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**MORE THAN READY.
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SELLINGER APPLIED PORTFOLIO FUND



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INVESTMENT POLICY



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BACKGROUND & LEARNING OBJECTIVES

- ❑ Students have access to **Bloomberg Professional**, **S&P Capital IQ**, and **Morningstar Direct** platforms for research.
- ❑ Classes are conducted in the SELL—the trading floor located in the Sellinger School of Business and Management.

The student-managed **Sellinger Applied Portfolio Fund**, also known as the “SAP Fund,” was established to provide students with actual portfolio management experience exposure, including asset valuation, constraint setting asset allocation, asset selection, risk management, and performance evaluation. Each year, the University may provide the SAP Fund with up to **\$500,000** to invest. These funds are a component of the University’s endowment. All investments within the SAP Fund are liquidated annually at the end of the course.



INVESTMENT PHILOSOPHY

Allowable Investments

- U.S. exchange listed stocks, including ADRs
- Unleveraged ETFs, including stock index ETFs and Commodity ETFs
- Only investment grade securities

Unallowable Investments

- “Sin” stocks, e.g., manufacturers of cigarettes, alcohol, firearms, or companies engaged in gambling activities
- Emphasis on moral and social considerations, according to the United States Conference of Catholic Bishops principles of investments



INVESTMENT STRATEGIES

- ❑ Select stocks that are **undervalued** and will **outperform** their industry and the S&P 500 index over the course of the investment period
- ❑ **Diversification** across sectors, although given market conditions in a particular time period, certain sectors may be significantly under-weighted and others over-weighted
 - ❑ No more than **10%** in any one stock
 - ❑ No more than **20%** in any one sector
 - ❑ No more than **25%** in any one index
- ❑ The primary objective is to work towards a mix of investment strategies that includes:
 - ❑ **40% growth** investment strategy
 - ❑ **40% value** investment strategy
 - ❑ **20% dividend** investment strategy
- ❑ The fund will be monitored and periodically **rebalanced** to ensure that the targets and diversification are being adhered to
 - ❑ Ex. Securities that have significantly underperformed or overperformed
- ❑ **Proxy voting** will be in agreement with company recommendations

RESEARCH SOURCES & PROCESS

- Fundamental analysis / use of ratios and valuation models:
 - Debt ratios
 - ROA
 - ROE
 - P/E
 - PEG
 - Current ratio
 - Quick ratio
- The primary research database will be the Reuters Eikon platform which is available to the students in the SELL
- Additional research sources may include:
 - Company announcements
 - Global markets & foreign exchange
 - Inflation / unemployment / housing statistics
 - Consumer confidence
 - Interest rates and Federal Reserve announcements
 - Political news

OVERSIGHT & PROCESS



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Investment Committee of Board

- Approve annual allocation to SAP Fund
- Monitor performance of SAP Fund on a monthly basis as part of the University's endowment
- May invite faculty and students to attend Investment Committee meetings to discuss SAP Fund

Faculty

- Provide oversight and direction to students
- Submit buy and sell requests to Associate Vice President for Finance for approval and to Director of Investment and Treasury Services for processing
- Submit semester end reports detailing Fund performance to Department Chair, Associate Vice President for Finance, Director of Investment and Treasury Services

Students

- Perform research and rebalancing within portfolio
- Prepare buy and sell requests for approval by faculty

Office of Business and Finance

- Associate vice president for finance approves all buy and sell requests
- Director of investment and treasury services works with investment custodian to process all requests
- Ensure all investments within the SAP Fund are liquidated annually

Investment Custodian and Investment Consultant

- Process all buy and sell requests
- Provide quarterly Fund performance report

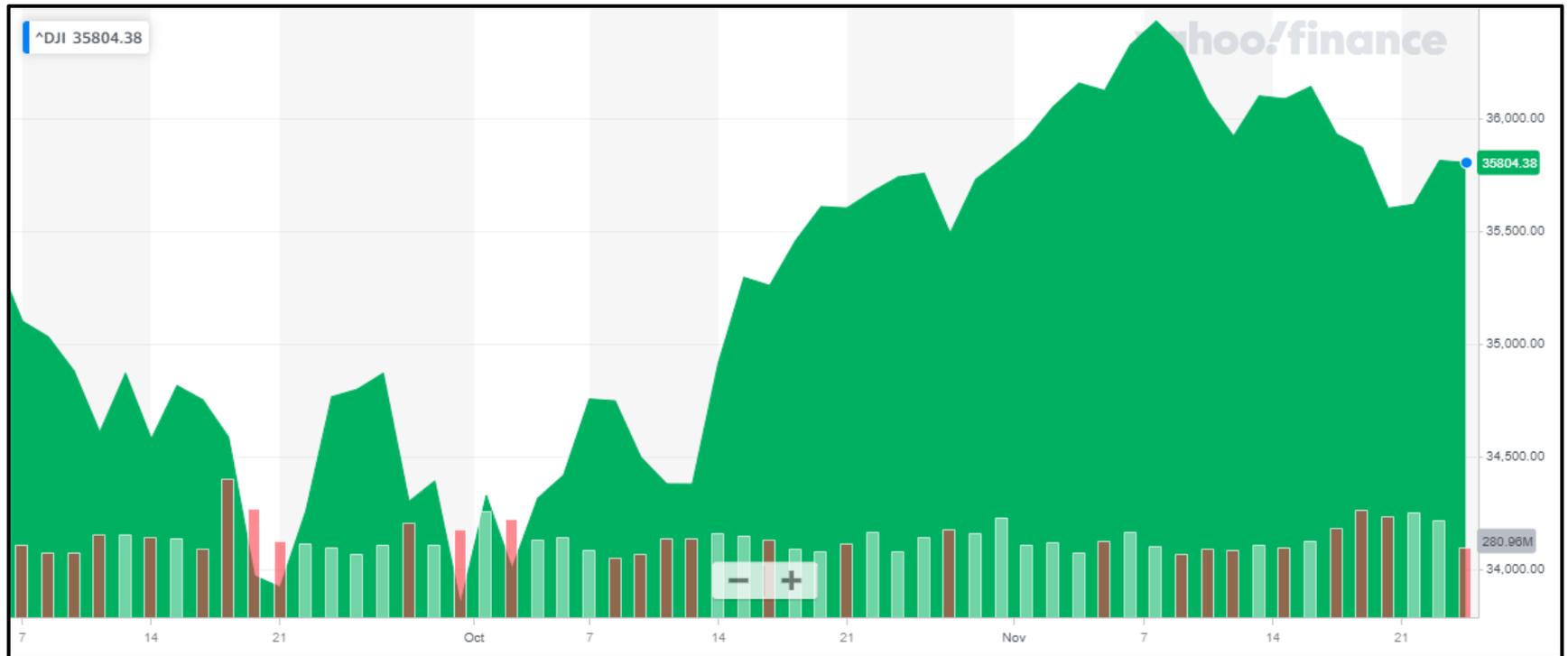
MARKET PERFORMANCE



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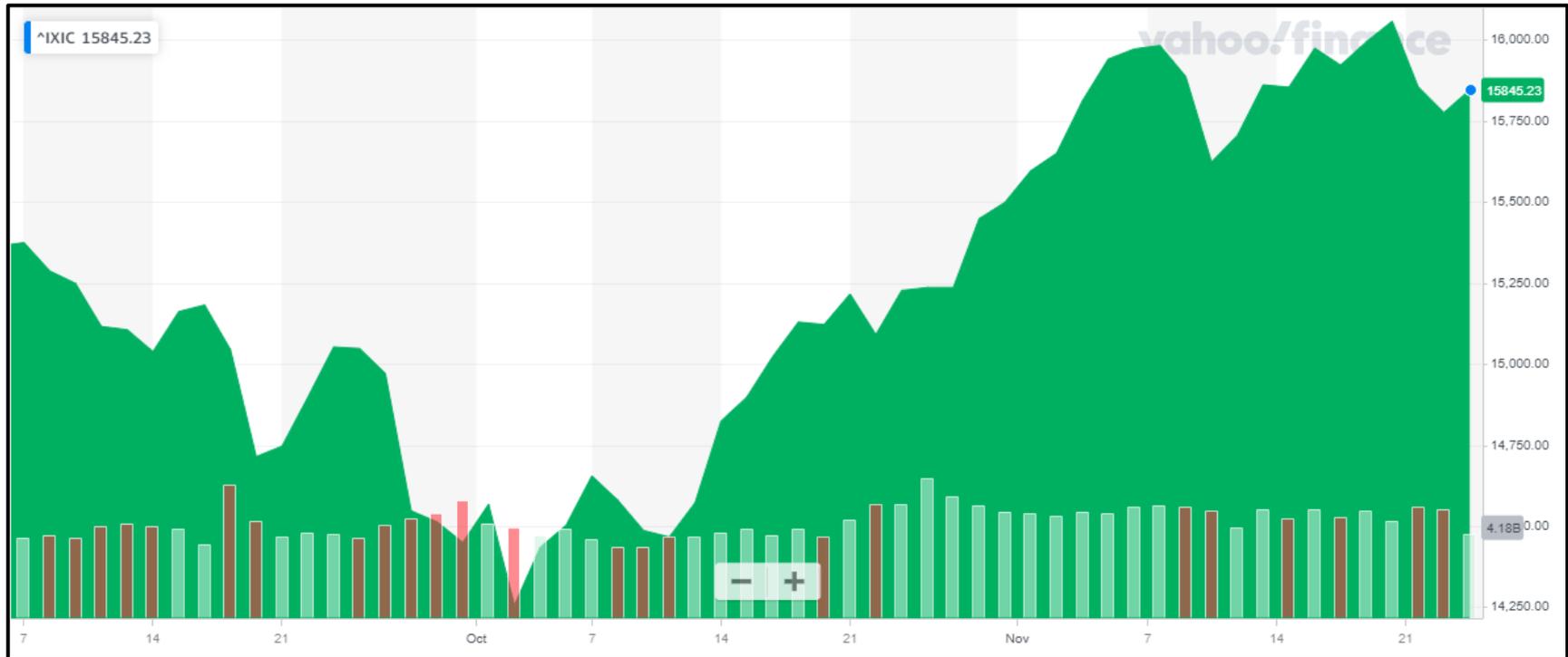
DOW JONES PERFORMANCE



The Dow Jones had a **2.01%** return during the Fall 2021 semester.

6M	+4.10%	1Y	+19.16%	2Y	+27.57%	5Y	+86.95%
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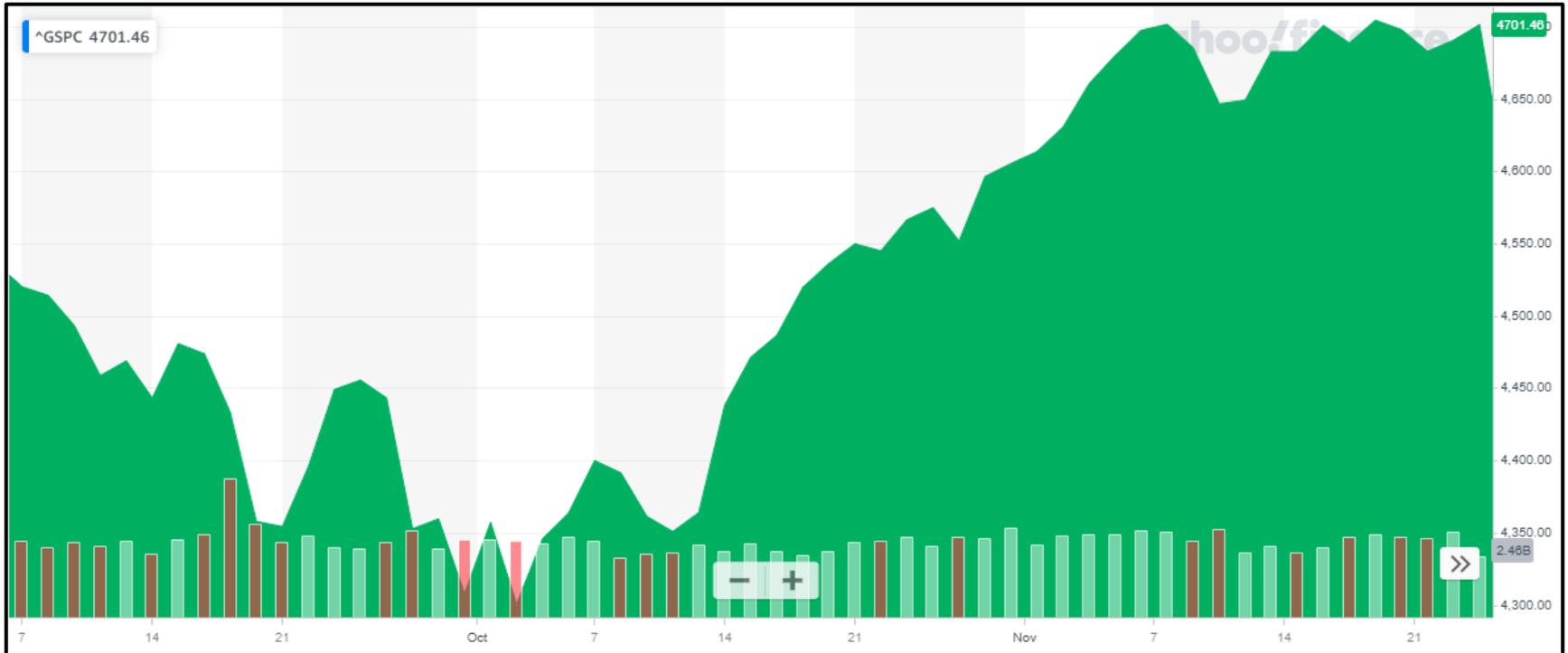
NASDAQ PERFORMANCE



The NASDAQ had a **3.06%** return during the Fall 2021 semester.

6M	+15.99%	1Y	+31.64%	2Y	+83.55%	5Y	+193.5%
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S&P 500 PERFORMANCE



The S&P 500 had a **4.01%** return during the Fall 2021 semester.

