
STUDENT MANAGED
INVESTMENT FUND

FORDHAM UNIVERSITY

**Summer Break - Fall 2023
Asset Allocation Decision**





Asset Classes Allocation Fall 2023

Asset Class	Benchmark	Current	New Target	Difference vs Current	Difference vs Benchmark
Equities	50.00%	60.00%	60.00%	0%	10%
Fixed Income & FX	40.00%	25.00%	28.00%	3%	-12%
Commodities	6.00%	7.00%	7.00%	0%	1%
Real Estate	4.00%	5.00%	2.00%	-3%	-2%
Options & Exotics	0.00%	3.00%	3.00%	0%	3%
Total:	100.00%	100.00%	100.00%		

- Maintaining relative overweight Equities, Commodities, and Exotics
- Increasing allocation to FI/FX by 300 bps
- Reducing allocation to Real Estate by 300 bps

PORTFOLIO ALLOCATION ASSET CLASSES

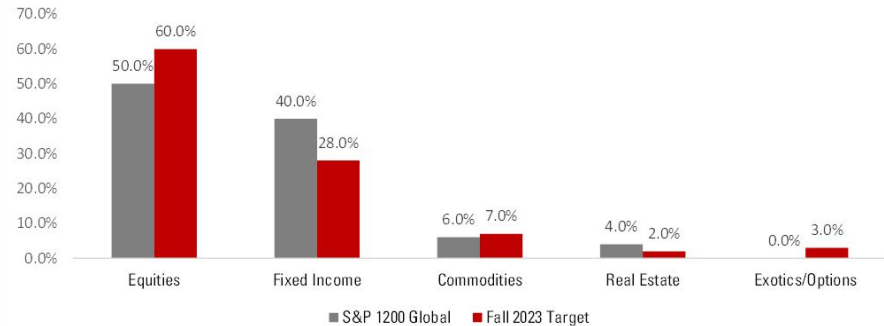
Current Allocation Thesis (Asset Classes)

- Overweight Equities to capitalize on select long-term value and growth opportunities
- Fixed Income focus on optimized and synced macro thesis with barbell strategy and short dollar positioning
- Underweight real estate in anticipation of headwinds from banking turmoil and recession
- Uncorrelated return objective for Exotics/Options

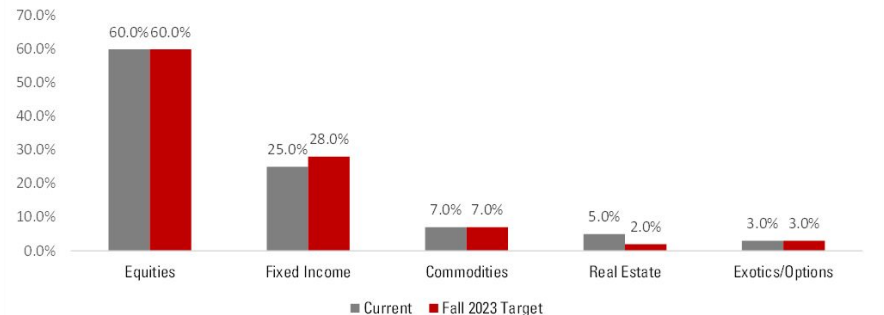
Dual Investment Mandate

1. Preservation of Capital
2. Long-term Capital Appreciation

Target Asset Allocation Relative to Benchmark



Target Asset Allocation Relative to Current





Equity Sector Allocation Fall 2023

*As of 4/26/23

Current Equity Allocation Sectors	Current	Fall 2023 Target	Benchmark	Fall 2023 Target Relative Difference	
	SMIF Portfolio		S&P 1200 Global	Relative to Current	Relative to Benchmark
Financials	13.9%	12.0%	15.2%	-1.9%	-3.2%
Info Technology	13.2%	17.0%	20.7%	3.8%	-3.7%
Consumer Staples	12.9%	12.7%	7.9%	-0.2%	4.8%
Healthcare	12.5%	13.0%	13.0%	0.5%	0.0%
Industrials	11.7%	11.7%	10.4%	0.0%	1.3%
Consumer Discretionary	9.5%	8.0%	11.0%	-1.5%	-3.0%
Materials	6.0%	6.0%	4.6%	0.0%	1.4%
Comm. Services	5.5%	5.0%	7.5%	-0.5%	-2.5%
Energy	5.4%	5.7%	4.9%	0.3%	0.8%
Utilities	5.0%	4.3%	2.9%	-0.7%	1.4%
Emerging Markets	4.3%	4.6%	0.0%	0.3%	4.6%
Total	100.0%	100.0%	98.1%		

