



EAGLE INVESTMENT FUND

ANNUAL REPORT
2021

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Macroeconomics

Overview

There are a variety of factors that will determine how the recovery unfolds in 2021. These includes: 1) the scale of the continuing COVID-19 resurgence and any resulting lockdowns, 2) the distribution and effectiveness of COVID-19 vaccines, 4) the size and timing of fiscal stimulus, 5) the standing of labor markets and household consumption, and 6) the degree to which volatility in the US political transition affects consumer and business confidence.

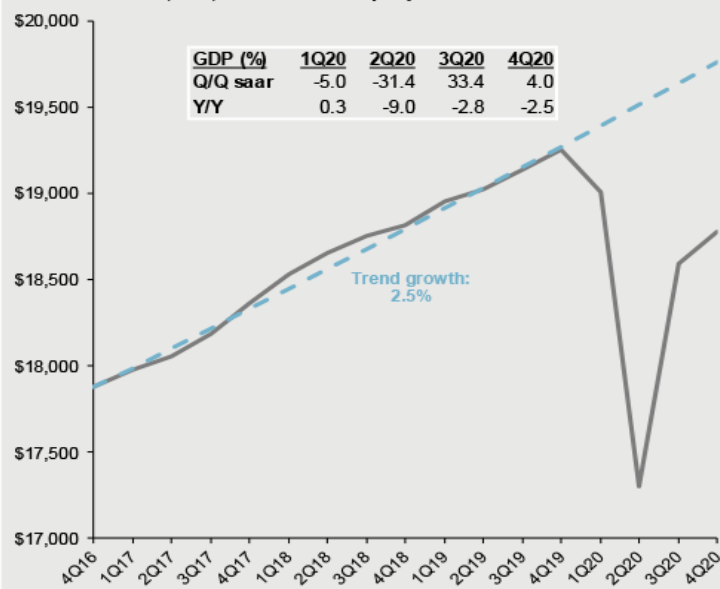
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Economic growth and the composition of GDP

GTM - U.S. | 22

Real GDP

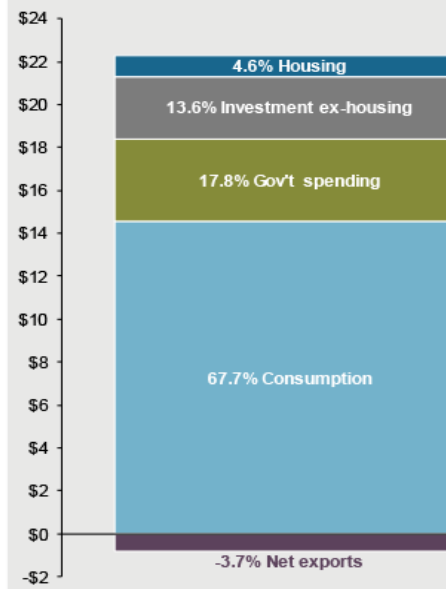
Billions of chained (2012) dollars, seasonally adjusted at annual rates



Source: BEA, FactSet, J.P. Morgan Asset Management. Values may not sum to 100% due to rounding. Guide to the Markets – U.S. Data are as of January 31, 2021.

Components of GDP

4Q20 nominal GDP, USD trillions



Economy

Macroeconomics

Domestic Events

▪ *Second stimulus check*

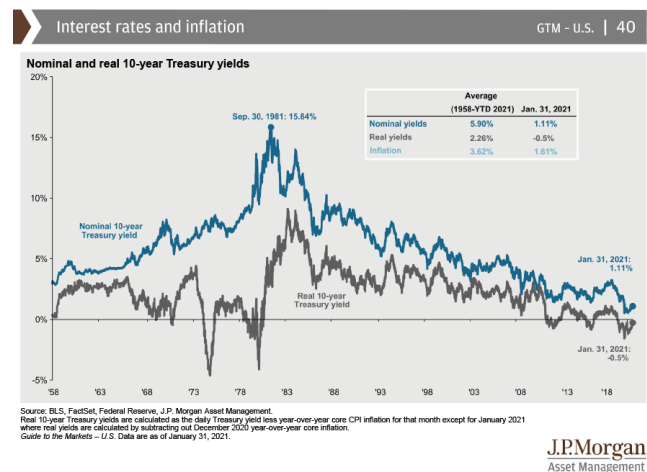
Economic shutdown created a crisis for all workers, the unemployment rate skyrocketed to 14.7% in April as companies lay off workers. The Fed, the Treasury Department and Congress took quick, crucial action to support the economy during the worst of the breakdown. Congress approved additional unemployment benefits and \$1,200 stimulus checks that helped many of the hardest-hit Americans pay their rent and keep food on the table where the U.S. Treasury got those checks out quickly. To help households, Biden's plan includes another round of direct payments, expanded unemployment insurance benefits, and additional tax credits (Davidson, 2021). Stimulus provides encouragement for people to increase spending and businesses to increase hiring and investment. The goal of stimulus is to raise economic activity.

Additionally, many people invested at least part of their stimulus checks in the stock market. Schwab saw a record 609,000 new brokerage accounts opened and Robinhood saw daily trades increase 300% in March, year-over-year. Experts also say that passing a robust stimulus bill soon would be good for the market as well as the economy. Expectations of this bill helped the overall position of the stock market. Supporting businesses and citizens will yield positive returns for the economy.

▪ *Low Interest Rate*

The Fed reiterated after its latest policy meeting that it expects to keep its benchmark short-term interest rate near zero through at least 2023 (Rugaber & Crutsinger, 2020). Since the virus

pandemic intensified in March the Fed lowered the fund rate near to zero to fight the pandemic recession. The low interest rate will encourage investors to continue favoring equities relative to bonds because of the prospect of relatively higher returns. In turn, that could help to push stock prices higher (Horneman, 2020).



The Fed lowers interest rates to stimulate economic growth, as lower financing costs can encourage borrowing and investing. However, when rates are too low, they can spur excessive growth and subsequent inflation, reducing purchasing power and undermining the sustainability of the economic expansion.

Lower interest rates directly impact the bond market, as yields on everything from U.S. Treasuries to corporate bonds tend to fall, making them less attractive to new investors. Bond prices move inversely to interest rates, so as interest rates fall, the price of bonds rise. Likewise, an increase in interest rates sends the price of bonds lower, negatively impacting fixed-income investors. As rates rise, people are

also less likely to borrow or refinance existing debts, since it is more expensive to do so.

- ***Pandemic's deadliest month in US ends with signs of progress***

The pandemic has left businesses shutting their doors, business owners drowning in debt and bankruptcy, a loss of health insurance for workers who cannot work, high interest charges on debts that they cannot pay—all of these various items combined (including high hospital costs for those who end up sick in the ER)—have led to a downward spiral of market health and, some might argue, artificially injected inflation that will most certainly burst in a bubble of nothing but hot air.

- ***Biden Tax Plan***

Biden proposed an increase in the marginal income tax rate from 37% to 39.6% for those making more than \$400,000. He would not raise taxes on Americans earning less than \$400,000 a year, while corporate taxes will rise from 21% to 28%, and a 15% minimum book tax (Pisani, 2021). In this way, the Biden tax plan would reduce S&P 500 earnings by 7% under the current plan, mostly stemming from higher corporate taxes.

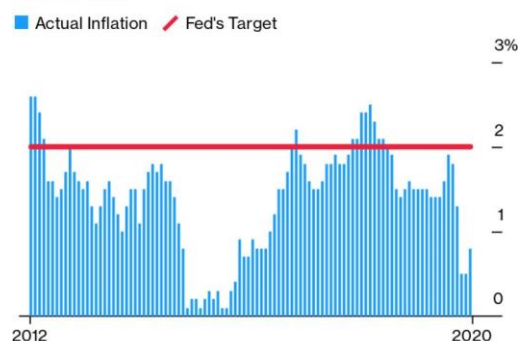
Such an increase in taxes will help to raise federal revenue over the next ten years, but it will reduce the economic growth. Biden's tax proposals impose ordinary income tax rates on capital gains and dividends for those earning over \$1 million and raising estate and gift taxes. This would reduce both American economic output (GDP) and the incomes received by Americans (Watson, Li, & LaJoie 2020).

- ***Rates & Inflation Poised to Remain Low in U.S.***

Pandemic-related shutdowns caused unusual monthly inflation numbers. In March 2020, core consumer price inflation (CPI) was flat but then fell by 0.4% in April and 0.1% in May—the only back-to-back monthly decline in the past 40 years. Core CPI stabilized in June before rising by 0.5% in July and 0.3% in August (AllianceBernstein, 2021).

Falling Short

Fed mostly missed its target because of too little inflation, not too much



Inflation is expected to rise in the next few months as last spring's lows roll off year-over-year calculations and pent-up consumer demand is likely unleashed (Scheid, Rocha, 2021). Whether the inflation rebound will stick or will be little more than a glitch will depend on the bond market. Today, the bond market moves are more reflective of brighter economic prospects moving interest rates further from the bottom.

Macroeconomics

Global Events

- ***Thousands flee Hong Kong for UK, fearing China crackdown***

Unrest in Hong Kong destabilizes the entire region and does nothing to help in trust of China. “Iris Pang, greater China economist at Dutch bank ING, projected Hong Kong’s annual gross domestic product to fall by 2.25% in 2019 and 5.8% in 2020.”

As of April 4th, 2021, the protests continue, growing more violent and disruptive, posing a challenge to the city’s government and Beijing not seen since Hong Kong was handed over from British to Chinese rule in 1997, according to CNN. While Hong Kong remains safe as a whole, the real question remains as to how this unrest and threat to democracy will ripple across the world, destabilizing the world economy and stock markets.

The seemingly largest threat to companies that want to do business in China has to do with the ethical and moral compromises that they need to make in order to engage there.

According to CNN business, H&M ([HNNMY](#)), Nike ([NKE](#)), Adidas ([ADDDF](#)) and other Western retailers were threatened with a boycott in China because of the stand they had taken against the alleged use of forced labor to produce cotton in Xinjiang. H&M ([HNNMY](#)) was even dropped by major Chinese e-commerce stores.

- ***US watchdog: Taliban attacks increased in Afghan capital***

The world has already invested so much (tax-backed funding for military aid, not to mention loss of lives and the long-term economic losses created by war)—signs of an increase of Taliban attacks in spite of a “peace agreement” does not bode well. With corruption in the area the rule, not the exception, the area is not only a black

hole for peace investment, but also threatens U.S. troop involvement (and U.S. tax dollars for increased military provisions).

“COVID-19 has hit Afghanistan in the midst of a difficult political transition, an intensifying conflict, and significant uncertainty regarding future grant support,” Henry Kerali, World Bank Afghanistan director, told reporters in June of 2020, in regards to feedback on the Covid-19 pandemic aftershocks on Afghanistan.

The shrinking of the Afghan economy means further strain on the world to keep up with economic and military aid which, in turn, will have a further draining effect on the U.S. economy, given our government’s policy of commitment to the region.

- ***Over 5,100 arrested at pro-Navalny protests across Russia***

Corruption and perceived corruption create large barriers of entry and opportunity cost to multinational companies looking to invest and trade with Russia. Russia exports steel, coal, gas, and oil to Europe and beyond. Further unrest and non-democratic policies toward government critics, such as Navalny, do nothing to help. Now that President Biden is in office, sanctions will most likely be taken to keep Russia in check, which will hurt it even more and cause shocks on the global markets.

As of April 4th, 2021, the United States has joined the EU in imposing further sanctions in response to the poisoning and subsequent imprisonment of Navalny in Russia:

“In today’s actions, the Department of State, under the U.S. Chemical and Biological Weapons Control and Warfare Elimination Act of 1991, will expand existing sanctions first

imposed on Russia after its 2018 chemical weapon attack against Sergei Skripal in the United Kingdom, three years ago this week. The Department of State has also implemented measures under Executive Order (E.O.) 13382, which targets weapons of mass destruction proliferators, as well as the Countering America's Adversaries Through Sanctions Act (CAATSA) against multiple Russian individuals and entities associated with the Russian Federation's chemical weapons program and defense and intelligence sectors. In addition, the Department will amend Section 126.1 of the International Traffic in Arms Regulations to include Russia in the list of countries subject to a policy of denial for exports of defense articles and defense services, with certain exceptions for exports to Russia in support of government space cooperation. Exports in support of commercial space cooperation, however, will be restricted following a six-month transition period."

This will, in turn, affect the U.S. investment markets "The key risk for investors is a loss of access to the OFZ market due to U.S. sanctions," the Institute of International Finance said on March 24th, 2021.

According to reuters.com on March, 24th, the threat [of further sanctions] hammered Russian government bonds. Yields on 10-year benchmark OFZ bonds, which move inversely with their prices, were at 7.25% after jumping to 7.36% on Tuesday, their highest since last March.

The sell-off prompted the finance ministry to cancel its weekly OFZ bond auctions on Wednesday for the first time since August, citing increased market volatility.

Brent crude oil, a global benchmark for Russia's main export, was up 4.4% at \$63.44 a barrel, supporting Russian stock indexes after their losses of the past few days.

▪ ***Military takes control of Myanmar; Suu Kyi reported detained***

In a globalized world, we see how unrest and destabilization in one country spreads like a disease to others. Once thought to be on the road to democracy, now that the military has taken over, Myanmar is isolating itself even further from the world markets and stage. Furthermore, in its connection to China, this further complicates relations with the rest of the world.

"Pull out, suspend or stay?" is the question that Yahoo Finance posed in an online article published April 1st, 2021. "Foreign firms in Myanmar face some tough choices over how to respond to the military coup and subsequent violent crackdown on pro-democracy protesters in the country."

The coup and the junta's subsequent actions have triggered international condemnation and US sanctions, as well as either suspended - or halted altogether - business activities from global companies in Myanmar.

Suzuki, Benetton, Carlsberg Beer, French energy giant EDF, Accor, Chevron, and French renewable energy group Voltalia have all either suspended operations or quit altogether.

Giesecke and Devrient, a German company that supplies products to make Myanmar bank notes, suspended deliveries to state-owned Security Print Works this week due to the "ongoing violent clashes."

These losses on global corporations will certainly effect the international and domestic stock markets, as their investments have been devalued and performance potentials severely retarded.

▪ ***COVID-19 Vaccine, slow roll-out in Europe & underdeveloped nations***

The distribution of vaccines that started in the first quarter will likely begin to reduce the medical necessity of restrictions. Companies slowly will restore businesses that will gradually raise workforces. However, to feel the full

benefits from their availability of vaccines in the first two quarters, the volume of the vaccine should be accelerated and universally available and have effectiveness against new COVID-19 strains.

As of April 1st, 2021, the WHO slammed the slow rollout of vaccines in Europe, saying that it's prolonging the pandemic:

The World Health Organization said the slow rollout of vaccines in Europe is prolonging the pandemic as new cases are rising in every age group apart from one, people 80 years and older. There were 1.6 million new cases recorded in the WHO European Region last week and almost 24,000 deaths, making it the second most affected of all regions after the Americas."

According to the International Monetary Fund, most countries around the world are in a pandemic-related recession. The delay in vaccines in Europe poses an economic threat to the world economic in the form of a globalised chain-link affect: the more the European Union is hampered by its lack of vaccines to curb the spread of the Covid-19 virus, the longer it will take for it to come out of lockdown and the harder it will be for businesses in distress from the lockdown to revive themselves. This will, of course, lead back to US markets with investments tied in the EU, as well as EU global corporation's capital invested in US businesses.

▪ **Rejoining the Paris Climate Agreement**

Joe Biden offers new hope in the fight against climate change, both within U.S. borders and around the globe. Most of the countries are taking steps to tackle the growing climate crisis to not only to prevent the growing threats of drought, flooding, sea level rise, forest fire and other effects of climate change, but also to reap the clear economic and social benefits of climate action (Waskow 2020). Climate change impacts

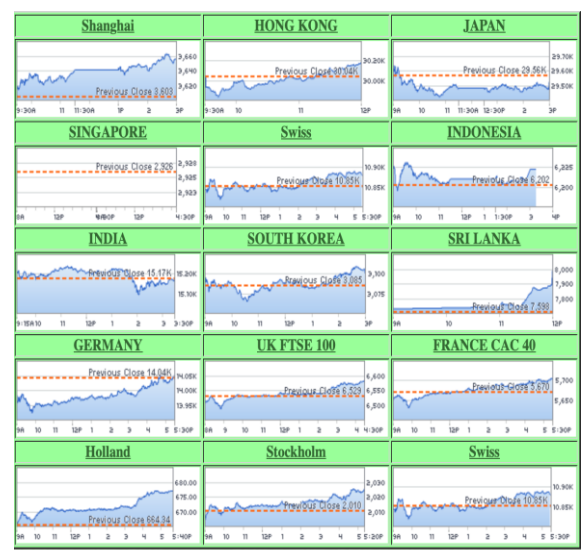
on renewable energy generation that becomes cheaper compared to fossil fuel power and also changes the transportation sector. European government committed to target production and sale of zero-emission vehicles which increases demand for electric vehicles and battery storage.

▪ **The after-effects of Corona Pandemic around the World**

"The adverse impact on confidence, financial markets, the travel sector and disruption to supply chains contributes to the downward revisions in all G20 economies in 2020, particularly ones strongly interconnected to China, such as Japan, Korea and Australia.[1]"

Accordingly, annual global GDP growth is projected to drop to 2.4% in 2020 as a whole, from an already weak 2.9% in 2019, with growth possibly even being negative in the first quarter of 2020.

Prospects for China have been revised markedly, with growth slipping below 5% this year, before recovering to over 6% in 2021, as output returns gradually to the levels projected before the outbreak.

