

UNIVERSITY OF CONNECTICUT STUDENT MANAGED FUND

Fall 2025 Investment Advisory Board Portfolio Update



December 12.3.2025

UNIVERSITY OF CONNECTICUT SCHOOL OF BUSINESS

UNDERGRADUATE STUDENT MANAGED FUND

TEAM WHITE

DATA AS OF 11.23.2025

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Letter to the IAB

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

As we reflect on the fall semester, we want to express our sincere appreciation for your continued support of the Student Managed Fund Program. Your guidance, industry expertise, and logistical assistance are essential to SMF's ongoing success and sustainability. We are deeply grateful for the opportunities your commitment provides and want to ensure that the significance of your contributions does not go unnoticed.

We would also like to recognize both Rosa Chen and Pei-Ju Lee for their exceptional service as our advisors and mentors this semester. Rosa and Pei-Ju were instrumental to our learning experience, offering consistent guidance, thoughtful feedback, and unwavering support. We are truly grateful for the time, effort, and care they dedicated to enhancing our development over the past few months.

This semester presented an unprecedented and rapidly evolving market environment that required us to balance geopolitical, macroeconomic, and political risks while also evaluating the impact of artificial intelligence across industries. Gaining hands-on experience during such a dynamic period has been invaluable. It is a privilege to manage a portfolio of this scale, and we recognize how meaningful this opportunity is in helping us build differentiated perspectives, something Rosa often emphasizes as the factor that separates a strong candidate from the one who ultimately gets hired. Through SMF, we are not only encouraged to develop informed opinions, but also challenged to defend them and respond to rigorous questions from peers and advisors. Applying classroom concepts to real-world investment decisions deepens our understanding in a way traditional coursework cannot, and we are grateful for your role in making this growth possible.

Finally, we would like to extend our sincere thanks to Laurel Grisamer and Liping Qiu for their continued dedication behind the scenes. Their efforts in coordinating the program, planning events, executing trades, and supporting daily operations form the backbone of the fund. Without their hard work and commitment, this experience would not be possible.

It is difficult to fully quantify our growth over the past three months, but we are excited to carry this momentum into the spring semester. The following report summarizes our investment activity and key takeaways from the fall. Thank you all for your contributions to SMF. We look forward to reconnecting with you in the spring.

Best,
Student Managed Fund – Team White

Investment Managers:



Nicholas Connolly
Co-Lead



Jose E. Gonzalez
Co-Lead



Roman Sofman
Portfolio Manager



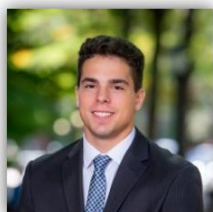
Dovidas Kizevicius
Portfolio Manager



Abigail Amara
Alumni Committee



Kate Maliszewski
Communications Manager



Mathew Merrigan
LinkedIn Director



Joseph Lakaj
Risk Manager



Seth Wilson
Digital Media Manager



Daniel Mishtal
Recruitment Lead

Portfolio Snapshot

Total Performance vs. SPY

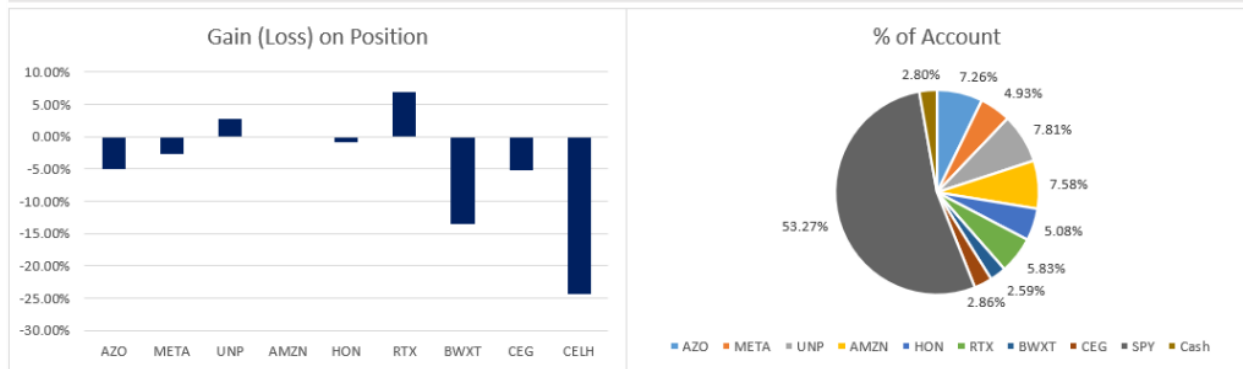
| Benchmark Performance | |
|-----------------------|---------------|
| Current Price | \$6,602.99 |
| S&P Close (Sept. 19) | \$6,715.38 |
| Performance | -1.67% |

| Portfolio Performance | |
|--|---------------|
| Team White Portfolio Return | -2.54% |
| S&P Return Since Trade Period Open | -1.67% |
| % Allocated | 43.93% |
| Outperformance (Underperformance) | -0.86% |

Equity Performance

| Company | Ticker | Buy Price | Current Price | Gain (Loss) |
|----------------------|--------|------------|---------------|-------------|
| Autozone | AZO | \$4,096.00 | \$3,893.00 | -4.96% |
| Meta Platforms | META | \$612.58 | \$596.75 | -2.58% |
| Union Pacific | UNP | \$221.07 | \$227.00 | 2.68% |
| Amazon | AMZN | \$221.58 | \$221.50 | -0.04% |
| Honeywell | HON | \$191.92 | \$190.24 | -0.88% |
| RTX | RTX | \$158.75 | \$169.76 | 6.94% |
| BWX Technologies | BWXT | \$197.85 | \$170.98 | -13.58% |
| Constellation Energy | CEG | \$358.34 | \$339.50 | -5.26% |
| Celsius Holdings | CELH | \$59.50 | Stop at \$45 | -24.37% |

Portfolio Allocation



**Data as of 11.23.25*

Philosophy & Strategy

Utilizing a long-term (5–10 year) investment horizon, we are deliberately constructing a balanced portfolio that blends resilient, defensive operators with high-quality secular growers. Our approach emphasizes investing in companies at reasonable valuations relative to their long-term earnings potential, with a focus on durable competitive advantages and industry tailwinds that can compound shareholder value over time.

Across the portfolio we prioritize businesses with characteristics that are difficult to replicate: scale-driven cost advantages (AutoZone, Amazon), mission-critical products and technologies (Honeywell, RTX, BWX Technologies), entrenched network effects (Meta), and irreplaceable physical infrastructure (Union Pacific). These structural advantages often create economic moats that strengthen through cycles, enabling these companies to protect margins, maintain pricing power, and defend market share even in more volatile environments.

Equally important is understanding the underlying drivers of each industry. By staying grounded in sector-specific fundamentals including, but not limited to, defense modernization, e-commerce logistics efficiency, grid decarbonization, and the evolving digital advertising landscape, we aim to identify business models positioned to outperform peers and. These principles form the foundation of our fundamental research process and help guide disciplined, long-term decision-making across the portfolio.

Regarding artificial intelligence, we are broadly bullish about the transformative impact AI will have across industries. However, we remain conscious of the staggering valuations embedded in many pure-play AI names. Therefore, we've focused on secondary companies with tangible AI-driven productivity upside but far more reasonable entry multiples. Names like Amazon and Union Pacific will reap significant automation benefits, from optimized logistics networks and accelerated fulfillment throughput to predictive maintenance and enhanced route efficiency. Similarly, companies such as Honeywell, RTX, and BWX Technologies stand to

improve manufacturing precision, reduce downtime, and streamline engineering cycles through embedded AI and advanced analytics. By targeting businesses where AI enhances already-strong fundamentals we position the portfolio to capture the long-run upside of AI adoption while maintaining valuation discipline and prudent risk awareness.

Investment Process

As a team, we believe that having a structured decision-making process is equally as important as the analysis itself. Therefore, on day one, we developed a thoughtful process or checklist an investment must meet before being added to our portfolio. This created path toward portfolio construction that ensured all perspectives were accounted for, investments were instituted in a timely manner, and all holdings aligned with our underlying philosophy outlined above. This process was decided upon long before our initial trading period opened in September and established a standard toward responsible decision making in an efficient manner.

The priority of any investment idea was proper research and due diligence. This included reading through company filings (10Ks, investor day presentations, etc.), analyst reports from accredited financial firms, and leveraging student access to the Bloomberg Terminals. With the adequate amount of time allocated for research, Team White was able to extrapolate key growth drivers, industry dynamics, and create a tailored valuation based of our expectations for future performance. If the investment thesis fit our criteria within our outlined strategy, this information was synthesized and pitched by our managers to the team.

When potential portfolio positions were pitched to the team, it was our job to remain critical and ask questions regarding both the bull and bear propositions surrounding the company. This gave the managers to further refine their investment thesis and give the rest of the team a better grasp on the nature of the business and how it would fit within our current portfolio. Using an open forum discussion allowed us to properly gauge different perspectives and opinions often leading to a higher-level conclusion than what was initially presented. If a certain investment proposal got 7 out of 10 votes toward yes, this was considered an approved decision, and we would consider percent allocation shortly thereafter.