6M	+12.02%	1Y	+29.32%	2Y	+50.03%	5Y	+112.4%
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ECONOMIC CONDITIONS



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FEDERAL RESERVE POLICY

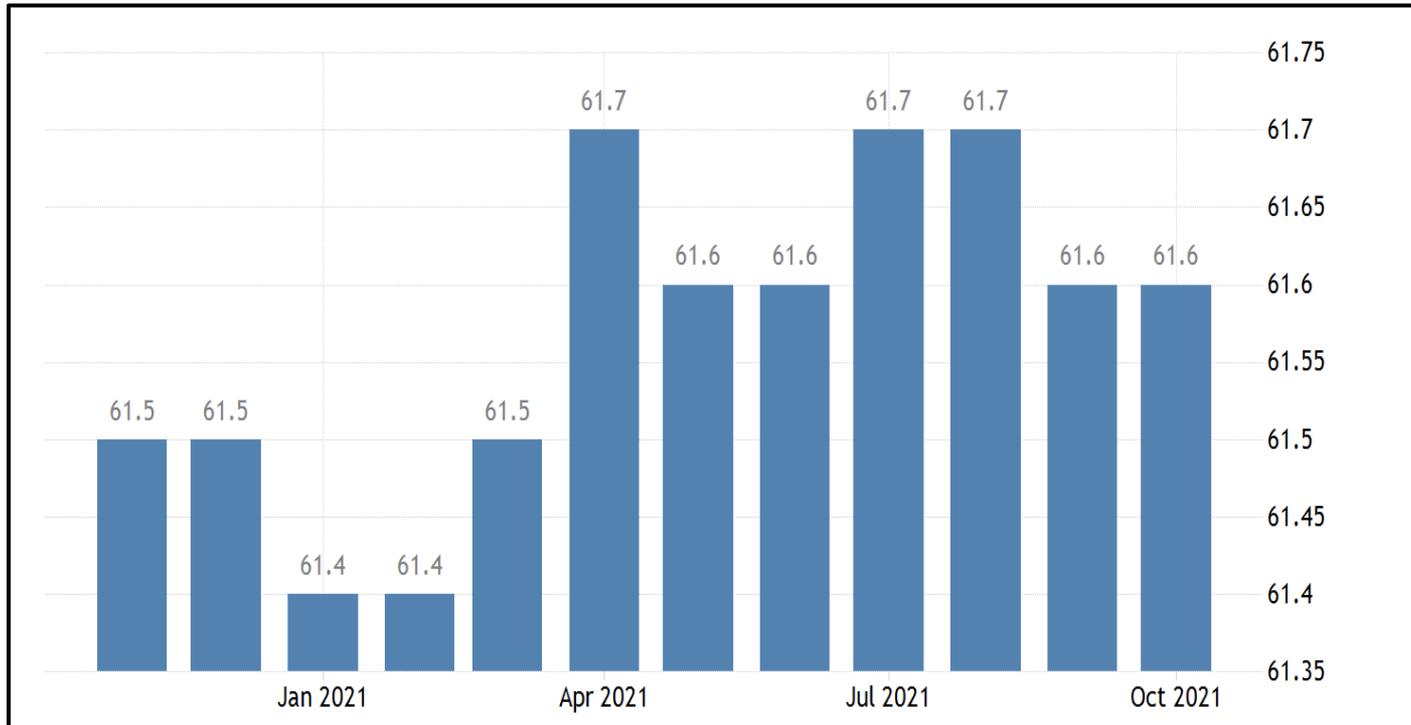
- ❑ The current Federal Funds Rate effective on 11/04/21 is **0.25%**
- ❑ On 11/03/21, the Board of Governors of the Federal Reserve System voted unanimously to approve the establishment of the primary credit rate at the existing level of 0.25%
- ❑ The annual inflation rate in the US surged to **6.2%** in October 2021, above forecasts of 5.8% and the highest since November 1990



The Federal Funds Rate over the past 5 years

EMPLOYMENT

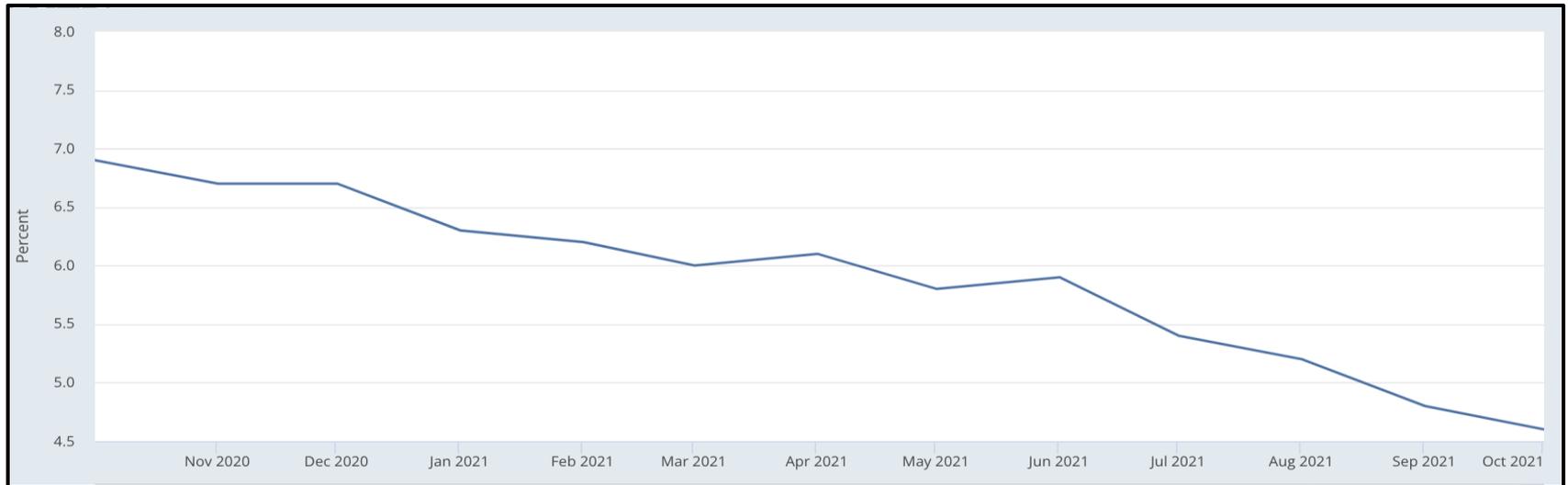
Labor Force Participation



During October 2021, the labor force participation stood at **61.6%**, which has remained stagnant since October 2020.

UNEMPLOYMENT

Labor Force Unemployment



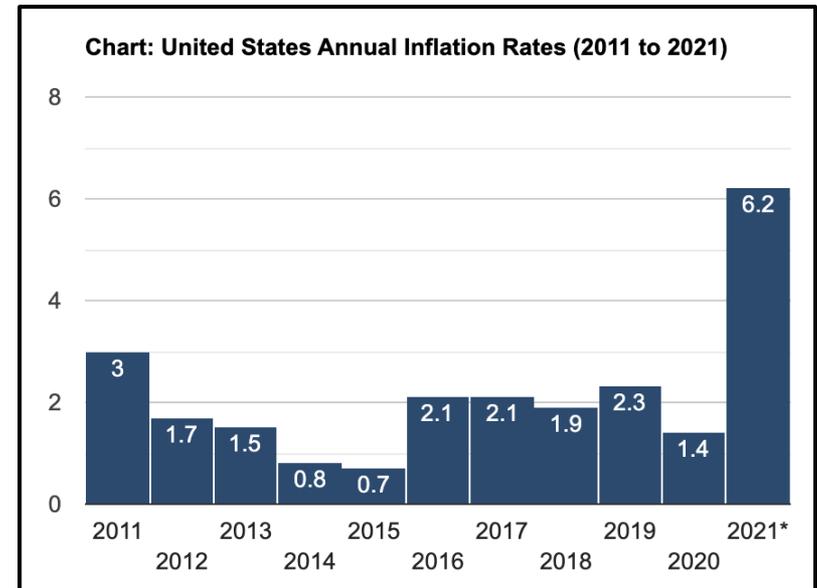
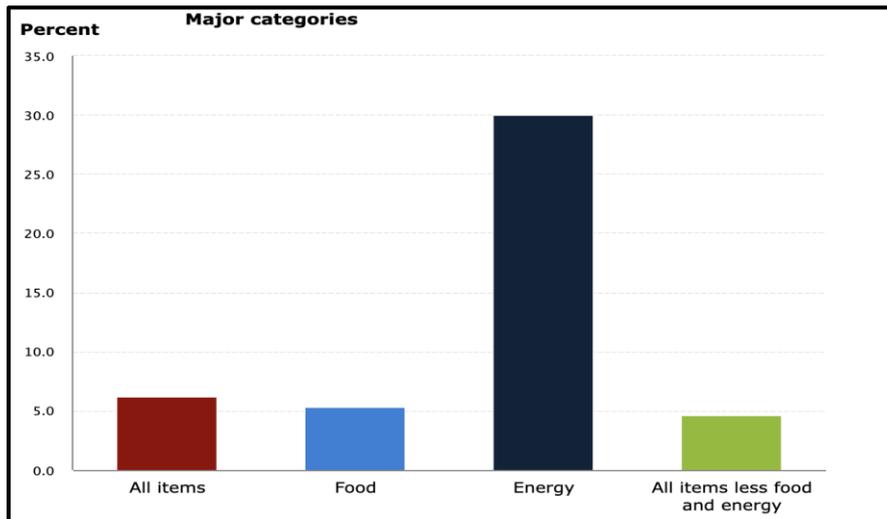
The unemployment rate has decreased **2.3%** from October 2020 to October 2021:

- ❑ October 2020 unemployment: 6.9%
- ❑ October 2021 unemployment: 4.6%

Around 60% of the U.S population is vaccinated against COVID-19, allowing for the reopening of businesses and thus decreasing the unemployment rate.

INFLATION

- ❑ In 2021, the inflation rate in the US has risen to **6.2%**, the highest in three decades
- ❑ The inflation rate in October 2021 exceeded all forecasts, and economists predict an ongoing increase of inflation through 2022

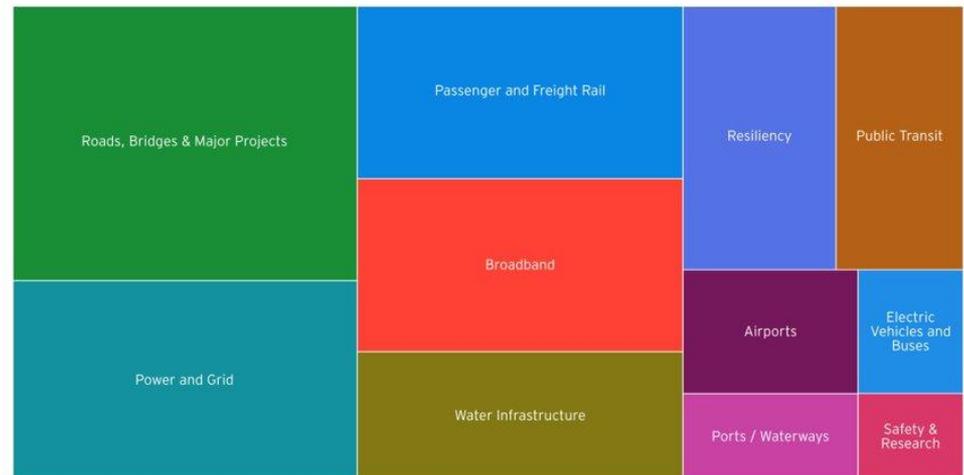


- ❑ Prices for all items less food and energy rose **4.6%** over the last 12 months, the largest yearly increase since August 1991
- ❑ Energy prices rose **30.0%** over the last 12 months, and the food index increased **5.3%**

INFRASTRUCTURE AND JOBS ACT

Spending Breakdown

- ❑ \$110 billion - roads, bridges, and other major projects
- ❑ \$73 billion - power grids
- ❑ \$65 billion - broadband internet
- ❑ \$50 billion - resilience and climate change
- ❑ \$42 billion - airports and waterways
- ❑ \$39 billion - public transit
- ❑ \$21 billion - environmental spending
- ❑ \$11 billion - transportation safety
- ❑ \$7.5 billion - electric cars
- ❑ \$7.5 billion - electric buses and ferries

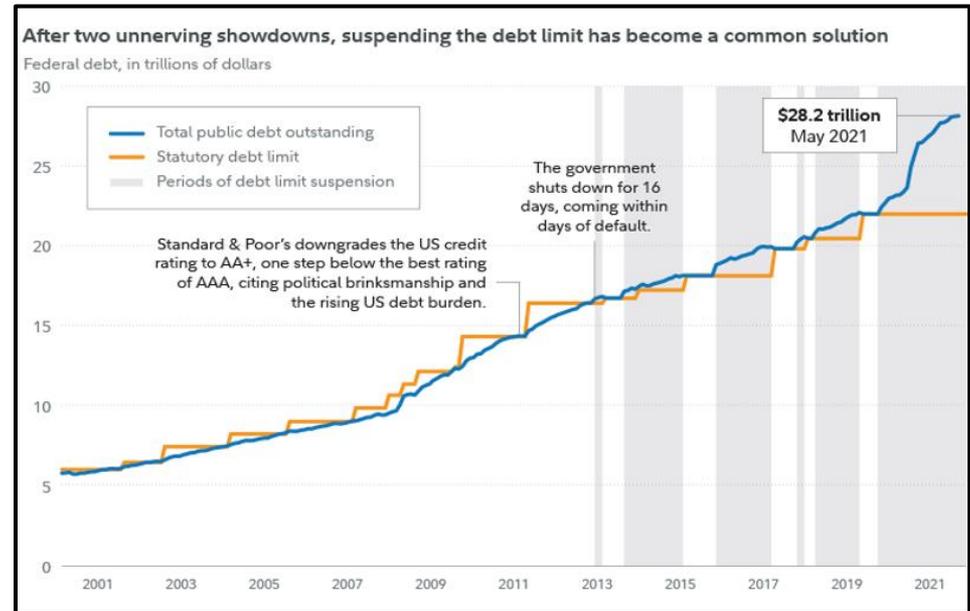


Source: White House & US Chamber of Commerce

"The United States House of Representatives passed the Infrastructure Investment and Jobs Act, a once-in-generation bipartisan infrastructure bill that will create millions of jobs, turn the climate crisis into an opportunity, and put us on a path to win the economic competition for the 21st Century."
- President Joe Biden

DEBT CEILING

- ❑ On October 12th and December 2nd, Congress passed a continuing resolution to temporarily approve the funding of the federal government
- ❑ Republicans have used the debt ceiling as political bargaining power with Democrats over Joe Biden's original \$3 billion build back better infrastructure bill and the federal government vaccine mandates for companies over a certain size
- ❑ Current funding is set to run out on February 18th



GLOBAL SUPPLY CHAIN ISSUES

- ❑ Supply chain disruptions impacted company earnings in Q3
- ❑ A combination of factors lead to this disruption: a surge in consumer demand due to economic reopening and the slowdown in production has caused the supply chain to become very fragile
- ❑ The IMF cut global growth forecasts in November, citing worldwide supply chain disruptions and the increasing threat of the Delta variant. The IMF said that the economic recovery has "lost momentum"



Over 70 ships waiting outside the port of Los Angeles on November 2nd

CURRENT EVENTS



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POLITICS

1. Government Spending

- Trillions of dollars spent in Infrastructure Bill and Social Spending Bill

2. Debt Ceiling

- Repeatedly pushed back by Congress

3. Partisan Splits in House & Senate

4. Big Tech Stance

- FTC and other departments have been probing into various decisions, impacts, and legalities by Big Tech



ECONOMICS

1. Labor – Great Resignation

- Although jobs are being added to the economy, many employees are leaving their current jobs

2. Housing

- One of the strongest housing markets in several years

3. Inflation

- One of the biggest stories of the Fall is inflation's acceleration, which is forecasted to remain high for some time

4. Consumer Spending

- Despite all this, consumer spending has remained strong



MARKETS

1. COVID-19 Recovery

- Even with the Delta variant, markets have been on the upswing due to relaxing COVID-19 protocols and increasing consumer confidence

2. Supply Chain Issues

- The global supply chain is still chaotic due to labor shortage, particularly in trucking and port workers, which is contributing to the cost of goods increasing

3. Oil/Gas Prices Rising

- Since September, a consistent theme has been increasing oil prices
- The price of gas has also increased significantly in the past 3 months



SECTOR OVERVIEWS



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COMMUNICATION SERVICES

- ❑ This sector consists of companies that provide communication services primarily through fixed line, cellular, wireless, high bandwidth, and/or fiber optic cable networks
- ❑ The introduction of 5G in the telecom industry provides lower connectivity cost, greater speed to move data, and low latency with enhanced user experience compared to 4G
- ❑ Industries include diversified and wireless telecommunication services, media, entertainment, and interactive media & services



Position Strategy	Overweight
SAP Target	14.00%
S&P Contribution	10.77%
SAP Contribution	8.20%

CONSUMER DISCRETIONARY

- ❑ This sector consists of goods and services considered to be non-essential
- ❑ During times of economic growth, this sector experiences higher sales due to more disposable income
- ❑ When consumers have more disposable income, they are more likely to purchase leisure and luxury products
- ❑ Industries include retail, hotels, restaurants, textiles, apparel, luxury goods, household durables, automobiles, auto components, distributors, and leisure products



Position Strategy	Overweight
SAP Target	13.50%
S&P Contribution	12.00%
SAP Contribution	14.18%