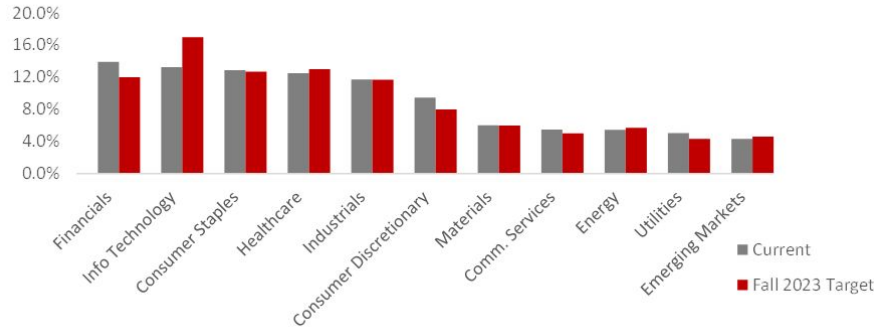
*Benchmark allocates 2.1% to Real Estate (RE); SMIF reports RE holdings under Alternatives
 **SMIF allocates 4.1% to Emerging Markets (EM); Benchmark has no EM classification

- Maintaining relative overweight in historically defensive sectors
- Geographically diversifying further by maintaining significant overweight with EM
- Decreasing allocation to Financials by 190 bps
- Increasing allocation to Info Tech by 380 bps

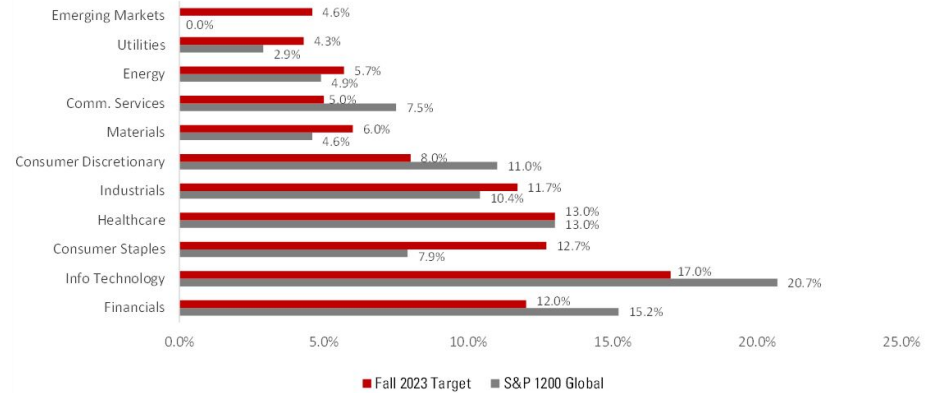


Equity Sector Allocation Fall 2023

Fall 2023 Equity Allocation Relative to Current
(Allocations Calculated as a % of Total Equities Asset Value*)



Fall 2023 Equity Allocation Relative to Benchmark
(Allocations Calculated as a % of Total Equities Asset Value*)



- Maintaining relative overweight in historically defensive sectors
- Geographically diversifying further by maintaining significant overweight with EM
- Decreasing allocation to Financials by 190 bps
- Increasing allocation to Info Tech by 380 bps



Key Themes

Inflation and Rates

- March CPI down to 5.6% from 6.5% in December 2022
- Labor market and services are primary drivers of inflation
- Unemployment rate at 3.5%

Recessionary Risks

- Inverted yield curve → 2s10s at -53bps
- Three regional banks in the US failed
- Manufacturing surveys indicate slowdown

Geopolitical Influences

- China reopens its economy after covid lockdowns
- Uncertainty with Russia and Ukraine