Once an investment position is opened within the portfolio, the stock is than closely monitored to ensure the state of the business does not get misaligned with the initial investment thesis. If the stock's price level trended toward our pre-determined stop loss (traditionally 10-20% of buying price) or if the price level neared our identified price target, managers were directed to update previous models and determine if our allocation needs to be adjusted. Each meeting, managers were also responsible for providing weekly updates on stocks in which they presented while alerting fellow team members if any specific news either enhanced or posed a threat to our current stake. This push toward increased monitoring responsibility proved to be a major success and gave each manager a better grasp of how our holdings interacted with each other over the course of the past three months.

Economic Outlook

Markets in 2025 have been defined by resilient economic growth despite early turmoil around tariff announcements, easing inflation, and a gradual shift toward a lower-rate environment. The markets saw high concentration on tech stocks, primarily driven by the optimism surrounding Artificial Intelligence.

Going into 2026, we expect a continued bull market, though the path is expected to be met with complexities around valuations and macro considerations. Looking at the economic trajectory, the year is expected to begin with a surge in economic activity and inflation during the first half of 2026. This is primarily attributed to the effects of the One Big Beautiful Bill Act (OBBBA), which is forecast to inject a significant fiscal boost of around \$200–\$300 billion, supporting real GDP growth that could jump above 3%. This stimulative effect is expected to be a driving factor in corporate earnings upside as better volumes and pricing across various parts of the economy begin to take effect. However, this growth pulse is likely to fade in the latter half of the year as structural headwinds take effect. Specifically, higher tariff levels and reduced immigration are expected to cause growth to slow to a 1%–2% pace and inflation to gradually cool toward year-end. This is further complicated by fiscal vulnerabilities, with the U.S. debt-to-GDP ratio continues to remain high. Investors must therefore anticipate a shift in market focus from broad cyclical strength to resilience and security later in the year.

As it comes to the federal reserve, we believe that they are facing difficult decisions going into the new year due to oscillations in economic data. The consensus view suggests a shallow easing path, with the Fed expected to enact 2–3 rate cuts throughout 2026. This easing cycle, along with reduced economic policy uncertainty, should generally support global risk assets, including U.S. equities. Long-term rates are projected to remain range-bound, though dips in the 10-year Treasury yield in the first half of the year may be followed by a rebound back

Fed worries about both inflation and unemployment suggest measured easing ahead

Exhibit 2A: Target federal funds rate, FOMC median projection of longer run federal funds rate

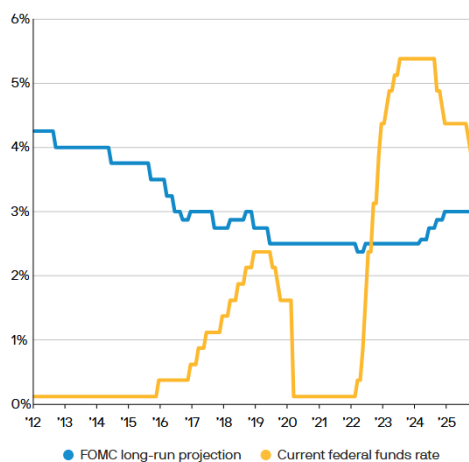
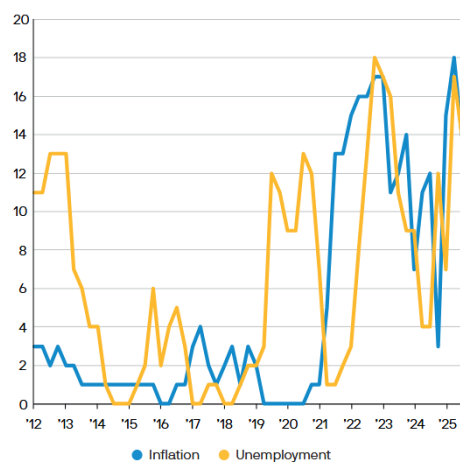


Exhibit 2B: # of FOMC participants who view inflation and employment risks as skewed to the upside relative to forecast



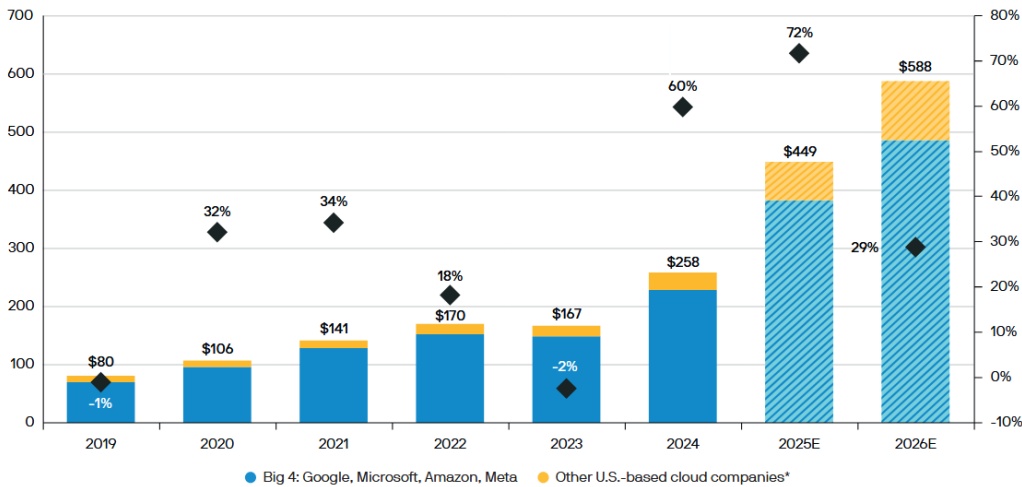
Source: (Left) Bloomberg, Federal Reserve Board, J.P. Morgan Asset Management. (Right) Federal Reserve Board, J.P. Morgan Asset Management. For each SEP, participants provided responses to the question "Please indicate your judgment of the risk weighting around your projections." Data are as of November 13, 2025.

toward 4% at year-end. Rate volatility is a persistent risk, further highlighting the importance of active security selection and appropriate risk management.

When analyzing key market themes, the team believes that the primary driver of the U.S. Equity Market remains the AI revolution. Whether high valuations constitute an “AI bubble” continues to be one of the key debates on the street, yet the team remains focused on ensuring that any investments that we make in the space are underpinned by solid fundamentals rather than irrational exuberance.

Voracious spending from the major U.S. cloud companies is fueling an AI investment boom

Exhibit 1: USD billions (left), year-over-year % growth (right)



Source: Bloomberg consensus, company reports, Goldman Sachs estimates, J.P. Morgan Asset Management.

*Other U.S. includes Oracle, CoreWeave and Apple. This list of cloud/hyperscale spenders is intended to capture key market contributors but should not be interpreted as exhaustive. Microsoft figure is cash capex (excluding assets acquired as capital leases).

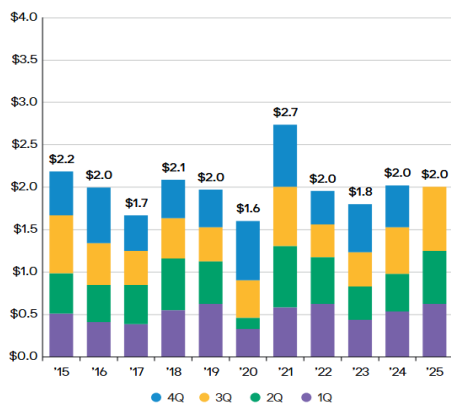
Guide to the Markets – U.S. Data are as of November 13, 2025.

The concentration of the S&P 500's market capitalization in the top 10 U.S. companies (around 40% of the index) remains high. However, this is viewed less as a systemic risk and more as a historical reflection of industry dominance cycles that have potential to last for years to come. Price appreciation is seen as stemming primarily from fundamental growth, strong balance sheets, and strong free cash flow generation from the leading technology giants. The most critical shift for 2026 is the market's pivot from solely rewarding AI CapEx spenders to prioritizing players that can generate cash flow resulting from AI adoption. The initial phase of the AI boom was driven by hyperscalers spending hundreds of billions on chips, data centers, and infrastructure. While the demand for these will remain strong, the focus is now broadening. We believe that the next significant opportunities lie in companies that effectively use AI to boost revenue, lower costs, and enhance free cash flow. This is where the highest return on investment is anticipated, and where the team will spend significant time identifying those secondary AI beneficiaries.

Aside from the beneficiaries mentioned above, other sectors that we believe are poised for gains are industrial and healthcare. Industrials will benefit from the OBBBA’s emphasis on physical infrastructure and reindustrialization, while healthcare will benefit from deals and clarity on drug pricing, rise of blockbuster therapeutics, and enhancement in R&D and drug discovery. Steered by continued geopolitical tensions, national security concerns and the beginning of another defense spending super cycle, A&D is also an increasing area of investment opportunity. The financial sector presents is another attractive opportunity as deregulation measures by the current administration is expected to lift U.S bank’s ability to generate revenue, as well as an active M&A and capital markets landscape will drive fee generation.