CONSUMER STAPLES

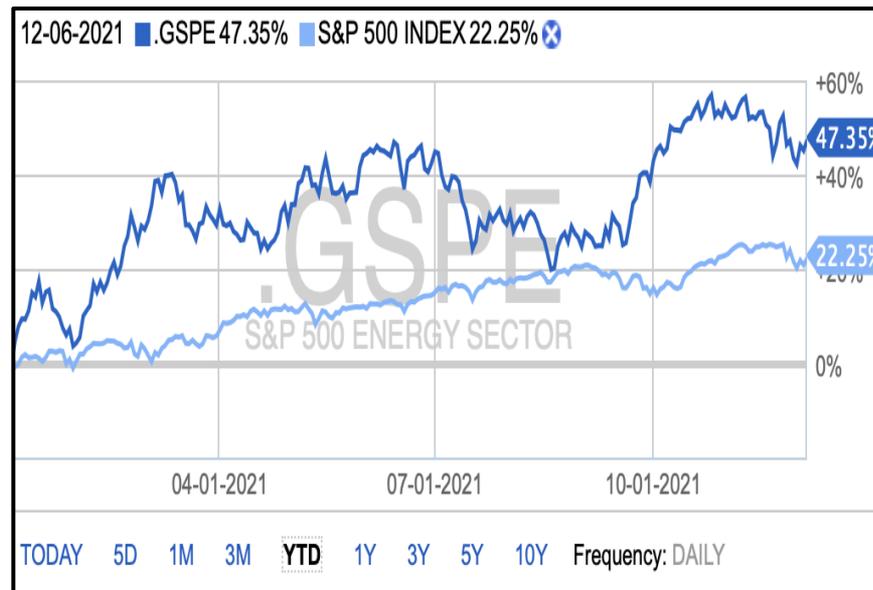
- ❑ This sector consists of companies whose businesses are less sensitive to economic cycles
- ❑ Consumer staples stocks provide a good option for investors seeking low risk, solid dividends, and low volatility
- ❑ Consumer staple stocks represent companies that produce or sell goods or services that are always in demand
- ❑ Industries include food and staples retailing, household products, food products, beverages, tobacco, and personal products



Position Strategy	Underweight
SAP Target	3.50%
S&P Contribution	6.32%
SAP Contribution	3.30%

ENERGY

- ❑ This sector consists of companies that produce and supply energy, including both fossil fuels and renewables
- ❑ Energy has a big impact on industrial growth, helping to fuel operations
- ❑ OPEC has announced they will hike production of oil by 400,000 barrels per day in January 2022
- ❑ Industries include oil, gas and consumable fuels, and energy equipment and services



Position Strategy	Underweight
SAP Target	0.00%
S&P Contribution	2.86%
SAP Contribution	0.00%

FINANCIALS

- ❑ This sector consists of companies that provide financial services to various customers
- ❑ When this sector performs well, it usually indicates a strong economy
- ❑ If this sector is underperforming, it can have negative effects on the economy
- ❑ Rising inflation rates is a current concern affecting this sector
- ❑ Industries include diversified financial services, insurance, banks, capital markets, mortgage real estate investment trusts, consumer finance, and thrifts and mortgage finance



Position Strategy	Overweight
SAP Target	16.00%
S&P Contribution	14.23%
SAP Contribution	15.77%

HEALTH CARE

- ❑ This sector enjoys near-inelastic demand as patients are willing to pay high prices, allowing companies to earn high margins
- ❑ Potential drug price regulation and abolishment of private health insurance companies has significantly contributed to the health care sector's performance during the past year
- ❑ Capital flight has left healthcare, driving down prices and valuations for the industry
- ❑ Industries include pharmaceuticals, health care equipment & supplies, health care providers & services, biotechnology, life sciences tools & services, and health care technology



Position Strategy	Overweight
SAP Target	16.00%
S&P Contribution	13.09%
SAP Contribution	15.35%

INDUSTRIALS

- ❑ Transportation and air freight benefit from return in demand as economies re-open
- ❑ Strong global trade & increase in ecommerce are also spurring demand
- ❑ Higher fuel costs & supply chain disruptions pressure profits
- ❑ Aerospace and defense industry face headwinds amidst expected lower airliner demand & lack of defense spending
- ❑ Industries include aerospace and defense, industrial conglomerates, marine, transportation infrastructure, machinery, road & rail, air freight & logistics, commercial services & supplies



Position Strategy	Marketweight
SAP Target	9.00%
S&P Contribution	8.86%
SAP Contribution	8.58%

MATERIALS

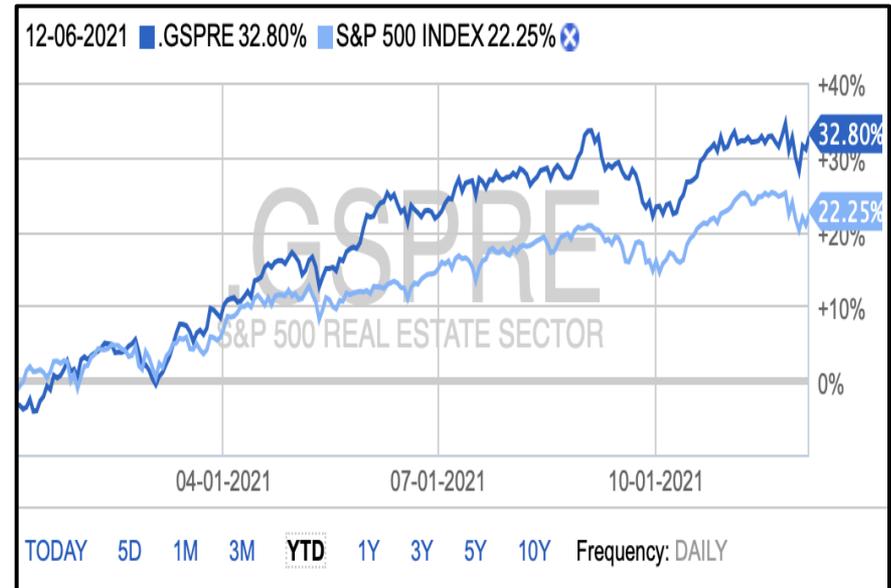
- ❑ This sector's cyclical-value characteristics tend to do well amid improving global growth and strong demand for metals
- ❑ U.S. clean energy and infrastructure spending is driving demand
- ❑ Metal prices remain elevated amid strong demand and supply constraints
- ❑ Demand for chemicals is expected to rise if oil demand improves
- ❑ Industries include chemicals, metals and mining, paper and forest products, containers and packaging, and construction materials



Position Strategy	Underweight
SAP Target	0.00%
S&P Contribution	2.27%
SAP Contribution	0.00%

REAL ESTATE

- ❑ Low interest rates and strong consumer confidence fuel growth and make REITs high dividends attractive
- ❑ Warehouses and data centers are benefitting from tech and e-commerce trends
- ❑ High unemployment and expiration of CDC eviction moratorium could lead to defaults
- ❑ Quicker than expected interest rate hikes pose a risk
- ❑ Industries include real estate management and development and REITs, excluding mortgage REITs



Position Strategy	Underweight
SAP Target	0.00%
S&P Contribution	2.57%
SAP Contribution	0.00%

TECHNOLOGY

- ❑ This sector consists of stocks relating to the research, development, or distribution of technologically based goods & services
- ❑ Tech companies invest heavily in research and development and may undertake riskier projects with greater future potential
- ❑ Financial services technology and surging online retail sales are supporting cloud computing infrastructure and software
- ❑ Industries include IT services, software, hardware, semiconductors & equipment, scientific & technical instruments, solar, and other consumer electronics



Position Strategy	Overweight
SAP Target	25.00%
S&P Contribution	24.22%
SAP Contribution	31.33%

UTILITIES

- ❑ Seen as “defensive” stocks as they usually lead to outperformance in down markets
- ❑ Shakiness within the stock market, the trade war, and weak economic data have been contributors to the utilities sector performance in 2021
- ❑ Outperformance of the sector for the year implies investor sentiment is low and moving towards areas that will be less impacted by a recession
- ❑ Industries include electric utilities, water utilities, multi-utilities, independent power and renewable electricity producers, and gas utilities



Position Strategy	Underweight
SAP Target	0.00%
S&P Contribution	2.45%
SAP Contribution	0.00%

FALL 2021 PORTFOLIO



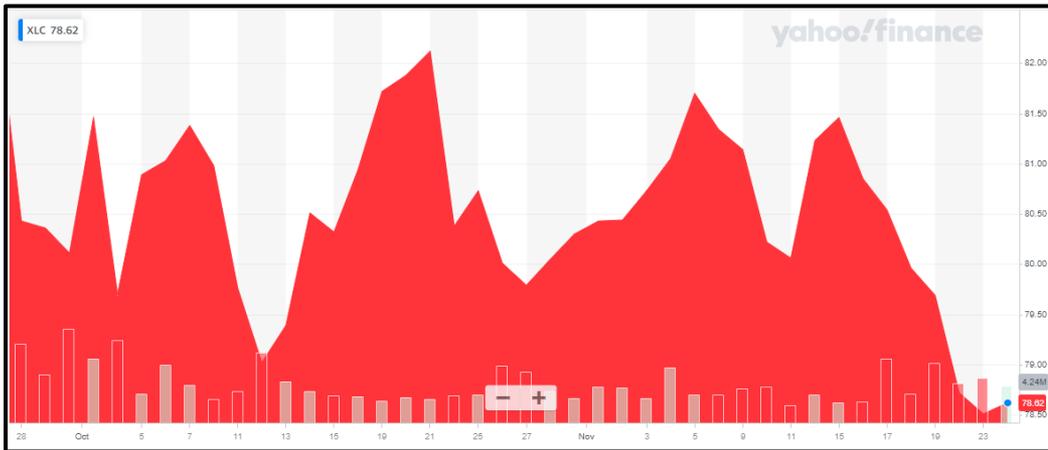
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COMMUNICATION SERVICES SPDR (XLC)

Date Purchased	09/28/2021
Number of Shares Held	560
Acquisition Price	\$80.69
Cost Basis	\$45,183.60

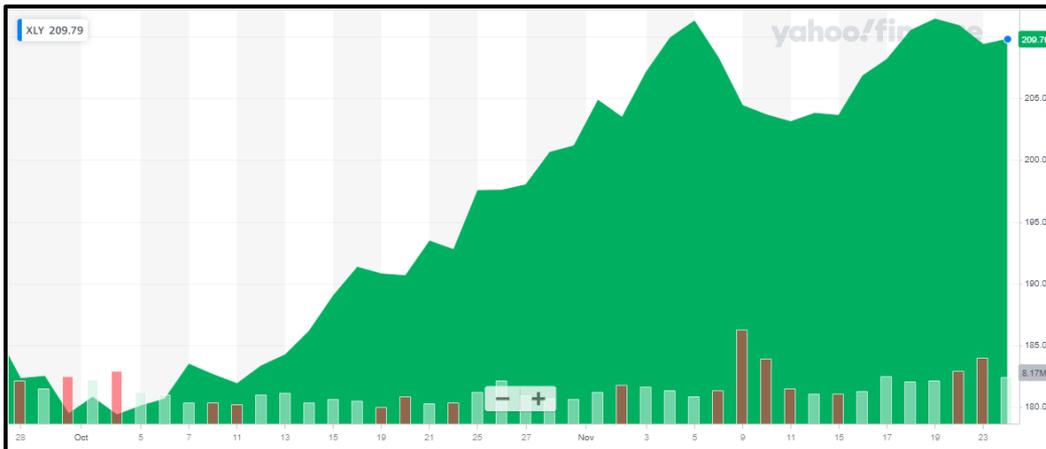
Top Holdings		
Name	Symbol	% Assets
Facebook Inc A	FB	23.75%
Alphabet Inc A	GOOGL	11.49%
Alphabet Inc Class C	GOOG	11.16%
Netflix Inc	NFLX	4.78%
Charter Communications Inc A	CHTR	4.65%
Comcast Corp Class A	CMCSA	4.44%
T-Mobile US Inc	TMUS	4.41%
The Walt Disney Co	DIS	4.39%
AT&T Inc	T	4.35%
Verizon Communications Inc	VZ	4.33%



Market Value (11/24/21): \$44,027.20 -\$1,156.40 (-2.56%)

CONSUMER DISCRETIONARY SPDR (XLY)

Date Purchased	09/28/2021
Number of Shares Held	170
Acquisition Price	\$182.32
Cost Basis	\$30,994.40



Top Holdings		
Name	Symbol	% Assets
Amazon.com Inc	AMZN	22.52%
Tesla Inc	TSLA	14.25%
The Home Depot Inc	HD	8.72%
Nike Inc Class B	NKE	4.63%
McDonald's Corp	MCD	4.51%
Lowe's Companies Inc	LOW	3.67%
Starbucks Corp	SBUX	3.53%
Target Corp	TGT	3.11%
Booking Holdings Inc	BKNG	2.41%
TJX Companies Inc	TJX	2.23%

Market Value (11/24/21): \$35,664.30 +\$4,669.90 (+15.07%)

CONSUMER STAPLES SPDR (XLP)

Date Purchased	09/28/2021
Number of Shares Held	100
Acquisition Price	\$69.47
Cost Basis	\$6,946.50

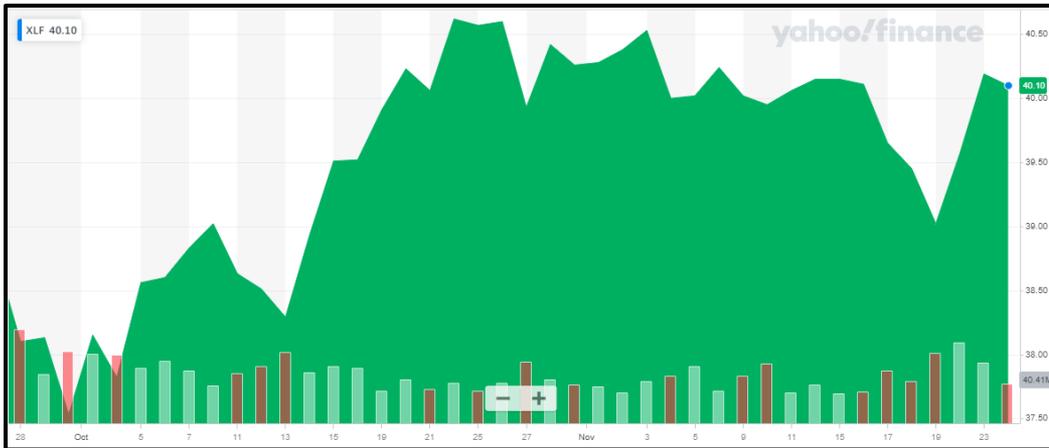


Top Holdings		
Name	Symbol	% Assets
Procter & Gamble Co	PG	15.54%
Coca-Cola Co	KO	9.88%
PepsiCo Inc	PEP	9.63%
Walmart Inc	WMT	9.11%
Costco Wholesale Corp	COST	4.70%
Philip Morris International Inc	PM	4.55%
Mondelez International Inc Class A	MDLZ	4.44%
Altria Group Inc	MO	4.35%
The Estee Lauder Companies Inc Class A	EL	4.06%
Colgate-Palmolive Co	CL	3.79%

Market Value (11/24/21): \$7,288.00 +\$341.50 (+4.92%)

FINANCIALS SPDR (XLF)

Date Purchased	09/28/2021
Number of Shares Held	1,080
Acquisition Price	\$38.21
Cost Basis	\$41,266.37

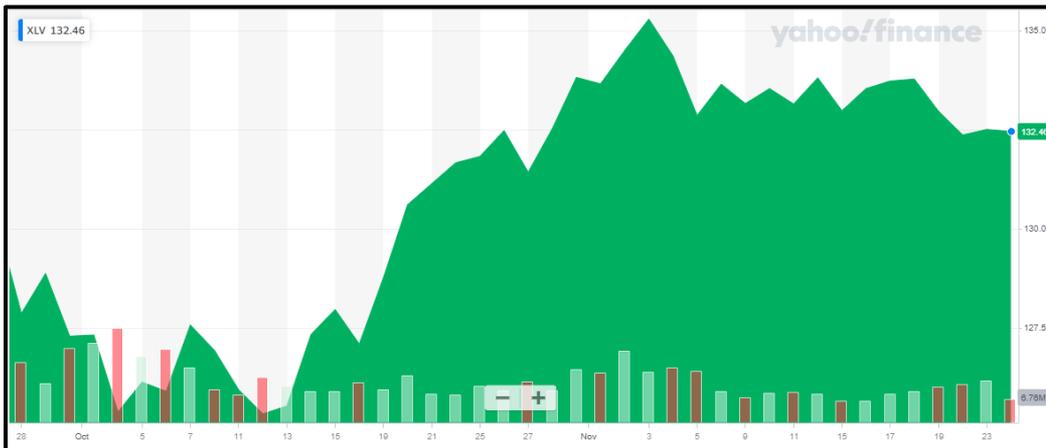


Top Holdings		
Name	Symbol	% Assets
Berkshire Hathaway Inc Class B	BRK.B	12.83%
JPMorgan Chase & Co	JPM	11.47%
Bank of America Corp	BAC	7.57%
Wells Fargo & Co	WFC	4.56%
Citigroup Inc	C	3.56%
Morgan Stanley	MS	3.32%
Goldman Sachs Group Inc	GS	3.15%
BlackRock Inc	BLK	3.02%
Charles Schwab Corp	SCHW	2.66%
American Express Co	AXP	2.62%