Goals

Dual Investment Mandate

1. Preservation of Capital
2. Long-term Capital Appreciation

**STUDENT MANAGED
INVESTMENT FUND**

FORDHAM UNIVERSITY



Macro Team

Commodities

Joseph Andrews

Emerging Markets

Nick Siracuse

Fixed Income & Foreign Exchange

Afwan Kibria

Richard Fu

Real Estate

Mitchell Hyneman

Equity Team

Financials

John Koutsonikolis

Healthcare

Jessica Tang

Information Technology

Christopher Owen

Communication Services

Anoosha Barua

Consumer Staples

Rishika Pal

Energy

John Guo

Industrials

Jackson Sokolowski

Utilities

Kylie McNeill

Consumer Discretionary

John Sprufero

Basic Materials

Joseph Andrews



Fixed Income

INVESTMENT OUTLOOK / FACTORS

- **Benchmark interest rates are approaching peak**
 - Capitalizing on the treasury yield curve through a barbell strategy that balances short and long duration for an optimized portfolio with yield duration profile better than benchmark
 - 80% of portfolio is in US treasuries without any credit risk, given an imminent recession in the US and unattractive credit spreads

RISK FACTORS

- **Yield curve steepener**
- **Unanticipated Fed pivot**
- **Credit spread widening**

CURRENT HOLDINGS

Fixed Income	Yield	Duration (years)	% of Sector	% of Assets
Vanguard Total Bond Market Index Fund ETF (BND)	4.17%	6.50	13.27%	3.25%
iShares Floating Rate Bond ETF USD (FLOT)	5.47%	0	10.50%	2.57%
SPDR Blackstone Senior Loan ETF (SRLN)	8.33%	0	9.42%	2.31%
iShares 0-5 Year TIPS Bond ETF (STIP)	10.54%	2.51	12.77%	3.13%
PIMCO 1-5 Year US TIPS (STPZ)	11.00%	2.80	11.49%	2.81%
iShares 20 Year Treasury Bond ETF (TLT)	3.73%	17.54	11.41%	2.79%
BlackRock Liquidity (TMCXX)	5.00%	0	21.46%	5.25%
Total	6.02%	3.51	90.32%	22.10%

OPPORTUNITIES

- **Short duration TIPS**
- **20 Year US Treasury**
- **Flatness in intermediate maturities**



Foreign Exchange

INVESTMENT OUTLOOK / FACTORS

- **Ahead of the Curve, Behind the Curve? Monetary Policy is Diverging**
 - With easing inflation print and increasing recessionary risk, the Fed is positioned for a long term dovish pivot
 - Meanwhile, the ECB and BOE still have much work to do in taming inflation, making them behind the curve in terms of monetary policy
 - In recent events, we have continued to see upward pressure for CPI in Japan as well as a cautious change in monetary stance from the BOJ

CURRENT HOLDINGS

Foreign Exchange	Ticker	% of Sector	% of Assets	Quantity	Market Value
Invesco DB US Dollar Index Bearish Fund	UDN	4.96%	1.38%	1400	\$26,516.0
Invesco CurrencyShares British Pound Sterling Trust	FXB	3.36%	0.93%	150	\$18,004.5
Invesco Currencyshares Japanese Yen Trust	FXY	3.31%	0.92%	250	\$17,042.5
Total		11.63%	3.23%		\$61,563.0

RISK FACTORS

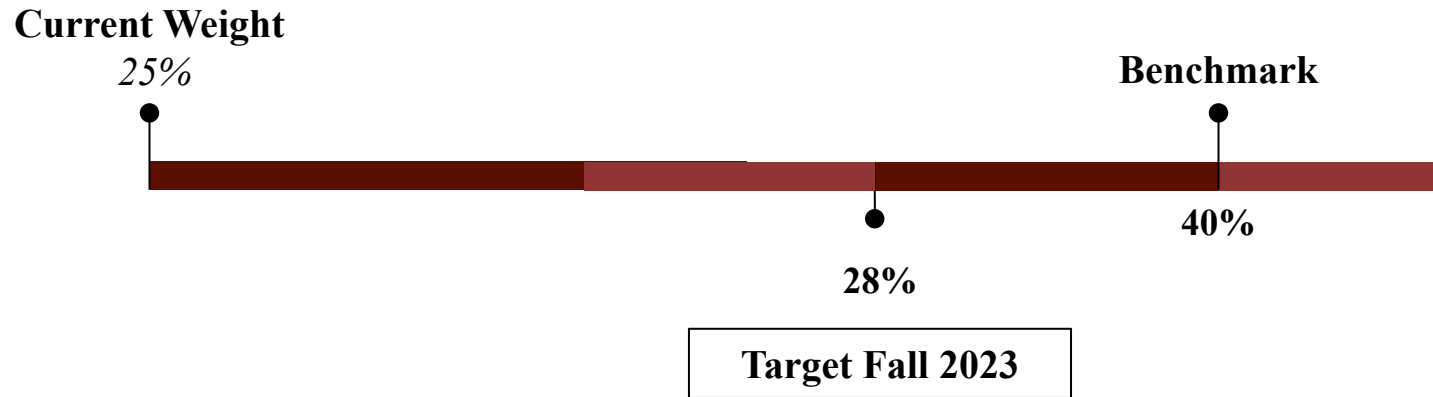
- **Supply chains easing faster than expected in both the UK and EU**
- **Less aggressive BOE and ECB**
- **Future black swan events that change our fundamental macro thesis**