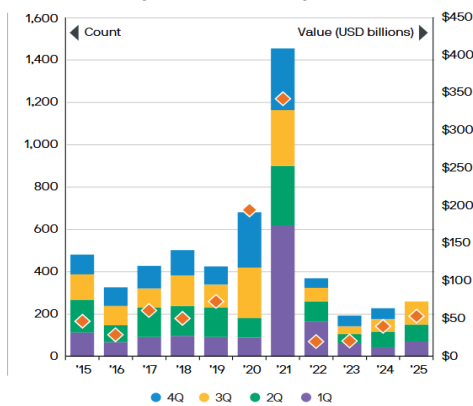
North America M&A: Continued momentum could unlock value in private equity

Exhibit 7A: USD, trillions



North America IPOs: High valuations are motivating listings

Exhibit 7B: Quarterly count and annual value by announcement



Source: 2025 data are as of the latest quarter shown. (Left) Pitchbook, J.P. Morgan Asset Management. Guide to Alternatives. Data are as of November 13, 2025. (Right) Bloomberg, J.P. Morgan Asset Management. Initial Public Offerings data are provided by Bloomberg and are tracked through public announcements or disclosed directly via the deal’s lead underwriters. Exceptions include direct listings as IPO actions or SPAC mergers that result in a private company becoming listed. Guide to Alternatives. Data are as of November 13, 2025.

Overall, we believe that this is an incredibly exciting opportunity to be in the markets as we head into the new year, driven by the initial surge in economic growth from the OBBBA stimulus and a supportive, though oscillating, Federal Reserve policy. The primary focus remains the evolving AI revolution, with significant investment opportunities expected in companies that successfully leverage AI adoption to generate robust free cash flow, alongside targeted gains in cyclical sectors like Industrials, Healthcare, A&D, and Financials.

Portfolio Overview

Performance

Team White’s overall portfolio during the period ended November 21st, 2025, yielded a -2.54% return, compared to the benchmark’s performance of -1.67%. The portfolio underperformed the S&P 500 by -0.86%, including our holding of SPY. The portfolio’s losses have largely been driven by very weak performances of Celsius Holdings (-24.37% and stop-loss triggered) and

BWX Technologies (-14.17%). It is important to note that since the end of the trading period (data from 12/4), our portfolio has recovered significantly, however, BWXT (-8.77%) and AutoZone (-6.58%) still hold back gains. During the trading period, our biggest winners were Union Pacific Corp (+2.33%) and RTX Corp (+6.89%). With more recent data, our best performers were Meta Platforms (+8.44%) and RTX Corp. (+7.94%). We are optimistic about the recovery of our poorly performing positions and the continued growth of our winners due to strong investment theses. Our portfolio has a beta of 0.933 and a P/E ratio of 27.2x, both lower than the benchmark, showcasing our bottoms-up, value-driven strategy.

Sector Analysis

Industrials (\$BWXT, \$UNP, \$HON, \$RTX)

The industrials sector in 2025 experienced a constructive backdrop supported by resilient demand in aerospace, defense, transportation, and advanced energy technologies. One of the most defining features of the year was the strength of global defense spending, which reached multi-decade highs as geopolitical tensions increased in several regions. Defense primes continued to report record backlogs, and this carried into 2026 with strong visibility for multi-year revenue and production cycles. RTX stood out as one of the companies benefiting from both commercial and defense demand. Its portfolio, which includes Pratt & Whitney engines and Raytheon defense systems, was supported by stable orders, a rising need for missile-defense capabilities, and sustained commercial aftermarket demand as global aviation capacity expanded.

Honeywell navigated the year with steady performance across aerospace, automation, building technologies, and industrial software. A major industry trend was the continued adoption of automation and digital industrial solutions, areas where Honeywell continued to invest. The commercial aerospace recovery continued throughout 2025, driving higher demand for avionics, maintenance solutions, and flight-safety products. Even with lingering supply-chain delays in certain engine components, the industry benefitted from improving throughput and more predictable repair cycles.

Union Pacific operated in a freight environment that, while mixed, showed signs of steady improvement throughout the year. Intermodal volumes strengthened as consumer goods shipments stabilized and service reliability improved following multi-year network optimization efforts. Pricing remained firm as railroads continued focusing on long-term contracts and efficiency initiatives designed to improve margins and asset utilization. Energy and industrial shipments were also relatively stable, further supporting revenue consistency.

BWXT participated in one of the fastest-growing long-term areas within industrials: advanced nuclear and small modular reactors. Nuclear energy regained significant global momentum as countries sought reliable, carbon-free baseload power to support electrification and rising data-center demand. BWXT's government and commercial businesses both saw

growing interest in advanced reactor designs, naval nuclear components, and microreactor development. This created a favorable multi-year outlook and expanded its contracted backlog.

Heading into 2026, the sector's major tailwinds include sustained global defense procurement, ongoing expansion in aerospace, improving freight rail efficiency, and rising interest in nuclear and advanced energy systems. Key challenges include supply-chain inconsistencies, regulatory oversight for defense and energy programs, long manufacturing cycles that create execution risk, and macro sensitivity in certain industrial end markets. Overall, the sector remains fundamentally supported by long-duration demand and large backlogs that extend well into the decade.

Communication Services (\$META)

The communication services sector in 2025 was shaped primarily by the rapid acceleration in AI-driven advertising, new monetization tools for creators and businesses, and a shift toward more disciplined capital spending. Meta demonstrated strong momentum throughout the year as improvements in AI-powered ad targeting and measurement drove substantial gains in advertiser performance. Better recommendations and conversion tools caused advertisers to increase budgets, which resulted in strong revenue growth for the core ad business.

A major turning point for Meta in 2025 was the strategic shift away from unusually high metaverse spending toward a more balanced approach prioritizing efficiency and profitability in the core business. Investors responded positively to management's emphasis on controlling losses in Reality Labs and redeploying capital toward AI infrastructure, recommendation engines, and short-form video monetization. Reels continued to grow engagement, and the company made visible progress in closing the monetization gap between Reels and feed ads.

AI development became the centerpiece of Meta's competitive positioning. The company increased investments in large-scale model training, on-device AI, and AI agents designed to improve user interaction and business productivity. These systems enhanced both ad relevance and content recommendations, which together supported higher user engagement and stronger ad returns.

As 2026 approaches, Meta's biggest tailwinds are anchored in margin expansion from cost discipline, ad yield improvements driven by AI, and continued strength in performance advertising. AI infrastructure spending will remain elevated, but it is increasingly viewed as critical to long-term competitiveness rather than as a cost headwind. The main risks include regulatory challenges in the U.S. and EU, privacy shifts that may affect user data availability, and competitive pressure from platforms like TikTok and emerging AI-native social networks. Overall, Meta enters 2026 with accelerating monetization, a more controlled expense base, and strong advertising demand heading into the next year.

Consumer Cyclical (\$AMZN, \$AZO, \$CELH)

The consumer cyclical sector delivered varied performance in 2025 as consumer spending patterns adjusted to a higher-rate environment, shifting e-commerce habits, and category-specific demand drivers. Amazon remained a standout performer due to strong results in AWS and advertising. AWS reaccelerated toward approximately 20 percent growth by late 2025, driven by rising enterprise adoption of AI workloads and cloud modernization initiatives. Advertising also continued to scale rapidly, contributing meaningful operating profit due to its high-margin nature. Amazon's consumer retail segment remained stable despite macro noise, supported by continued gains in Prime adoption and improved delivery speed.

A central strategic decision for Amazon during the year was its continued investment in logistics, fulfillment centers, and last-mile capabilities. These investments placed near-term pressure on free cash flow but were aimed at unlocking faster delivery, better economics, and deeper vertical integration. Over a multi-year horizon, these investments are intended to increase capacity, reduce reliance on third-party carriers, and strengthen Amazon's competitive moat in e-commerce.

AutoZone benefitted from one of the most durable macro trends in consumer cyclicals: the aging U.S. vehicle fleet. With the average car age at record highs, demand for maintenance and repair parts remained steady. AutoZone continued to see strength in its commercial business and expanded its store footprint. Margins were supported by scale advantages and strong inventory management, although competitive pricing pressure and sensitivity in discretionary DIY categories remained key areas to watch.

Celsius remained one of the fastest-growing beverage companies in the consumer sector. Growth was supported by continued distribution expansion, strong placements in convenience stores and gyms, and the integration of recently acquired brands. Despite this momentum, results were somewhat volatile due to inventory adjustments, heavy promotional spending, and acquisition-related costs. The energy drink market remained highly competitive, but Celsius continued to benefit from strong brand loyalty and rising global awareness.

Looking into 2026, the sector's tailwinds include accelerating cloud and AI demand that supports AWS, secular growth in auto parts due to the aging fleet, and continued beverage category expansion for Celsius. The main headwinds include consumer price sensitivity in discretionary categories, competitive pressures in retail and beverages, integration risks related to Celsius acquisitions, and Amazon's elevated capital expenditures temporarily weighing on free cash flow.