Market Value (11/24/21): \$43,308.00 +\$2,041.63 (+4.95%)

HEALTH CARE SPDR (XLV)

Date Purchased	09/28/2021
Number of Shares Held	545
Acquisition Price	\$128.26
Cost Basis	\$69,899.41



Top Holdings		
Name	Symbol	% Assets
Johnson & Johnson	JNJ	9.19%
UnitedHealth Group Inc	UNH	8.01%
Pfizer Inc	PFE	4.64%
Abbott Laboratories	ABT	4.36%
AbbVie Inc	ABBV	4.21%
Thermo Fisher Scientific Inc	TMO	4.20%
Merck & Co Inc	MRK	4.17%
Eli Lilly and Co	LLY	3.87%
Danaher Corp	DHR	3.61%
Medtronic PLC	MDT	3.54%

Market Value (11/24/21): \$72,190.70 +\$2,291.29 (+3.28%)

INDUSTRIALS SPDR (XLI)

Date Purchased	09/28/2021
Number of Shares Held	200
Acquisition Price	\$99.91
Cost Basis	\$19,981.00

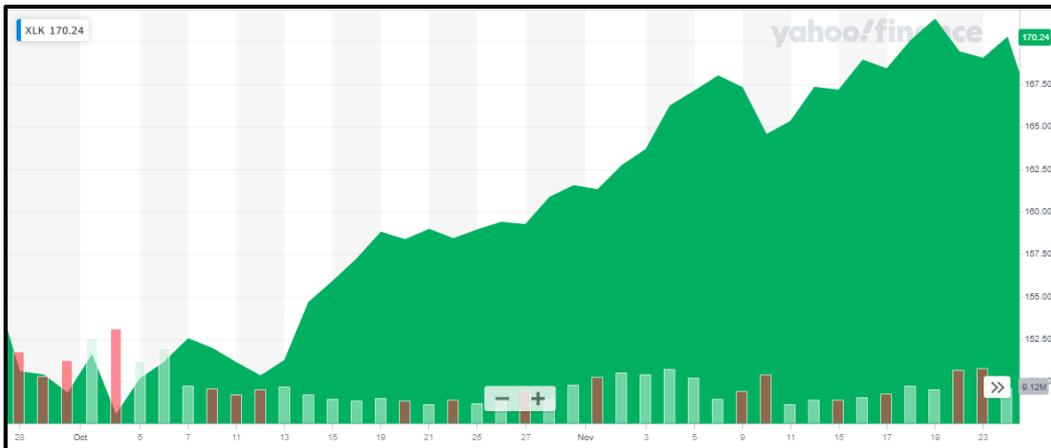


Top Holdings		
Name	Symbol	% Assets
Honeywell International Inc	HON	4.90%
United Parcel Service Inc Class B	UPS	4.84%
Union Pacific Corp	UNP	4.70%
Boeing Co	BA	4.24%
Raytheon Technologies Corp	RTX	4.16%
Caterpillar Inc	CAT	3.84%
General Electric Co	GE	3.80%
3M Co	MMM	3.70%
Deere & Co	DE	3.54%
Lockheed Martin Corp	LMT	2.98%

Market Value (11/24/21): \$21,216.00 +\$1,235.00 (+6.18%)

TECHNOLOGY SPDR (XLK)

Date Purchased	09/28/2021
Number of Shares Held	295
Acquisition Price	\$151.21
Cost Basis	\$44,605.53



Top Holdings		
Name	Symbol	% Assets
Apple Inc	AAPL	21.45%
Microsoft Corp	MSFT	20.37%
NVIDIA Corp	NVDA	4.98%
Visa Inc Class A	V	3.95%
PayPal Holdings Inc	PYPL	3.42%
Mastercard Inc A	MA	3.19%
Adobe Inc	ADBE	2.80%
Intel Corp	INTC	2.26%
Salesforce.com Inc	CRM	2.26%
Cisco Systems Inc	CSCO	2.23%

Market Value (11/24/21): \$50,220.80 +\$5,615.27 (+12.59%)

GROWTH STRATEGY

Buy Criteria:

Conservative Mentality	Expect stock to perform better than Industry
Revenue Growth	$\approx >$ Industry Average and forecasted to continue to grow
Strong Earnings	\sim 5 years of CAGR
ROE	$\approx \geq 15\%$ and $>$ Industry Average
PEG	$\approx \leq 1.2$ and $<$ Industry Average
Debt / Equity	< 1.5 (or Acceptable Interest Coverage Ratio when $D/E > 1.0$)

INDUSTRIALS

FEDEX CORPORATION (FDX)



Date Purchased	09/21/2021
Number of Shares Held	60
Acquisition Price	\$251.18
Cost Basis	\$15,070.70



- ❑ FedEx was founded in 1971 and is based in Memphis, TN
- ❑ FedEx provides transportation, ecommerce, and other services both in the US and internationally
- ❑ FedEx operates through five segments:
 - ❑ **Express:** time-critical transportation services and ecommerce solutions
 - ❑ **Ground:** day-certain delivery services
 - ❑ **Freight:** less-than-truckload delivery
 - ❑ **Services:** sales, marketing, IT, CRM, tech support, billing, and other functions
 - ❑ **Corporate:** supply chain management, customs brokerage, and retail access
- ❑ FedEx is a global leader in air freight with a history of strong earnings and an opportunity to expand their **ecommerce** presence through their strategic partnership with Salesforce

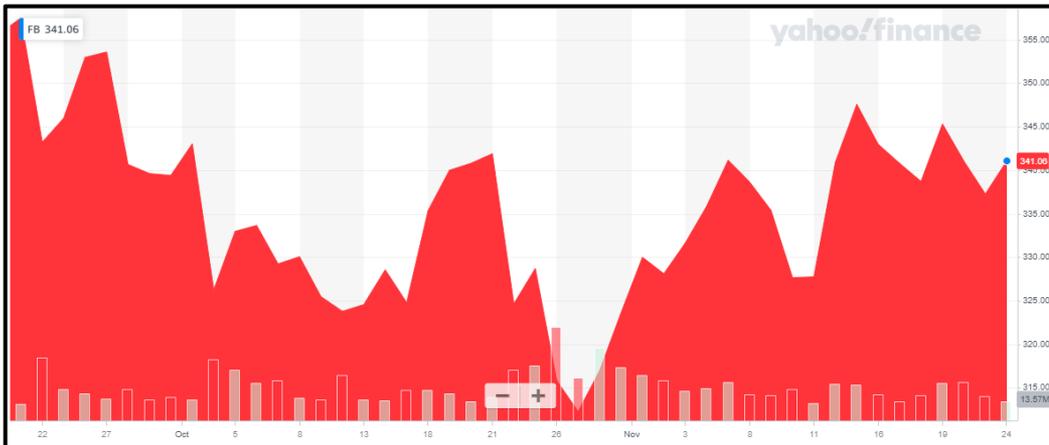
Market Value (11/24/21): \$14,614.20 **-\$456.50 (-3.03%)**

TECHNOLOGY

META PLATFORMS, INC. (FB)



Date Purchased	09/21/2021
Number of Shares Held	28
Acquisition Price	\$357.48
Cost Basis	\$10,009.41



- ❑ **Meta Platforms** (formerly known as Facebook) was founded in 2004 and is headquartered in Menlo Park, CA
- ❑ Meta develops products that enable people to connect and share with friends and family through mobile devices, personal computers, and other devices worldwide
- ❑ Meta's "**Family of Apps**" segment includes Facebook, Instagram, Messenger, and WhatsApp
- ❑ **Facebook Reality Labs** provides augmented and virtual reality related products that help people feel connected anytime and anywhere
- ❑ Meta's future extends beyond social media, as CEO Mark Zuckerberg looks to be the leader of the **Metaverse**, a virtual platform that will allow users to do almost anything, from purchasing goods and services to connecting with friends and attending events

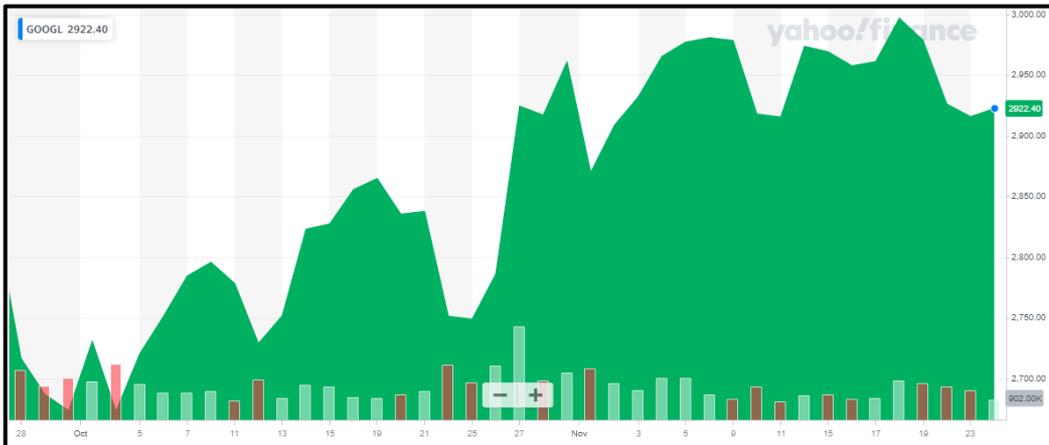
Market Value (11/24/21): \$9,549.68 **-\$459.73 (-4.59%)**

TECHNOLOGY

ALPHABET INC. (GOOGL)

Alphabet

Date Purchased	09/28/2021
Number of Shares Held	5
Acquisition Price	\$2,714.04
Cost Basis	\$13,570.18



- ❑ **Alphabet** was founded in 1998 and is headquartered in Mountain View, CA
- ❑ Alphabet provides online performance and brand advertising services across the globe
- ❑ Alphabet operates through three main segments:
 - ❑ **Google Services** provides products and services such as ads, Android, Chrome, hardware, Google Maps, Google Play, Search, and YouTube, as well as technical infrastructure and other digital content
 - ❑ **Google Cloud** offers infrastructure and data analytics platforms, collaboration tools, and other services for enterprise customers
 - ❑ **Other Bets** segment sells internet and TV services, as well as licensing and research and development services
- ❑ Alphabet has increased **ad revenue** on various platforms and has higher growth potential and less debt than major competitors

Market Value (11/24/21): \$14,612.00 **+\$1,041.83 (+7.68%)**

TECHNOLOGY

ADVANCED MICRO DEVICES, INC. (AMD)



Date Purchased	09/28/2021
Number of Shares Held	100
Acquisition Price	\$102.11
Cost Basis	\$10,210.50



- ❑ **AMD** was founded in 1969 and is headquartered in Santa Clara, CA
- ❑ AMD specializes in manufacturing semiconductor devices used in computer processing
- ❑ AMD operates through two main segments:
 - ❑ **Computing & Graphics** focuses on developing chips and technology for computers and data centers
 - ❑ **Enterprise, Embedded and Semi-Custom** focuses largely on server and gaming technology
- ❑ AMD takes advantage of a **niche market** by producing high performance chips used in high-end computers and data centers
- ❑ AMD outsources production to lower costs
- ❑ **CEO Lisa Su** has added major clients like Amazon AWS, Oracle, Google, Twitter, etc.

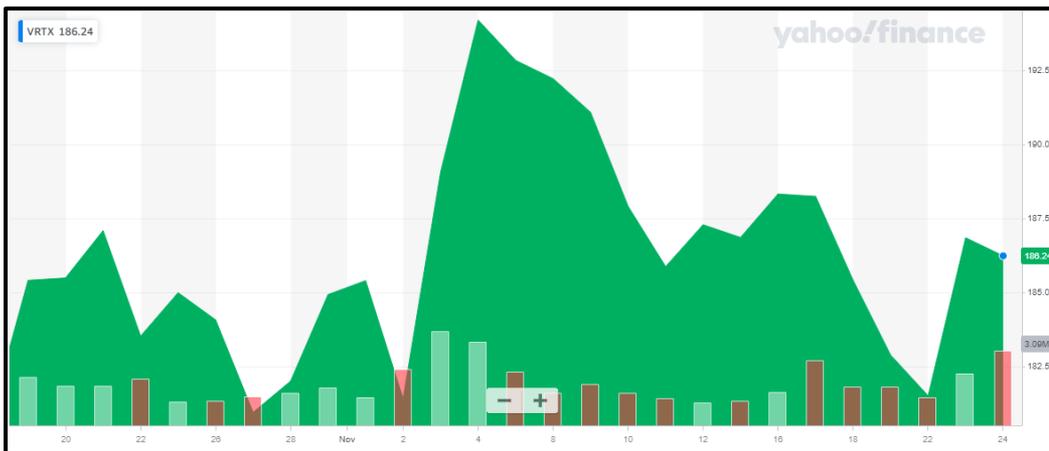
Market Value (11/24/21): \$15,780.00 +\$5,569.50 (+54.55%)

HEALTH CARE

VERTEX PHARMACEUTICALS INCORPORATED (VRTX)



Date Purchased	10/19/2021
Number of Shares Held	55
Acquisition Price	\$183.61
Cost Basis	\$10,098.28



- ❑ **Vertex** was founded in 1989 and is headquartered in Boston, MA
- ❑ Vertex engages in developing and commercializing therapies for treating **cystic fibrosis**
- ❑ Vertex sells its products primarily to specialty pharmacy and specialty distributors in the United States, as well as specialty distributors and retail chains, hospitals, and clinics internationally
- ❑ Vertex has a strategic research collaboration and licensing agreement with **Obsidian Therapeutics** for the discovery of novel therapies that regulate gene editing for the treatment of serious diseases
- ❑ Vertex's patent therapies dominate the lucrative cystic fibrosis market with over **97%** market share and do not expire until after 2030

Market Value (11/24/21): \$10,243.20 +\$144.93 (+1.44%)

CONSUMER DISCRETIONARY

LULULEMON ATHLETICA INC. (LULU)



Date Purchased	11/02/2021
Number of Shares Held	32
Acquisition Price	\$464.40
Cost Basis	\$14,860.78



- ❑ **Lululemon Athletica** was founded in 1998 and is based in Vancouver, Canada
- ❑ Lulu designs, distributes, and retails athletic apparel and accessories for women and men
- ❑ Lulu offers pants, shorts, tops, jackets, and fitness-related accessories for healthy lifestyle and athletic activities, such as yoga, running, training, and other sweaty pursuits
- ❑ Lulu operates through two main segments:
 - ❑ **Company-Operated Stores:** outlets and warehouse sales, network of wholesale accounts, license and supply arrangements
 - ❑ **Direct to Consumer:** mobile apps and e-commerce website
- ❑ Lulu has higher gross margins and growth potential than competitors like Nike and Adidas using their **vertically integrated** business model
- ❑ Lulu recently acquired interactive fitness company **Mirror**, which competes with Peloton