OPPORTUNITIES

- **Asymmetry in YCC and a change in the BOJ's Monetary Stance**
- **Performance Serves as a Hedge Against Our US Concentrated Equity Portfolio**
- **Geopolitical risks in relation to China are future catalysts towards our short dollar thesis**



Proposed allocation: ***Maintain Underweight Benchmark***
Overweight Current Allocation



Underweight to Benchmark



INVESTMENT OUTLOOK / FACTORS

- **Home Owning Costs Expected to Maintain at Heightened Levels**
 - Mortgage rates reaching record highs while FED continues to raise benchmark rate, home sales are expected to continue to decline.
- **CRE Vacancy Rates Remain At All Time Highs (~12.9%)**
 - Combination of falling property values with rise of remote work and e-commerce are reducing demand for office and retail space.
- **Upcoming CRE Maturing Debt Could Lead to Defaults and Foreclosures**
 - Lack of readily available financing: \$270 billion in commercial mortgages held by banks set to expire (\$80 billion backed by office buildings).

CURRENT HOLDINGS

Commodities	% of Sector	% of Assets
Apple Hospitality REIT Inc (APLE)	15.14%	0.72%
American Tower Corporation (AMT)	15.80%	0.75%
Prologis Inc (PLD)	36.39%	1.73%
SPDR Dow Jones Global Real Estate ETF (RWO)	16.63%	0.79%
AvalonBay Communities Inc (AVB)	16.06%	0.76%
Total	100.00%	4.75%

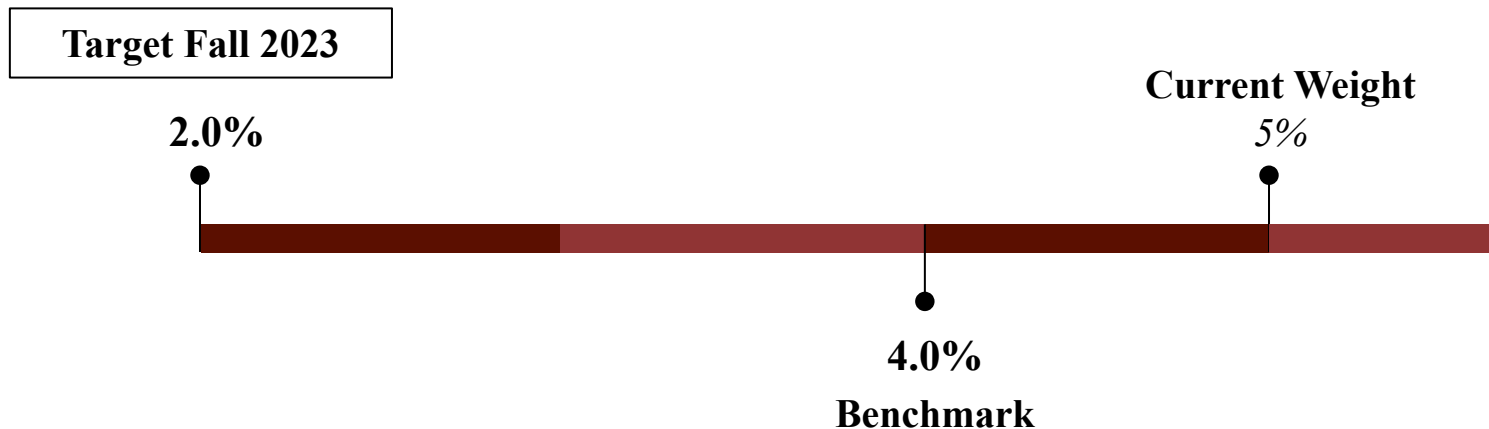
RISK FACTORS

- **Slowing Portfolio Growth for REITs**
- **Potential defaults as CRE substantial debt matures in 2023**

