maps, Google Play, Search, and YouTube. The Google Cloud segment includes infrastructure and platform services, collaboration tools, and other services for enterprise customers. Its Other Bets segment is engaged in the sale of healthcare-related services and Internet services. Its Google Cloud provides enterprise-ready cloud services, including Google Cloud Platform and Google Workspace. Google Cloud Platform provides access to solutions such as cybersecurity, databases, analytics, and artificial intelligence (AI) offerings, including its AI infrastructure, Vertex AI platform, and Duet AI for Google Cloud. Google Workspace includes cloud-based communication and collaboration tools for enterprises, such as Calendar, Gmail, Docs, Drive, Meet and other enterprise services.

**Competitive Advantage:**
- Market share dominance, 90% in global search engine
- Data Infrastructure: 25 Data centers with 8 more being developed.
- Brand Recognition: Google & YouTube
- Diversified Revenue Streams: Cloud Services, Hardware and Subscriptions

**Risks:**
- Antitrust scrutiny
- Data Privacy and Compliance
- Competition

**Investment Thesis:**
- Diversified Portfolio.
- Wide Economic Moat.
- High ROIC of 26.55%.
- Innovation-Driven.
- Global Reach.

**ESG:**
- MSCI: AAA
- Committed to achieving net-zero carbon emissions by 2030
- ESG Risk Rating 23.9; Medium Risk

Comp Analysis:

| Company Name | Description | Market Cap (Bn) | EV | EBITDA | EV/EBITDA | P/E TTM | 5Yr Avg. ROIC | Gross Margin % | Net Margin % | 5Yr Beta | Credit Rating |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ALPHABET INC. | Alphabet is the parent company of Google,focusing on digital advertising, search engine services, and innovation in sectors like cloud computing, autonomous vehicles, and artificial intelligence. | $2,115.19 | 2,127,511 | 115,478 | 18.4 | 22.9 | 20.39% | 57.6% | 26.70% | 1.04 | AA+ |
| Meta Platforms, Inc. | Meta owns and operates popular social media platforms like Facebook, Instagram, WhatsApp, and Threads. It is focused on building a digital world where people can interact and experience virtual reality. | $1,435.87 | 1,475,292 | 80,062 | 18.4 | 26.4 | 21.30% | 81.4% | 35.6% | 1.21 | AA- |
| AMAZON.COM, INC. | Amazon is one of the world's largest retailers, offering a vast array of products and services. It is a major player in cloud computing (AWS), digital streaming (Prime Video), and artificial intelligence. | $2,077.39 | 2,091,560 | 104,049 | 20.1 | 39.9 | 13.24% | 48.0% | 7.4% | 1.15 | AA |
| MICROSOFT CORPORATI | Microsoft is multinational technology company known for its software, hardware, and cloud computing services. Its most famous products include Windows OS, Microsoft Office suite, and Xbox. | $3,051.05 | 3,198,666 | 136,552 | 23.4 | 34.2 | 28.84% | 69.3% | 35.6% | 0.90 | AAA |
| NETFLIX, INC. | Netflix is a global streaming service that offers a wide range of movies and TV shows and has over 282 million subscribers. | $323.20 | 332,192 | 9,977 | 33.3 | 42.8 | 15.72% | 45.2% | 20.7% | 1.26 | A |

| Statistics Summary | Market Cap (Bn) | EV | EBITDA | EV/EBITDA | P/E TTM | ROIC | Gross Margin % | Net Margin % | 5Yr Beta |
|---|---|---|---|---|---|---|---|---|---|
| *High* | *3,051.05* | *3,198,666* | *136,552.00* | *33.3* | *39.9* | *28.84%* | *69.30%* | *35.60%* | *1.04* |
| *Low* | *323.20* | *332,192* | *9,977* | *33.3* | *22.9* | *15.72%* | *45.20%* | *20.70%* | *0.90* |
| *Average* | *1,800.54* | *1,845,044.20* | *89,223.58* | *22.73* | *33.26* | *19.90%* | *60.30%* | *25.18%* | *1.11* |
| *Communications* | *8,886.72* | *11,063* | *1,146.76* | *9.8x* | *22.6x* | *8.50%* | *56.50%* | *11.80%* | |