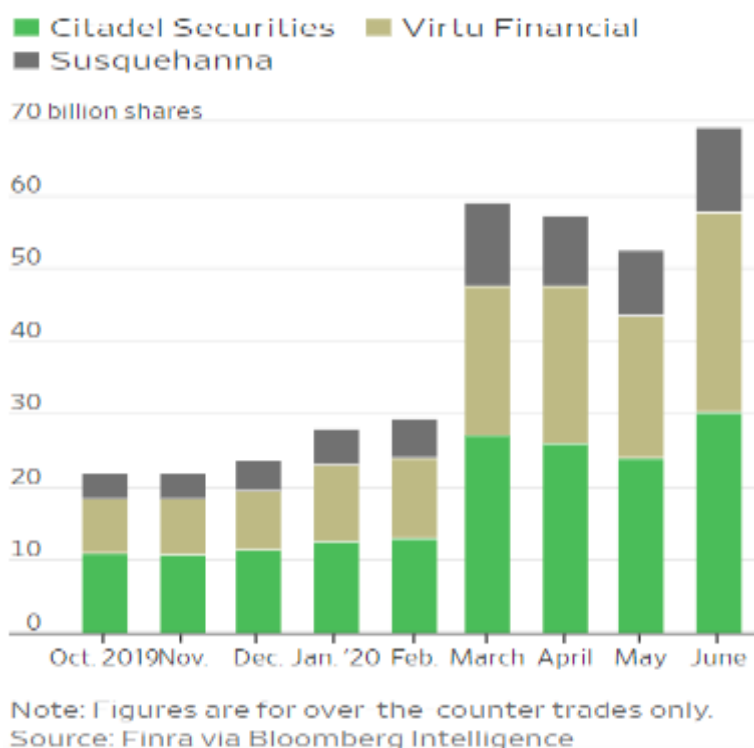


Equity Market Movements

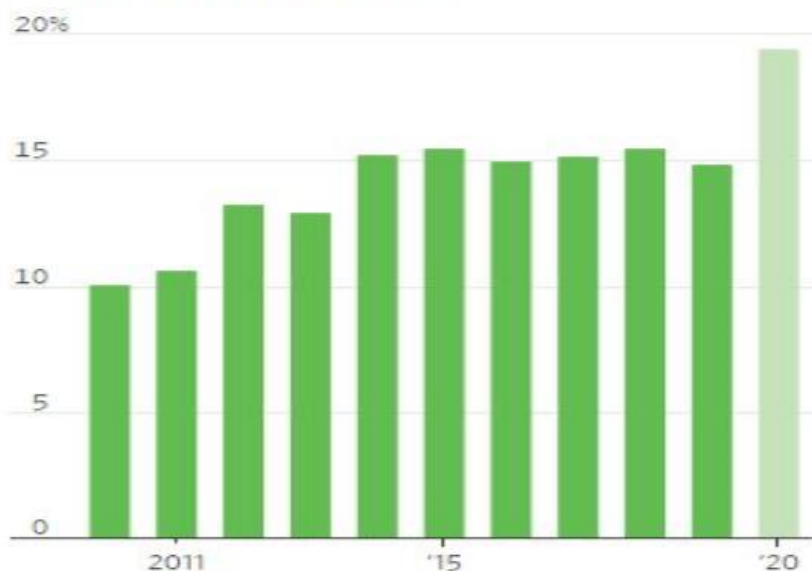
Retail Frenzy

As a result of

- Commission-free trades across most major brokerage firms:
- Receiving stimulus payments
- Working from the home because of the global
- Retail trading volumes in the U.S. reach levels unheard of since the Dot-Com Bubble. pandemic. Retail trading volumes in the U.S. reach levels unheard of since the Dot-Com Bubble.



Individual investors' estimated share of U.S. equities trading volume



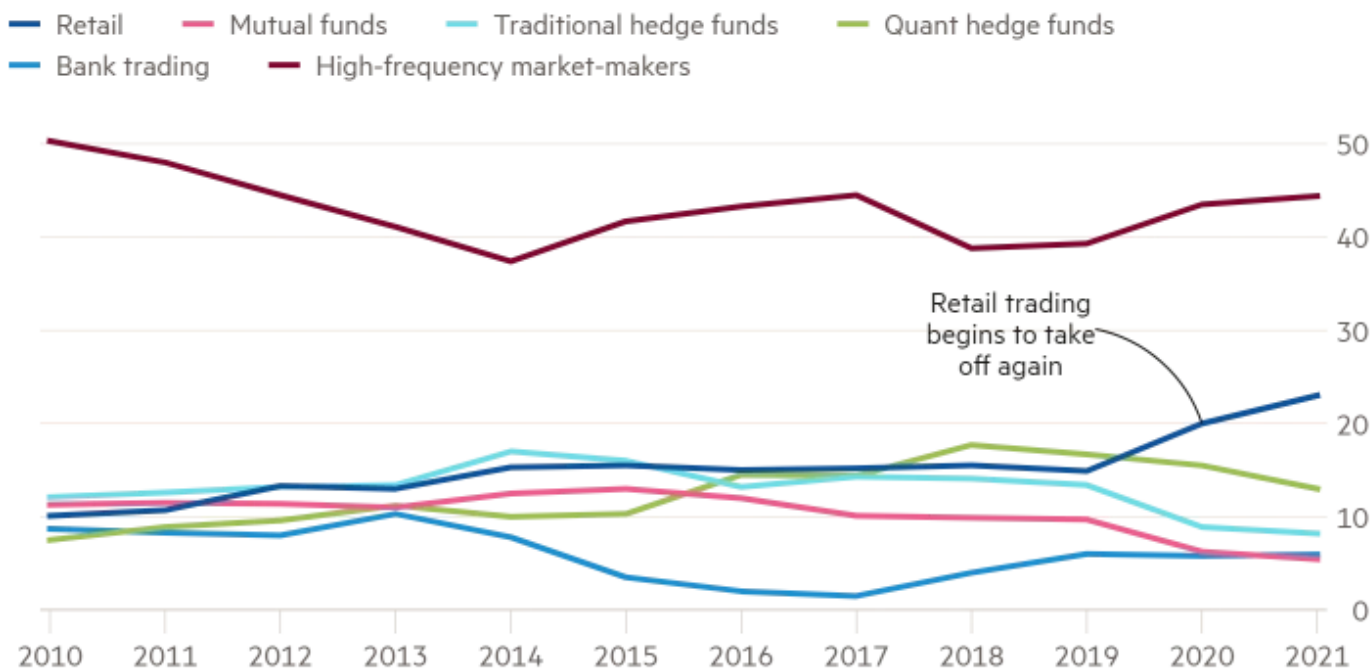
Update in Trend:

- Retail trades now make up almost 25% of overall market volume.
- Impact of Robinhood users on market is palpable: Researchers estimate that if the \$65bn AUM at Robinhood were removed from the US equity market it would have lowered the aggregate market capitalization in July by roughly \$355bn; **talk about punching above your weight class¹.**

¹ [How Retail Traders Impacted the Stock Market - The Irrelevant Investor](#)

Retail trading now accounts for almost as much volume as mutual funds and hedge funds combined

Market share of overall US equity trading volumes (%)

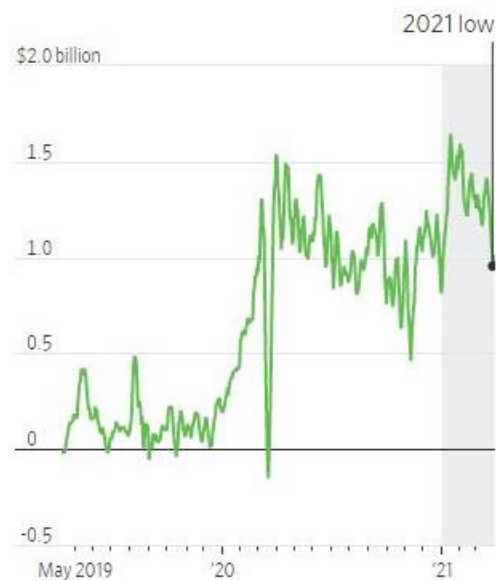


Source: Bloomberg Intelligence

© FT

- Major Caveat: The trend appears to be reverting to the mean, net equity purchases by individual investors declined 60% from the peak on Jan. 29 to March 26, going from almost \$2bn to roughly \$772mn².

Net U.S. equity purchases by individual investors, five-day rolling average



Note: Data tracks about 9,000 U.S. stocks and exchange-traded funds.

Source: VandaTrack

² [How Retail Traders Impacted the Stock Market - The Irrelevant Investor](#)

Equity Market Movements

Factor Shifts and “The Great Convergence”

“In the world of investing nothing is as dependable as cycles” – Howard Marks

Many capital allocators are noting that we appear to be at the early stages of a shift in factor-based alpha, with Growth, the prevailing winner of the last decade, now taking a back seat to Value, a relative laggard over the last ten years.

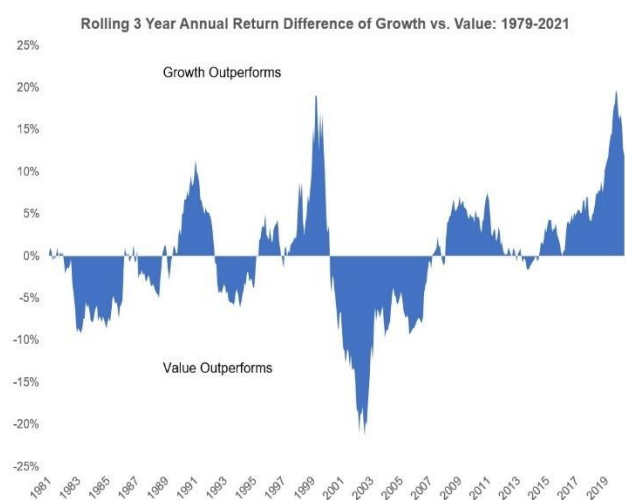
Russell 1000 Growth vs Russell 1000 Value over last four decades and the disparity in 3-year annual returns throughout the cycles.

In the first quarter of this year, the Russell 1000 value was up 11.3% while the Russell 1000 Growth was up 0.9%², so it appears this thesis has been validated to a degree by market performance and historical data suggests that we are only at the early stages of this shift³.

Period	Growth	Value
1979-1988	281.2%	402.9%
1989-1999	764.1%	433.7%
2000-2008	-51.5%	6.6%
2009-2020	683.5%	275.3%

Source: Returns 2.0

This shift is accentuated by another event occurring between the Value factor and its thematic opposite, the Momentum factor. Put simply, the momentum factor allocates capital to purchase stocks that have been appreciating in price for extended periods of time, usually around 12-months.



With the outperformance that is currently taking place in the value factor, assuming the trend continues, it will eventually lead to the overlap of stocks that are categorized as “value” being picked up by “momentum” strategies as the factors rebalance from traditional growth sectors like tech and healthcare to financials, energy, materials, and industrials.

A value-momentum convergence is the “holy grail” of quantitative investing, according to Bernstein strategist Inigo Fraser-Jenkins — something so rare that it is intriguing many investors in the field⁴.

³ <https://awealthofcommonsense.com/2021/04/the-growth-value-cycle/>

⁴ [Investors brace for ‘major shift’ as momentum and value collide | Financial Times](#)

Some value stocks are starting to screen as momentum stocks

Number of stocks classified as both value and momentum in the US

Number of stocks classified as both value and momentum in Europe

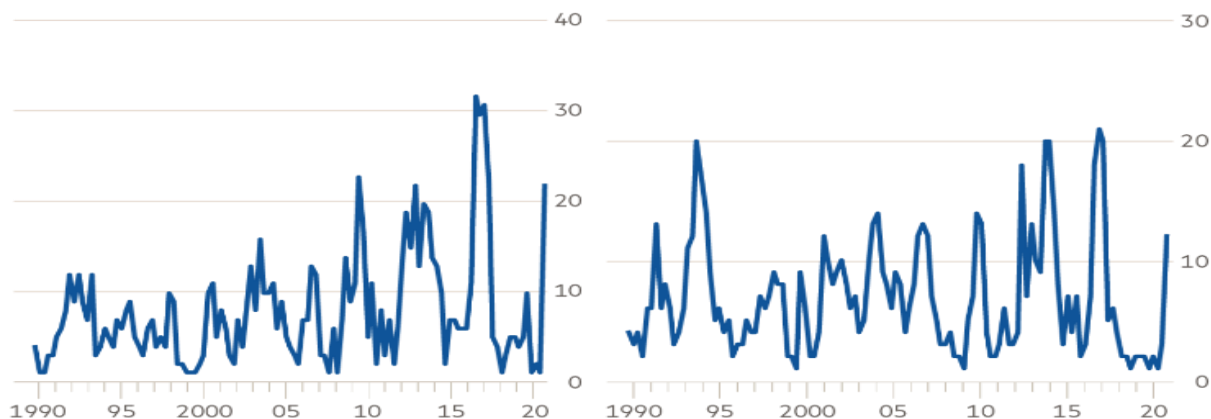
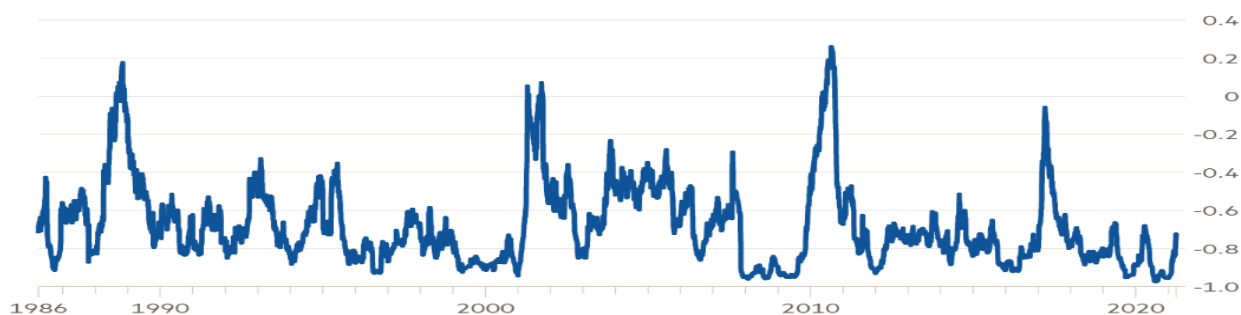


Chart shows the number of stocks that screen as the top quintile of value (defined as price-to-book) and momentum (defined as 12-month price momentum) in respective MSCI indices, rebalanced quarterly

Source: Bernstein
© FT

Momentum and value factors typically move in opposite directions

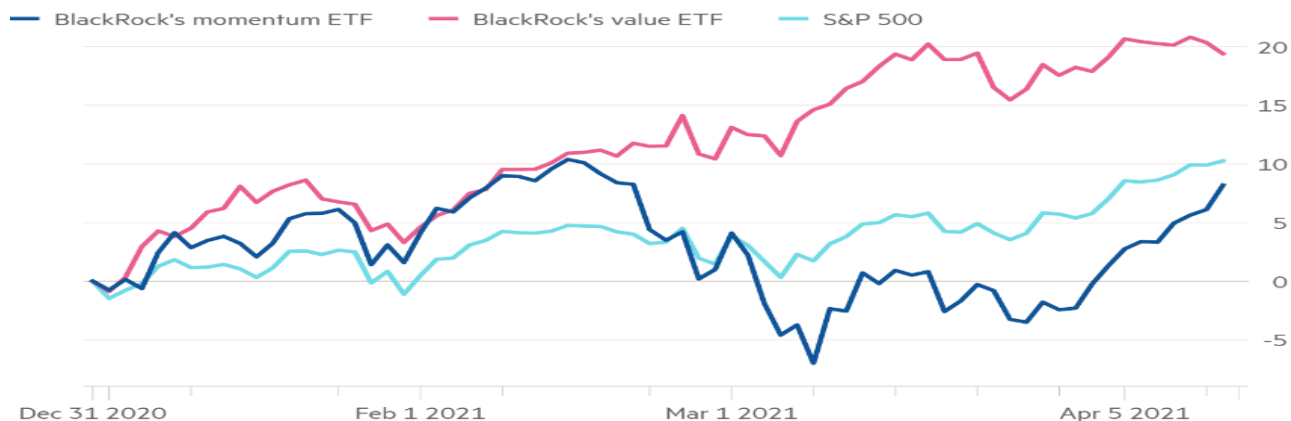
1 signifies perfect correlation, while -1 is perfect negative correlation



Source: Wolfe Research
© FT

Value stocks are finally enjoying a renaissance

Relative returns year-to-date (%)