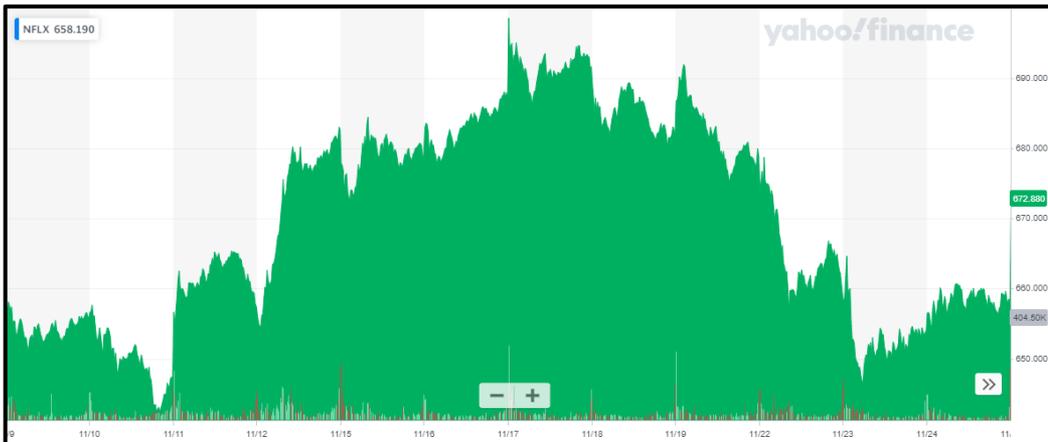
Market Value (11/24/21): \$14,651.52 -\$209.26 (-1.41%)

TECHNOLOGY

NETFLIX, INC. (NFLX)

NETFLIX

Date Purchased	11/09/2021
Number of Shares Held	22
Acquisition Price	\$654.22
Cost Basis	\$14,392.85



- ❑ **Netflix** was founded in 1997 and is headquartered in Los Gatos, CA
- ❑ Netflix provides entertainment services, offering TV series, documentaries, and feature films across various genres and languages
- ❑ Netflix provides members the ability to receive streaming content through a host of Internet-connected devices, including TVs, digital video players, television set-top boxes, and mobile devices
- ❑ Netflix has approximately **204 million** paid members in 190 countries
- ❑ Netflix offers a massive pipeline of content, talent scouts, and expanding product lines
- ❑ Netflix acquired Ronald Dahl Story Company and Night School Studio
- ❑ Netflix's brand recognition and AI-based user interface propels constant growth globally

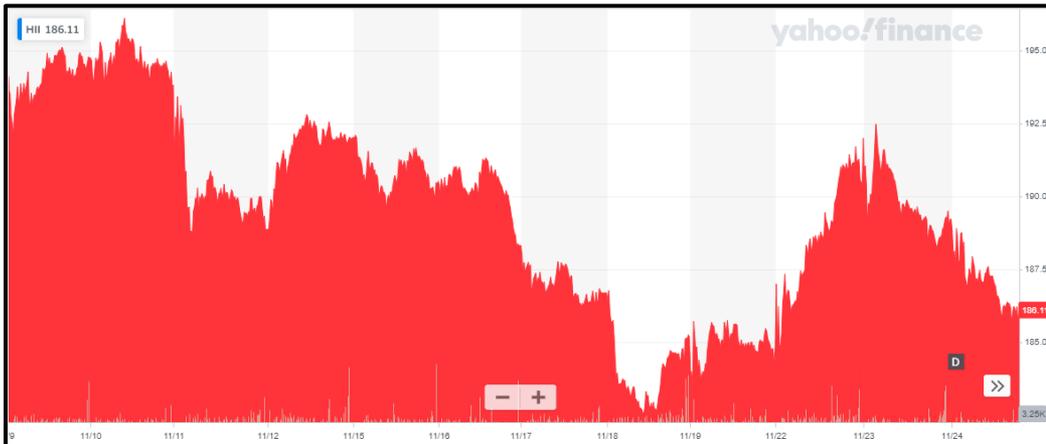
Market Value (11/24/21): \$14,482.38 +\$89.53 (+0.62%)

INDUSTRIALS

HUNTINGTON INGALLS INDUSTRIES, INC. (HII)



Date Purchased	11/09/2021
Number of Shares Held	55
Acquisition Price	\$194.54
Cost Basis	\$10,699.43



- ❑ **Huntington Ingalls** was founded in 1886 and is headquartered in Newport News, VA
- ❑ HII engages in designing, building, overhauling, and repairing military ships in the United States
- ❑ HII operates through two main segments:
 - ❑ **Shipbuilding:** designs and constructs ships, aircraft carriers, and submarines for the US Navy and US Coast Guard
 - ❑ **Technical Solutions:** high-end IT and mission-based solutions for cyber and unmanned systems
- ❑ HII is the **largest** shipbuilding company in the US and has strong growth opportunities within their technical solutions division
- ❑ HII has an adept workforce, sustainable cash flows, and strong bargaining power
- ❑ HII has long-term contracts with most US military branches for **tens of billions** of dollars

Market Value (11/24/21): \$10,256.40 **-\$443.03 (-4.14%)**

TECHNOLOGY

SHOPIFY INC. (SHOP)



Date Purchased	11/16/2021
Number of Shares Held	9
Acquisition Price	\$1,689.83
Cost Basis	\$15,208.46



- ❑ **Shopify** was incorporated in 2004 and is headquartered in Ottawa, Canada
- ❑ Shopify's commerce platform allows merchants to run their business in various sales channels
- ❑ Shopify helps clients manage products and inventory, process orders and payments, fulfill and ship orders, build customer relationships, source products, leverage analytics and reporting, and access financing
- ❑ Shopify also sells custom themes and apps, and registration of domain names
- ❑ Shopify is the leading ecommerce website builder, with more than **1.7 million** businesses in over 175 countries
- ❑ Shopify is well positioned for growth as merchants and consumers pivot to ecommerce
- ❑ Shopify expects increased revenue through integrations with **Meta Platforms** and **Google**

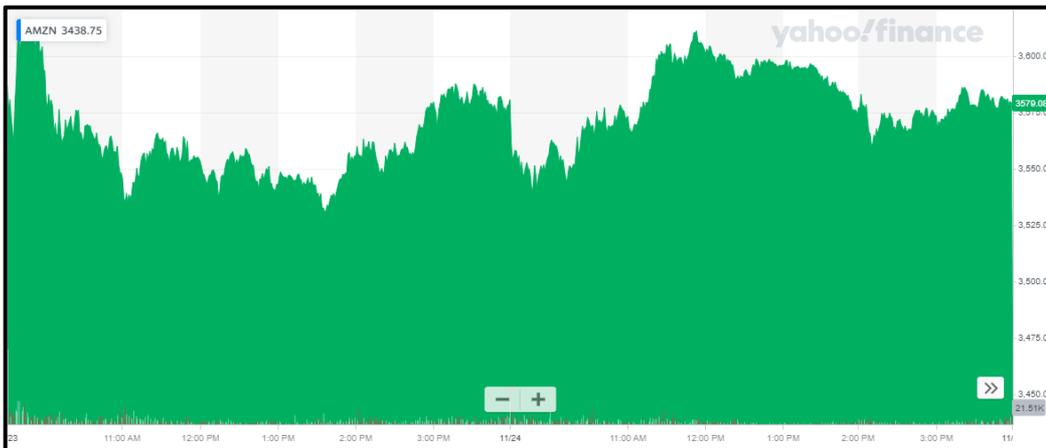
Market Value (11/24/21): \$14,658.30 -\$550.16 (-3.62%)

TECHNOLOGY

AMAZON.COM, INC. (AMZN)



Date Purchased	11/23/2021
Number of Shares Held	5
Acquisition Price	\$3,562.83
Cost Basis	\$17,814.15



- ❑ **Amazon** was founded in 1994 and is headquartered in Seattle, WA
- ❑ Amazon engages in the retail sale of consumer products and subscriptions all over the world
- ❑ Amazon focuses on e-commerce, cloud computing, digital streaming, and AI
- ❑ Amazon operates through three segments:
 - ❑ **Commerce:** Leading e-commerce brand that sells merchandise and content through third-party services and physical stores
 - ❑ **Amazon Web Services (AWS):** The world's largest cloud operator with over 30% of the market
 - ❑ **Logistics Services:** Provides sellers efficient delivery of products to customers
- ❑ Amazon is poised for growth through **Prime subscriptions**, dominating the high margin cloud segment and other business investments

Market Value (11/24/21): \$17,902.05 **+\$87.90 (+0.49%)**

VALUE STRATEGY

Buy Criteria:

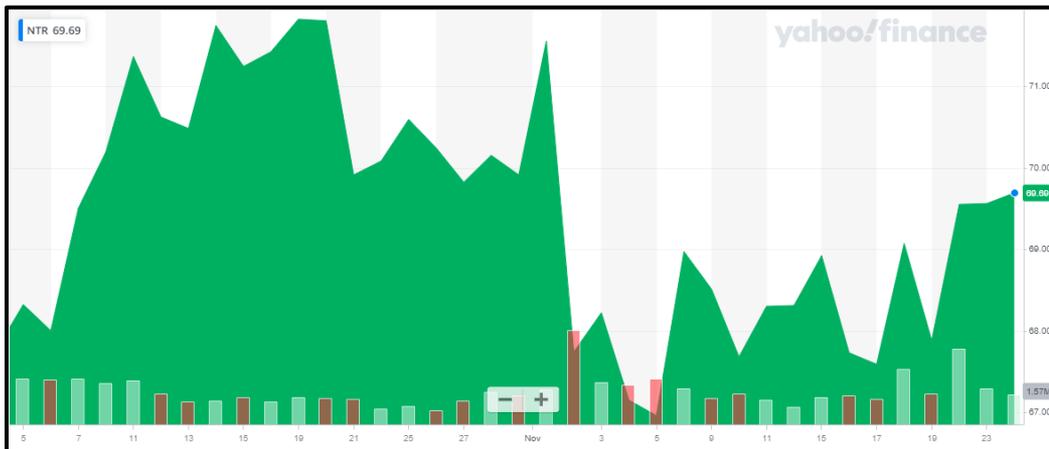
Price / Sales	< Industry average
Price / Book Value	< Industry average
Dividends	> Industry average
Free Cash Flow	Positive

CONSUMER STAPLES

NUTRIEN LTD. (NTR)



Date Purchased	10/05/2021
Number of Shares Held	150
Acquisition Price	\$68.46
Cost Basis	\$10,268.76



- ❑ **Nutrien** was incorporated in 2017 and is headquartered in Saskatoon, Canada
- ❑ Nutrien provides crop inputs, services, and financial solutions
- ❑ Nutrien is the leading producer of potash, nitrogen, phosphate, and sulfate products and distributes crop nutrients, crop protection products, seeds, and merchandise products
- ❑ Nutrien has nearly 2,000 retail locations in the US, Canada, South America, and Australia
- ❑ Increasing farming acreage combined with strong crop and fertilizer prices pave the way for increased **demand** and growing revenues
- ❑ With increasing free cash flow, Nutrien is in a unique position to reduce debt, engage in mergers and acquisitions, or potentially start share buybacks, all of which signal that the company is **undervalued** in the market

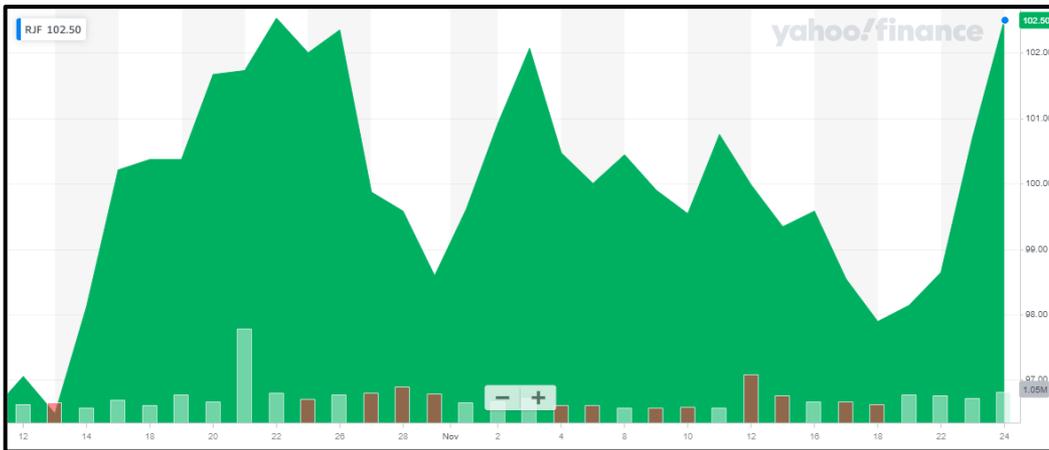
Market Value (11/24/21): \$10,453.50 +\$184.74 (+1.80%)

FINANCIALS

RAYMOND JAMES FINANCIAL, INC. (RJF)

RAYMOND JAMES

Date Purchased	10/12/2021
Number of Shares Held	155
Acquisition Price	\$97.61
Cost Basis	\$15,130.25



- ❑ **Raymond James** was founded in 1962 and is headquartered in St. Petersburg, FL
- ❑ RJF operates through four main segments:
 - ❑ **Private Client Group:** Investment advisory, securities transaction, and financial planning services
 - ❑ **Capital Markets:** Investment banking, public finance, institutional sales and trading, and equity research
 - ❑ **RJ Bank:** Offers corporate, SBL, tax-exempt, and residential loans
 - ❑ **Asset Management:** Provides investment advisory to PCG clients and asset management to institutional investors
- ❑ RJF's inorganic expansion initiatives and strong balance sheet will continue to boost revenues
- ❑ RJF's strong **liquidity** position has allowed them to diversify services and expand globally

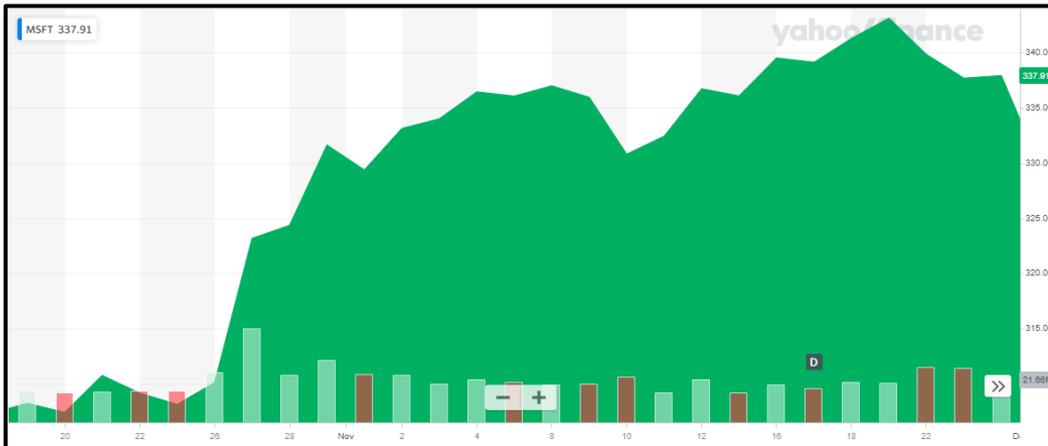
Market Value (11/24/21): \$15,887.50 +\$757.25 (+5.00%)

TECHNOLOGY

MICROSOFT CORPORATION (MSFT)



Date Purchased	10/19/2021
Number of Shares Held	50
Acquisition Price	\$308.58
Cost Basis	\$15,428.76



Market Value (11/24/21): \$16,895.50 +\$1,466.75 (+9.51%)