Intrinsic Valuation:

| Exit Multiple Method - Value per Share | |
|---|---|
| Year 5 EBITDA | 200,920 |
| WACC (After Tax) | 8.48% |
| Exit Enterprise Value / EBITDA | 17.44 |
| Terminal Value in 5 years | 3,504,998 |
| PV of Terminal Value (@ WACC) | 2,333,176 |
| (+) PV of Free Cash Flows (@ WACC) | 301,297 |
| (=) Current Enterprise Value | 2,634,472 |
| (-) Total Debt | 28,719 |
| (-) Minority Interest | 0 |
| (+) Cash and Marketable Securities | 100,725 |
| (=) Equity Value | 2,706,478 |
| Shares outstanding | 12,241 |
| Estimated Value per Share (USD) | 221.10 |
| Current Price (USD) | 171.29 |
| Margin of Saftey | 29.08% |

| Perpetuity Growth Method - Value per Share | |
|---|---|
| Free Cash Flow at year 5 | 111,883.1 |
| WACC (After Tax) | 8.48% |
| Perpetuity Growth Rate | 4.50% |
| Perpetuity Value in 5 years | 2,937,828 |
| PV of Perpetuity (@ WACC) | 1,955,894 |
| (+) PV of Free Cash Flows (@ WACC) | 301,297 |
| (=) Current Enterprise Value | 2,256,990 |
| (-) Total Debt | 28,719 |
| (-) Minority Interest | 0 |
| (+) Cash and Marketable Securities | 100,725 |
| (=) Equity Value | 2,328,996 |
| Shares outstanding | 12,241 |
| Estimated Value per Share (USD) | 190.26 |
| Current Price (USD) | 171.29 |
| Margin of Saftey | 11.08% |

| WACC (After Tax) | |
|---|---|
| Debt | 0 |
| % Debt | 0.00% |
| Cost of Debt | 4.46% |
| Tax Rate | 13.62% |
| Equity Value | 300,753 |
| % Equity | 100.00% |
| Cost of Equity | 8.48% |
| Risk Free Rate (U.S. 10Y) | 4.28% |
| Beta | 1.04 |
| Market Risk Premium | 4.04% |
| WACC (After Tax) | 8.48% |

| Inputs | |
|---|---|
| WACC | 8.48% |
| Perpetual Growth Rate | 4.50% |
| Exit Multiple | 17.4 |
| ALPHABET INC. (XNAS | $171.3 |
| Shares outstanding | 12,241 |

| Price | Exit Multiple Sensitivity Analysis | | | | |
|---|---|---|---|---|---|
| | 12.5 | 15.0 | 17.5 | 20.0 | 22.5 |
| 9.50% | $ 161 | $ 187 | $ 213 | $ 239 | $ 265 |
| 9.00% | $ 164 | $ 191 | $ 217 | $ 244 | $ 271 |
| 8.50% | $ 167 | $ 194 | $ 222 | $ 249 | $ 276 |
| 8.00% | $ 170 | $ 198 | $ 226 | $ 254 | $ 282 |
| 7.50% | $ 173 | $ 202 | $ 231 | $ 259 | $ 288 |

| Price | PGM Sensitivity Analysis | | | | |
|---|---|---|---|---|---|
| | 3.50% | 4.00% | 4.5% | 5.00% | 5.5% |
| 9.50% | $ 131 | $ 140 | $ 152 | $ 166 | $ 184 |
| 9.00% | $ 142 | $ 154 | $ 168 | $ 186 | $ 210 |
| 8.50% | $ 156 | $ 171 | $ 189 | $ 213 | $ 244 |
| 8.00% | $ 174 | $ 192 | $ 216 | $ 248 | $ 293 |
| 7.50% | $ 195 | $ 220 | $ 252 | $ 298 | [illegible] |

| Historic EV/EBITDA Multiples | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| Avg | 18.27x | 16.48x | 18.17x | 22.31x | 14.58x | 14.87x |
| High | 21.05x | 19.32x | 22.22x | 26.14x | 20.47x | 17.75x |
| Low | 14.73x | 14.15x | 12.31x | 19.72x | 10.28x | 10.67x |

| Expected Returns | | |
|---|---|---|
| ALPHABET INC. (XNAS:GOOGL) | $ | 171 |
| Perpetuity Growth Method Fair Value | $ | 190 |
| Exit Multiple Method Fair Value | $ | 221 |
| Bear Case | $ | 157 |
| **Average** | **$** | **206** |
| Margin of Saftey | | 20.08% |