Source: Bloomberg
© FT

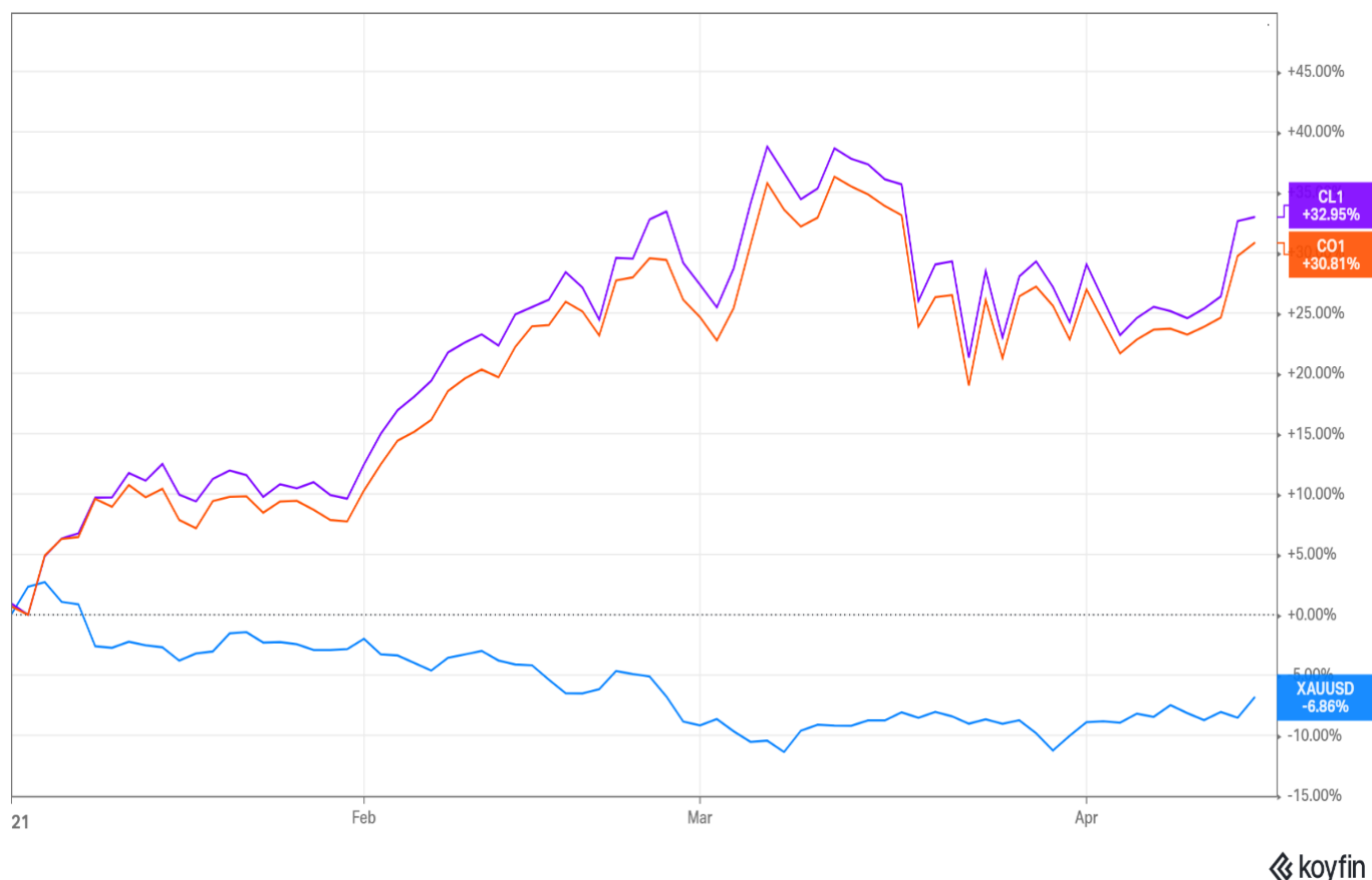
Credit Market Performance (YTD): U.S. Junk Bonds, U.S. Aggregate, and Emerging Market USD Denominated Issues



Key Takeaways

- Graph reflects performance on a total return basis YTD, with only Junk Bonds producing positive returns.
- With bond yields as low as they have ever been for much of the developed world investors are forgoing “risk-free” assets in favor of riskier assets.

Real Asset Market Performance (YTD): WTI, Brent, and Gold

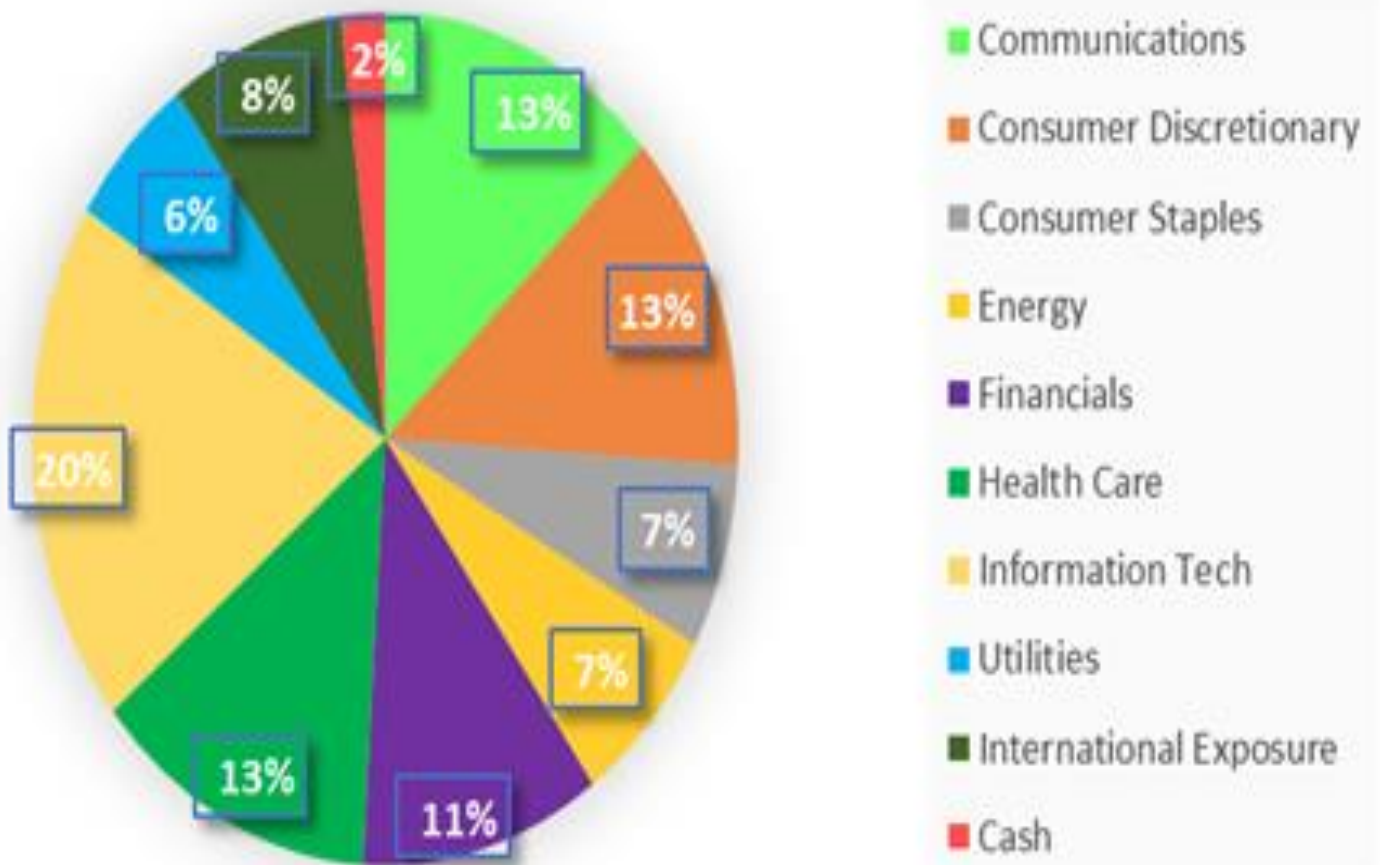


Key Takeaways

- Graph reflects performance on a price return basis YTD.
- Energy commodities appearing in cyclical uptrend.
- Negative price return for gold implies that Macro focused investors, who tend to hedge the risk of inflation through assets like gold, currently view the risk of inflation as low.

Portfolio Holdings by Sector

EIF Asset Allocation



Communications

Heidi Philipsen-Meissner

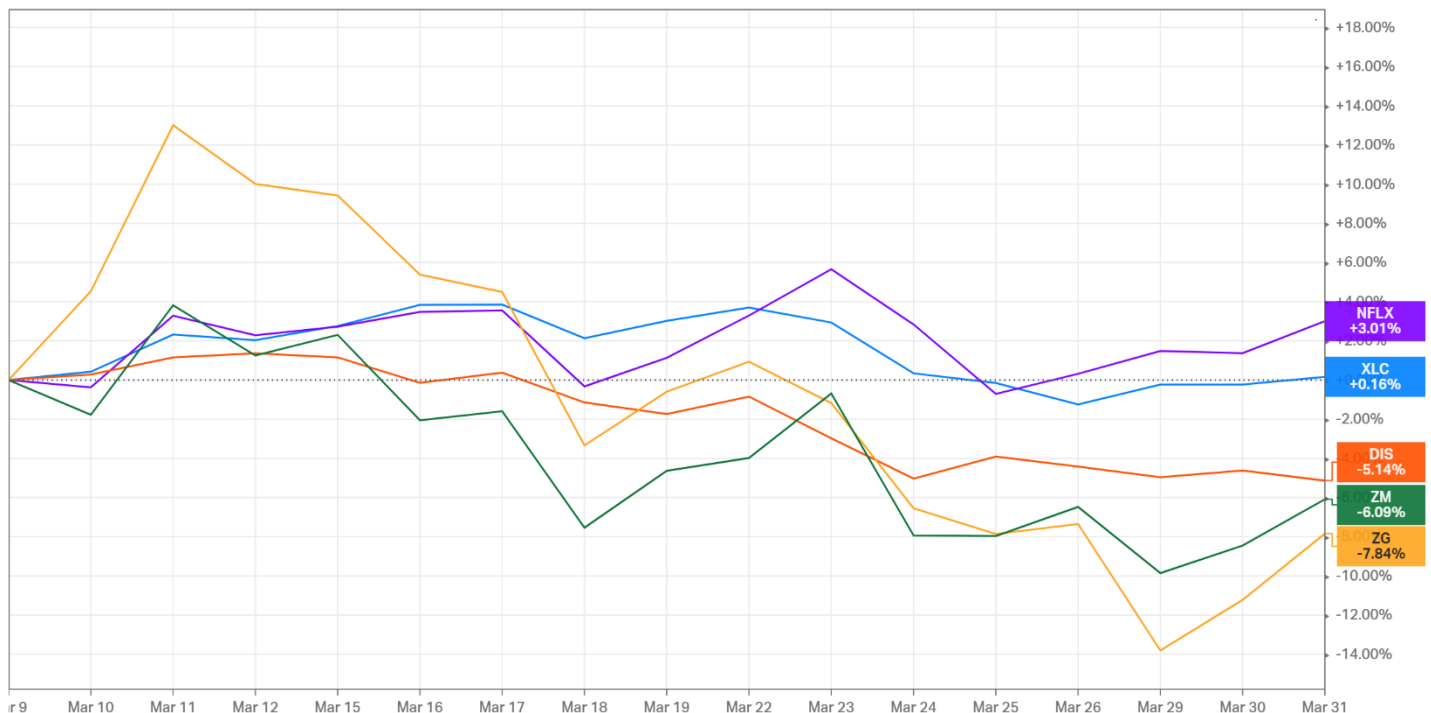
Overview

Our initial strategy in selecting for our Communications Portfolio in early March 2021 was based upon consistently strong top-performers in different niches of the sector. These market results were sustained throughout pre-, during – and what we initially forecasted would be post-COVID-19 pandemic movement.

The graph below depicts the performance of the holdings versus their relevant benchmark over the duration of the measured period of price performance (3/9-3/31).

The represented holdings in the sector are:

- Netflix, Inc. (NFLX)
- The Walt Disney Company (DIS)
- Zoom Video Communications (ZM)
- Zillow Group, Inc. (ZG)
- Benchmark: (XLC) - The Communication Services Select Sector SPDR Fund



koyfin

“The pioneer of subscription-based streaming video in the U.S., Netflix (NASDAQ:NFLX) has built a massive audience in the country. The company is quickly expanding its business around the globe and still has a long runway for growth as it expands content offerings in international markets and raises subscription prices.

While many companies are struggling amid the coronavirus pandemic, the unprecedented conditions have actually boosted demand for streaming content. The tougher economic climate is accelerating cord-cutting trends and bringing new subscribers to Netflix’s service. The streaming leader is reaping the rewards of having the right product at the right time, and it’s poised to benefit from the ongoing decline of cable and rising global demand for entertainment content.”⁵

- Netflix beat out its industry competitors in EPS, revenue growth and EPS long-term growth.
- EPS Growth (TTM vs. prior TTM) 47.46%
- \$1.93 B in FCF
- Forward EPS Long-term growth (3 – 5 years); 44.43% (94th in the industry average).
- Y/Y Revenue growth (Q3) of 21.53
- 5 YR Avg Revenue growth of 29.82%

My Take:

Living in Berlin and being involved in the film industry, as I am. I’ve been witness to all the infrastructure-building Netflix has been doing in Europe and abroad, with bases now in Amsterdam and Berlin, just to name a few.

While at the Cannes Film Fest “Marche Du Film” in 2019, the whole discussion was about “why is Netflix dropping so much money setting up shop in Europe?” Well, after big hits like UNORTHODOX to a fixed audience thanks to lockdown, we now know that Netflix’s big investment is already seeing a return.

The Netflix logo is displayed in its characteristic white, bold, sans-serif font against a solid red rectangular background.

Shares

5

Dividend Yield

-

Beg. Value

\$2551.90

End. Value

\$2,608.30

Return

3.01%

XLC return

0.16%

Beta

0.79

⁵ <https://www.fool.com/investing/stock-market/market-sectors/communication/>

**Shares**

15

Dividend Yield

-

Beg. Value

\$2,940.90

End. Value

\$2,767.80

Return

-5.14%

XLC return

0.16%

Beta: 1.07Industry's Take:

Media conglomerate Disney (DIS) was set to report first quarter fiscal 2021 earnings results. From its theme parks to studios, every aspect of Disney's business has been under severe pressure due to the coronavirus. But Disney's streaming prospects has more than offset these pandemic-induced headwinds⁶.

- Though Disney's Y/Y EPS growth has declined, it is projected to more than bounce back in 5YR Avg. EPS growth.
- March's "current" cash pile of \$2.65 billion gave Disney capital for deployment during the pandemic-related market downturn for the entertainment industry, and though Disney did see a -98.29% loss during the 1st Quarter as opposed to the same quarter in 2020, it was set to be quick on the rebound, according to industry 'experts.'
- Projected EPS Growth (next year vs. this year): 143.41%
- Forward EPS Long-term Growth (3 – 5 years): 48.53%
- Y/Y Revenue growth (Q3) of -19.18%
- 5 YR Avg Revenue growth of 4.5%

On the other hand, Disney could have been hard-hit, but with the release of their online platforms, appears to have not only weathered a storm that has hurt many entertainment giants in the industry, due to the pandemic lockdown, but it appears to be excelling—thanks, in part, to its new streaming platform Disney Plus. Which became the fastest streaming service to achieve 100mn paid subscribers this year⁷.

⁶ <https://www.nasdaq.com/articles/disney-dis-1st-quarter-earnings%3A-what-to-expect-2021-02-11>

⁷ <https://www.nasdaq.com/articles/disney-dis-1st-quarter-earnings%3A-what-to-expect-2021-02-11>

⁷ <https://www.nbcnews.com/media/disneys-streaming-service-hits-100-million-subscribers-rcna382>

Zoom Video Communications Inc.: Zoom Video Communications is a provider of video-first communication platform and Web conferencing services. It offers cloud-based HD video conferencing, mobility, and Web meetings.

- Zoom has been THE go-to online communications method for businesses, organizations, and communities during the COVID-19 pandemic.
- Zoom broke into previously untapped markets in Europe such as those of Germany and France, and quickly expanded to meet the new demand for quick and easy visual communications due to Covid-19's pandemic lockdown.
- 5 YR Avg Cash-flow growth rate of 109.44%
- Y/Y Revenue growth (Q3) of 366.52%
- 5 YR Avg Revenue growth of 32.67%

Our Take:

At the end of the day, Disney, Zillow, and Zoom all received great ratings by the likes of Motley Fool, CNBC, Investopedia and more. One could argue that the lockdown has given Zoom and Zillow that extra push they needed (people having to communicate via Zoom and people eager to move away from the cities to get away, save money, shift to online work, etc.) to go up in value.



Shares
8

Dividend Yield
-

Beg. Value
\$2,725.44

End. Value
2,570.32

Return
-6.09%

XLC return
0.16%

Beta: 0.02



Shares

20

- Customers need Zillow whether or not the housing market is in high supply or demand.
- Projected Y/Y EPS growth (Q3) **54.84%**
- Y/Y Revenue growth (Q3) of **-16.42%**
- 5 YR Avg Revenue growth of **38.96%**

Dividend Yield

-

Beg. Value

\$2,886.40

End. Value

\$2,627.60

Return

-7.84%

XLC return

0.16%

Beta: 1.33

Zillow is an online real estate database company. It provides information about homes, real estate listings, and mortgages through its website and mobile applications.

- The housing market had heated up during the pandemic and Zillow was the go-to (competitor is Realtor.com) for top information in real time on homes, bidding rates, previous sales numbers and taxes.
- Zillow provides quick sales via its app within a desired time-line.
- Though the pandemic slowed home purchasing due to high demand, but low supply (construction had slowed, due to the pandemic), post-pandemic predictions forecasted an uptick in construction (as well as construction prices) and, thus, supply.

As of April 13, Zillow is still climbing, but at a more lukewarm (rather than hot) rate. According to Marketwatch.com:

"11 Wall Street research analysts have issued "buy," "hold," and "sell" ratings for Zillow Group in the last year. There are currently 5 hold ratings and 6 buy ratings for the stock. The consensus among Wall Street research analysts is that investors should "buy" Zillow Group stock."⁸

Thus, though we do not advocate selling or buying more Zillow stock at the moment, we believe in this Stock and its firm hold on future investing, as well as how its corporate management has made a tough pandemic housing season work for their shareholders and therefore believe in "holding" the stocks that we have and seeing what happens over the next several quarters.