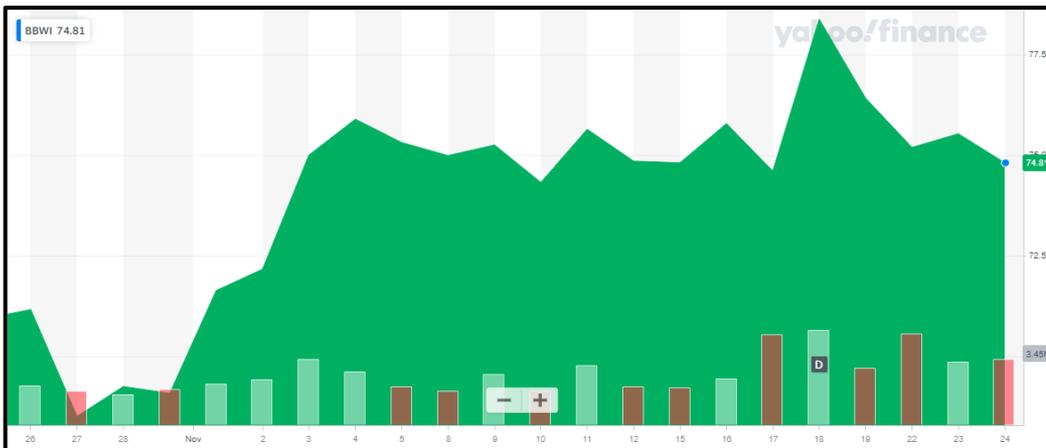
- ❑ **Microsoft** was founded in 1975 and is based in Redmond, WA
- ❑ Microsoft develops, licenses, and supports software, services, devices, and solutions worldwide
- ❑ Microsoft operates through three segments:
 - ❑ **Productivity and Business Processes:** products include Office, SharePoint, Teams, Skype, Outlook, OneDrive, and LinkedIn
 - ❑ **Intelligent Cloud:** largest source of profit and fastest-growing public, private, and hybrid server products and cloud services (Azure)
 - ❑ **Personal Computing:** includes Surface, PC accessories, PCs, tablets, gaming and entertainment consoles, and other devices
- ❑ Over **85%** of Microsoft's business revolves around software and cloud with no supply chain constraints
- ❑ Microsoft has a large base of **core users** and competes in growing business segments

CONSUMER DISCRETIONARY

BATH & BODY WORKS, INC. (BBWI)

Bath & Body Works®

Date Purchased	10/26/2021
Number of Shares Held	140
Acquisition Price	\$71.15
Cost Basis	\$9,960.30



- ❑ **Bath & Body Works** was founded in 1963 and is headquartered in Columbus, OH
- ❑ BBWI engages in the retailing of body care, home fragrance products, soaps, and sanitizers
- ❑ The company sells its products online and at retail stores located in the US and internationally
- ❑ BBWI operates approximately **1,750** locations and **300** international franchised locations
- ❑ BBWI has growth potential to gain market share and has recently **doubled** their customer base
- ❑ BBWI boasts increasing sales revenue, low costs, high profit margins, and customer loyalty
- ❑ BBWI has the unique ability to generate sales from online and storefront within the industry
- ❑ BBWI has **beat** their earnings and sales estimates for each of the past 5 quarters
- ❑ Stock buybacks will increase earnings per share

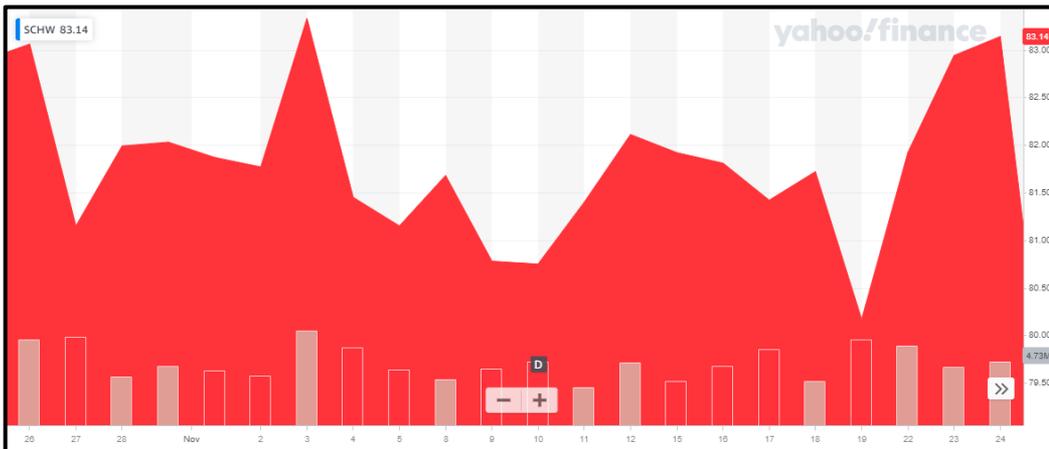
Market Value (11/24/21): \$10,473.40 **+\$513.10 (+5.15%)**

FINANCIALS

THE CHARLES SCHWAB CORPORATION (SCHW)

charles
SCHWAB

Date Purchased	10/26/2021
Number of Shares Held	180
Acquisition Price	\$83.74
Cost Basis	\$15,073.02



- ❑ **Charles Schwab** was incorporated in 1971 and is headquartered in Westlake, TX
- ❑ Charles Schwab provides wealth management, securities brokerage, banking, asset management, custody, and financial advisory services
- ❑ Charles Schwab operates in two main segments:
 - ❑ **Investor Services:** retail brokerage and banking services, retirement plan services, and mutual fund services
 - ❑ **Advisor Services:** advice solutions and specialized planning for portfolios of mutual funds, ETFs, checking and savings accounts, residential real estate mortgage loans, home equity lines of credit, and pledged asset lines
- ❑ Unlike competitors, Charles Schwab offers an **electronic trading platform** and generates revenue through commission and transaction fees

Market Value (11/24/21): \$14,965.20 **-\$107.82 (-0.72%)**

TECHNOLOGY

SKYWORKS SOLUTIONS, INC. (SWKS)



Date Purchased	11/02/2021
Number of Shares Held	90
Acquisition Price	\$170.14
Cost Basis	\$15,312.15

- ❑ Skyworks was incorporated in 1962 and is headquartered in Irvine, CA
- ❑ Skyworks designs, develops, manufactures, and markets proprietary **semiconductor** products, including intellectual property internationally
- ❑ Skyworks products are used in the aerospace, automotive, broadband, cellular infrastructure, connected home, entertainment and gaming, industrial, medical, military, smartphone, tablet, and wearable markets
- ❑ Skyworks sells its products through direct sales force, electronic component distributors, and independent sales representatives
- ❑ Skyworks is at the forefront of developing empowering wireless networks, such as **5G** and **Internet of Things (IoT)**
- ❑ Skyworks provides wireless chips to a variety of smartphone manufacturers including **Apple**



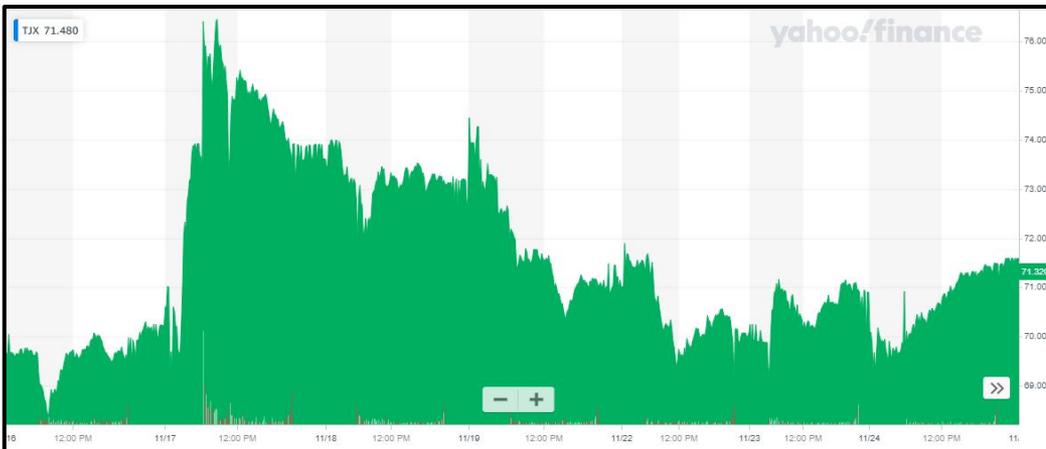
Market Value (11/24/21): \$14,133.60 -\$1,178.55 (-7.70%)

CONSUMER DISCRETIONARY

THE TJX COMPANIES, INC. (TJX)



Date Purchased	11/16/2021
Number of Shares Held	215
Acquisition Price	\$70.01
Cost Basis	\$15,051.12



- ❑ **TJX** was founded in 1956 and is headquartered in Framingham, MA
- ❑ TJX is the leading off-price apparel and home fashions retailer in the US and worldwide
- ❑ TJX operates through four main segments:
 - ❑ **T.J. Maxx** sells brand-name family apparel, accessories, shoes, giftware, and jewelry at discount prices
 - ❑ **Marshalls** offers similar items plus a broader selection of shoes and menswear
 - ❑ **HomeGoods** stores focus exclusively on home furnishings
 - ❑ **T.K. Maxx** is offers similar items to T.J. Maxx in several countries across Europe
- ❑ TJX keeps **low prices** by scooping excess stock up from manufacturers and department stores
- ❑ TJX is focusing more on their **ecommerce** presence as US retail clothing sales rise

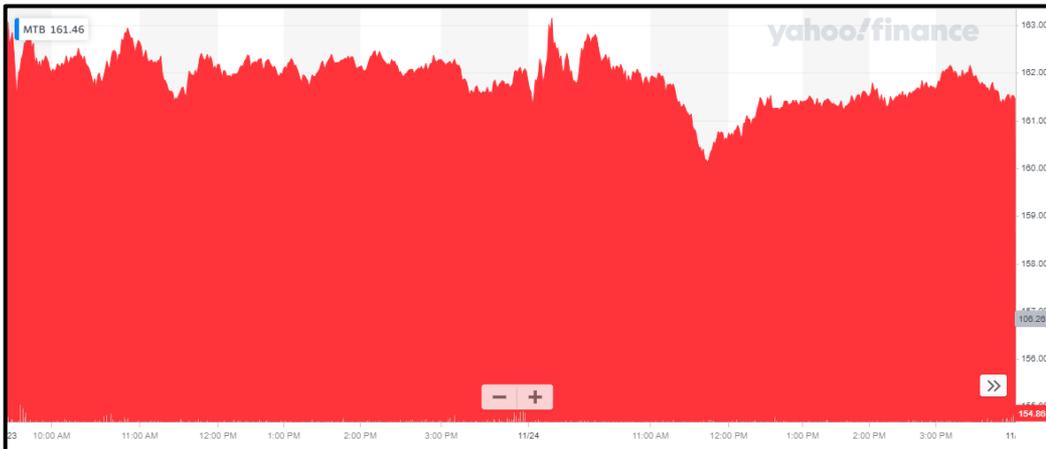
Market Value (11/24/21): \$15,368.20 +\$317.08 (+2.11%)

FINANCIALS

M&T BANK CORPORATION (MTB)

M&T Bank

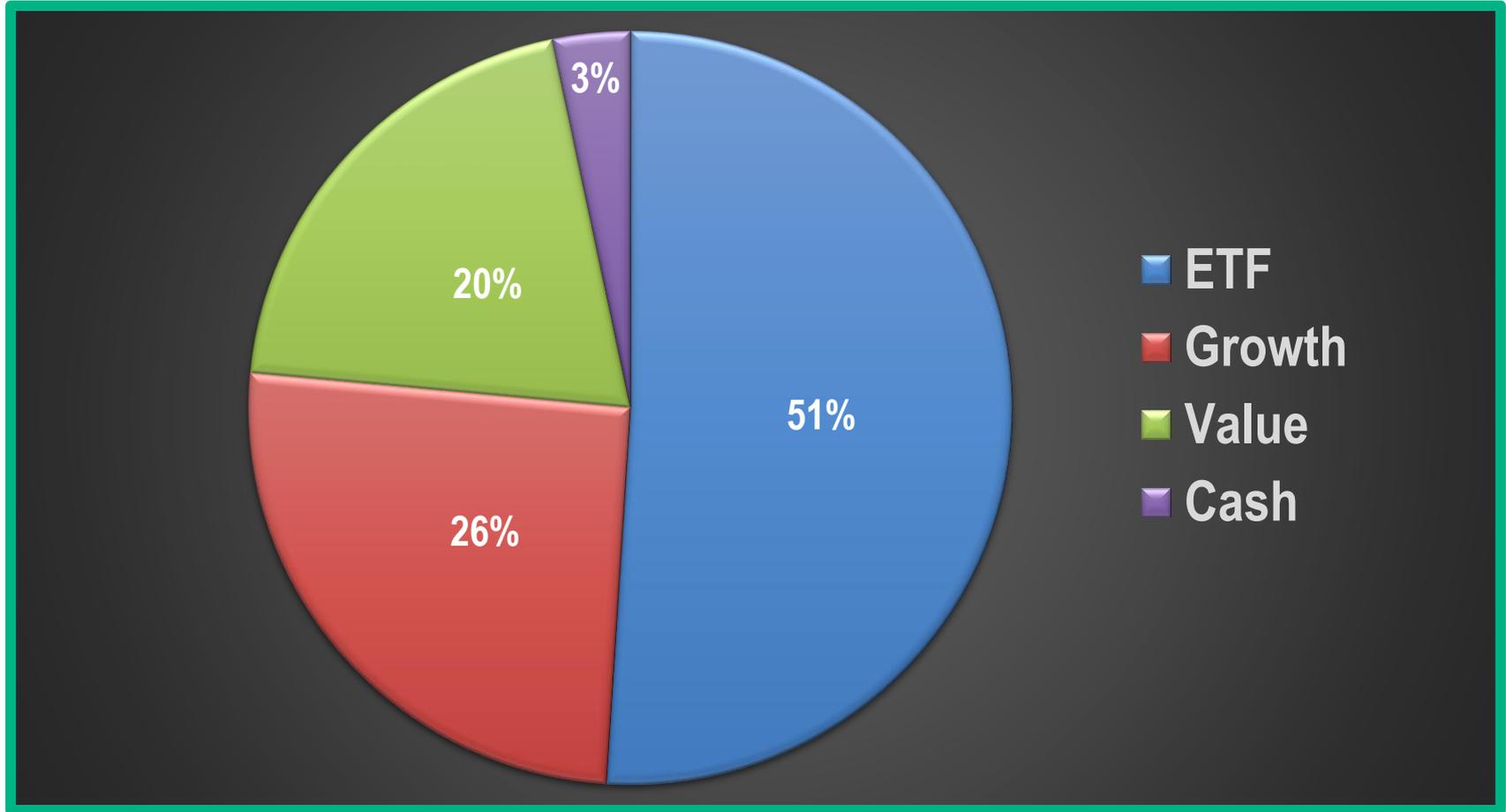
Date Purchased	11/23/2021
Number of Shares Held	65
Acquisition Price	\$162.00
Cost Basis	\$10,529.90