Margin of Safety: 20.08%
Target Price: 206
WACC: 8.48

| **Hershey Co.**<br>**NYSE: HSY**<br>**Sector: Consumer Defensive**<br>**Industry: Consumer Defensive** | **Intrinsic Value: $ 217**<br>**Current Price: $ 179.41**<br>**Stop Loss: 20% ($)158.61** | **TTM P/E: 19.31x**<br>**Forward P/E: 26.61x**<br>**Beta: .37**<br>**5 Yr. ROIC: 24.65%** | **Market Cap: $35.29b**<br>**Dividend Yield: 3.14%**<br>**52 Wk. Range: 171.67 – 211.92** |
|---|---|---|---|

**Business Description:** Hershey Co. is a leading global confectionery company, known for iconic chocolate and snack brands like Hershey's, Reese's, Kit Kat, Twizzlers, and Ice Breakers, and holds the #1 position in the U.S. chocolate market. With a strong focus on sustainability, eCommerce growth, and expanding into the snack category through acquisitions, the company primarily generates revenue from North America (90%) while pursuing international growth initiatives.

**Industry Overview & Analysis:** Hershey operates in the resilient confectionery and snacking industries, benefiting from rising demand for indulgent and convenience snacks, with growth fueled by evolving consumer preferences and a focus on healthier, sustainable options. Despite cost pressures from rising input prices and economic uncertainty, Hershey is well-positioned to capture long-term growth in both indulgent and health-focused snack segments due to its strong brand portfolio, commitment to innovation, and sustainable practices.

**Investment Thesis:** Hershey operates in the resilient confectionery and snacking industries, benefiting from rising demand for indulgent and convenience snacks, with growth fueled by evolving consumer preferences and a focus on healthier, sustainable options. Despite cost pressures from rising input prices and economic uncertainty, Hershey is well-positioned to capture long-term growth in both indulgent and health-focused snack segments due to its strong brand portfolio, commitment to innovation, and sustainable practices.

**Competitive Advantage:** Hershey holds a dominant position in the U.S. confectionery market, leveraging its popular brands, efficient supply chain, and sustainable practices to maintain a strong competitive moat. Its strengths include brand recognition, pricing power, and operational efficiency, with a focus on sustainable sourcing and environmental initiatives that appeal to conscious consumers, making it challenging for new entrants to compete.

**Risks:**

Hershey faces risks such as economic sensitivity, supply chain disruptions, and foreign exchange fluctuations, which can impact costs, margins, and profitability. Additionally, regulatory pressures and intense competition, particularly from health-focused snack options, pose challenges that require Hershey to adapt quickly to maintain its market share and address evolving consumer preferences.

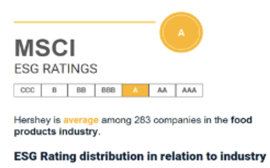
**Stock Performance – 10 Years**


| Company Name | Description | Market Cap (M) | EV | EBITDA | EV/EBITDA | P/E TTM | 5Yr Avg. ROIC | Gross Margin % | Net Margin % | 5Yr Beta | Credit Rating |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Hershey Co. | Hershey Company is a leading American multinational confectionery company, renowned for its wide range of chocolate products and other sweets including Kisses and Reese's. | $35,547.70 | 40,577 | 2,952 | 13.7 | 20.24 | 22.45% | 44.40% | 16.52% | 0.37 | A |
| Mondelez International Inc. | Mondelez International Inc. is a multinational confectionery, food, and beverage company. It is a global leader in the snack industry with a diverse portfolio of well-known brands. | $88,522.30 | 107,467 | 7,490 | 14.3 | 23.48 | 6.39% | 38.55% | 12.82% | 0.56 | BBB |
| General Mills | General Mills, Inc. is a multinational food company and is one of the largest and most diversified food companies in the world. Known brands include Cheerios, Pillsbury, [illegible] | $36,374.00 | 49,477 | 4,216 | 11.7 | 15.8 | 9.80% | 34.70% | 12.10% | 0.11 | BBB |
| Lindt & Sprungli AG | Lindt & Sprungli AG is a Swiss chocolate company that develops, produces, and sells premium chocolate products. | $27,030.60 | 28,492 | 1,330 | 21.4 | 34.6 | 8.84% | 67.10% | 12.80% | 0.34 | A |