Utilities (\$CEG)

Utilities experienced a fundamental shift in 2025 as electricity demand rose sharply due to data-center growth, electrification trends, and the need for more reliable, high-capacity power sources. Data centers in particular became one of the most influential drivers of utility demand as AI workloads and cloud infrastructure expansion significantly increased electricity requirements across multiple states.

Constellation Energy was one of the key beneficiaries of this environment. With one of the largest nuclear generation portfolios in the U.S., the company was positioned advantageously as corporations and data-center operators sought stable, carbon-free baseload power. Nuclear generation received renewed interest across the industry because it offers reliability that intermittent renewables cannot match, particularly for high-uptime data-center customers.

One of the most important developments for Constellation in 2025 was its acquisition of Calpine, which significantly expanded its generation mix to include efficient natural gas and renewable assets. This acquisition positioned the company as a leading supplier to commercial, industrial, and wholesale buyers seeking both reliability and decarbonization. Integration efforts will be a major focus heading into 2026, but the combined platform offers expanded scale and customer reach.

Across the utilities sector, companies increased spending on grid upgrades, transmission expansion, and renewable interconnection capacity. Despite these investments, the sector faced challenges such as long interconnection queues, regulatory oversight limiting rapid price increases, and concerns about infrastructure strain from rapid load growth.

Heading into 2026, utilities are supported by several structural tailwinds: rising long-term electricity demand from data centers, continued policy support for nuclear and renewable energy, and significant investment in transmission and grid reliability. Headwinds include regulatory scrutiny of rate cases, project delays tied to permitting, and operational complexity related to integrating large acquisitions. Nonetheless, the sector is entering one of the most robust multi-year demand cycles it has seen in decades.

Risk Management

A disciplined and proactive approach to risk management is integral to our investment philosophy and is a core component of our strategy. In an unprecedented and rapidly evolving market environment, our ability to balance geopolitical, macroeconomic, and political risks while evaluating the impact of new technologies like artificial intelligence is essential to preserving and compounding capital over the long term.

Our risk management framework begins with a structured, consistent decision-making process. Before any investment is instituted, it must first align with our outlined philosophy focusing on businesses with durable competitive advantages, industry tailwinds, and reasonable valuations relative to long-term earnings potential.

However, the team understands that the analysis itself is only as important as the process of managing the position once it is open. Continuous monitoring is a critical component of our risk oversight. Once an investment position is opened, the stock is closely tracked to ensure the state of the business does not misalign with the initial investment thesis.

Each Investment Manager is responsible for providing updates on the stocks they presented, alerting fellow team members if any specific news either enhances or poses a threat to our current stake. This push toward increased monitoring responsibility proved to be a major success and gave each manager a better grasp of how our holdings interacted with each other over the course of the past three months.

The most fundamental element of our capital preservation strategy is the application of pre-determined stop-loss limits. If a stock's price level trends toward our stop-loss, which is traditionally set at 20% of the buying price, managers are immediately directed to update their models and determine if our allocation needs to be adjusted. This triggers a decision to re-evaluate the investment thesis, preventing minor drawdowns from becoming major capital impairments.

Conclusions

To the Members of the Investment Advisory Board and the University of Connecticut Foundation, thank you once again for your unwavering support and mentorship throughout this past semester. Managing this portfolio during a period defined by rapidly evolving market environments, geopolitical shifts, and the transformative rise of artificial intelligence has been an immense privilege. The opportunity to apply classroom concepts to real-world capital allocation decisions has been invaluable to our professional development, and we are deeply grateful for the trust you have placed in Team White.

As we reflect on our performance over the last three months, we have identified several critical lessons that will shape our approach moving forward. First and foremost is the importance of maintaining strict discipline in our investment thesis. We learned that a thesis must be continuously stress-tested against new data, ensuring that we do not drift from the fundamental attributes, such as durable competitive advantages and reasonable valuations, that justified the initial entry.

Secondly, the volatility experienced this semester taught us to exercise caution when initiating or sizing positions around earnings events. While our risk management framework employs stop-losses to mitigate downside, we recognize that earnings volatility requires even more prudent position sizing to prevent short-term market reactions from forcing premature exits or impacting the broader portfolio. Finally, we learned that clear communication across the team is the bedrock of successful portfolio management. The "open forum" discussions were effective, but we recognize that elevating the quality of our debate and ensuring every team member feels empowered to voice contrarian views is essential for avoiding groupthink.

Looking ahead to 2026, we are incredibly excited to build upon the foundation we established this fall. Our economic outlook for the first half of the year supports a constructive view on equities. Consequently, our primary operational focus for the spring is to increase our equity allocation to 80% by February. This shift from our current allocation represents a significant deployment of capital, designed to capture the upside of the anticipated economic acceleration.

To achieve this, we will rigorously analyze current positions to determine when to add or trim holdings, adding to high-conviction ideas and trimming those that may have reached full valuation. Simultaneously, we aim to refine our internal culture by learning to better give constructive feedback. By sharpening our peer review process, we believe we can pitch stronger ideas and defend our positions with greater rigor.

We are eager to apply these lessons and carry this momentum into the spring semester. Thank you for your continued guidance, and we look forward to reconnecting with you in 2026.

Team White

Fall 2025

Appendix – Fall 2025 Positions

| | | | |
|---|--|-----------------|---|
| Company: Meta Platforms | Ticker: META | Price: \$632.90 | Industry: Social media/Advertising |
| Target Price: \$813 Stop Loss: \$506 (~20%) 52 Week H/L: \$796.25/\$479.80 | Trailing P/E: 26.38 Forward P/E: 24.63 EPS (TTM): \$9.58 | | Market Cap: \$1.83T Avg. Volume: 14.6M Div Yield: 0.34% |
| Company Description | | | |
| Meta is the biggest social media company and is in the Magnificent 7. It operates Facebook, Instagram, WhatsApp, Messenger, and many others. The company primarily generates revenue via advertising on its core family of apps (FoA) and its business messaging. Additionally, the company develops new tech via its Reality Labs division. | | | |
| Industry Review: | | | |
| Global advertising spend reached \$1.17T in 2025, a 7.4% increase YoY. Meta is expected to capture 15.7% of total global ad spend, resulting in ~\$184B in revenue. Additionally, Meta holds 60% of the \$306B spent in 2025 on social media ads. | | | |
| Competitive Analysis: | | | |
| Meta competes with several public and private companies such as Tik Tok and Microsoft (YouTube). Meta reached 3.54 billion daily users across its FoA with Instagram alone attracting ~3B monthly average users (MAU's) and generates \$1.02 in revenue per person-hour. In comparison, Tik Tok attracts ~1.6 B MAU's and only generates \$0.19 in revenue per person-hour. | | | |
| Investment Thesis | | | |
| Recently, Meta has experienced a significant ~17% drop after its earnings call. This is largely due to the increased amount of debt the company has raised and the one-time 87% tax rate impact on NI and EPS. This provides a unique opportunity to invest in the company on a significant downturn which was caused by something that does not really impact the fundamental business of the company. | | | |
| Risks | | | |
| <ul style="list-style-type: none"> • Large AI Spend Compressing Margins → AI shows positive impact on profitability, and the company has funds to pay down added debt. • Competition w/ TT and YouTube → Meta has strong scale and cross platform ad supply, additionally, AI enhancement improves engagement and ad revenue. | | | |

| Equity value per share | | | | | |
|----------------------------|----------|----------|----------|----------|----------|
| Long term growth rate (g): | | | | | |
| | 1.0% | 1.5% | 2.0% | 2.5% | 3.0% |
| 952.95 | | | | | |
| 11.0% | 778.97 | 805.75 | 835.51 | 868.77 | 906.18 |
| 10.5% | 825.37 | 856.12 | 890.49 | 929.16 | 972.99 |
| WACC: | 877.45 | 912.98 | 952.95 | 998.25 | 1,050.02 |
| 9.5% | 936.25 | 977.57 | 1,024.40 | 1,077.93 | 1,139.68 |
| 9.0% | 1,003.07 | 1,051.49 | 1,106.83 | 1,170.69 | 1,245.19 |



| | | | |
|--|--|---|--|
| Company: RTX Corp. | Ticker: RTX | Price: \$158.84 | Industry: Commercial Aerospace & Defense |
| Target Price: \$202.64 Stop Loss: \$134 52 Week H/L: \$112.27/\$181.31 | TTM P/E: 26.96x Forward P/E: 26.13x EPS (LTM): 5.8 | Beta (5Y): 0.69 Credit Rating: BBB+ (S&P) | Market Cap: 212.627B Avg. Volume (3M): 4.45M Div. Yield: 1.65% |

Company Background:

RTX Corporation is the world's largest aerospace and defense company, created in 2020 through the merger of Raytheon Co. and United Technologies Co. (UTC) aerospace businesses; Pratt & Whitney, and Collins Aerospace. Headquartered in the U.S. with a global footprint spanning 235 facilities and 174,000 employees, RTX serves commercial, military, and government clients across more than 180 countries, specializing in aircraft engines, avionics, missile systems, and command technologies. RTX maintains a \$236 billion contract backlog, providing strong visibility into future revenue and reinforcing its sticky customer relations. Recent collaborations, such as with Shield AI and Kongsberg, represent RTX's commitment to advancing their defense platforms through integration of artificial intelligence and next-gen capabilities.