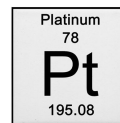
OPPORTUNITIES

- **Opportunities for Steady Returns with High-Dividend Holdings**
- **Key Specialty Sub Sectors Expected to Maintain Demand Growth**
- **Strong YoY Earnings Growth and increasing Occupancy Rates**

Proposed allocation: *Decrease to Underweight Benchmark*
Underweight Current Allocation



Underweight to Benchmark



INVESTMENT OUTLOOK / FACTORS

- **High Cost of Capital**
 - This has materialized in the sector in two main ways first being significant inventory destocking. The second being significant under investment especially in energy
- **Political Forces of Nature**
 - The war in Ukraine and energy policies (OPEC) continues to generate strong headwinds for supply levels across agriculture, energy, and chemicals.

CURRENT HOLDINGS

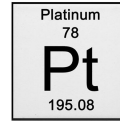
Commodities	% of Sector	% of Assets
Invesco DB Agriculture Fund	21.95%	1.45%
SPDR Gold Trust	43.26%	2.85%
abrdrn Physical Platinum Shares ETF	13.68%	0.90%
Invesco DB Commodity Index Tracking Fund	21.11%	1.39%
Total		6.59%

RISK FACTORS

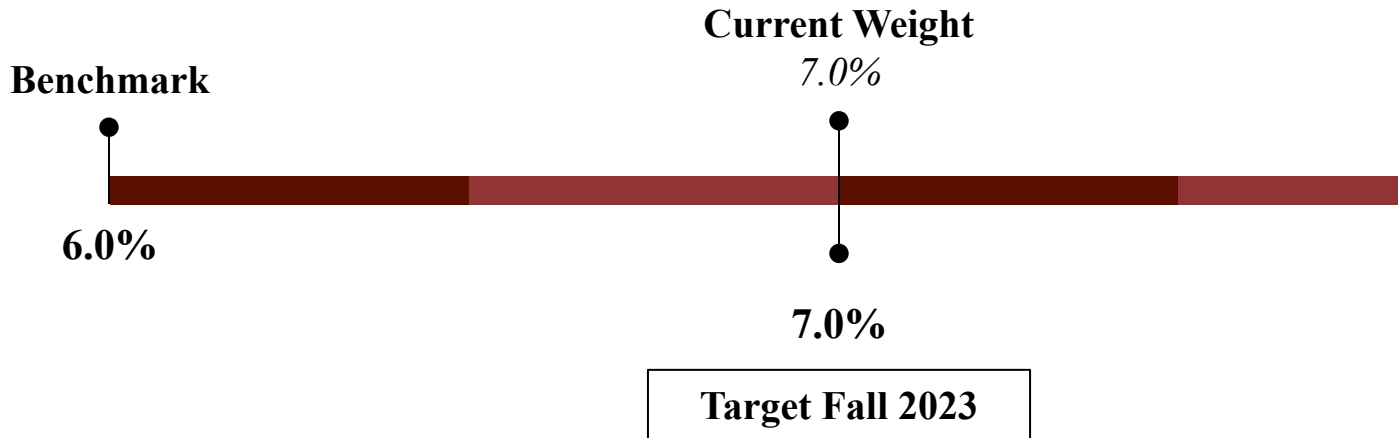
- **Decreased Automotive Demand**
- **Strong Dollar**
- **Supply Chain Constraints**

OPPORTUNITIES

- **Weakening Dollar**
- **Lack of Investment (Energy)**
- **Inflation Hedging**
- **Long-term precious metal demand (China) / Low Inventories**



Proposed allocation: ***Maintain Overweight Benchmark***
Maintain at Current Allocation