| Statistics Summary | Market Cap (M) | EV | EBITDA | EV/EBITDA | P/E TTM | ROIC | Gross Margin % | Net Margin % | 5Yr Beta |
|---|---|---|---|---|---|---|---|---|---|
| *High* | *88,522* | *107,467* | *7,490* | *26* | *34.6* | *22.50%* | *67.10%* | *16.50%* | *0.56* |
| *Low* | *27,031* | *28,492* | *1,330* | *12* | *15.8* | *6.40%* | *34.70%* | *12.10%* | *0.11* |
| *Average* | *46,869* | *56,503* | *3,997* | *15* | *23.53* | *11.90%* | *46.20%* | *13.60%* | *0.35* |
| *Confectionary* | *18,712* | *23,734* | *2,005* | *9.9x* | *15.41x* | *11.90%* | *34.70%* | *15.90%* | *0.36* |

| Exit Multiple Method - Value per Share | |
|---|---|
| Year 5 EBITDA | 3,609 |
| WACC (After Tax) | 5.68% |
| Exit Enterprise Value / EBITDA | 13.92 |
| Terminal Value in 5 years | 50,242 |
| PV of Terminal Value (@ WACC) | 38,113 |
| (+) PV of Free Cash Flows (@ WACC) | 9,916 |
| (=) Current Enterprise Value | 48,029 |
| (-) Total Debt | 5,644 |
| (-) Minority Interest | 0 |
| (+) Cash and Marketable Securities | 615 |
| (=) Equity Value | 42,999 |
| Shares outstanding | 202 |
| Estimated Value per Share (USD) | $212.50 |
| Current Price (USD) | $178.51 |
| Margin of Saftey | 19.04% |

| *Price* | Exit Multiple Sensitivity Analysis | | | | |
|---|---|---|---|---|---|
| : | 10.00 | 12.50 | 15.00 | 17.00 | 20.00 |
| 6.50% | $154 | $187 | $219 | $245 | $285 |
| 6.00% | $157 | $191 | $224 | $251 | $291 |
| 5.50% | $161 | $195 | $229 | $256 | $297 |
| 5.00% | $164 | $199 | $234 | $262 | $304 |
| 4.50% | $167 | $203 | $239 | $267 | $310 |

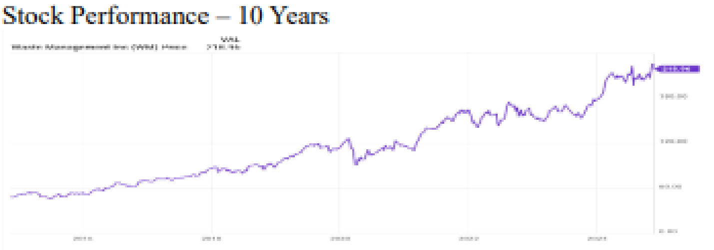
| Waste Management<br>NYSE: WM<br>Sector: Industrials<br>Industry: Waste Services | Intrinsic Value: $238.24<br>Current Price: $219.02<br>Stop Loss: $177.49 | TTM P/E: 33.3x<br>Forward P/E: 27.33x<br>Beta: 0.89<br>5 Yr. ROIC: 11.13% | Market Cap: $87.46B<br>Dividend Yield: 1.38%<br>52 Wk. Range L/H:<br>168.73 - 226.84 |
|---|---|---|---|

Waste Management, Inc., headquartered in Houston, Texas, is the largest integrated provider of waste services in the U.S. and Canada. The company offers waste collection, recycling, and disposal solutions to residential, commercial, industrial, and municipal customers. It operates 263 landfills, 332 transfer stations, and 97 materials recovery facilities (MRFs), recycling commodities such as cardboard, paper, metals, and plastics. Waste Management also provides renewable energy solutions, by harvesting landfill gas, remediation, and specialized disposal services for industries like oil and gas.