Industry Outlook:

RTX participates in both commercial aerospace (46% of revenue) and defense industries (54% of revenue). The defense industry is experiencing robust growth driven by rising geopolitical tensions, and therefore, an increased global defense spending. Governments continue to modernize multi-domain defense systems, prioritizing advanced technologies such as AI, autonomous platforms, and cyber capabilities. Additionally, commercial aerospace is seeing a surge in air travel demand, prompting record backlogs at major OEMs (Boeing and Airbus), and a renewed prioritization of fuel-efficient aircraft. While supply chain constraints remain a threat, companies with diversified operations and strong supplier relationships will continue to win.

Competitive Analysis:

The few key players include Lockheed Martin, Northrop Grumman, General Electric, and General Dynamics, which contribute to a highly concentrated industry. RTX Corp. maintains a strong competitive position in the aerospace and defense industry, significantly outperforming its peers while maintaining a 16.13% market share. Unlike Lockheed, which derives ~73% of its revenue from government contracts, RTX benefits from a more diversified portfolio, spanning commercial aerospace, jet engines, missile systems, and command technologies. Compared to Northrop, which is also a sole defense play, RTX's balanced exposure to both commercial and military markets provide greater flexibility and resilience across economic cycles. With a \$236 billion contract backlog, RTX demonstrates superior liquidity, innovation investment, and operational scale compared to its competitors.

Investment Thesis:

RTX is an attractive buy due to its balanced exposure to defense and commercial aerospace, robust contract backlog, and strategic initiative in high-growth tech. RTX's growth over the next 3-5 years will be driven by a combination of high-tech defense innovation, commercial aerospace recovery, and contract execution.

Investment Risks:

- Supply Chain Risk: Disruptions due to foreign supplier exposure and geographic concentration
- Legal/Compliance: At risk of civil/criminal penalties due to agreements with DoJ and SEC
- Government: Reliance on government budget cycles & procurement decisions

Stock Performance – 5yr:



ESG:

Environment, Social and Governance (ESG) Risk Ratings

| | |
|---|---|
| Total ESG Risk Score 29.6 Medium | Environmental Risk Score 12.0 |
| Social Risk Score 13.2 | Governance Risk Score 4.4 |

Valuation:

| Implied Perpetuity Growth Rate | |
|--------------------------------|---------------|
| Terminal Year FCF | \$ 12,826.24 |
| WACC | 7.30% |
| Terminal Value | \$ 307,233.12 |
| PGR | 3.0% |

| Implied Equity Value and Share Price | |
|--------------------------------------|--------------------|
| PV of Cash Flows | \$ 48,324.2 |
| PV Terminal Value | \$216,007.8 |
| Enterprise Value | \$264,332.0 |
| Plus: Cash and Cash Equivalents | 4,762.0 |
| Less: Total Debt | 43,599.0 |
| Implied Equity Value | \$225,519.0 |
| Fully Diluted Shares Outstanding | 1,112.90 |
| Implied Share Price | \$ 202.64 |
| Current Stock Price | 158.56 |
| Margin of Safety | 28% |

| | | | | |
|--|--|---------------------|--|---|
| Company: Union Pacific Corporation | Ticker: UNP | Price: \$221 | Industry: Railroad | |
| Target Price: \$243.50 Stop Loss: \$175 52 Week H/L: \$256.84/\$204.66 | TTM P/E: 18.7x Forward P/E: 17.9x EPS (LTM): 11.78 | | Beta (5Y): 1.00 Credit Rating: A- (Fitch) | Market Cap: 131.09B Avg. Volume (3M): 4,005k Div. Yield: 2.5% |

Company Background:

Union Pacific (UNP) is a major Class I railroad operating a 32,000-mile network across the Western U.S., connecting key ports, Mexico, and major distribution hubs. Founded in 1862, it has a diversified freight mix across industrial, agricultural, energy, and intermodal markets, leveraging its scale and network density.

Industry Outlook:

Six Class I freight rails control the long-haul network: UNP, BNSF, CSX, NS, CN, CPKC. They own the infrastructure, rights-of-way, yards, and terminals. These companies have deep moats from thousands of miles of rights-of-way, their connected networks, and regulatory protection inhibiting new emergence. New entrances face legislative challenges, logistical improbabilities and massive capital burdens.

Competitive Analysis:

UNP currently trades at a slight discount to its Class I rail peers across P/E, EV/EBITDA, and EV/EBIT, despite its scale and strong Western network. This contrasts with its typical 5-year premium, suggesting the market is pricing in recent service challenges and regulatory overhang. With only P/B showing a premium, UNP has room for multiple recovery if operational performance steadies and deal uncertainty clears.

Investment Thesis:

Union Pacific presents a compelling investment opportunity, combining best-in-class operational execution with potential upside from a transformational acquisition. Even without a merger, the company still offers defensible, long-term value for shareholders with its favorable competitive positioning, consistent dividends, and share repurchase programs. Overall, Union Pacific demonstrates the stability of a well-run core business while also maintaining avenues for future growth and capital returns.

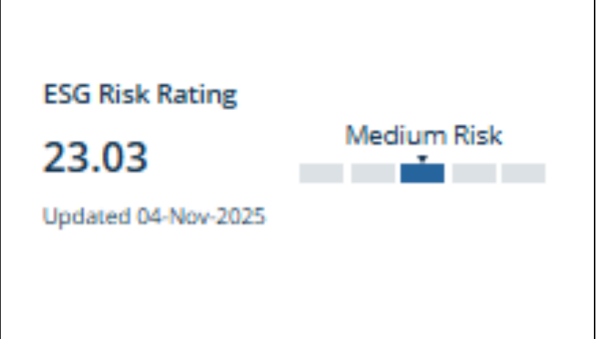
Investment Risks:

- Regulation, labor, brand: Risk of STB blockage, union pressure, and need to maintain strong service quality.
- Capex + cyclicity: High fixed costs and exposure to freight downturns.
- Mitigants: Market already prices risk; long-term demand and efficiency offset volatility.

Stock Performance – 5yr:



ESG:



Valuation:

Merger:

| WACC | Blended implied share price | | | | |
|------|-----------------------------|----------|----------|----------|----------|
| | 2.0% | 2.5% | 3.0% | 3.5% | 4.0% |
| 9.1% | \$203.76 | \$210.97 | \$219.37 | \$229.27 | \$241.10 |
| 8.6% | \$216.36 | \$224.99 | \$235.16 | \$247.33 | \$262.14 |
| 8.1% | \$230.81 | \$241.26 | \$253.77 | \$269.00 | \$287.94 |
| 7.6% | \$247.58 | \$260.44 | \$276.10 | \$295.57 | \$320.46 |
| 7.1% | \$267.34 | \$283.44 | \$303.47 | \$329.06 | \$362.91 |

No Merger:

| WACC | Blended implied share price | | | | |
|------|-----------------------------|----------|----------|----------|----------|
| | 2.0% | 2.5% | 3.0% | 3.5% | 4.0% |
| 9.1% | \$170.63 | \$180.75 | \$192.53 | \$206.42 | \$223.02 |
| 8.6% | \$185.08 | \$197.19 | \$211.47 | \$228.54 | \$249.32 |
| 8.1% | \$202.01 | \$216.69 | \$234.24 | \$255.61 | \$282.18 |
| 7.6% | \$222.08 | \$240.13 | \$262.10 | \$289.42 | \$324.34 |
| 7.1% | \$246.21 | \$268.80 | \$296.91 | \$332.81 | \$380.31 |

| | | | | |
|--|---|---|--|--|
| Company: Honeywell International | Ticker: HON | Price: \$193.15 | Industry: Commercial Aerospace & Automation | |
| Target Price: \$242.79 Stop Loss: \$156 52 Week H/L: \$168.99/\$227.74 | TTM P/E: 20.71x Forward P/E: 19.50x EPS (LTM): 9.47 | Beta (5Y): 0.94 Credit Rating: A (S&P) | Market Cap: 131.132B Avg. Volume (3M): 4.55M Div. Yield: 2.34% | |

Company Background:

Honeywell is a global industrial technology leader that operates across aerospace, automation, energy and building technologies. In 2025, Honeywell began a multi-year corporate transformation with the goal of unlocking existing value by separating the company into three independent public companies. Those companies include Honeywell Aerospace, Honeywell and Solstice Advanced Materials. To date, Honeywell is comprised of its automation and aerospace businesses. Honeywell operates as the pure-play automation leader that is focused on powering the world's shift towards total automation. Honeywell Aerospace is poised to become the premier technology and systems provider defining the future of aviation and defense, this business is anticipated to be spun off early in 2026. This separation reflects Honeywell's shift away from being an industrial conglomerate and into a set of focused, high growth, pure play technology companies. Currently, Honeywell operates across four key segments that are focused on delivering automation (26%), aviation (40%), performance (17%) and safety (17%) technologies to a wide range of customers worldwide.