Overweight to Benchmark

INVESTMENT OUTLOOK / FACTORS

- **Cyclical Sector**
 - Basics are historically a cyclical sector following the growth of the market closely. That being said historically they have performed well in times of economic downturn compared to other sectors
- **Inventory Destocking**
 - We have seen significant inventory destocking due to high cost of carry and other factors. We expect this to be a tailwind for the industry later in 2023 as per management guidance from last week IP's earnings and analyst

RISK FACTORS

- **Global Recession/ Market Cycality**
- **Weakening Demand**
- **Rising Input Costs**

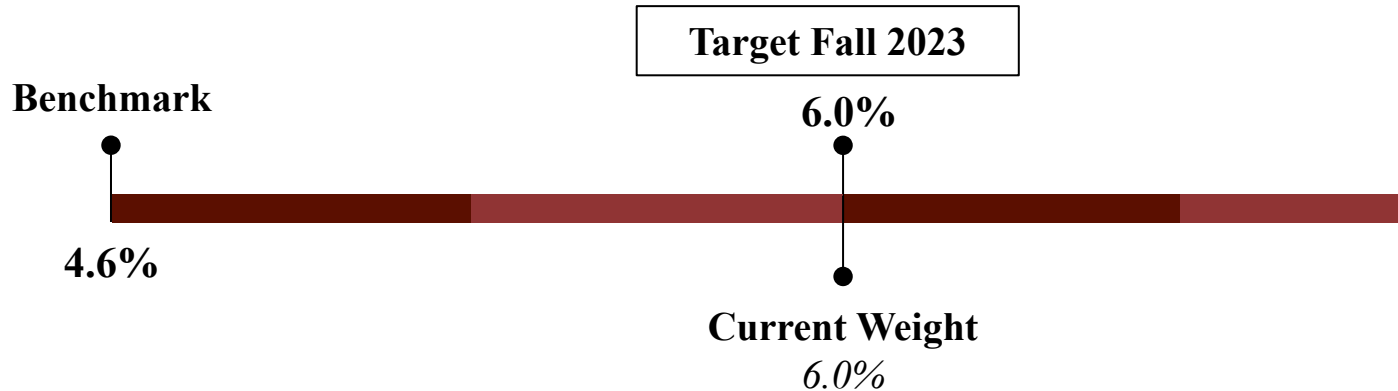
CURRENT HOLDINGS

Basic Materials	% of Sector	% of Assets
Air Products & Chemicals, Inc.	17.68%	0.64%
International Paper Co	23.11%	0.83%
Chemours Co	14.05%	0.51%
Vale SA	27.04%	0.98%
Materials Select Sector SPDR Fund	18.11%	0.65%
Total		3.61%

OPPORTUNITIES

- **Diverse End Products/ Speciality Chemical Products**
- **Inventory Destocking**
- **High Dividend Yield**

Proposed allocation: ***Maintain Overweight Benchmark***
Maintain at Current Allocation



Overweight to Benchmark

Emerging Markets



INVESTMENT OUTLOOK / FACTORS

- **Changing Demographics and the Rise of India**
 - The population size of India is due to surpass the population size of China by the middle of 2023. India will likely spend billions on infrastructure
- **Ukraine, Taiwan, and Struggle Between Eastside and Westside**
 - The effect of the war in Ukraine continues to hurt the energy and grain prices of many emerging market nations. A potential conflict in Taiwan would also be a problem for the developing world, especially in Asia Pacific.
- **Peak in the U.S. Dollar Strength and RMB Popularity**
 - With the potential for a rate cut and general dollar weakness in the past several months will greatly benefit emerging markets currency and debt.

RISK FACTORS

- **Inflation**
- **U.S. Sino Relations**
- **GDP Growth declining**
- **EM Debt**