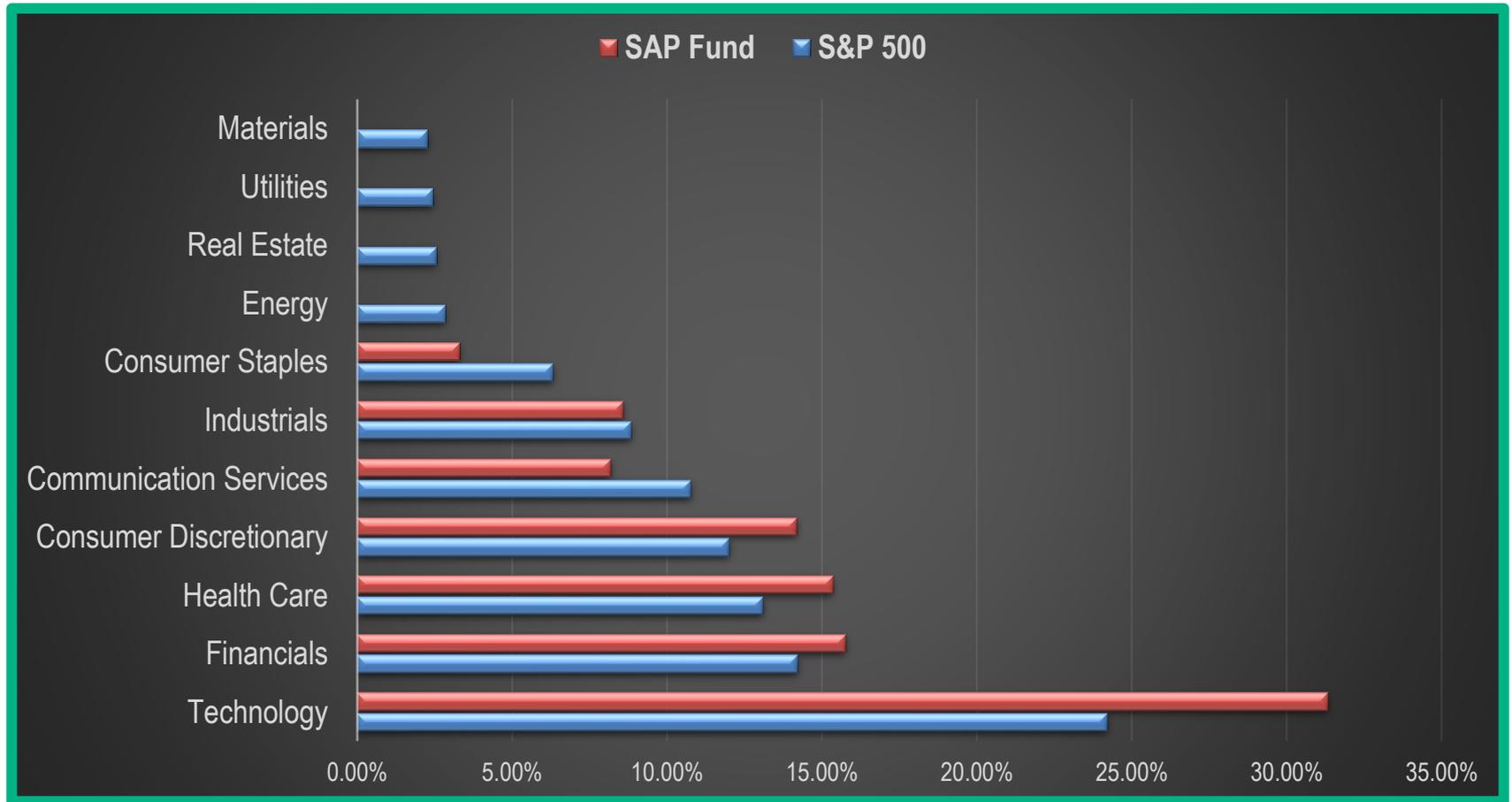
- M&T Bank** was founded in 1856 and is headquartered in Buffalo, NY
- M&T Bank operates as a bank holding company providing commercial and retail banking services
- M&T Bank operates through six segments:
 - Business Banking
 - Commercial Banking
 - Commercial Real Estate
 - Discretionary Portfolio
 - Residential Mortgage Banking
 - Retail Banking
- M&T Bank operates **716** domestic banking offices, mostly along the East Coast and Canada
- M&T Bank is an undervalued stock with a strong reputation for customer service combined with a diversified variety of banking services

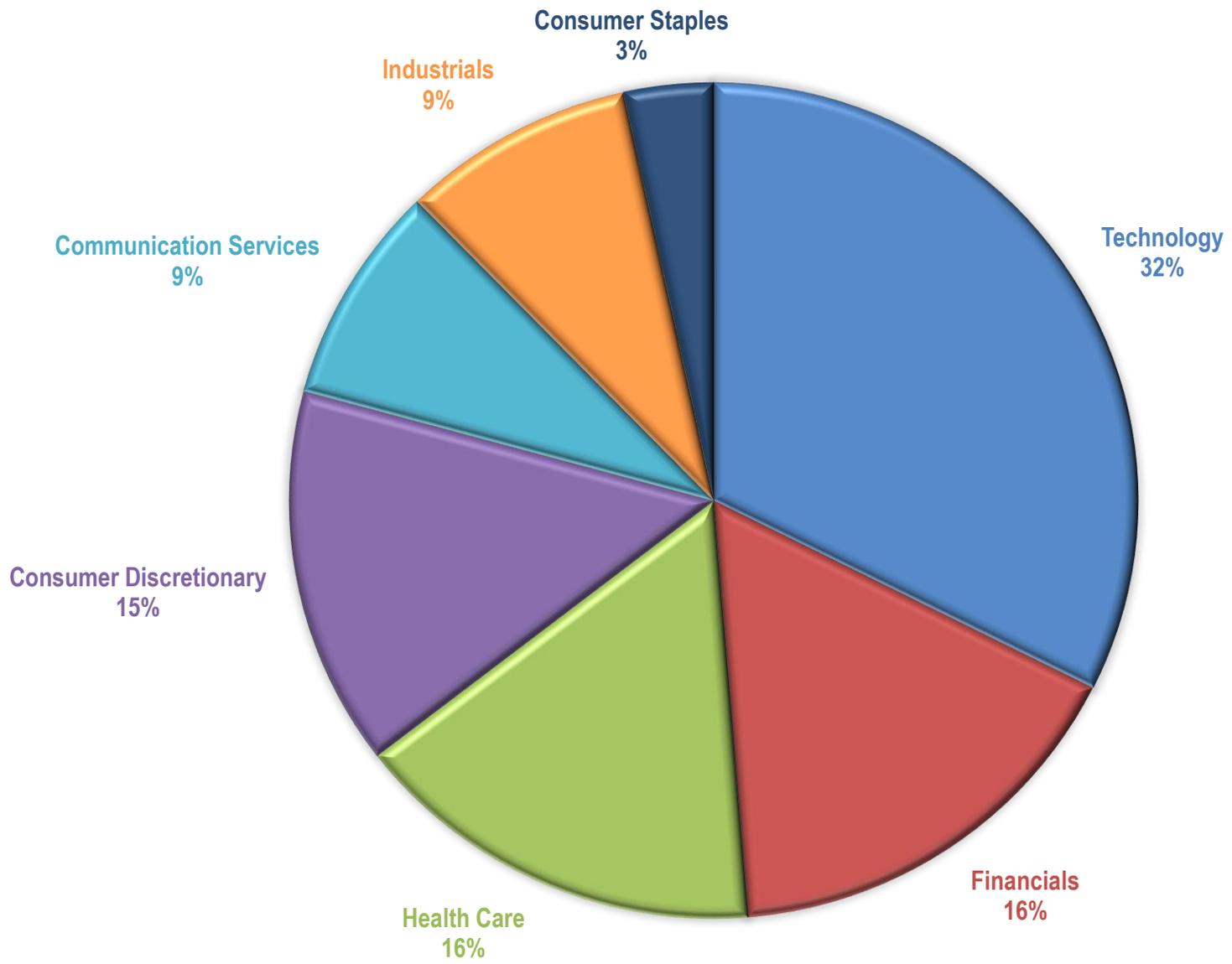
Market Value (11/24/21): \$10,495.55 -\$34.35 (-0.33%)

PORTFOLIO BREAKDOWN



SECTOR ALLOCATION





RISK ANALYSIS



LOYOLA
UNIVERSITY MARYLAND

MORE THAN READY. LOYOLA READY.

PORTFOLIO RISK ANALYSIS: BETA

SAP
 β 1.11

VS

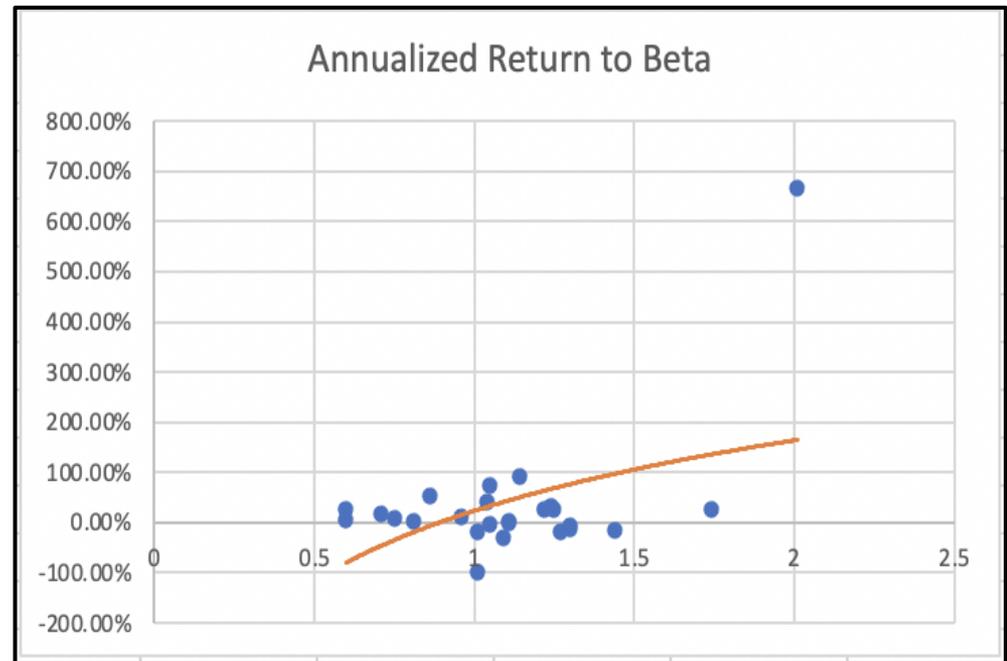
S&P 500
 β 1.00

Highest Betas in SAP Fund

- Advanced Micro Devices (AMD), Bath & Body Works (BBWI), and Shopify (SHOP)

Risk = Reward

- An observable higher return due to accepted higher risk



PORTFOLIO RISK ANALYSIS: SHARPE



Risk = Reward

- An observable higher return due to accepted higher risk

Higher Risk Adjusted Return Than Benchmarks

- SAP observed a higher return on a risk adjusted basis than S&P 500 and Russell 2000

CORRELATION MATRIX

Correlation Matrix
Start Date: 9/7/2021
End Date: 11/24/2021

	FedEx Corp	Meta Platforms Inc Class A	Alphabet Inc Class A	Advanced Micro Devices Inc	Vertex Pharmaceuticals Inc	Lululemon Athletica Inc	Netflix Inc	Huntington Ingalls Industries Inc	Shopify Inc Registered Shs -A- Subord Vtg	Amazon.com Inc	Nutrien Ltd	Raymond James Financial Inc	Microsoft Corp	Charles Schwab Corp	Bath & Body Works Inc	Skyworks Solutions Inc	TJX Companies Inc	M&T Bank Corp	Health Care Select Sector SPDR® ETF	Communication Services Sel Sect SPDR®ETF	Technology Select Sector SPDR® ETF	Financial Select Sector SPDR® ETF	Consumer Discret Sel Sect SPDR® ETF	Industrial Select Sector SPDR® ETF	Consumer Staples Select Sector SPDR® ETF	
FDX	FedEx Corp	1.000																								
FB	Meta Platforms Inc Class A	0.376	1.000																							
GOOGL	Alphabet Inc Class A	0.144	0.389	1.000																						
AMD	Advanced Micro Devices Inc	0.269	0.324	0.321	1.000																					
VRTX	Vertex Pharmaceuticals Inc	0.318	0.298	0.127	0.202	1.000																				
LULU	Lululemon Athletica Inc	0.090	0.296	0.347	0.309	0.108	1.000																			
NFLX	Netflix Inc	0.038	0.248	0.230	0.246	0.134	0.244	1.000																		
HHI	Huntington Ingalls Industries Inc	-0.057	-0.047	-0.095	-0.242	0.048	-0.242	-0.050	1.000																	
SHOP	Shopify Inc Registered Shs -A- Subord Vtg	0.112	0.565	0.369	0.499	0.353	0.382	0.348	0.063	1.000																
AMZN	Amazon.com Inc	0.108	0.340	0.587	0.342	0.268	0.261	0.189	-0.146	0.524	1.000															
NTR	Nutrien Ltd	0.090	0.104	0.099	0.179	0.001	0.063	0.029	0.350	0.221	0.007	1.000														
RJF	Raymond James Financial Inc	0.163	0.115	0.112	0.236	0.129	0.011	0.145	0.390	0.088	0.157	0.393	1.000													
MSFT	Microsoft Corp	0.171	0.371	0.861	0.386	0.148	0.336	0.360	-0.083	0.372	0.476	0.017	0.132	1.000												
SCHW	Charles Schwab Corp	0.189	0.094	0.185	0.094	0.150	0.103	0.283	0.478	0.124	0.212	0.485	0.813	0.177	1.000											
BBWI	Bath & Body Works Inc	0.134	0.122	0.091	0.346	0.223	0.327	0.128	0.034	0.292	0.357	0.297	0.409	0.173	0.451	1.000										
SWKS	Skyworks Solutions Inc	0.231	0.312	0.389	0.509	0.324	0.256	0.381	0.072	0.499	0.308	0.228	0.346	0.447	0.392	0.377	1.000									
TJX	TJX Companies Inc	0.017	0.223	0.195	0.109	0.299	0.164	-0.014	-0.044	0.193	0.335	-0.047	0.181	0.194	0.236	0.510	0.161	1.000								
MTB	M&T Bank Corp	0.102	0.090	-0.177	0.067	0.119	-0.115	0.037	0.459	0.048	-0.134	0.469	0.661	-0.161	0.631	0.508	0.255	0.236	1.000							
XLV	Health Care Select Sector SPDR® ETF	0.264	0.147	0.304	0.238	0.326	0.147	0.345	0.156	0.261	0.254	0.036	0.402	0.465	0.437	0.419	0.514	0.326	0.275	1.000						
XLC	Communication Services Sel Sect SPDR®ETF	0.325	0.778	0.658	0.376	0.346	0.315	0.382	0.070	0.568	0.537	0.235	0.411	0.620	0.411	0.329	0.482	0.372	0.276	0.437	1.000					
XLK	Technology Select Sector SPDR® ETF	0.239	0.519	0.708	0.601	0.284	0.399	0.362	-0.035	0.566	0.653	0.157	0.431	0.783	0.424	0.432	0.575	0.330	0.073	0.587	0.783	1.000				
XLF	Financial Select Sector SPDR® ETF	0.243	0.110	0.177	0.131	0.196	0.112	0.230	0.481	0.134	0.171	0.469	0.799	0.218	0.899	0.454	0.452	0.207	0.655	0.500	0.479	0.474	1.000			
XLY	Consumer Discret Sel Sect SPDR® ETF	0.103	0.376	0.323	0.350	0.318	0.301	0.199	0.074	0.443	0.482	0.185	0.316	0.431	0.380	0.606	0.407	0.542	0.248	0.368	0.524	0.618	0.345	1.000		
XLI	Industrial Select Sector SPDR® ETF	0.294	0.279	0.312	0.232	0.312	0.157	0.139	0.468	0.345	0.328	0.283	0.604	0.397	0.683	0.494	0.373	0.415	0.467	0.557	0.622	0.650	0.777	0.461	1.000	
XLP	Consumer Staples Select Sector SPDR® ETF	0.230	0.043	0.164	-0.068	0.338	-0.012	-0.004	0.354	-0.028	0.189	0.022	0.408	0.283	0.433	0.411	0.173	0.396	0.356	0.520	0.326	0.364	0.572	0.308	0.680	1.000

Red = Positive Correlation

Highest Correlation:
XLF & SCHW

Blue = Negative Correlation

Lowest Correlation:
HHI & AMD, HHI & LULU

PERFORMANCE REVIEW



LOYOLA
UNIVERSITY MARYLAND

MORE THAN READY. LOYOLA READY.