- Customers need Zillow whether or not the housing market is in high supply or demand.
- Projected Y/Y EPS growth (Q3) 54.84%
- Y/Y Revenue growth (Q3) of -16.42%
- 5 YR Avg Revenue growth of 38.96%

⁸ <https://www.marketbeat.com/stocks/NASDAQ/Z/>

Consumer Discretionary

Amina Mukhametshina

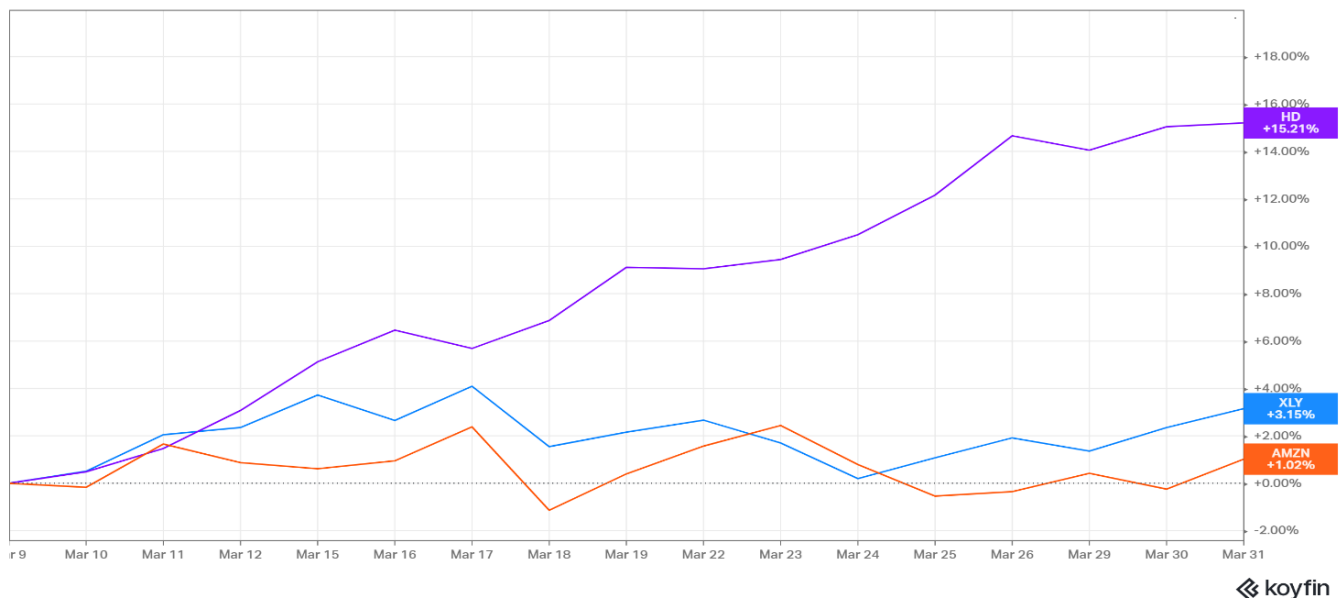
Overview

The Consumer Discretionary Sector includes industries that tend to be the most sensitive to economic cycles, meaning they rise and fall with broader economic trends. Companies in this sector sell goods and services that are considered non-essential, such as appliances, cars, and entertainment. These goods are desirable only if the available income of an individual is sufficient to purchase them. In 2021 the consumer discretionary sector could start to see more of a boost as the vaccines are starting to roll out and COVID-19 restrictions ease up due to the pent-up demand within the consumer. Moreover, the stimulus check boosts mainly might head towards consumer discretionary companies.

The graph below depicts the performance of the holdings versus their relevant benchmark over the duration of the measured period of price performance (3/9-3/31).

The represented holdings in the sector are:

- Amazon: AMZN ■
- Home Depot: HD ■
- Benchmark XLY: The Consumer Discretionary Select SPDR Fund ■



koyfin

Description:

- Amazon is a leading online retailer and one of the highest-grossing e-commerce aggregators. Amazon offers a variety of products, ranging from media, home furnishings, clothing, office supplies, health and wellness, groceries, and more. Retail related revenue represented approximately 83% of total, followed by Amazon Web Services' cloud computing, storage, database, and other offerings (12%), and advertising services and cobranded credit cards (6%). International segments constituted 27% of Amazon's non-AWS sales in 2020, led by Germany, the United Kingdom, and Japan.

Investment Thesis:

- Amazon performed quite well over the course of 2020, exceeding all earnings expectations, Amazon closed out 2020 with an EPS of \$37.35, \$14.34 higher than their 2019 reported EPS of \$23.01. Amazon more and more attractive in the recent sell-off related to growth-oriented technology stocks. In the long-term investment case Amazon keep dominating in both e-commerce and public cloud services through Amazon Web Services (AWS) as well its exclusive advertising business.

- Amazon holds lots of big opportunities into 2021, providing plenty of fuel for continued growth in Amazon stock. Amazon is extracting into the \$350 billion market for prescription drugs. The company launched a big shot across the drugstores and prescription drug wholesalers on Nov. 17 when it launched Amazon Pharmacy.¹ Amazon also announces 2021 as the clear leader in cloud computing services, followed by Microsoft (MSFT) and Alphabet (GOOGL)-owned Google.¹

¹<https://www.investors.com/news/technology/amazon-stock-buy-now/>



Shares

2

Dividend Yield

-

Beg. Value

\$6,160.74

End. Value

\$6,188.16

Return

1.02%

XLV return

3.15%

Beta

1.12

Description:

- Home Depot is the world's largest home improvement specialty retailer, operating nearly 2,300 warehouse-format stores offering more than 30,000 products in store and 1 million products online in the United States, Canada, and Mexico. Its stores offer numerous building materials, home improvement products, lawn and garden products, and decor products and provide various services, including home improvement installation services and tool and equipment rentals.

Investment Thesis:

- Home improvement spending during pandemic-stricken 2020 was different in two respects. First, households spent more time at home causing a surge in do-it-yourself projects. Second, even with the pandemic stimulated economic downturn, improvement spending increased across most product categories. The government stimulus, fewer discretionary spending outlets, and more time spent at home caused improvement spending to beat the historical trend in 2020. Given the rollercoaster that January was our markets, Home Depot was still able to finish the month up 1.48% and 14.50% YTD. With an attractive dividend of 2.15%, Home Depot can provide an added value to any investment opportunity on the back end.

- Overall, we expect repair and remodel spending growth will moderate but remain positive in 2021. Home Depot recently exceeded earnings expectations and remain an attractive pick for any investment opportunity.



Shares
26

Dividend Yield
2.10%

Beginning Value
\$7,000.19

Ending Value
\$7,936.50

Return
15.21%

Beta
1.05

<https://sec.report/CIK/0000354950>

Consumer Staples

Caleb Snyder

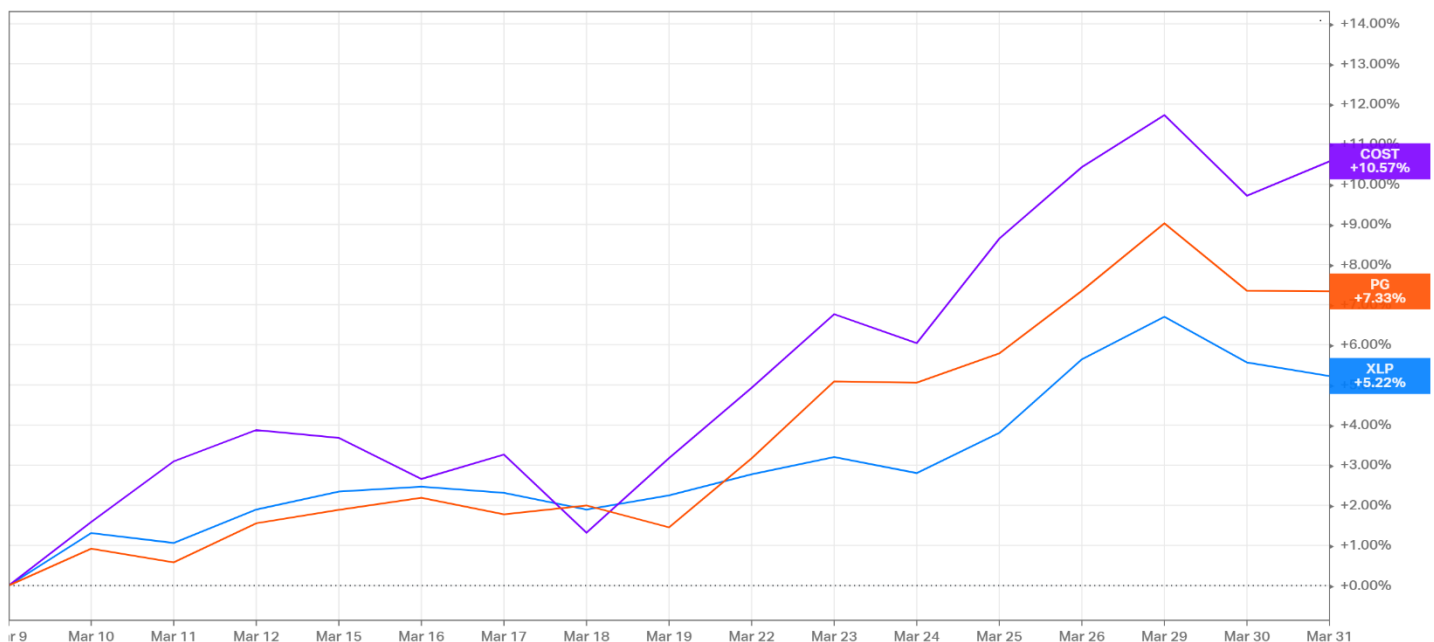
Overview

The Consumer Staples portion of the portfolio was among the greatest sources of outperformance in our portfolio, thanks in part to the stellar businesses we placed our funds in. Our holdings benefitted from being businesses that attract and retain customers no matter the given environment. P & G shepherds a plethora of the most iconic brands in CPG and Costco is one of America's most dearly beloved businesses in any sector.

The graph below depicts the performance of the holdings versus their relevant benchmark over the duration of the measured period of price performance (3/9-3/31).

The represented holdings in the sector are:

- Costco: COST 
- Proctor Gamble: PG 
- Benchmark XLP: The Consumer Staples Select SPDR Fund 



 koyfin

- Being the nation's top membership wholesalers in the United States, Costco has thrived in the pandemic ridden economic climate leading the firm to post strong sales for 2020.

- With a projected 52-week high of \$393.15, Costco looks to have room for growth in 2021 adding a lot of value to an investment opportunity.

- Given the negative total return for the current year we consider ourselves lucky to have eked out such a decent gain out of a holding that is in the red.

- Long Term View of the Fund: In no uncertain terms we consider Costco to be among the strongest businesses in our portfolio. Management has a proven track record of achieving their objectives and they have a business model that just will not quit, it's so robust even Walmart has failed to beat them. The ability of management to return value to the customer by making the firm's earnings power tied to the membership fees instead of inventory conversion rates is one of the purest forms of operational artistry in business. If we could hold Costco forever, we would.



Annual dividend yield
of 0.86%

Revenue Growth (TTM)
12.8%

EPS Growth (TTM vs
Prior TTM) 14.79%

Free Cash Flow (TTM)
\$5.81bn

Portfolio P/L:

- Cost Basis:
\$3557.80
- P/L: \$319.48

YTD Performance:

Market Price: -1.61%

Total Return: -1.41%



Annual dividend yield
of 2.54%

EPS Growth (TTM vs
Prior TTM) 213.02%

Free Cash Flow (TTM)
\$16.23bn

Portfolio P/L:

- Cost Basis:
\$2917.55
- P/L: \$197.34

YTD Performance:

Market Price: -1.36%

Total Return: -0.76%

- PG's operational flexibility allowed the firm to adjust and dominate amid current economic conditions which points toward a bright future with a solid performing 2021 on the horizon.

- In further evidence of good things occurring in Cincinnati, P&G is witnessing cost savings and efficiency improvements across all facets of business driven by its second five-year (fiscal 2017-2021) \$10 billion productivity program. These measures have led to potential savings to \$12-\$13 billion. However, P&G adjusted the level down to up to \$10 billion to take into account the uncertainty associated with operations, especially when projecting out several years.

- **Long Term View of the Fund:** Right now is simply an excellent time to enjoy being a shareholder in P&G. That does not mean however that being a shareholder comes without any noticeable risks, one could argue that the upside of the business is already priced into the stock and that the firm could suffer from margin compression if they are forced to deal with an increase in the cost of inputs for their products. The Fund is comfortable keeping P&G in our portfolio, but this holding is one we should keep an eye on in the event it wears out its welcome.

Energy

Vincent Hayes

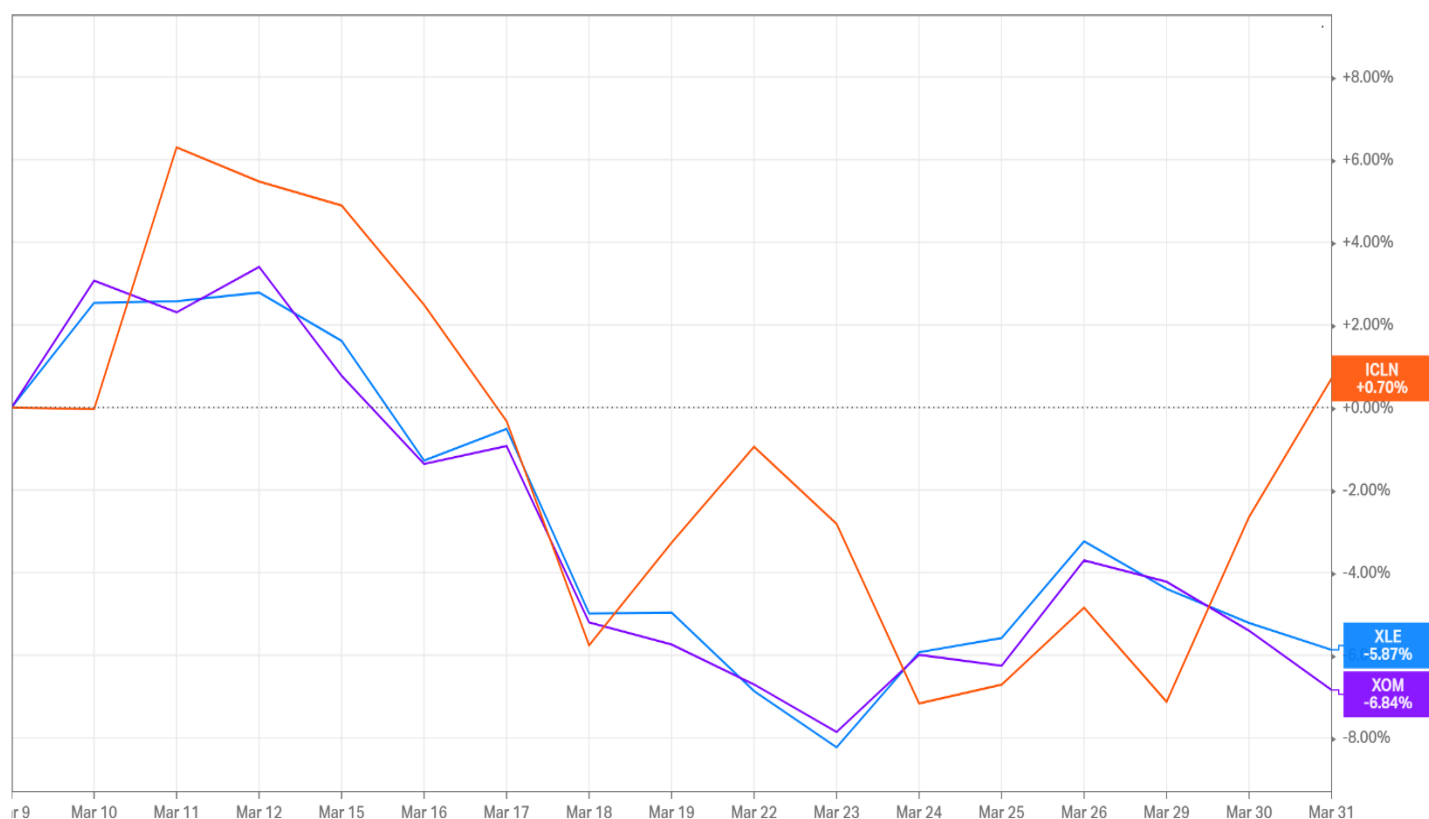
Overview

With the world's ongoing transition to renewable energy, the outlook on the energy sector remains quite positive, though given the cyclical nature of the sector even while the field as a whole is in an uptrend we appear to have timed our purchases poorly as shown by the negative results of our holdings.

The graph below depicts the performance of the holdings versus their relevant benchmark over the duration of the measured period of price performance (3/9-3/31).

The represented holdings in the sector are:

- Exxon: XOM - ■
- iShares Global Clean Energy ETF - ■
- Benchmark: SPDR Trust – The Energy Select Sector SPDR Fund XLE - ■



- With a dividend of 6.11%, Exxon can provide more value for shareholders with their dividend alongside their soaring stock price. This shareholder primacy did come at a price to stakeholders though, during middle of the oil slump as a result of decreased demand from the pandemic in 2020, in order to continue funding the dividend Exxon ceased matching contributions to their employee's retirement plans, a potentially omnium sign⁹.

- Management's track record of capex discipline across the commodity price cycle make it a relatively lower-risk energy sector play.

- **Long Term View of the Fund:** There are many factors working in Exxon's favor at the moment, but the long term outlook is very troubling. As recently as 2011, Exxon had the largest market capitalization of any company in the world, having become a Dow Jones Industrials constituent in October 1928 and being its longest tenured holding until its removal from the index in August of last year¹⁰, shaving almost \$200bn in market capitalization off of its value in that time frame. While owning shares in Exxon at the current moment may be opportunistic it is the opinion of the fund that in the long-term Exxon is likely to prove a comparably risky holding over the next 10 years as it has the previous 10 years.



Forward EPS Growth
(3-5 Yrs) **10.59%**

Total Debt/Equity
(TTM) of **38.87%** vs
industry average of
377.36%.