Industry Outlook:

Honeywell operates across a wide range of industries. From this large range of industries, three growth industries can be derived that will deliver significant upside to Honeywell's future. The first being in Aerospace and defense where there is a continued rebound in aviation supported by record OEM backlogs and a resurgence in air travel demand. Furthermore, in the industrial automation and digital operations industry, persistent labor shortages are driving rapid adoption of automation, industrial AI and warehouse/workflow optimization. In addition, data centers and digital infrastructure are key demand drivers for controls, sensing and energy management, all major aspects of Honeywell's product and service offerings. Lastly, the energy transition and sustainability sector, a global shift towards decarbonization and clean energy with global emissions mandates boosting need for low-carbon fuels, carbon capture, hydrogen technologies and energy management.

Competitive Analysis:

Key players include GE Aerospace, RTX, Siemens, Schneider Electric, ABB, and Johnson Controls. GE Aerospace and RTX represent aerospace, Honeywell's advantage lies in its high margin avionics, strong aftermarket activity and deep installed base across ~90% of commercial aircraft. Competitors Siemens, Schneider and ABB offer leading control systems. In this space Honeywell differentiates itself with integrated software platforms and industrial automation capabilities. Finally, in advanced materials, companies like Johnson Controls compete in sustainable materials. Honeywell, via Solstice, maintains an edge with their low global warming materials and energy transition processes.

Investment Thesis:

Honeywell is an attractive stable value company that will provide steady growth across key segments. The company's immense diversification across industries allows it to capitalize on upticks and mitigate exposure to potential downside in any given industry. Efforts to create three separate, publicly traded companies increase Honeywell's operational efficiency and provide an attractive outlook on future growth.

Investment Risks:

- International Presence: 50% of revenues from the overseas market, exposing Honeywell to geopolitical tensions and volatility
- Innovation: Growth is dependent on ability to innovate on track with industry trends and introducing relevant products
- Government Contract Reliance: Revenues tied up in government contracts, any changes, cuts, or shutdowns could have implications on performance

Stock Performance – 5yr:



ESG:

| Company | Industry | CSA Score | ESG Score | Score Under Review | Last Updated |
|------------------------------|------------------------------|-----------|-----------|--------------------|------------------|
| Honeywell International Inc. | IDD Industrial Conglomerates | 36 | 39 | NO | October 14, 2025 |

Valuation:

| Implied Equity Value and Share Price | | Implied Perpetuity Growth Rate | |
|--------------------------------------|-----------|--------------------------------|-----------|
| EV of FCF | \$70,112 | Terminal Year FCF | \$9,140 |
| EV of Terminal Value | \$89,182 | Discount Rate | 8.32% |
| Enterprise Value | \$159,294 | Terminal Value | \$147,519 |
| Enterprise Value (DCF Method) | \$159,294 | Perpetuity Growth Rate | 2.00% |
| Average Enterprise Value | \$163,000 | | |
| Free Cash Flow | \$38,215 | | |
| ADD Cash & Equivalents | \$12,538 | | |
| Equity Value | \$154,100 | | |
| Share Outstanding | 797 | | |
| Implied Share Price | \$193.15 | | |
| Current Price | \$193.15 | | |
| Market of Value | \$154,100 | | |

| | | | |
|---|---|--|---|
| Company: BWX Technologies | Ticker: \$BWXT | Price: 197.32 | Industry: Aerospace & Defense / Industrials |
| Target Price: \$195 Stop Loss: \$140 52 Week H/L: \$215.01.11/\$84.21 | TTM P/E: 58.14x Forward P/E: 51.27x EPS (LTM): \$3.21 | Beta (5Y): 0.77 Credit Rating: BB (Fitch) | Market Cap: 17.059B Avg. Volume: 1,171,732 Div. Yield: .54% |

Company Background:

BWX Technologies, Inc. (BWXT) is a leading supplier of nuclear components and services with a unique position as the sole manufacturer of naval nuclear reactors for the U.S. Navy. The company operates across two primary segments: Government Operations, which accounts for the majority of revenue through long-term contracts tied to submarine and aircraft carrier propulsion systems, and Commercial Operations, which focuses on medical isotopes, commercial nuclear fuel, and advanced reactor technologies such as TRISO. BWXT's durable backlog, supported by multi-decade government programs, provides strong visibility into future earnings and cash flows while its commercial initiatives offer exposure to emerging growth opportunities in nuclear medicine and next-generation energy.

Industry Outlook:

The nuclear sector is experiencing renewed momentum, driven by energy security concerns, decarbonization mandates, and increased government support for advanced nuclear technologies. In the defense space, sustained U.S. Navy procurement of Virginia and Columbia class submarines underpins long-term demand for BWXT's reactors and components. On the commercial side, global interest in small modular reactors (SMRs), microreactors, and medical isotopes is expanding at a rapid pace, creating new opportunities for specialized suppliers. Market forecasts suggest the nuclear power industry could grow at a mid-single-digit CAGR through 2030, while medical isotopes such as Mo-99 and Ac-225 are expected to see double-digit growth as demand for diagnostic imaging and targeted cancer therapies accelerates.

Competitive Analysis:

BWXT occupies a defensible niche with significant barriers to entry, reinforced by decades of experience, proprietary manufacturing capabilities, and regulatory approvals that are difficult to replicate. In government contracting, BWXT effectively faces no direct competition for U.S. Navy nuclear propulsion systems, ensuring stable, recurring revenue streams. In the commercial segment, competitors include global engineering and nuclear fuel providers such as Framatome, Cameco, and Westinghouse, though BWXT differentiates itself through its focus on highly specialized isotopes and TRISO fuel. Its position as both a critical defense supplier and an innovator in commercial nuclear applications allows it to balance stability with growth, giving it an edge over more narrowly focused peers.

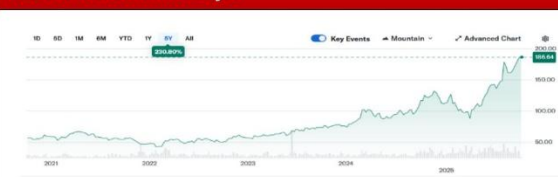
Investment Thesis:

BWXT is a compelling investment given its irreplaceable role in U.S. national defense, supplying nuclear propulsion systems under long-term government contracts that provide stability and visibility. The company is also positioned to capture growth from rising global nuclear power demand through TRISO fuel, SMRs, and medical isotopes. With resilient financial performance, consistent cash generation, and a steady dividend, BWXT offers a rare combination of defense-backed stability and commercial nuclear growth.

Investment Risks:

- Revenue Concentration: 80% of revenue is tied to government contracts
- Defense spending: Demand for services is tied to government defense budget
- Regulatory environment: Strict regulations exist around the handling and supplying of nuclear components and fuel
- Safety Risk: Nature of company operations can involve safety risks in the event of nuclear disasters

Stock Performance – 5yr:



ESG:

| | |
|---|---|
| Total ESG Risk Score 33.0 Severe | Environmental Risk Score 12.5 |
| Social Risk Score 16.0 | Governance Risk Score 4.5 |

Valuation:

| Terminal valuation - perpetuity method | | Year 1 Multiples | | Terminal valuation - EBITDA multiple method | |
|--|-----------------|---------------------|----------|---|----------|
| WACC: | 8.7% | EV/Revenue | 5.0x | EV/EBITDA | 6.2x |
| Terminal growth rate | 4.0% | EV/EBITDA | 21.8x | EV/EBIT | 22.9x |
| Terminal value in 2020 | 21,511 | | 25.0x | 43.0x | |
| Present value of terminal value | 11,997 | | | | |
| Present value of future cash flows | 3,662 | | | | |
| Enterprise value | 15,659 | | | | |
| (+) Cash & equity investments | 37 | | | | |
| (-) Debt | 1,032 | | | | |
| (-) Total Minority Interest | 0 | | | | |
| Equity Value | 17,228 | | | | |
| Shares outstanding | 91 | | | | |
| Equity value per share | \$189.40 | | | | |
| Weight | 50% | Current Share Price | \$195.64 | Implied Share Price | \$208.25 |
| | | Margin of Safety | | 11.06% | |

| Blended implied share price | | | | | |
|-----------------------------|----------|----------|----------|----------|----------|
| Perpetuity growth rate | | | | | |
| WACC | | | | | |
| | 3.0% | 3.5% | 4.0% | 4.5% | 5.0% |
| 9.7% | \$180.09 | \$183.76 | \$188.08 | \$193.22 | \$199.47 |
| 9.2% | \$187.64 | \$192.08 | \$197.37 | \$203.78 | \$211.73 |
| 8.7% | \$196.22 | \$201.66 | \$208.25 | \$216.42 | \$226.79 |
| 8.2% | \$206.10 | \$212.88 | \$221.28 | \$231.94 | \$245.94 |
| 7.7% | \$217.67 | \$226.30 | \$237.27 | \$251.66 | \$271.38 |

| | | | |
|--|--|---|--------------------------------|
| Company: Constellation Energy Corp. | Ticker: CEG | Price: \$364.10 | Industry: Nuclear Power |
| Target Price: \$390 Stop Loss: \$291 (~20%) 52 Week H/L: \$376.78/\$161.35 | TTM P/E: 38 Forward P/E: 31.75 EPS (TTM): \$9.58 | Market Cap: \$113.747 B Avg. Volume: 2.29M Div Yield: 0.43% | |

Company Description

CEG is the largest producer of carbon free power in the United States providing 10% of the nation's carbon free energy. CEG has the largest fleet of nuclear plants with an industry leading 94% capacity factor. Recently, CEG has signed contracts with major tech companies such as Meta and Microsoft, providing power to their datacenters for years to come.