SAP FUND VS. S&P 500

	Sellinger Applied Portfolio	SPDR S&P 500 ETF (SPY)
Market Value (09/07/2021)	\$500,000.00	\$451.46
Market Value (11/24/2021)	\$536,998.21	\$469.44
Raw Return	7.40%	3.98%
Annualized Return	39.65%	20.05%

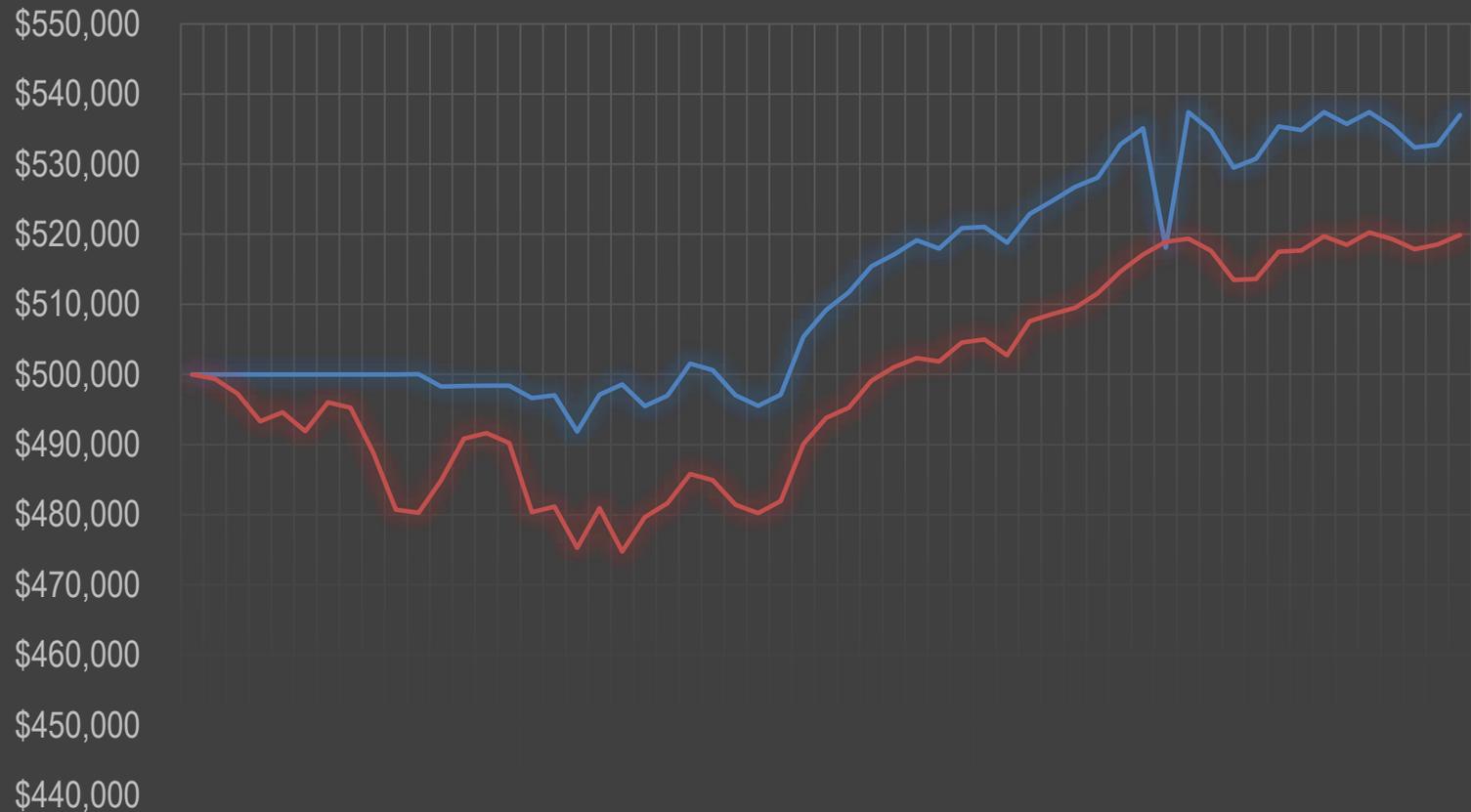
SAP outperformed the S&P 500 by **85.93%** (97.76% annualized)





SAP vs. S&P 500 (09/07/21 - 11/24/21)

— SAP — S&P 500





OUTPERFORMERS



Alphabet

Bath & Body Works®

GROWTH STRATEGY

OUTPERFORMERS: AMD

- ❑ **AMD** was the top performing purchase in the SAP during the fall semester with a return of **+54.55%**
- ❑ Although the pandemic and supply chain issues negatively impacted the semiconductor industry, AMD's strong management overcame adversity and continues to produce high quality chips for their customers
- ❑ One major impact on AMD's stock price is their partnership with Meta, in which AMD provides the chips needed to facilitate the technology used create and display the Metaverse platform. Going forward, this partnership should continue to help drive growth for AMD and propel the company to new heights

AMD vs S&P 500 (09/28/21-11/24/21)



Growth Estimates	AMD
Current Qtr.	46.20%
Next Qtr.	32.70%
Current Year	103.90%
Next Year	26.60%
Next 5 Years	35.32%
Past 5 Years	39.81%

VALUE STRATEGY

OUTPERFORMERS: Microsoft

- ❑ MSFT was an outperforming purchase in the SAP during the fall semester with a return of **+9.51%**
- ❑ MSFT stock skyrocketed **45%** in the past year, significantly outpacing the S&P 500, Amazon, and Apple
- ❑ MSFT reported a **20%** increase in revenue YoY as their cloud computing and connectivity apps thrived
- ❑ MSFT's cloud growth has plenty of opportunity, as only **30%** of the enterprise install base shifted to cloud
- ❑ MSFT continues to look to the future, purchasing AI pioneer **Nuance** and diving into the metaverse space

MSFT vs S&P 500 (10/19/21-11/24/21)



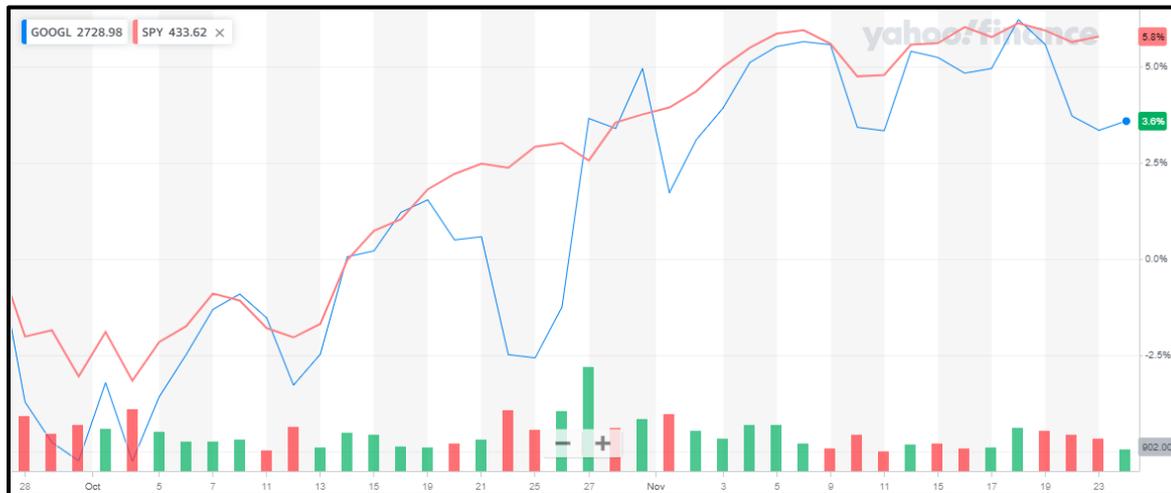
Growth Estimates	MSFT
Current Qtr.	13.80%
Next Qtr.	6.90%
Current Year	14.30%
Next Year	14.50%
Next 5 Years	16.53%
Past 5 Years	18.17%

GROWTH STRATEGY

OUTPERFORMERS: Alphabet

- ❑ **GOOGL** was an outperforming purchase in the SAP during the fall semester with a return of **+7.68%**
- ❑ GOOGL is a cash cow, generating huge amounts of **free cash flow** from its highly profitable operations
- ❑ GOOGL stock is up **69% YTD** and analysts believe the stock is worth nearly **40%** more than market price
- ❑ Through Q3, GOOGL has grown **57% YoY** in online ad revenue, rivaling Netflix's subscription revenue
- ❑ **Google Cloud** is growing in market share and has tons of cash on hand to deploy for future cloud growth

GOOGL vs S&P 500 (09/28/21-11/24/21)



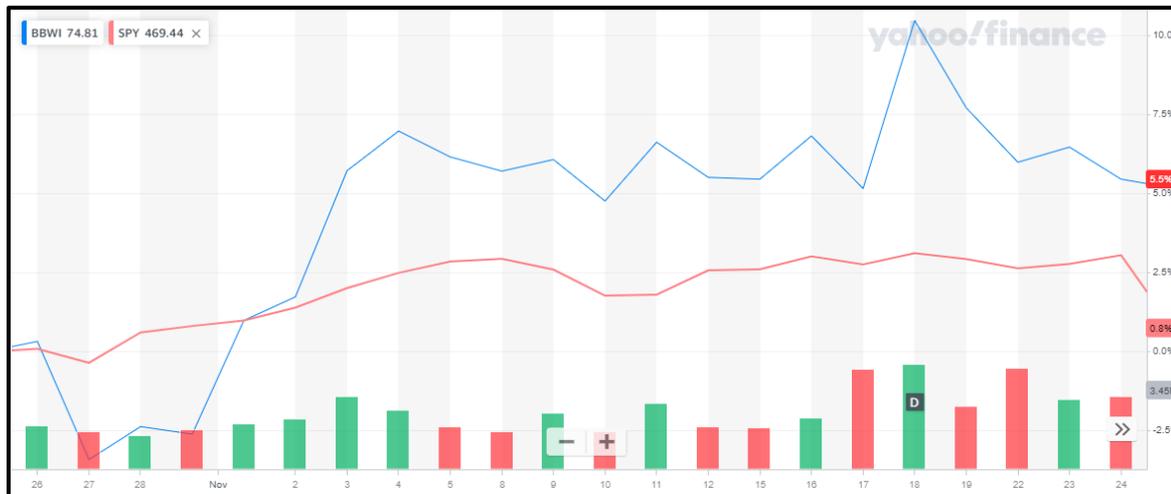
Growth Estimates	GOOGL
Current Qtr.	21.80%
Next Qtr.	-4.60%
Current Year	85.40%
Next Year	3.20%
Next 5 Years	21.00%
Past 5 Years	14.93%

VALUE STRATEGY

OUTPERFORMERS: Bath & Body Works®

- ❑ **BBWI** was an outperforming purchase in the SAP during the fall semester with a return of **+5.15%**
- ❑ Net sales and EPS in were lower than 2020, but increased **53%** and **360%** respectively since 2019
- ❑ A discounted cash flow (DCF) valuation by Simply Wall St on 11/02 suggests the stock is **undervalued**
- ❑ BBWI officially **separated** from Victoria's Secret in August 2021, which became its own public company
- ❑ Previously, BBWI was negatively impacted by Victoria Secret's changing **social attitudes** and **scandals**

BBWI vs S&P 500 (10/26/21-11/24/21)



Growth Estimates	BBWI
Current Qtr.	18.50%
Next Qtr.	N/A
Current Year	48.60%
Next Year	8.10%
Next 5 Years	13.64%
Past 5 Years	-25.87%

UNDERPERFORMERS



VALUE STRATEGY

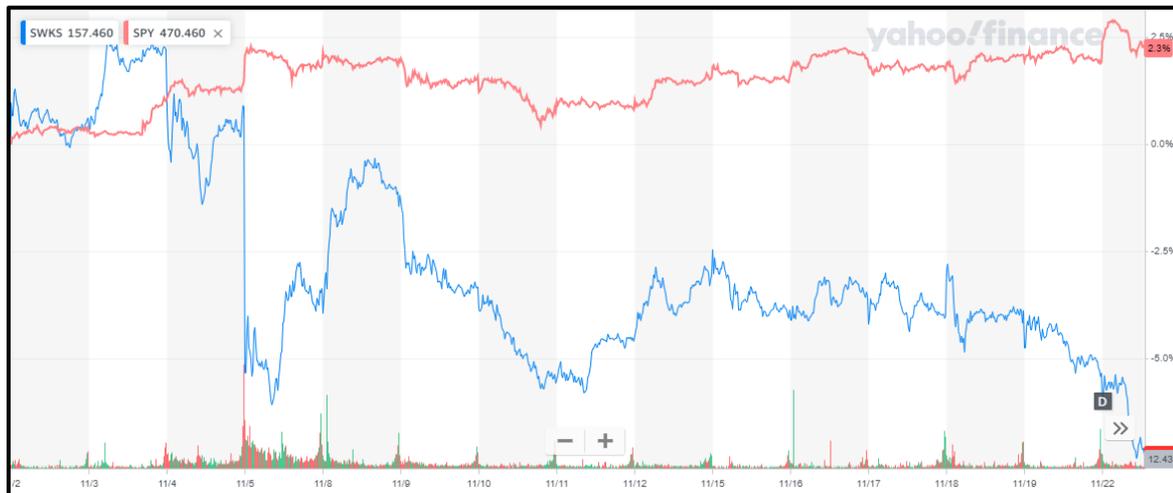
UNDERPERFORMERS:

SKYWORKS®



- ❑ **SWKS** was the worst performing purchase in the SAP during the fall semester with a return of **-7.70%**
- ❑ Although SWKS has a remarkable ROE within the industry, their five-year earnings growth is quite low
- ❑ SWKS is a semiconductor laggard, but they boast an attractive **16.9** P/E ratio and dividend yield of **1.5%**
- ❑ In their most recent quarter, SWKS reported strong **37%** YoY revenue growth with **25%** net profit margin
- ❑ Despite current **supply chain issues**, SWKS appears to be an attractive investment in the long-term

SWKS vs S&P 500 (11/02/21-11/24/21)



Growth Estimates	SWKS
Current Qtr.	-7.10%
Next Qtr.	9.30%
Current Year	10.10%
Next Year	11.30%
Next 5 Years	12.55%
Past 5 Years	9.82%

GROWTH STRATEGY

UNDERPERFORMERS: ∞ Meta

- ❑ FB was an underperforming purchase in the SAP during the fall semester with a return of **-4.59%**
- ❑ FB's public reputation took a dive after **WSJ accusations** that Instagram is harmful to teen mental health
- ❑ FB's **CTO stepped down** in response to these accusations, significantly harming investor confidence
- ❑ FB was promptly renamed **Meta** to emphasize their focus on the Metaverse instead of social media apps
- ❑ FB has always overcome adversity and is very well-positioned as companies shift towards a digital world

FB vs S&P 500 (09/21/21-11/24/21)



Growth Estimates	FB
Current Qtr.	-1.00%
Next Qtr.	-8.80%
Current Year	38.30%
Next Year	2.20%
Next 5 Years	21.35%
Past 5 Years	42.12%

GROWTH STRATEGY

UNDERPERFORMERS:



- ❑ HII was an underperforming purchase in the SAP during the fall semester with a return of **-4.14%**
- ❑ Increased volumes in aircraft carrier and submarine construction boosted HII's top line performance, but the technical solutions segment remains bleak with a **20% plunge** in revenues compared to 2020 Q3
- ❑ The divestiture of oil and gas combined with lower volumes in unmanned systems impacted performance
- ❑ HII is slated to incur approximately **\$25 million** of one-time pre-tax transaction and financing-related expenses in 2021 related to the acquisition of Alion, which impacted their bottom-line performance

HII vs S&P 500 (11/09/21-11/24/21)



Growth Estimates	HII
Current Qtr.	-50.20%
Next Qtr.	-10.60%
Current Year	-20.40%
Next Year	7.80%
Next 5 Years	0.70%
Past 5 Years	18.37%

GROWTH STRATEGY

UNDERPERFORMERS:



- ❑ FDX was an underperforming purchase in the SAP during the fall semester with a return of **-3.03%**
- ❑ FDX shares **dropped sharply** after reporting a lower-than-expected EPS in the first quarter of fiscal 2022
- ❑ The bottom line declined YoY due to **supply chain disruptions** and a **tight labor market**, as escalated labor costs and network inefficiencies were the major shortcomings in FDX's poor stock performance
- ❑ FDX's president is focused on overcoming staffing and retention challenges as the holiday season looms
- ❑ Simply Wall St's DCF valuation on 12/03 suggests FDX stock is currently trading at a **30% discount**

FDX vs S&P 500 (09/21/21-11/24/21)



Growth Estimates	FDX
Current Qtr.	-12.00%
Next Qtr.	27.10%
Current Year	8.00%
Next Year	12.50%
Next 5 Years	17.16%
Past 5 Years	14.14%