Portfolio P/L:

- Cost Basis:
\$4180.71
- P/L: \$-**323.61**

YTD Performance:

Market Price: **37.46%**

Total Return: **37.79%**

⁹ <https://www.nasdaq.com/articles/exxon-to-suspend-company-match-to-employee-retirement-plans-in-oct-sources-2020-08-04>

¹⁰ <https://www.wsj.com/articles/apple-still-wears-the-market-crown-it-can-easily-slip-11599231617>



Expense Ratio: 0.46%

Beta: 1.06

Yield: 0.43%

AUM (as of 3/31/21): ~
\$5.6bn

Portfolio P/L:

- Cost Basis:
\$1793.02
- P/L: \$19.98

YTD Performance:

Market Price: -14.37%

Total Return: -13.95%

- Top holdings of Plug Power, Enphase Energy, Verbund AG, and Meridian Energy.

- Given the political climate, clean energy seems to be the way the sector will be moving over the next 4 years leaving the door open for a lot of potential.

- ICLN is up 132.16% on the 1-year with only modest signs of price corrections relative to the outperformance last year.

- **Long Term View of the Fund:** It is reasonable to assume that the fund paid for its position in ICLN at a high price relative to its recent performance. However, given the current market trends in the development of clean energy sources one can argue that the previous price floors we saw in related assets are not likely to be seen again. With a huge surge in demand for other commodities like copper, aluminum, and lithium needed for the production of technologies associated with the renewables space it could be theorized that we are only witnessing the beginning in a generational shift toward clean energy focused businesses, if that is the case the premium the fund paid on this ETF will appear negligible in the future.

Financials

Vincent Hayes

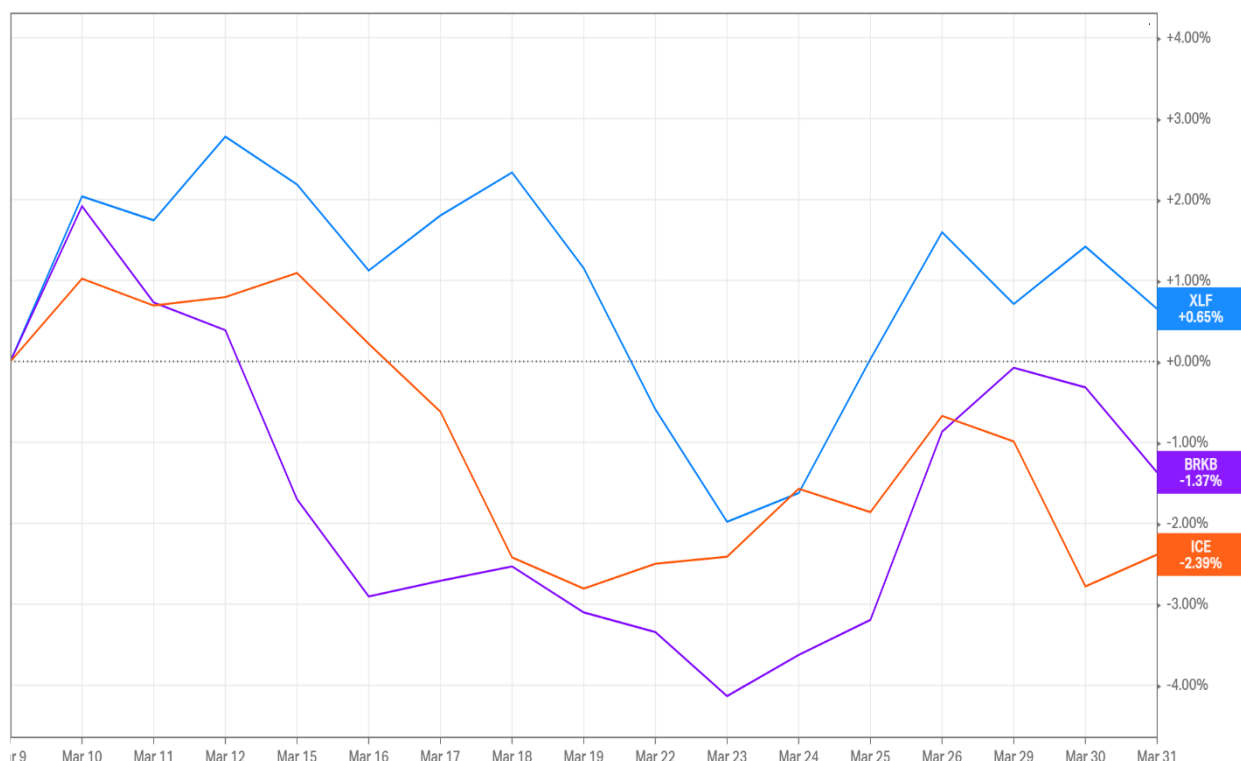
Overview

With accommodative monetary policy poised to remain in place courtesy of the Fed we have chosen two companies whose operational earnings have little to do with the net interest spread, the typical source of earnings for many traditional financial firms. One is arguably the most notable American conglomerate in the world, the other is an exchange that provides the infrastructure necessary to capitalize on prevailing current trends (i.e., the retail day trading frenzy).

The graph below depicts the performance of the holdings versus their relevant benchmark over the duration of the measured period of price performance (3/9-3/31).

The represented holdings in the sector are:

- Berkshire Hathaway 
- Intercontinental Exchange 
- Benchmark: SPDR Trust – The Financial Select Sector SPDR Fund 



koyfin

Advantages of Business Structure Create a Positive Feedback Loop from the Holding Co. to its Subsidiaries back to the Holding Co.

- **Utilities:** “The majority of electric utilities are paying half a profit or more, a lot of them pay 80%, 90%. To the extent they need to refurbish infrastructure, you’ve got to borrow and you’ve got to issue new shares and you see dilution over time. These things trade at 20 plus times earnings. Berkshire doesn’t have that problem¹¹.”
- **Insurance:** “Most insurers are required to keep large portions of their invested capital in fixed income and cash...Berkshire’s Geico is going to wind up doing \$40 billion, let’s say over the next 12, 14, 15 months on an annualized basis. That’s **two-thirds** of their **\$60 plus** billion in premium volume. They only need \$15 billion in capital to write that amount of business. They probably have \$20 billion. Well, **all of** Berkshire’s statutory capital in insurance is **about \$240 billion**, so 20 of that goes to Geico...so now you’ve got Geico with \$20 billion in capital, you’ve got the primary businesses with \$20 billion in capital, that **leaves \$200 billion for the reinsurance operations**. National Indemnity and Gen Re. Combined, the reinsurance businesses, \$20 billion in premiums, let’s say. They’ve got \$200 billion in capital. **They’re writing, what has averaged probably 12, 13, 14 cents in premiums for every dollar of capital. Take all the rest of the insurance operators, Munich Re writes a dollar in capital for every dollar in premium¹².**”
- **Long Term View of the Fund:** The lead portfolio manager and president of this club could spend seemingly unlimited amounts of time talking about the virtues of the Oracle of Omaha, but we do not have unlimited time. Quite simply, Buffett and Munger are reasonably construed as the most effective stewards of capital in their lifetimes, investors are hard pressed to find allocators that get more out of their dollars than the two. Market price is almost surely the wrong way to view the value added by the team at Berkshire, when looking at their returns over time as indicated in the table below.

22 Years at BRK – Returns From 12/31/1998 to 12/31/2020

Gain in Book Value Per Share	9.7%
Gain in Berkshire Hathaway Stock	7.5%
Gain in Berkshire Hathaway Portfolio of Stocks*	7.6%
S&P 500 Total Return	7.2%

* Total return estimated using only disclosed positions in Berkshire’s 13-F filings
Bloomberg and Semper Augustus Calculations

¹¹ (Bloomstran, 2021)

¹² Ibid

BERKSHIRE HATHAWAY INC.

Share repurchases totaling **\$24.7bn** in 2020, an astonishing figure.

- Exposure to operational subsidiaries in addition to the investment portfolio makes Berkshire a two-for-one deal (AAPL = 47% of investment portfolio, market value of approx. \$125bn).

- EPS Growth (Last 5 Years) of **12.72%**

- Free Cash Flow (TTM) of **\$26.76bn**

Portfolio P/L:

- Cost Basis:
\$5460.84
- P/L: \$-95.97

YTD Performance:

Market Price: **17.35%**

Total Return: **17.35%**



Annual dividend yield
of 1.10%

Revenue Growth (TTM)
25.92%

Free Cash Flow (TTM)
\$2.47bn

Portfolio P/L:

- Cost Basis:
\$5402.65
- P/L: \$-153.69

YTD Performance:

Market Price: 4.72%

Total Return: 5.02%

- Generates long-term value for shareholders by achieving cost synergies through strategic buyouts and continual product improvement.

- Avenues for value-creation include impending merger of, Bakkt, a cryptocurrency exchange that is majority owned by ICE with the public listing vehicle VPC Impact Acquisition Holdings, a Special Purpose Acquisition Company (SPAC). The deal values Bakkt at \$2.1bn in EV and will place more than \$500mn on the startup's balance sheet, ICE will own 78% of the newly merged entity¹³.

- The September 2020 purchase of mortgage-software firm Ellie-Mae for \$11bn, increasing the firm's digital footprint in an increasingly digitized industry, mortgage origination. The acquisition of was 3% accretive to 2020 earnings and is expected to realize run-rate cost synergies of \$50 million to \$65 million by the end of the third year¹⁴.

- **Long Term View of the Fund:** ICE is a very interesting company in an exciting business sector. While it has outperformed its peers over the last year we have some concerns that its only drivers of growth are acquisitive which points to an underlying lack of innovation on management's behalf, this is dangerous because they are operating in a business sector that is facing a remarkable amount of disruption. We believe ICE is a strong company with solid fundamentals but are concerned that it might be a victim of observable secular trends, another concern is that the fund initiated a position at relatively high price point. Should its business operations begin to show signs of weakness this is a position we would consider exiting.

¹³ <https://www.victoryparkcapital.com/news/2021/01/11/bakkt-the-digital-asset-marketplace-launched-by-intercontinental-exchange-in-2018-to-become-a-publicly-traded-company-via-merger-with-vpc-impact-acquisition-holdings/>
¹⁴ (Zacks Investment Research, 2021)

Health Care

Vincent Hayes

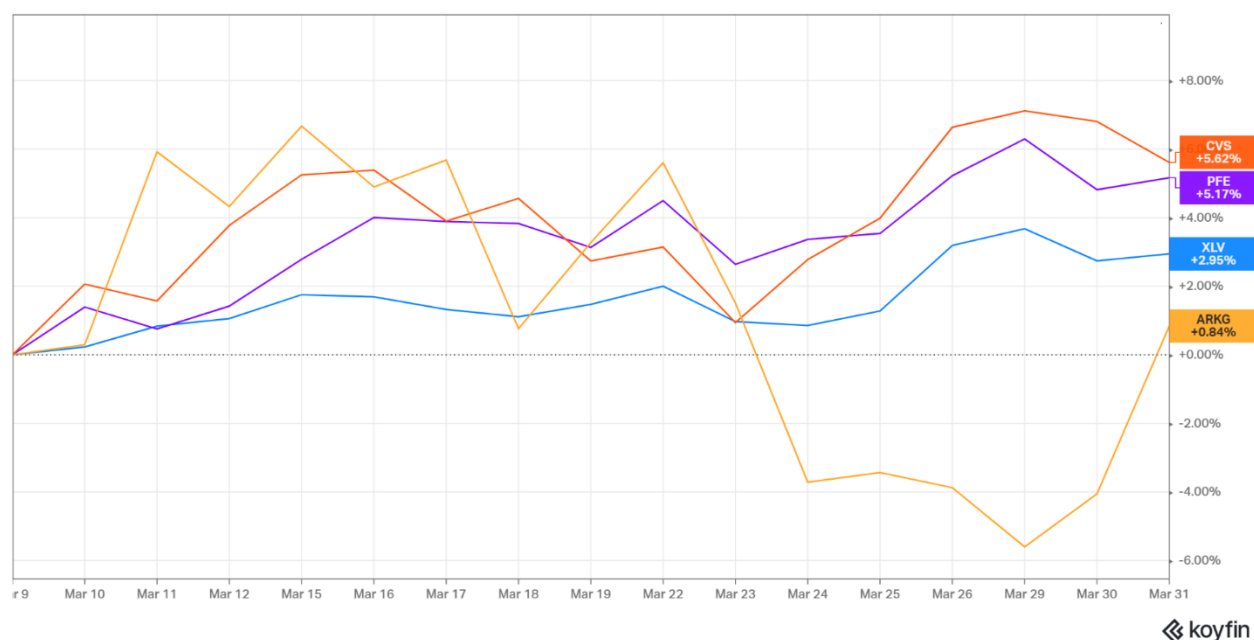
Overview

An often-maligned business sector in America, the pharmaceutical industry has rightfully earned some positive P.R. with its unprecedented expediting of the vaccine supply chain needed to tackle the global pandemic. Our picks take a barbell approach toward the allocation of capital: The two individual companies are well-known business that occupy considerable market share in their respective corners of the health care industry and are considered traditional value plays. The third pick is a thematic ETF that seeks to invest in dynamic and disruptive businesses on the cutting edge of the genomics industry and is considered a growth play.

The graph below depicts the performance of the holdings versus their relevant benchmark over the duration of the measured period of price performance (3/9-3/31).

The represented holdings in the sector are:

- CVS Health Corp. - 
- Pfizer Inc. - 
- ARK Genomic Revolution ETF - 
- Benchmark: SPDR Trust – The Health Care Select Sector SPDR Fund - 



- A multidimensional health care facility which ranges from retail to pharmaceuticals with a ubiquitous presence across the United States.
- CVS Health's specialty digital solutions for patients grew by a 25% CAGR over the past two years. Per the company's fourth-quarter update, based on its improved digital capacities across all CVS Health Touch Points, it has become the largest community testing organization in the United States. Through the pandemic period, the company has administered approximately 15 million tests at more than 4,800 testing locations nationwide.
- Pharmacy Benefit Management ("PBM") segment is proving to be a very sticky businesses with customers, it has largely completed the renewals with a strong retention rate of 98%. Till this period, the company won \$4.9 billion in gross new business and \$3.3 billion in net new business for 2021.
- The gigantic (\$70bn) acquisition of Aetna is starting to bear fruit, with an estimated \$750mn to be earned from cost saving synergies and an increase in the growth of the consolidated businesses from enhanced competitive positioning.
- **Strong Balance Sheet:** CVS Health ended 2020 with cash and cash equivalents of \$7.85 billion compared with \$5.68 bn at the end of 2019. Meanwhile, total debt came up to \$64.65 bn, a decline from \$68.5 bn at the end of 2019¹⁵.
- **Long Term View of the Fund:** CVS Health was the best performing holding in the healthcare portion of the fund on a YTD basis. Its vast retail footprint gives detractors substantial ammunition for critique of its capital intensive business model, however management has proven that this trait is more feature than bug. With many favorable long term trends starting to materialize the fund is both confident and comfortable in making this position one of the ballasts in our portfolio for the healthcare sector.



Annual dividend yield of **2.64%**

Projected EPS Growth (Next Year vs. This Year) of **7.57%**

Revenue Growth (last 5 years) of **11.85 %**

Free Cash Flow (TTM) of **\$13.43bn**

Portfolio P/L:

- Cost Basis: \$4159.18
- P/L: \$208.22

YTD Performance:

Market Price: **11.10%**

Total Return: **11.84%**

¹⁵ (Zacks Investment Research, 2021)

- Boasts a sustainable pipeline with multiple late-stage programs that can drive growth. In the long term, Pfizer's business model is supported by the expected strong growth of key brands like Ibrance, Inlyta and Eliquis.
- Management asserts they are manufacturing the best of breed COVID vaccine, the firm anticipates vaccine revenue in 2021 to reach \$15 billion.
 - Potential for COVID treatments to be a permanent source of revenue, CEO Albert Bourla stated this month that "There are vaccines like polio where one dose is enough...And there are vaccines like flu that you need every year. The Covid virus looks more like the influenza virus than the polio virus¹⁶."
- *Key Changes:* Pfizer has gone under a significant restructuring over the last 2 years.
 - Its off-patent branded and generic established medicines business, Upjohn, was spun-off and merged with Mylan to create a new generic pharmaceutical company called Viatris, this transaction closed in November 2020. Two takeaways are that the smaller Pfizer should have an easier time experiencing increased revenue growth and that the Upjohn unit was a cash rich with its divestiture expected to reduce the company's cash flows¹⁷.
 - The Consumer Healthcare (CHC) segment, an over-the-counter (OTC) medicines business, was merged with Glaxo's unit in July 2019 to form a new joint venture (JV). Pfizer owns a stake of 32% in the JV and Glaxo owns the remaining 68%.
- **Long Term View of the Fund:** Pfizer is a large cap pharma company that has had a favorable past 12 months, its position in our portfolio is one that generates income and recently price appreciation, however if the current trends indicate a shift in this dynamic then the position is one the fund would be willing to reconsider.