CURRENT HOLDINGS

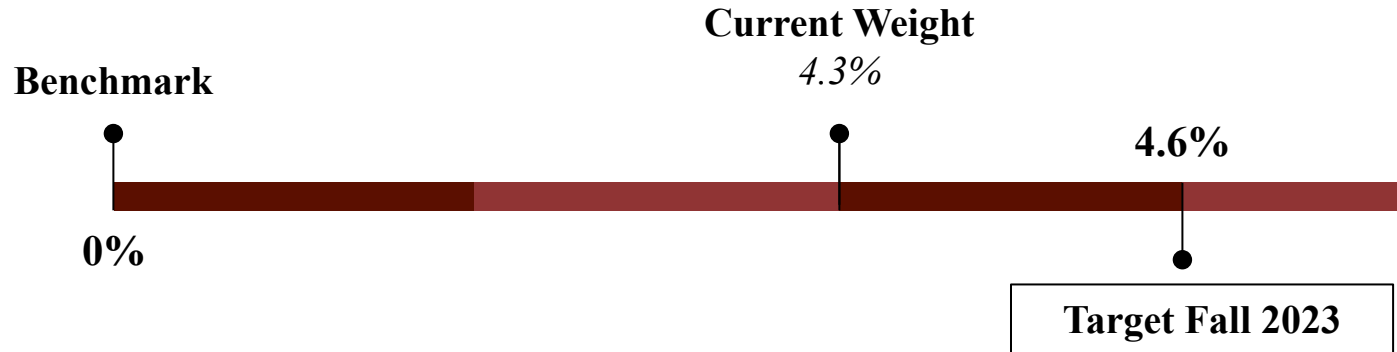
Emerging Markets	% of Sector	% of Assets
iShares Msci Brazil ETF (EWZ)	10.16%	0.26%
iShares MSCI Mexico ETF (EWW)	14.64%	0.37%
iShares India 50 ETF (INDY)	21.40%	0.54%
iShares MSCI South Korea ETF (EWY)	13.35%	0.34%
iShares MSCI Chile ETF (ECH)	25.30%	0.64%
Vanguard Emerging Markets Stock Index Fund ETF (VWO)	17.92%	0.38%
Total	100.00%	1.70%

OPPORTUNITIES

- **Demographic Shifts in South Asia**
- **Peak in U.S. Dollar Strength**
- **Pro Growth China**
- **Shifting Trade Relationships**



Proposed allocation: *Maintain Overweight the Benchmark*
Overweight the Current Allocation



Overweight to Benchmark



INVESTMENT OUTLOOK / FACTORS

- **Wireless and broadband**
 - These providers are the least sensitive in the sector because they have become more like utilities and consumers see them as essential, even in a recession.
- **Reduction of Ad Spending**
 - Despite a reduction in ad spending, digital advertising has historically rebounded quickly in economic recoveries, and at very high incremental profit margins.

RISK FACTORS

- **Cyber Security**
- **Highly Competitive Market**
- **Prone to Volatility**

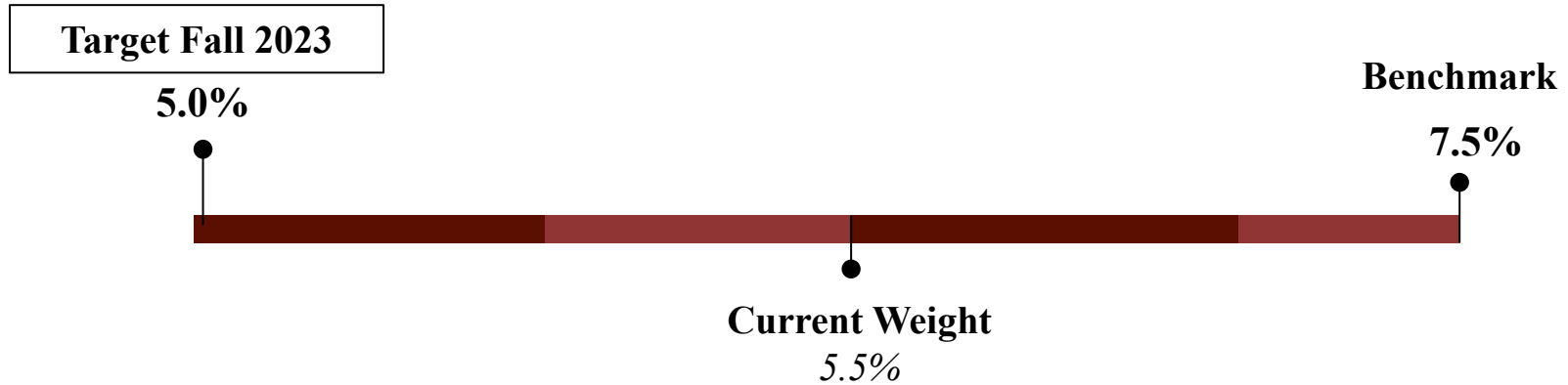
CURRENT HOLDINGS

Communication Services	% of Sector	% of Assets
Alphabet Inc Class A (GOOGL)	40.05%	1.34%
Verizon Communications Inc. (VZ)	23.55%	0.79%
Warner Bros Discovery Inc (WBD)	15.83%	0.53%
iShares Global Comm Services ETF (IXP)	20.57%	0.69%
Total	100.00%	3.34%