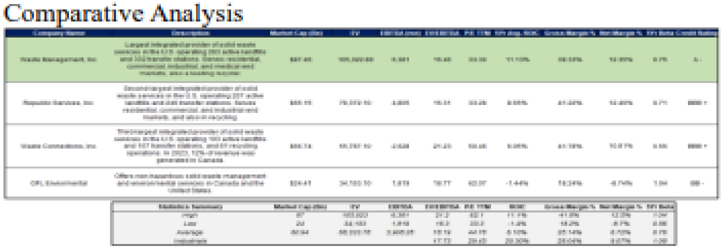
Stable Business Model - WM's business model is stable, supported by recurring revenue from essential waste services. This stability is expected to continue for the next 10-20 years.
Competitive Advantage - WM benefits from a wide economic moat, driven by regulatory permits for landfills and cost advantages from route density, which enhance efficiency and profitability.
Growth Forecast - Our forecast assumes 5% organic growth, with an additional 50-80 basis points from acquisitions. This is more conservative than management's guidance and analyst consensus of 6-7% growth.
Margins and Valuation - Our DCF model assumes no margin expansion, factoring in industry cyclicality and potential headwinds from lower landfill volumes and acquisitions. Our exit multiple also represents a drop from current levels, closer to the historic average.

**Competitive Advantage:**
Long-Lasting Competitive Edge: WM's wide economic moat is expected to endure for 10-20 years.
Cost Advantage through Location: Strategically placed disposal sites lower costs and boost profitability over competitors.
Barriers to Entry in Landfill Operations: Regulations limit new landfills, and WM leads with significantly more sites than rivals.
Leadership in Sustainability: Investments in recycling and renewable energy reinforce WM's position as a sustainability leader.
**Risks:**
Economic Sensitivity: Waste volumes and revenue fluctuate with economic activity.
Acquisition Risk: Overpayment or integration issues could dilute returns from acquisitions.
Commodity Volatility: Recycled material price changes impact revenue and margins.
Regulatory Risk: Changing environmental laws could disrupt operations despite clean tech investments.

Stock Performance – 10 Years



Comparative Analysis



Source: S&P Capital IQ, Morningstar, Roic.ai, Yahoo! Finance.

**Fair Value Estimates:**

| | |
|---|---|
| Exit Multiple Method | $238 |
| Perpetuity Growth Method | $264 |
| Bear Case | $214 |
| Average | $243.84 |
| Margin of Safety | 11.91% |

**Assumptions:**

| | |
|---|---|
| WACC | 6.98% |
| Cost of Debt | 4.74% |
| Cost of Equity | 7.48% |
| Perpetual Growth Rate | 4% |
| Exit Multiple (EV/EBITDA) | 16.5x |

**ESG:**
MSCI ESG Rating: A
Sustainalytics ESG Rating: 18.8 (low risk)
Ranked 201st (out of 429 companies) within commercial services.

| **Cheniere Energy Partners LP**<br>NYSE: CQP<br>Sector: Energy<br>Industry: Oil and Gas Midstream | Intrinsic Value: $57.04<br>Current Price: $50.38<br>Stop Loss: $39.30 | TTM P/E: 10.84x<br>Forward P/E: 11.66x<br>Beta: .67<br>5 Yr. ROIC: 18.51% | Market Cap: $23.73B<br>Dividend Yield: 6.67%<br>52 Wk. Range H/L: $45.51–62.34 |
|---|---|---|---|