Annual dividend yield
of **4.15%**

Forward EPS Long
Term Growth (3-5 Yrs)
of **+10.07%**

Free Cash Flow (TTM)
of **\$12.15bn**

Portfolio P/L:

- Cost Basis:
\$4178.13
- P/L: \$210.54

YTD Performance:

Market Price: **4.78%**

Total Return: **5.92%**

¹⁶ <https://www.wsj.com/articles/annual-covid-19-vaccine-booster-shots-likely-needed-pfizer-ceo-says-11618520527>

¹⁷ (Zacks Investment Research, 2021)

- The Ark Genomic Revolution ETF (ARKG) is an actively managed basket of companies that focuses on businesses that are expected to substantially benefit from extending and enhancing the quality of human and other life by incorporating technological and scientific developments and advancements in genomics into their business.
- The ETF seeks long-term growth of capital by investing under normal circumstances primarily (at least 80% of its assets) in domestic and foreign equity securities of companies across multiple sectors, including health care, information technology, materials, energy, and consumer discretionary, that are relevant to the Fund's investment theme of the genomics revolution¹⁸.
- Favorable trends for the sector as a whole, that impact the Fund's holdings include, the cost of sequencing a genome has gone from nine-figures down to merely hundreds of dollars and in certain instances the editing of DNA is functioning as an antidote to pervasive and chronic illnesses¹⁹.
- ARK believes that the “**genomic age**” could create trillions of dollars in equity market capitalization by 2024. Advanced molecular diagnostic tests could command tens of billions in annual revenues, while connected medical devices generate hundreds of billions, and living drugs in oncology alone more than \$200 billion.
- **Long Term View of the Fund:** The fund strongly believes that the attractiveness of the fund's prospects become increasingly greater the longer we extend our time horizon. We did initiate our position roughly close to its all-time-high in market price, as such the relative value of the holding became significantly diminished when a brief spike in the yield on the 10-year treasury led to a significant drop in the price of riskier equity assets across the market. *With the benefit of hindsight, we would clearly like to own the Fund at a cheaper price.* In the long term we still view the likely outcomes of its holdings to be incredibly promising.

PERFORMANCE [as of 03/31/21] ²⁰	1-Month	3-Months	1-yr	3-yr	5-yr
ARKG	-5.50%	-17.84%	153.07%	235.1%	376.32%



Expense Ratio: 0.75%

Beta: 1.59

Yield: 0.77%

AUM (as of 2/15/21):
\$12.73bn

AUM (as of 4/15/21):
\$9.44bn

Median Market Cap:
\$5 bn

Portfolio P/L:

- Cost Basis: \$3526
- P/L: \$23.20

YTD Performance:

Market Price: -5.07%
NAV: -4.85%

¹⁸ https://ark-funds.com/arkg?__hstc=84851910.3e20708dfc5e70c7510aab461b93511.1618614154942.1618614154942.1618614154942.1&__hssc=84851910.2.1618614154942&__hsfp=1844330507

¹⁹ <https://ark-invest.com/articles/analyst-research/genomic-age/>

²⁰ https://ark-funds.com/arkg?__hstc=84851910.3e20708dfc5e70c7510aab461b93511.1618614154942.1618614154942.1618614154942.1&__hssc=84851910.2.1618614154942&__hsfp=1844330507

Information Technology







Amina Mukhametshina

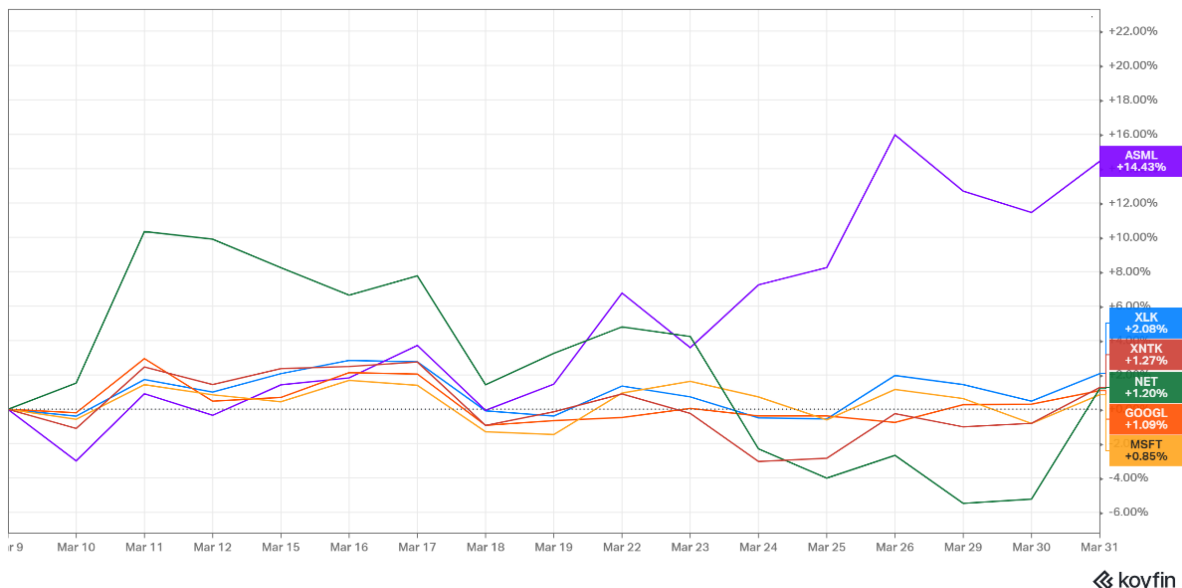
Overview

The sector has been the greatest driver of growth in public equity markets over the past decade and there is no clear indicator pointing toward a cessation of the trend. More and more brands are looking to expand in this area because of the immense amount of potential. New trends arise within this industry every year, and it becomes important for professionals to be familiar with these different trends and all that they entail. The technology sector along with shares of big tech-related companies Amazon, Google, and Facebook account for about 37% of the market-cap weighted S&P 500, giving them outsized influence on the index's cycles and investors' portfolios. 2/5 of the largest S&P 500 constituents belong to the sector (AAPL & MSFT). The tech sector performed better than many other industries during the pandemic. The main reason for this increase in the economy for this industry is the increased demand for software and social media platforms such as Google Hangouts, WhatsApp Video call, Zoom, and Microsoft Teams. The fund's holdings in the sector are expected to be a catalyst of outperformance relative to the market.

The graph below depicts the performance of the holdings versus their relevant benchmark over the duration of the measured period of price performance (3/9-3/31).

The represented holdings in the sector are:

- Alphabet Inc. 
- Microsoft Corp. 
- ASML Holding N.V. 
- Cloudflare, Inc. 
- SPDR NYSE Technology ETF 
- Benchmark XLK: Technology Select Sector SPDR Fund 



Description:

- Microsoft develops and licenses consumer and enterprise software. It is known for its Windows operating systems and Office productivity suite. The company is organized into three equally sized broad segments: productivity and business processes (Microsoft Office, cloud-based Office 365), intelligence cloud (Azure, SQL Server), and more personal computing (Windows Client, Xbox, desktops).

Investment Thesis:

- Microsoft has become one of two public cloud providers that can deliver a wide variety of PaaS/IaaS solutions at scale. Additionally, Microsoft has accelerated the transition from a traditional perpetual license model to a subscription model. Poised to capture even greater market share in gaming industry with shift in consumption dynamics: Users moving from buying individual games via disc or download and moving toward a comprehensive digital library (Xbox Game Pass) that collects revenue through subscriptions billed monthly. Gaining market share in cloud computing sector, Microsoft Azure revenue up 48% YoY. In the second quarter of fiscal 2021, the company returned \$10 billion to shareholders in the form of share repurchases and dividends.



Microsoft

Shares

15

Dividend Yield

0.88%

Beginning Value

\$3,519.00

Ending Value

\$3,536.55

Return

0.85%

Beta

0.79



Shares

2

Dividend Yield

-

Beginning Value

\$4,048.21

Ending Value

\$4,125.82

Return

1.92%

Beta

1.00

Description:

- Alphabet is a holding company, with Google, the Internet media giant, as a wholly owned subsidiary. Google makes 99% of Alphabet revenue, of which more than 85% is from online ads. Google's other revenue is from sales of apps and content on Google Play, YouTube, as well as cloud service fees and other licensing revenue. Sales of hardware such as Chromebooks, the Pixel smartphone, and smart homes products, which include Nest and Google Home, also contribute to other revenue.

Investment Thesis:

- Alphabet easily beat all fourth-quarter expectations, driven by a continuing resurgence in ad spending, growing demand for cloud, the overall digital transformation by many businesses, and the cost control that it initiated when the pandemic hit. Owning shares effectively gives investors access to a high-quality venture capital portfolio for the price of an operating company. Google has generated innovation across numerous businesses: Autonomous vehicle division Waymo and Verily Life Sciences, a healthcare-focused data science business, are two examples. Waymo recently became the first company to offer fully autonomous vehicle services to the public. Google Cloud recorded 46.6% year-over-year revenue growth for the quarter ending 12/20. The company has also become a renowned name in the world of entertainment. YouTube produced \$20 billion in advertising revenues in 2020.

<https://www.morningstar.com/stocks/xnas/goog/quote>

Description:

ASML is a leading manufacturer of photolithography systems used in the manufacturing of semiconductors. Photolithography is the process in which a light source is used to expose circuit patterns from a photomask onto a semiconductor wafer. The latest technological advances in this segment allow chipmakers to continually increase the number of transistors on the same area of silicon, with lithography historically representing a meaningful portion of the cost of making cutting-edge chips. Chipmakers require next-generation EUV lithography tools from ASML to continue past the 7-nanometer process node. ASML's products are used at every major semiconductor manufacturer, including Intel, Samsung, and TSMC.

Investment Thesis:

The company is a market leader in a burgeoning industry that dominates a niche with no known competitors, extreme ultraviolet lithography (EUV), pioneered the space after 20 years of R&D.

Taiwan Semiconductor (TSM), the largest chipmaker in the world, is ASML's biggest customer, TSM announced a huge increase in capex for 2021 which bodes well for ASML. The company holds a monopoly on EUV lithography technology, the key that reveals today's smallest, most powerful, and most advanced chips. ASML's earnings should keep pace with its revenue as it sells more higher-margin EUV systems and continues its continuing buybacks. According to analysts, it could also pump more of its excess cash into its dividend since its forward yield of 0.5% is easily supported by its low payout ratio of 30%.

ASML

Shares
6

Dividend Yield
0.37%

Beginning Value
\$3,288.70

Ending Value
\$3,704.16

Return
14.55%

Beta
0.93

**Shares**

52

Dividend Yield

-

Beginning Value

\$3,588.21

Ending Value

\$3,653.52

Return

1.83%

Beta

-

Description:

Cloudflare is primarily an Internet security company. It provides a global cloud platform that offers a range of network services, including reliability, advanced security, video streaming and delivery, and domain registration. The product offerings of the company include Argo Smart Routing, Load Balancing, Web Optimizations, Cloudflare Access, and Cloudflare Spectrum, among others.

Investment Thesis:

The market for cloud computing is growing which means there is a lot of potential Cloudflare. In addition to the fact that 5G networks and Internet of Things (IOT) devices necessitate the presence of secure and reliable edge networks. Strategic partnerships with consumer technology veteran Apple and content delivery expert faster to develop a new domain name system with strong encryption and other privacy-centric features. The company recently unveiled a new disruptive service, also known as Cloudflare Pages. This is a tool that allows them to build websites embedded with all the company's basic security features. The company is continuing to sign up larger enterprise customers. including its first client to generate more than \$10 million in annual recurring revenue that gives the company strong growth potential.

<https://www.fool.com/investing/2021/02/16/3-reasons-cloudflare-stock-should-be-on-your-radar/>

Description:

XNTK has a broader take on the technology space by extending its exposure to tech-related firms in the consumer discretionary sector. The fund follows a proprietary selection scheme—which comes with market-cap, liquidity, revenue- and sales-based screeners—and then equal-weights its holdings. The result is a concentrated portfolio of 35 large- and midcap tech and tech-related firms. SPDR Morgan Stanley Technology ETF (the Fund) seeks to closely match the returns and characteristics of the Morgan Stanley Technology Index. The Morgan Stanley Technology Index is composed purely of electronics-based technology companies. The index contains companies taken from the following technology sub-sectors: computer services; design software; server software, personal computer (PC) software and new media; networking and telecom equipment; server hardware, PC hardware and peripherals; specialized systems, and semiconductors.

Geographic Distribution:

North America: 77.94%

Asia Pacific: 22.06%

Investment Thesis:

XNTK tilts smaller, since its equal-weighting scheme reduces the influence of industry giants. The fund is not the right ETF for frequent traders but may suffice for longer-term investors. The index is reviewed and rebalanced annually. The analysts see 9.57% upside for this ETF looking through to the average analyst targets of the underlying holdings. Three of XNTK's underlying holdings with significant upside to their analyst target prices are Salesforce.com Inc (Symbol: CRM), NIO Inc (Symbol: NIO), and Taiwan Semiconductor Manufacturing Co., Ltd. (Symbol: TSM)

SPDR®

Shares

25

Dividend Yield

0.32%

Beginning Value

\$3,582.75

Ending Value

\$3,617.50

Return

0.97%

Beta

1.21

Expense Ratio

0.35%

<https://www.nasdaq.com/articles/add-up-the-parts%3A-xntk-could-be-worth-%24162-2021-03-01>

Utilities

Caleb Snyder

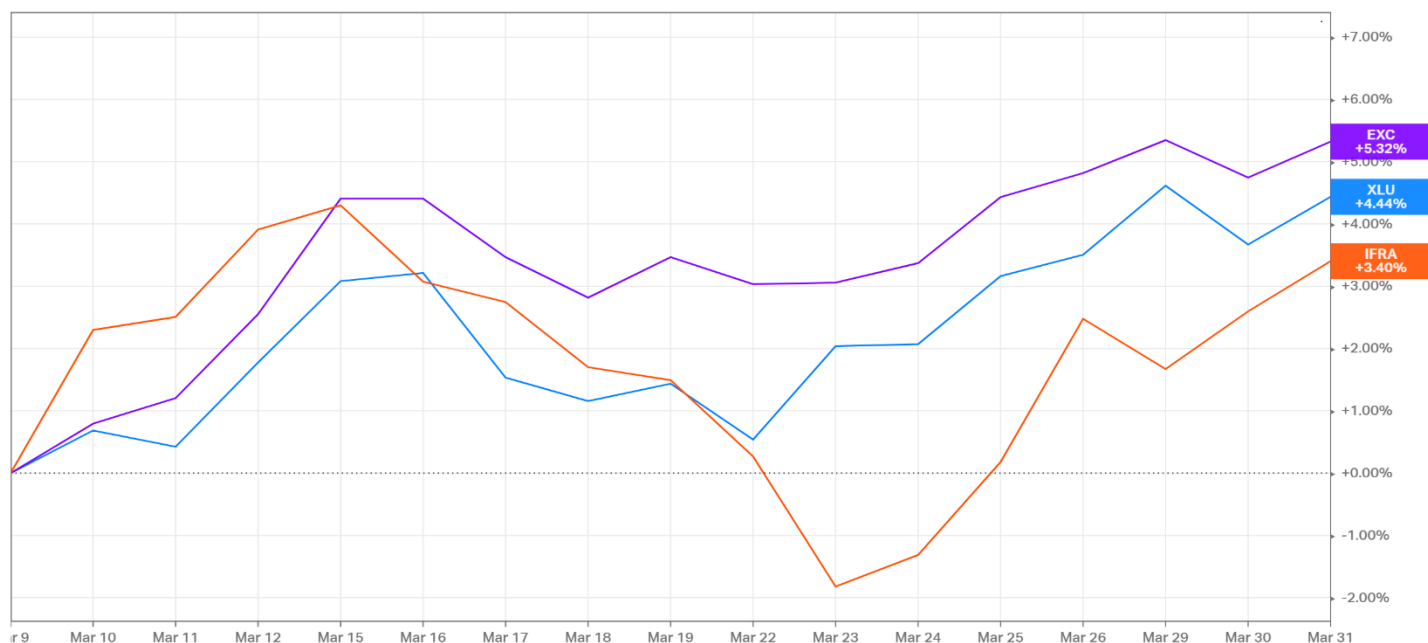
Overview

Due to regulation, we can expect less volatility in the Utilities Sector than in others, such as consumer discretionary and consumer staples. As referenced early in this report, the energy sector is moving towards clean energy and there is potential for massive growth. Currently, regulated utilities own approximately 12% of renewable energy sources, however they are on pace to own 70% by 2030. Selected to represent Utilities in this portfolio are Exelon and iShares U.S. Infrastructure. We can expect reliable earnings and consistent dividends from these companies/equities. Exelon posts a dividend with a yield of 3.64% and IFRA a yield of 1.95%.

The graph below depicts the performance of the holdings versus their relevant benchmark over the duration of the measured period of price performance (3/9-3/31).

The represented holdings in the sector are:

- Exelon: EXC 
- iShares U.S. Infrastructure ETF: IFRA 
- Benchmark XLU: Utilities Select Sector SPDR Fund 



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- Exelon has consistently released their yearly report on May 1st. The report for this past year (2020-2021) is expected to show high growth in both earnings and sales. Exelon is praised for producing low cost, clean energy. In 2020, under the last administration, the new “10 Year Decarbonization Plan” was put into place. As the United States, along with the rest of the world, transitions from fossil fuels, Exelon is poised to be one of the market leaders. Exelon has delved into the world of nuclear energy while a large portion of energy providers have shied away after meltdown scares.

- As of Q3 2020, we saw a year-on-year growth in revenue of 15.14% and a 5-year average revenue growth of nearly 9%.

- **Long Term View of the Fund:** This trend is on pace to continue as the world surfaces from quarantine-life. When large businesses begin to open up their buildings and consume more energy, revenue will have an even larger spike than we saw this year.

**Shares**

110

Dividend Yield

3.31%

Beginning Value

\$4,593.20

Ending Value

\$4,811.40

Return

4.75%

Beta

0.44

YTD Performance:*Market Price: 9.33%**Total Return: 10.39%*



IFRA

Shares

84

Dividend Yield

N/A

Beginning Value

\$2,820.76

Ending Value

\$2,940

Return

4.23%

Beta

1.05

Expense Ratio

0.40%

AUM (as of 4/16/21)

\$454.52mn

YTD Performance:

Market Price: 17.74%

NAV: 17.67%

- IFRA provides a different approach to infrastructure exposure. By design, the fund tracks an index focused on US companies that could benefit from domestic infrastructure activities. Index selection begins with all US-listed stocks in infrastructure-related industries. Companies must also derive at least half of their revenue from the US. Each company is further classified into one of two categories: infrastructure enablers (construction companies, engineering services, machineries, and materials) or infrastructure asset owners and operators (utilities, energy transportation and storage, railroad transportation).