Industry Review:

The energy production industry is split into two segments: Regulated utilities and Merchant Generators. Merchant generators such as CEG compete in unregulated power markets, earning revenue by signing PPAs for market prices. The U.S is gradually shifting towards carbon-free power, and nuclear energy is the most reliable generator in this category.

Competitive Analysis:

Key players include Vistra (VST), NRG Energy (NRG), and Duke Energy (DUK). However, these companies are minority nuclear and generate most of their energy from fossil fuels and renewables, meaning that CEG is the only real majority nuclear energy provider. Additionally, CEG is signing contracts with several tech companies to provide clean, nuclear power to Microsoft, Meta, and others in the future. Finally, OB3 has cut subsidies and tax credits to renewables such as solar, wind, and hydro, but has left nuclear power alone. This allows CEG to generate billions in tax credits.

Investment Thesis

Global energy consumption is constantly increasing. Electricity consumption for data centers and AI is expected to double by 2030 at a growth of ~15%/year. The company has years of expertise in this field and is signing several contracts with tech companies to provide power for their data centers. Additionally, with the shift to clean energy, nuclear will help with this transition.

Risks

- Operational risks such as unplanned outages, refueling/maintenance, and safety
- Exposed to fluctuations in energy prices
- Nuclear fuel supply chain: Russian Uranium ban
- Policy risk: Changes to 45U and other tax credits



| | | Equity value per share | | | | |
|-------|--------|----------------------------|--------|--------|--------|--------|
| | | Long term growth rate (g): | | | | |
| | | 3.0% | 3.5% | 4.0% | 4.5% | 5.0% |
| | 371.51 | | | | | |
| | 12.0% | 296.04 | 308.10 | 321.66 | 337.04 | 354.61 |
| | 11.5% | 315.03 | 329.00 | 344.83 | 362.93 | 383.80 |
| | 11.0% | 336.57 | 352.87 | 371.51 | 393.00 | 418.08 |
| | 10.5% | 361.17 | 380.36 | 402.50 | 428.32 | 458.85 |
| WACC: | 10.0% | 389.49 | 412.30 | 438.90 | 470.34 | 508.07 |

| | | | |
|--|---|---|---|
| Company: AutoZone | Ticker: AZO | Price: \$4132 | Industry: Auto Parts Retail |
| Target Price: \$4612.20 Stop Loss: \$3600 52 Week H/L: \$4,388.11/\$2,898.57 | TTM P/E: 28.02x Forward P/E: 25.71x EPS (LTM): 147.75 | Beta (5Y): 0.41 Credit Rating: BBB (Fitch) | Market Cap: 69.26B Avg. Volume (3M): 124k Div. Yield: N/A |

Company Background:

AutoZone is a leading retailer and distributor of automotive replacement parts and accessories. They have over 6500 locations in the US, as well as growing stores in Mexico and Brazil. Revenue is generated through their DIY (~70% of revenue) segment, which sells directly to retail customers in stores. DIFM (~28%) is their commercial program that sells directly to garages, repair shops, and dealers. Lastly, they own ALLDATA (~2%), which is the industry leading diagnostic tool. AutoZone provides solutions to retail consumers and commercial clients by leveraging its strong supply chain and scale, trusted brand name, and data-enabled software. AutoZone's strong FCF generation and diligent share repurchase plan continuously return shareholder value.

Industry Outlook:

The auto parts retail industry has a direct correlation to the US car industry. The industry is benefitting through an increase in average age of vehicles on the road (currently at ATH of 12.8yrs), a strong increase in the number of pickup trucks and SUVs on the road, and US auto sales, which still haven't recovered from pre-COVID levels. The auto parts industry is projected to grow at a ~6.98% CAGR through 2034. AutoZone is well-positioned to benefit from secular tailwinds by capitalizing on their extensive reach and readily available product assortment to reach existing and new consumers/businesses.

Competitive Analysis:

Key players include O'Reilly, Advanced Auto, and GPC (NAPA). O'Reilly is the key competitor in this industry. They are seen to have a more even revenue split between DIY and DIFM and therefore have a more expensive valuation. Advanced Auto is unprofitable, and GPC sees more cyclical due to their industrial parts business. Scale and inventory management are the two most critical factors in this industry. AutoZone's continued investment in their supply chain will bolster their inventory management and distribution channels, which will improve inventory selection for both stores and commercial clients.

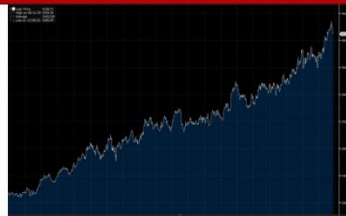
Investment Thesis:

AutoZone will grow and take commercial market share if they properly finish their supply chain initiative, continue building stores, and leverage their DIY scale. We see ALLDATA, their in-house line (Duralast), and growing mega hubs and distribution centers as undervalued growth drivers.

Investment Risks:

- Execution Risk: AutoZone's growth strategy relies upon expanding store count and building new hubs.
- Margin Compression: Current economic conditions are affecting inventory prices
- Debt: AutoZone finances their share repurchases strategy partially through debt

Stock Performance – 5yr:



ESG:



Valuation:

| Implied Equity Value and Share Price | |
|--------------------------------------|--------------------|
| PV of Cash Flows | \$ 14,918.0 |
| PV Terminal Value | \$ 74,414.3 |
| Enterprise Value | \$ 89,332.3 |
| Plus: Cash and Cash Equivalents | 287.6 |
| Less: Total Debt | 12,596.2 |
| Implied Equity Value | \$ 77,023.7 |
| Fully Diluted Shares Outstanding | 17 |
| Implied Share Price | \$ 4,612.20 |
| Current Stock Price | 4132.00 |
| Margin of Safety | 11.62% |

| Sensitivity Analysis of Implied Price | | | | | | |
|---------------------------------------|-------|-------------|-------------|-------------|-------------|-------------|
| WACC | | | | | | |
| 6.6% | | | | | | |
| 6.9% | | | | | | |
| 7.1% | | | | | | |
| 7.4% | | | | | | |
| 7.6% | | | | | | |
| PGR | 2.00% | \$ 4,708.67 | \$ 4,417.91 | \$ 4,155.74 | \$ 3,918.15 | \$ 3,701.85 |
| | 2.25% | \$ 4,981.31 | \$ 4,660.16 | \$ 4,372.20 | \$ 4,112.56 | \$ 3,877.27 |
| | 2.50% | \$ 5,287.19 | \$ 4,930.25 | \$ 4,612.20 | \$ 4,327.02 | \$ 4,069.88 |
| | 2.75% | \$ 5,632.81 | \$ 5,233.29 | \$ 4,879.78 | \$ 4,564.79 | \$ 4,282.35 |
| | 3.00% | \$ 6,026.42 | \$ 5,575.67 | \$ 5,179.99 | \$ 4,829.89 | \$ 4,517.92 |

| | | | |
|---|--|---------------------------------------|--|
| Company: Celsius Holdings, Inc | Ticker: CELH | Price: \$59.25 | Industry: Beverages – Non Alcoholic |
| Target Price: \$70 Stop Loss: \$50 52 Week H/L: \$66.74/\$21.10 | TTM P/E: 155.00x Forward P/E: 39.84x EPS (LTM): \$0.38 | Beta (5Y): 0.41 Credit Rating: BB- | Market Cap: 15.27B Avg. Volume (3M): 5.83M Div. Yield: N/A |

Company Background:

Celsius is a leading producer and distributor of functional energy drinks focused on health and performance. The company sells across major retail channels in the U.S. and is rapidly expanding internationally through its partnership with PepsiCo. Revenue is primarily generated from its core energy drink segment (~95%), with international sales (~4%) and licensing and other revenue (~1%) contributing modestly. Celsius targets health-conscious consumers seeking a clean, zero-sugar alternative to traditional energy drinks. The company leverages its strong brand positioning, influencer marketing, and data-driven distribution strategy to drive growth. Celsius's asset-light model, expanding global presence, and disciplined reinvestment in brand awareness continue to support robust free cash flow generation and shareholder value.