Cheniere Energy Partners (CQP) is a publicly traded LNG producer and exporter, operating the Sabine Pass terminal in Louisiana with a 30 MTPA capacity, serving Asia, Europe, and Latin America. Over 95% of its LNG supply is secured under 20-year take-or-pay contracts with investment-grade customers. The firm charges a fee on top of the Henry Hub natural gas price. According to the EIA, the shift from coal to natural gas-fired electricity accounts for 65% of the United States' decline in CO2 emissions. Demand for natural gas and LNG remains strong, particularly in China and India, as these nations work to transition from coal to gas. Global LNG consumption is projected to increase by 50% by 2040. CQP stands out as a low-cost producer, achieving $600–700 per ton, undercutting global competitors. The company benefits from stable cash flows, with take-or-pay contracts insulating it from natural gas price fluctuations. CQP has potential for expansion, an attractive 6.67% dividend yield, and a stable business model. The company is well-positioned to capitalize on the global shift towards cleaner energy sources.

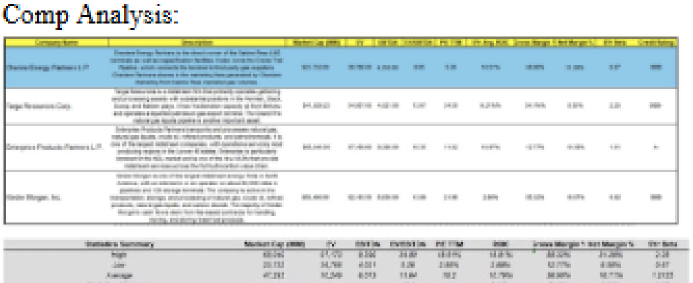
**Competitive Advantage:**
- Market Leader: First U.S. LNG export terminal
- Stable Revenues: Long-term contracts, reduced price risk
- Strategic Location: Gulf Coast, efficient global access
- Operational Scale: Economies of scale, cost efficiency

**Risks:**
- Demand Risk: Dependent on global LNG demand
- Supply Chain: Reliance on third-party pipelines
- ESG Concerns: Carbon emissions, especially scope 3

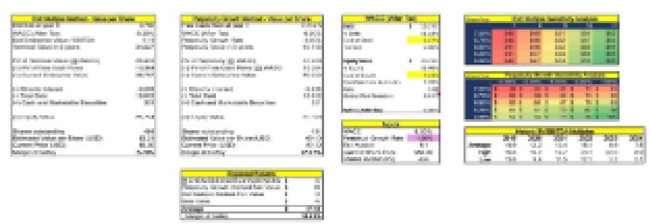
**Investment Thesis:**
- Stable Cash Flows
- Low Commodity Price Risk
- Strong Growth Potential
- Attractive Return
- Increased Global Demand

**ESG:**
- ESG Risk: Medium/High risk
- Environmental Efforts: Collecting greenhouse emissions data, addressing EU methane regulations
- Diversity & Inclusion: 15% increase in ethnic diversity, 21% increase in female workforce, 14% in management
- Safety Performance: 63% reduction in incident rate

Comp Analysis:



Intrinsic Valuation:



Margin of Safety: 13.41%
Target Price: 57.04
WACC: 6.30

# Conclusion

The Student Managed Fund experience has been both rewarding and enriching, allowing us to apply theoretical knowledge from our undergraduate studies to real-world investment scenarios. This hands-on experience has deepened our understanding of financial concepts and boosted our confidence in applying them practically.

Throughout this journey, we developed essential soft skills, including teamwork and collaboration, as we efficiently shared information and delegated responsibilities. Time management became a priority as we stayed organized and planned pitches across all sectors, ensuring deadlines were met. Our presentation skills also improved as we focused on pitching ideas persuasively, while our verbal and written communication became clearer and more concise.

Additionally, we enhanced important hard skills by using tools learned in the classroom to analyze potential investments. We applied valuation techniques such as the Discounted Cash Flow (DCF) model and comparable analysis. Our discussions on portfolio allocation and position sizing deepened our understanding of diversification and risk management. Furthermore, investing real money with real consequences challenged us to approach decision making with a new level of responsibility.

Under the guidance of our advisor, Blake Mather, we gained valuable insights into equity investment and research analysis, which have prepared us for the next steps in our careers. This experience has been crucial to our professional development, refining both our technical abilities and leadership potential, and has equipped us well for future challenges.