- Each category gets 50% weight in the index, and individual holdings are equal weighted within the categories. IFRA is reconstituted annually and rebalanced quarterly.

- **Long Term View of the Fund:** IFRA has seen material YTD growth and this trend is expected to continue for the foreseeable future. The fund also sees this holding as very attractive given the current anticipation of a multi-trillion dollar infrastructure bill courtesy of the Biden administration, which will be under considerable political pressure to ensure that American firms benefit from the huge stimulus, should this prove true the holdings within IFRA stand poised to benefit from it.

<https://research2.fidelity.com/fidelity/research/reports/getReport.asp?docKey=2611-IFRA-1PTEIONPMI9UoH7IRP5QI65JBF>

Industrials

Caleb Snyder

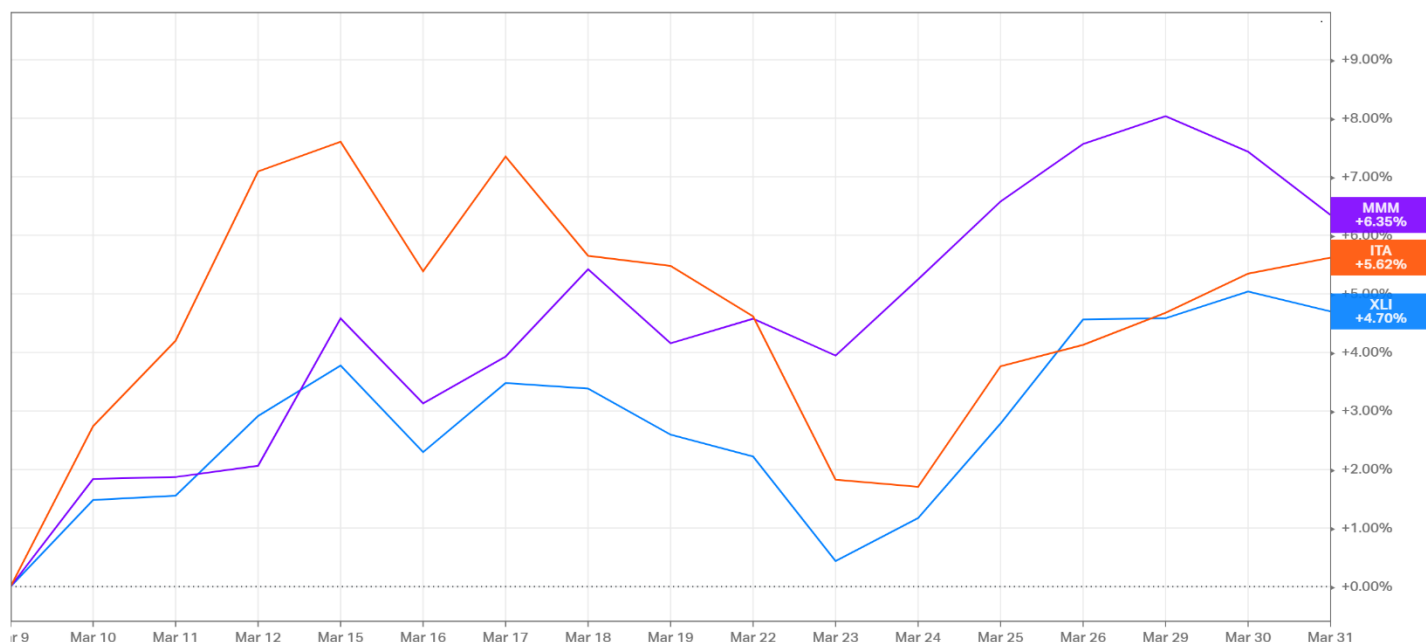
Overview

Industrials have been on a rocky road throughout 2020 and into 2021. With the fear of airlines going bankrupt and cost of materials for building skyrocketing, there was a “sketchy” outlook given to the industry. The EIF decided to keep it safe, going with the aristocratic 3M along with an Aero & Defense ETF to add diversity as well as dipping our toes into the great money pot that is United States Defense. There are no airline stocks shown in this portfolio. Currently there are too many unknowns to comfortably invest into the sector with the low capital EIF currently holds. To stay safe, we have elected to steer clear of the high volatility and keep funds invested in the previously mentioned holdings.

The graph below depicts the performance of the holdings versus their relevant benchmark over the duration of the measured period of price performance (3/9-3/31).

The represented holdings in the sector are:

- 3M: MMM ■
- iShares U.S. Aerospace & Defense: ITA ■
- Benchmark XLI: Industrial Select Sector SPDR Fund ■



- 3M has raised its dividend for 63 consecutive years, making it more than an Aristocrat; 3M is now a *Dividend King*. Currently, the dividend ratio stands at just over 3%, resulting in annualized payout of \$5.92. Following lockdown there was a decline in earnings, however, 3M outperformed forecasters by over 10%.

- The next earnings report is to come out on April 27 where we will most likely see 3M surpassing expectations yet again. Currently 3M has a PE Multiple of 21.6 and an EBITDA Multiple of 13.9. The PE falls behind industry average of 27.73 but outperforms the industry's EBITDA of 9.69²¹.

- **Long Term View of the Fund:** 3M expects to gain from a solid product portfolio, efforts to strengthen marketing capabilities, acquired assets and shareholder-friendly policies. Also, growth opportunities within multiple end markets will likely be beneficial.



Shares
16

Dividend Yield
3.31%

Beginning Value
\$2,959.26

Ending Value
\$3,082.88

Return
4.18%

Beta
0.85

YTD Performance:

Market Price: 13.61%

Total Return: 14.55%

²¹ (Zacks Investment Research, 2021)

- ITA tracks a market-cap-weighted index of US-listed manufacturers, assemblers and distributors of aircraft and aircraft parts primarily used in commercial or private air transport and producers of components and equipment for the defense industry, including military aircraft, radar equipment and weapons.

- The fund caps its holdings to meet diversification requirements, limiting a single company to 22.5% of the fund's assets, and preventing completely unbiased exposure to the top few that dominate the industry.

- The fund uses a representative sampling strategy instead of replicating the underlying index. The index is rebalanced quarterly.

- **Long Term View of the Fund:** ITA has seen extreme growth post-pandemic. Before the crash, ITA was sitting around \$119. The price dropped down to \$60 and has since grown to the current price of \$104.11. We have seen an increase of over 90% while still not returning to its original value. It is expected that this number will return and surpass the pre-covid price.

iShares[®] by BLACKROCK[®]

ITA

Shares
18

Dividend Yield
0.88%

Beginning Value
\$1,787.22

Ending Value
\$1,873.98

Return
4.85%

Beta
1.16

Expense Ratio
0.42%

AUM (as of 4/16/21)
\$3bn

YTD Performance:

Market Price: 12.36%

NAV: 12.27%

International Exposure

Amina Mukhametshina & Vincent Hayes

Overview

The foreseeable future for international exposure remains vulnerable to volatile global financial markets. After underperforming in the beginning of 2021, Emerging Markets are back on track with global equities. The Fund believes an equal weighted approach for international exposure between developed markets, which give great opportunity for yield relative to other geographies, and emerging markets whose younger populations give investors favorable demographics to discover growth abroad, is the most prudent way to gain exposure to foreign economies.

The graph below depicts the performance of the holdings versus their relevant benchmark over the duration of the measured period of price performance (3/9-3/31).

The represented holdings for International Exposure are:



- Benchmark - iShares Core MSCI Emerging Markets ETF - 
- Emerging Markets - Dimensional Fund Advisors: Emerging Core Equity Market ETF - 

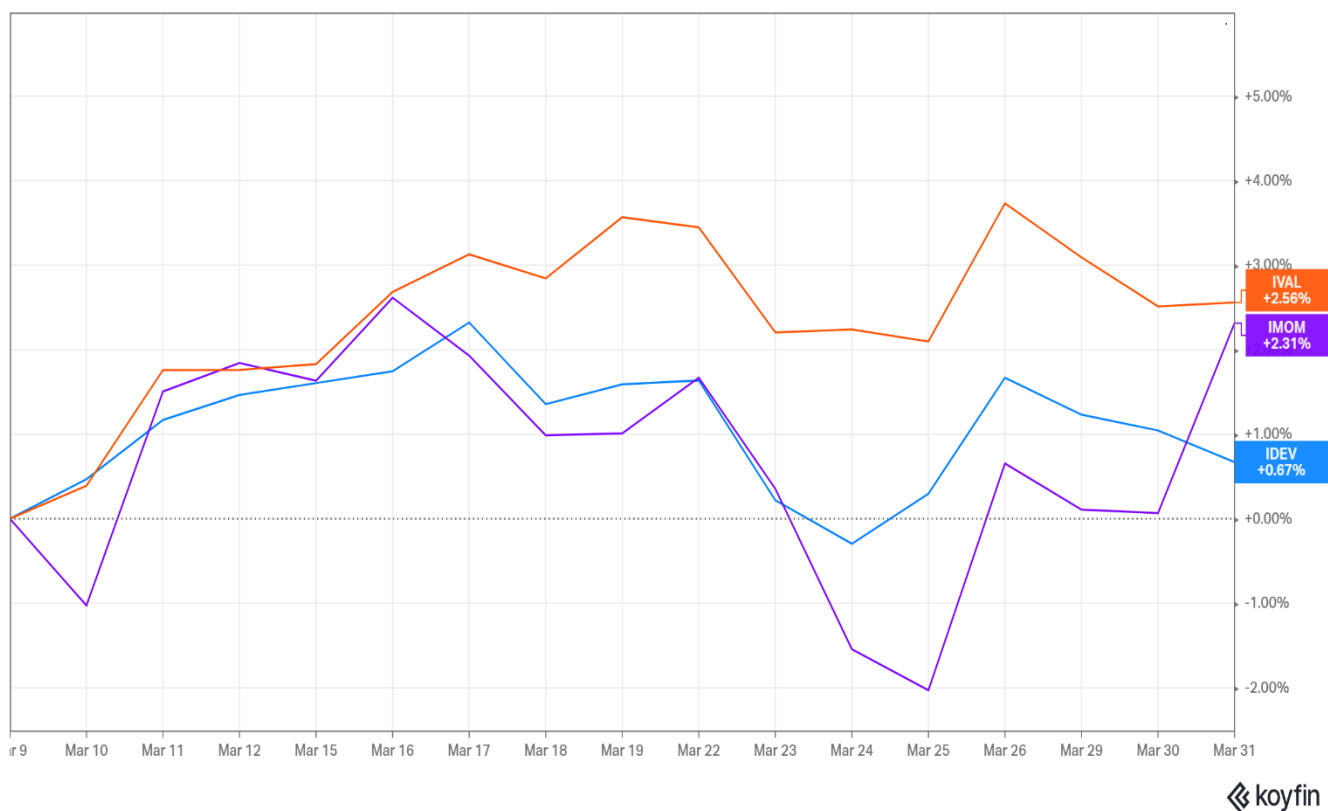


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The graph below depicts the performance of the holdings versus their relevant benchmark over the duration of the measured period of price performance (3/9-3/31).

The represented holdings for International Exposure are:

- Benchmark - iShares Core MSCI International Developed Markets ETF – 
- Alpha Architect International Quantitative Value ETF - 
- Alpha Architect International Quantitative Momentum ETF - 



Description:

- DFA is known for being one of the sharpest quantitative managers. Prior to introducing its own ETFs, the firm provided indexes and methodologies for John Hancock Investment Management ETFs, a relationship that remains intact. The three ETFs — Dimensional U.S. Core Equity Market ETF (DFAU), Dimensional International Markets Core ETF (DFAI) and Dimensional Emerging Core Equity Market ETF (DFAE) — have gained 5.7%, 4.5% and 10.4%, respectively, year-to-date. But only the U.S. Core Equity Market ETF, which has an expense ratio of 0.12%, outperformed its peers and benchmark index, according to Morningstar. DFAI charges 0.18% and DFAE 0.35%.

Investment Thesis:

- DFAE actively selects emerging markets securities of all sizes with a tilt toward small-cap companies, seeking to provide long-term capital appreciation. DFAE is an actively managed fund that primarily aims to achieve long-term capital appreciation. The fund holds a diversified portfolio of companies domiciled in emerging markets. Factors such as price to cash flow or price to earnings ratios are considered in assessing the relative price, while other ratios such as earnings or profits from operations relative to book value or assets are analyzed for profitability measures. In addition to these, short-term considerations such as price momentum and investment characteristics are also reviewed for securities selection.

<https://research2.fidelity.com/fidelity/research/reports/pdf/getReport.asp?docKey=2611-DFAE-008E9C32ERETJJSBQ90OE1DMI8>
<https://etfdb.com/active-etf-channel/dimensional-off-to-fast-start-in-active-arena/>
<https://www.thinkadvisor.com/2021/02/12/dfas-entree-into-etf-market-is-a-big-success/>



DFAE

Shares
145

Dividend Yield
N/A

Beginning Value
\$3,993.30

Ending Value
\$4,070.15

Return
1.92%

Beta
0.96

Expense Ratio
0.35%

AUM (as of 4/16/21)
\$182.29mn

YTD Performance:

Market Price: 5.48%

NAV: 5.57%

IVAL

Expense Ratio: 0.59%

Beta: 0.86

Yield: 1.90%

AUM (as of 3/31/21):
\$125.37 mm

Portfolio P/L:

- Cost Basis:
\$2423.16
- P/L: \$57.94

YTD Performance:

Market Price: 7.55%

NAV: 7.20%

• IVAL tracks an equal-weighted index of developed-market ex-US value stocks, screened for forensic accounting and earnings quality. The fund is a proprietary investment product developed by Wes Gray, Phd and Jack Vogel, Phd of Alpha Architect, a minority and veteran owned boutique asset management firm with \$1.2bn in AUM

• The fund uses a single metric EBIT/TEV to select approximately 40-50 securities of its universe with additional screens for competitive advantage and financial strength, assessed using a number of financial-statement-derived metrics. Additionally, the fund uses a proprietary forensic accounting model to screen out companies that may be attempting to disguise low-quality cash flows.

Geographic Distribution:

- Asia Pacific – 58.14 %
- Europe – 41.86%

TOP TEN HOLDINGS %		
BT/A LN	BT GROUP	2.30%
YZJSGD SP	YANGZIJIANG SHIPBU	2.30%
6448 JP	BROTHER INDUSTRIES	2.21%
8227 JP	SHIMAMURA CO	2.19%
ELUXB SS	ELECTROLUX AB	2.17%
JBH AU	JB HI-FI	2.13%
7272 JP	YAMAHA MOTOR CO	2.13%
BDEV LN	BARRATT DEVEL	2.12%
NHY NO	NORSK HYDRO ASA	2.11%
3407 JP	ASAHI KASEI CORP	2.09%

IVAL Characteristics

The ETF seek to own smaller, cheaper, and higher quality International stocks



Underlying data are from FactSet. Fund characteristics are weighted averages by security weight and derived by Alpha Architect. Market capitalization is defined as the total market value of the company's listed equity in billions. Value is defined as net income divided by price (inverted to create price/earnings). Quality is defined as net income divided by total assets. The MSCI EAFE and MSCI EAFE Value index benchmark holdings data are derived from the iShares MSCI EAFE ETF (ticker: EFA) and iShares MSCI EAFE Value ETF (ticker: EFV), respectively.

IMOM

Expense Ratio: 0.59%

Beta: 0.79

Yield: 0.24%

AUM (as of 3/31/21):
\$92.46 mm

Portfolio P/L:

- Cost Basis:
\$1972.20
- P/L: \$47.99

YTD Performance:

Market Price: 2.52%

NAV: 2.29%

• IMOM tracks an equal-weighted index of developed-market ex-North America stocks with strong and consistent momentum. This fund is also a proprietary investment product developed by Alpha Architect.

• IMOM targets the 10% of stocks with the highest total return over the last 12 months, excluding the most recent month. The fund also screens for consistency of momentum by excluding stocks with too many negative-return days during the 12-month period.

Geographic Distribution:

- Europe – 61.93%
- Asia Pacific – 33.86%
- North America – 4.20%

TOP TEN HOLDINGS %		
PNL NA	POSTNL	2.41%
NDX1 GR	NORDEX SE	2.41%
6532 JP	BAYCURRENT CONSULT	2.38%
RMG LN	ROYAL MAIL PLC	2.35%
EVO SS	EVOLUTION GAMING	2.34%
VAR1 GR	VARTA AG	2.22%
KINDSDB SS	KINDRED GROUP PLC	2.22%
9697 JP	CAPCOM CO LTD	2.22%
ASML NA	ASML HOLDING NV	2.21%
6383 JP	DAIFUKU CO LTD	2.20%



IMOM Characteristics

The ETFs seek to own higher momentum International stocks



Underlying data are from FactSet. Fund characteristics are weighted averages by security weight and derived by Alpha Architect. Market capitalization is defined as the total market value of the company's listed equity in billions. Momentum is defined as the cumulative total return for the past 12 months, excluding the most recent month. Momentum is a characteristic of the underlying holdings and should not be construed as fund or index performance. Quality is defined as net income divided by total assets. The MSCI EAFE and MSCI EAFE Growth Index benchmark holdings data are derived from the iShares MSCI EAFE ETF (ticker: EFA) and iShares MSCI EAFE Growth ETF (ticker: EFG), respectively.

Portfolio Back Test

In order to calculate relevant risk metrics, we ran the back test from the start of the year, we ran a back test solely for the month of March as well albeit with much less information given the short time duration.