Industry Outlook:

The market for functional and energy-drinks is enjoying strong tailwinds. Globally, the functional beverages market is projected to grow at roughly a 6.4-8.6% CAGR through the late 2020s and early 2030s. In the U.S., the energy drink segment alone is expected to expand at around a 7.2% CAGR from 2024 to 2030. The growth is being driven by heightened health consciousness, demand for clean-label and sugar-free beverages, expansion of retail & online distribution, and increasing penetration in emerging markets. Consequently, Celsius Holdings, Inc. is well positioned to benefit from these secular trends, particularly as it scales internationally, leverages its health-driven positioning, and exploits its data-enabled, omnichannel distribution footprint.

Competitive Analysis:

Key competitors in the energy drink industry include Monster Beverage, Red Bull, and Alani Nu. While Monster and Red Bull remain dominant players with global reach and large marketing budgets, both have launched zero-sugar products to compete in the growing health-conscious segment. However, Celsius has been a first mover in the "better-for-you" energy drink category, focusing on clean ingredients, no artificial additives, and functional benefits like metabolism support, appealing strongly to fitness-oriented and female consumers. In 2024, Celsius further expanded its presence in this space by acquiring Alani Nu, a leading brand in women-focused energy and wellness products. This acquisition broadens Celsius's reach into the rapidly growing female consumer market and complements its existing product portfolio.

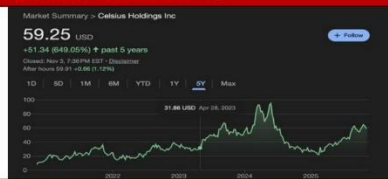
Investment Thesis:

The company's health-oriented focus, strong brand equity, and effective influencer-driven marketing have created a durable competitive moat against traditional peers like Monster and Red Bull. International sales currently make up a small portion of revenue, but Celsius is poised to benefit significantly from its expanded distribution partnership with PepsiCo both domestically and internationally. The enhanced agreement not only shifts Alani Nu's North American distribution to Pepsi by 2025 but also grants Celsius full control over Pepsi's energy drink distribution network, effectively phasing out Rockstar and reallocating premium shelf space to Celsius and Alani.

Investment Risks:

- Acquisition Risk: The Alani Nu acquisition introduces integration risk as Celsius combines operations and brand strategies.
- International Expansion: Consumer demand may be underwhelming internationally, hindering Celsius's growth.
- Valuation: Celsius currently trades at a premium relative to peers like Monster and Red Bull, reflecting high growth expectations. Any slowdown in revenue or margin expansion could trigger meaningful valuation compression.

Stock Performance – 5yr:



ESG:

Celsius Holdings, Inc. ESG Score

The S&P Global ESG Score cannot be compared across industries. It measures a company's sustainability performance relative to peers within the same industry classification. [Learn more](#)

| Company | Industry | CSA Score | ESG Score | Score Under Review | Last Updated |
|------------------------|---------------|-----------|-----------|--------------------|---------------|
| Celsius Holdings, Inc. | BVG Beverages | 6 | 11 | NO | July 18, 2025 |

This company's ESG Score is based on publicly available information and modeling approaches and is not based on the company's active participation in the S&P Global Corporate Sustainability Assessment (CSA).

Valuation:

| Valuation | Perpetuity | EBITDA | Equity value per share | | | | |
|------------------------|------------|------------|------------------------|-------|--------|--------|--------|
| | | | 7.0% | 7.5% | 8.0% | 8.5% | 9.0% |
| Enterprise value | 17,761,947 | 17,702,377 | 43.67 | 47.90 | 52.95 | 59.43 | 65.05 |
| Net debt | 284,345 | 284,345 | 48.50 | 53.11 | 58.26 | 65.07 | 71.36 |
| Equity value | 17,477,602 | 17,418,031 | 54.48 | 61.17 | 70.05 | 82.56 | 101.25 |
| Shares outstanding | 249,333 | 249,333 | 62.06 | 71.11 | 83.79 | 102.80 | 134.45 |
| Equity value per share | \$70.10 | \$69.86 | 72.16 | 85.04 | 104.35 | 136.53 | 200.89 |

| Year 1 Multiples | Perpetuity | EBITDA | Equity value per share | | | | |
|------------------|------------|--------|------------------------|-------|-------|-------|-------|
| | | | 7.0% | 7.5% | 8.0% | 8.5% | 9.0% |
| EV / Revenue | 7.2x | 7.2x | 65.85 | 66.50 | 67.30 | 68.03 | 68.75 |
| EV / EBITDA | 61.5x | 61.5x | 67.69 | 67.62 | 68.56 | 69.30 | 70.04 |
| EV / EBIT | 63.0x | 62.7x | 68.35 | 69.10 | 69.86 | 70.61 | 71.37 |
| | | | 69.64 | 70.41 | 71.18 | 71.95 | 72.72 |
| | | | 70.97 | 71.75 | 72.54 | 73.33 | 74.11 |

| | | | | |
|--------------------------------|---------------------|-------------------------|-----------------------------|--|
| Company: Amazon | Ticker: AMZN | Price: \$222.17 | Industry: Technology | |
| Target Price: \$275.98 | TTM P/E: 33.92x | Beta (5Y): 1.31 | Market Cap: 2.369T | |
| Stop Loss: \$110 | Forward P/E: 32.12x | Credit Rating: AA (S&P) | Avg. Volume: 42.3M | |
| 52 Week H/L: \$242.52/\$161.38 | EPS (LTM): \$6.55 | | Div. Yield: N/A | |

Company Background:

Amazon.com, Inc. engages in the retail sale of consumer products, advertising, and subscriptions service through online and physical stores in North America and internationally. The company operates through three segments: North America, International, and Amazon Web Services (AWS). It also manufactures and sells electronic devices, including Kindle, fire tablets, fire TVs, echo, ring, blink, and eero; and develops and produces media content. In addition, the company offers programs that enable sellers to sell their products in its stores; and programs that allow authors, independent publishers, musicians, filmmakers, Twitch streamers, skill and app developers, and others to publish and sell content. Further, it provides compute, storage, database, analytics, machine learning, and other services, as well as advertising services through programs, such as sponsored ads, display, and video advertising. Additionally, the company offers Amazon Prime, a membership program. The company's products offered through its stores include merchandise and content purchased for resale and products offered by third-party sellers. It serves consumers, sellers, developers, enterprises, content creators, advertisers, and employees. Amazon.com, Inc. was incorporated in 1994 and is headquartered in Seattle, Washington.

Industry Outlook:

Amazon's industry outlook remains favorable, supported by the continuing growth in its underlying industries, including e-commerce, cloud computing, and digital advertising. Retail is expected to grow modestly, AWS is expected to have larger growth rate due to the expansion into AI and the evolving demand for cloud computing, and Prime is expected to expand their offering with recent updates being expansion into sports and live-streaming.

Competitive Analysis:

Amazon's profitability trails software and tech peers due to a significant amount of revenue coming from retail, but improving margins from AWS and advertising are key long-term drivers. Its valuation is moderate relative to growth prospects, returns on capital are solid but not leading due to reinvestment in logistics and infrastructure, and Amazon maintains low leverage and stable liquidity, giving it resilience and capacity to continue investing aggressively.

Investment Thesis:

We believe the company is well-positioned for continued growth, given the trends in the underlying industries it serves, the continuing shift to e-commerce, increasing adoption of cloud computing via AWS, expansion of digital advertising, and investments in artificial intelligence and logistics automation. The growth of their high margin services businesses will drive the bottom line and further increase the attractiveness of the prime ecosystem.

Investment Risks:

- **Monopoly Risk:** Amazon's dominant market position across e-commerce and cloud computing invites ongoing antitrust scrutiny, which could lead to fines, regulation, or forced divestitures.
- **AWS Competition:** Intensifying competition from Microsoft Azure and Google Cloud may pressure AWS's margins and slow growth in its most profitable segment.
- **Tariffs:** Rising import tariffs or trade tensions could increase Amazon's supply chain costs and reduce pricing flexibility across its global retail operations.

Stock Performance – 10yr:



ESG:

ESG Risk Rating

18.37

Low Risk

Updated 26-Sep-2025

Valuation:

| | |
|--|---|
| Financial value - blended implied share price | Financial value - 2025x multiple based |
| Terminal value | 267,281 |
| Current cash value | 22,110 |
| Current cash value (2025) | 2,347,589 |
| Present value of terminal value | 3,088,881 |
| Present value of cash value | 22,110 |
| Enterprise value | 3,110,991 |
| Debt value | 686 |
| Equity value | 3,107,105 |
| Equity value per share | 222.17 |

| | | Blended implied share price | | | | |
|------|-------|-----------------------------|----------|----------|----------|----------|
| | | Perpetuity growth rate | | | | |
| | | 3.0% | 3.5% | 4.0% | 4.5% | 5.0% |
| WACC | 11.3% | \$243.63 | \$247.59 | \$252.10 | \$257.26 | \$263.25 |
| | 10.8% | \$253.42 | \$258.04 | \$263.35 | \$269.50 | \$276.71 |
| | 10.3% | \$264.20 | \$269.66 | \$275.98 | \$283.38 | \$292.19 |
| | 9.8% | \$276.18 | \$282.68 | \$290.29 | \$299.34 | \$310.27 |
| | 9.3% | \$289.62 | \$297.44 | \$306.74 | \$317.98 | \$331.83 |