- Our portfolio slightly lagged the performance of the market with a price return of 2.25% versus the market's price return of 2.37% for the period from Mar. 9 – Mar. 31.
- In the YTD back test our portfolio showed some promising qualities including beta of 0.33, a 0.67 US Market Correlation even with 84% of our fund in domestic equities, and a Sharpe ratio of 5.24 to the market's 2.55.
- Given that we lagged the price return of the market by 12-basis points at one-third the level of assumed risk we are proud of our fund's performance even though we did not meet our stated objective.

Report Parameters

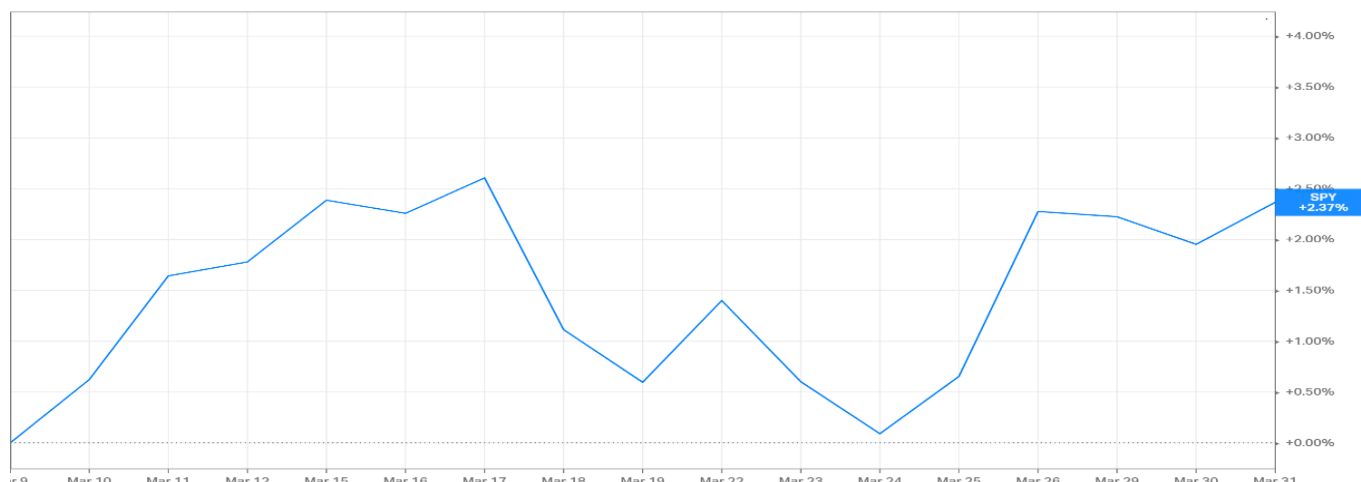
Start Date	01/01/2021
End Date	03/31/2021
Initial Balance	\$100,000
Periodic Adjustment	None
Rebalancing	No rebalancing
Reinvest Dividends	Yes
Benchmark	SPDR S&P 500 ETF Trust

Portfolio Visualizer

Portfolio Report

Portfolio Performance (Jan 2021 - Mar 2021)

Metric	EIC Portfolio	SPDR S&P 500 ETF Trust
Start Balance	\$100,000	\$100,000
End Balance	\$105,361	\$106,352
End Balance (inflation adjusted)	\$104,343	\$105,325
Return	5.36%	6.35%
Return (inflation adjusted)	4.34%	5.33%
Stdev	4.01%	9.84%
Max. Drawdown	0.00%	-1.02%
Sharpe Ratio	5.24	2.55
Sortino Ratio	N/A	12.25
US Stock Market Correlation	0.63	0.97



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Portfolio Back Test

Portfolio Visualizer

Portfolio Report

Risk and Return Metrics (Jan 2021 - Mar 2021)

Metric	EIC Portfolio	SPDR S&P 500 ETF Trust
Arithmetic Mean (monthly)	1.76%	2.10%
Arithmetic Mean (annualized)	23.29%	28.33%
Geometric Mean (monthly)	1.76%	2.07%
Geometric Mean (annualized)	23.23%	27.94%
Volatility (monthly)	1.16%	2.84%
Volatility (annualized)	4.01%	9.84%
Downside Deviation (monthly)	0.00%	0.59%
Max. Drawdown	0.00%	-1.02%
US Market Correlation	0.63	0.97
Beta (*)	0.33	1.00
Alpha (annualized)	12.89%	0.00%
R Squared	64.28%	100.00%
Sharpe Ratio	5.24	2.55
Sortino Ratio	N/A	12.25
Treynor Ratio (%)	64.48	25.14
Active Return	-4.71%	N/A
Tracking Error	7.05%	N/A
Information Ratio	-0.67	N/A
Skewness	1.67	-1.02
Excess Kurtosis	N/A	N/A
Historical Value-at-Risk (5%)	0.00%	-0.64%
Analytical Value-at-Risk (5%)	0.03%	-2.57%
Conditional Value-at-Risk (5%)	0.00%	-1.02%
Upside Capture Ratio (%)	55.50	100.00
Downside Capture Ratio (%)	-99.99	100.00
Safe Withdrawal Rate	N/A	N/A
Perpetual Withdrawal Rate	N/A	N/A
Positive Periods	3 out of 3 (100.00%)	2 out of 3 (66.67%)
Gain/Loss Ratio	N/A	3.59

(*) SPDR S&P 500 ETF Trust is used as the benchmark for calculations. Value-at-risk metrics are based on monthly values.

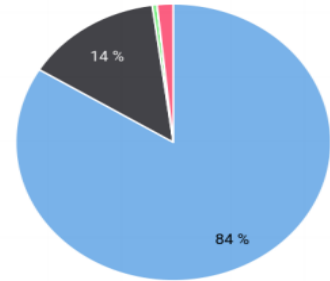
Portfolio Back Test

Portfolio Visualizer

Portfolio Report

Asset Allocation for EIC Portfolio

Category	Weight
US Stocks	83.81%
Intl Stocks	14.05%
US Bonds	0.49%
Intl Bonds	0.00%
Other	0.00%
Cash	1.65%



● US Stocks
 ● Intl Stocks
 ● US Bonds
 ● Intl Bonds
 ● Other
 ● Cash

Equity Market Capitalization for EIC Portfolio

Category	Weight
Large Cap	89.60%
Mid Cap	6.48%
Small Cap	3.92%

Stock Sectors for EIC Portfolio

Category	Weight
Basic Materials	1.65%
Consumer Cyclical	15.56%
Financial Services	12.00%
Real Estate	0.13%
Consumer Defensive	7.09%
Healthcare	12.57%
Utilities	6.99%
Communication Services	16.94%
Energy	4.63%
Industrials	7.25%
Technology	15.18%

Ticker	Name	Return	Stdev	Max DD	Sharpe Ratio	Sortino Ratio	US Mkt Correlation
AMZN	Amazon.com, Inc.	-5.00%	6.20%	-5.04%	-3.27	-2.62	0.00
ARKG	ARK Genomic Revolution ETF	-4.86%	32.43%	-12.95%	-0.50	-0.84	-0.97
ASML	ASML Holding N.V.	26.58%	6.16%	0.00%	15.93	N/A	-0.60
BRK.B	Berkshire Hathaway Inc.	10.18%	15.26%	-1.73%	2.63	11.57	1.00
ICE	Intercontinental Exchange Inc.	-2.85%	10.43%	-4.32%	-1.07	-1.31	0.98
CVS	CVS Health Corporation	10.89%	27.17%	-4.91%	1.64	4.52	-0.15
PFE	Pfizer, Inc.	-0.51%	26.15%	-8.03%	0.01	0.01	0.23
XOM	Exxon Mobil Corporation	37.77%	36.76%	0.00%	3.79	N/A	0.17
ICLN	iShares Global Clean Energy ETF	-13.95%	32.80%	-18.46%	-1.68	-1.89	-0.90
IMOM	Alpha Architect Intl Quant Momt ETF	-2.38%	5.07%	-3.22%	-1.89	-2.05	-0.97
IVAL	Alpha Architect Intl Quant Val ETF	5.35%	9.42%	-0.05%	2.26	181.38	0.63
NFLX	Netflix, Inc.	-3.53%	7.71%	-3.53%	-1.84	-1.99	0.08
DIS	Walt Disney Company	1.84%	35.38%	-7.18%	0.32	0.75	0.64
ZG	Zillow Group, Inc.	-3.35%	78.16%	-22.64%	0.09	0.16	-0.12
ZM	Zoom Video Communications Inc	-4.75%	42.34%	-14.00%	-0.31	-0.47	-0.84
COST	Costco Wholesale Corporation	-6.27%	25.36%	-11.98%	-0.93	-1.34	0.59
DFAE	Dimensional Emerging Core Equity Mkt ETF	4.51%	4.57%	-0.03%	3.89	251.40	-0.49
EXC	Exelon Corp	4.60%	38.72%	-8.57%	0.59	1.56	0.33
GOOGL	Alphabet Inc.	17.68%	15.52%	0.00%	4.36	N/A	0.20
HD	Home Depot, Inc.	15.63%	42.00%	-4.61%	1.54	7.03	0.31
IFRA	iShares US Infrastructure ETF	15.86%	19.52%	-0.93%	3.15	32.68	0.95
ITA	iShares US Aerospace&Defense ETF	10.25%	28.65%	-5.95%	1.48	3.55	1.00
MMM	3M Company	11.16%	19.14%	0.00%	2.31	N/A	0.56
MSFT	Microsoft Corporation	6.25%	6.95%	0.00%	3.54	N/A	-0.95
NET	Cloudflare Inc	-7.54%	10.61%	-8.35%	-2.89	-2.50	-0.98
PG	Procter & Gamble Company	-2.08%	30.87%	-10.68%	-0.17	-0.33	0.71
XNTK	SPDR NYSE Technology ETF	2.50%	8.50%	-1.95%	1.19	2.58	-0.42
UUP	Invesco DB US Dollar Bullish	3.63%	3.79%	0.00%	3.78	N/A	0.42

Member Biographies

Vincent Hayes
President & Lead Portfolio Manager



Graduating May 2023

Vincent is a second-year MBA student with a concentration in Finance. He holds a BA in Political Science from the University of Michigan. Vincent currently works as a court clerk, but his real passion lies in studying the interactions between markets and human behavior. He hopes to use his experience with the club to find a career working in wealth management and financial advisory services, specifically financial planning. He and his wife, Nicole, live in Westland and are expecting their first child, a daughter, at the end of April!

Amina Mukhametshina
Portfolio Manager



Graduating May 2021

Amina Mukhametshina is a second-year full-time MBA candidate with a concentration in Finance at the Eastern Michigan University. Her Bachelor's degree is in Economics from Purdue University. Amina is an active member of the Collegiate Entrepreneurs Organization where she takes a treasury position and a member of the Finance Management Association. She currently interns in Foresight Capital Management Advisors as a Financial Analyst Intern, where she assists with investment portfolio allocations, rebalancing, trading, financial plans and paraplanning forms. She also serves as graduate assistant women's tennis coach at Eastern Michigan University. After graduation in August 2021, Amina wants to pursue a career as a financial analyst or portfolio manager.

Member Biographies

Heidi Philipsen-Meissner
Communications Chair & Portfolio Manager

Graduating May 2021



Heidi is an entrepreneur, producer, writer, actress & director with 25 years of professional experience in international film, theater, television, and communications. Heidi's produced, managed, and coordinated multiple features, shorts, commercials, and broadcast television (DW-TV); worked with stunts in such action films as SALT with Angelina Jolie. A former journalist in her pre-film life, Heidi's penned for such publications as The Berlin Journal (Founding Managing Editor), Die Welt, All Movie Guide, Honesuckle Magazine, The New York Times, Bitch Flicks, Current Magazine, ScriptMag, and NYWIFT's Women in Film Blog as featured on The Huffington Post. Her company, Personae Entertainment Pictures' first feature film, the multi-festival award-winning drama DARCY, THIS IS NOWHERE, is available online via Herflix.com and VimeoPlus. She's in the midst of developing the international coproduction feature Love & Vodka and finishing up her first self-penned feature, a romantic comedy called Kidnapping Love. She is a member of the Producers Guild of America and serves on the Employment Committee, the International Committee, and the Women's Impact Committee, SAG-AFTRA, AEA, the Alliance of Women Directors, The Directors List, NYWIFT (serving on the Communications Committee), Founder & President Emeritus of UPWIFT, and as a Representative for both Hamburg and Berlin on Women in Film & Television Germany. She is a proud alumnus of Sweet Briar College, the Motion Picture Institute, University of Michigan, Columbia University's School of International and Public Affairs, Albert-Ludwig's Universitaet in Freiburg, Germany, and UCLA's Professional Advanced Screenwriting Program. Currently, Heidi is in her final semester of a MBA in Management Program at Eastern Michigan University, where she is also a member of the Eagle Investment Club. She juggles her time commuting between Berlin, Hamburg, Germany and Ypsilanti, Michigan, being a proud mother of two teens and traveling with the love of her life, Renewable Energy and Sustainable Enterprise professional, Niko Meissner.

Member Biographies

Caleb Snyder
Portfolio Manager

Graduating May 2021



Caleb is a Senior BBA in Finance student at EMU. On campus, he served as President of EMU's Chi Alpha chapter, UCF, along with being a member of the Accounting and Finance clubs. Caleb spent three years playing soccer for EMU, serving as captain for two years. Caleb's passion for finance and studying market trends in high school, and he is now working towards Series 7 and 66 licenses, as well as obtaining CFA charter. He intends on using the experience gained from EMU EIF to procure a job in the Investment Banking industry or as an Equity Analyst.

Faculty Advisors



Dr Yu Zhang

Dr. Yu Zhang, associate professor in finance, established the Eagle Investment Paper Fund and is the current faculty advisor. Outside of the Fund, she has been an active mentor to students. She reactivated the FMA EMU Chapter (finance club) and served as faculty advisor in 2015. She also mentored EMU finance majors to win the Honor College fellowship twice and to publish papers in peer-review journals. She holds a Ph.D. degree in finance and an M.S. degree in Mathematics from the University of Tennessee and specializes in investment and corporate finance. After joining EMU, she has taught financial modeling, investment at undergraduate and graduate levels, and corporate finance at introductory, intermediate, and advanced levels.



Dr Iván M. Rodríguez, Jr.

Dr. Ivan Rodriguez, assistant professor in finance, established the Eagle Investment Paper Fund and is the current faculty advisor. He focuses his research on international corporate finance, with a concentration on the interaction of sovereign risk and aggregate financial market conditions, cross-border mergers and acquisitions, and the impact of uncertainty on corporate decision making. He holds M.S. and Ph. D. degrees in finance from Florida International University. He also has extensive teaching experience in finance principles, financial management, risk management, commercial bank management and securities analysis.

Equity Portfolio Advisory Board



Matthew Grezlik, CFP®, CIMA®

Matthew grew up in South Lyon, MI and graduated from EMU in 2003 with a BBA in Economics. He has spent his entire professional career in the financial services industry; most notably at Morgan Stanley, Merrill Lynch, and for the last 11 years as a Private Wealth Advisor at Ameriprise. Matthew has also attained designations as a Certified Financial Planner (CFP) and a Certified Investment Management Analyst (CIMA). In 2019, he was named a Next-Gen Best-In-State Wealth Advisor by Forbes. Matthew is continuing his education by pursuing an MBA in Finance from the DePaul University Kellstadt School of Business. He and his wife Audrey live on the northwest side of Chicago in the Sauganash neighborhood.



Paul Roney

Paul Roney is a graduate of the University of Michigan and Eastern Michigan University. He holds an MBA and is a member of the Michigan Association of Certified Public Accountants and the American Institute of Certified Public Accountants. Paul has served as the President of Domino's Farms Corporation and Executive Director of the Ave Maria Foundation since 1998. He has been an active member of the Ann Arbor business community for years and has served on the SPARK Executive Committee since 2015. He is the Owner's Representative in the development of Ave Maria, Florida, a planned University town in southwest Florida on 16 square miles of land. In addition, he serves as Chairman of the Catholic Advisory Board of the Ave Maria Mutual Funds (\$2.5 billion in assets). Prior to his current position, Mr. Roney was employed at Ernst & Young and served six years as the Corporate Treasurer of Domino's Pizza, Inc. He also served as Chairman of the Board of Shamrock Bank of Florida from 2007-2014, at which time it was sold to another Florida bank.

Equity Portfolio Advisory Board



Laurie Stegenga, CPA, CFP®, PFS, AND AIF®

Laurie is President and founder of Foresight Capital Management Advisors, a fee-only Registered Investment Advisory firm. Her past financial work experience has spanned 35 years of managing and accounting for billions of dollars in investments. Laurie is an author to three white papers on low cost investing: The Next Retirement Dilemma (2014), The Costly Approach? (2016), and Retirement Plan Costs Beware! (2017). She is also listed on the Fee-Only Network and is member of the NAPFA organization (National Association of Personal Financial Advisors). In 2018, 2017 & 2016, Laurie was named a Detroit Five Star Wealth Manager and was featured in the June 2016 issue of HOUR Detroit, the July/August 2016 issue of DBusiness, and the September 12th 2016 issue of the WSJ.



Stefon Crawford

Stefon graduated from Eastern Michigan University in 2010 with a BBA in Finance and has accumulated a well-rounded experience within the financial services sector since. He began his career at Quicken Loans where he rose to the position of Senior Power Banker originating over \$150m in Close Mortgage paper. Stefon joined the venture capital arm of General Motors, GM Ventures, in 2016 as a Venture Capital Analyst and has since helped to invest over \$180m in early stage startup companies. Within his time at GM, he has continued his education through Executive programs at Harvard Business School (Negotiation & Decision-Making Programs), University of California Berkley (Finance and Financial Management Services), and Northwestern University (Corporate Governance). Stefon continues to give back to the EMU community and is on his third year serving as an Executive Mentor within the College of Business.

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