OPPORTUNITIES

- **Artificial Intelligence**
- **5G Upgrades**
- **Social Media**

Proposed allocation: ***Maintain Underweight Benchmark***
Underweight Current Allocation



Underweight to Benchmark



INVESTMENT OUTLOOK / FACTORS

- **Pricing Power**
 - Commodity-driven inflation
 - Passing increased costs on to consumers
- **Strong Recovery Potential for Food Overall Better Positioning**
 - Likely recovery of demand and efficiencies for food products
 - Stronger diversity across sector and targeted growth opportunities
- **Defensive Positioning of Staples Sector**
 - Due to inelasticity of demand for products

RISK FACTORS

- **Foreign Exchange Risk**
- **Continued Supply Chain Constraints**
- **High Input Costs in Inflationary Environment**

CURRENT HOLDINGS

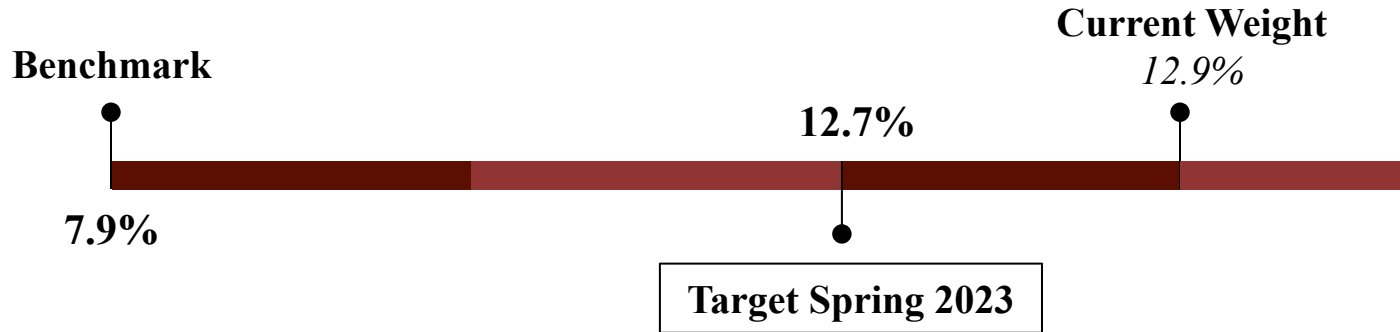
Consumer Staples	% of Sector	% of Assets
Ingles Markets, Incorporated (IMKTA)	11.48%	0.89%
iShares Global Consumer Staples ETF (KXI)	25.32%	1.97%
Bunge Limited (BG)	11.91%	0.92%
Diageo plc. (DEO)	13.26%	1.03%
Unilever plc (UL)	16.29%	1.27%
Total	100.00%	7.77%

OPPORTUNITIES

- **Value Positioning**
- **Stable Dividends and Defensive Nature**
- **Strong Pricing Power**



Proposed allocation: ***Maintain Overweight Benchmark***
Underweight the Current Allocation



Overweight to Benchmark



INVESTMENT OUTLOOK / FACTORS

- **Pessimistic near-term profitability outlooks**
 - Many of XLY's top holdings warn of near-term headwinds halting consumer spending and thus decelerating growth
- **Resilience in discretionary industries**
 - While consumers are transitioning to discount alternatives, industries like luxury and travel are posting excellent earnings
- **Growth opportunities during next economic upturn**
 - Post-recession tailwinds will provide attractive catalysts which will rebound profit margins and appreciate shareholder value

RISK FACTORS

- **Demand pullback in response to weakening disposable income**
- **Rising inventory levels**
- **Overleveraged companies pressured by constrained growth**

CURRENT HOLDINGS

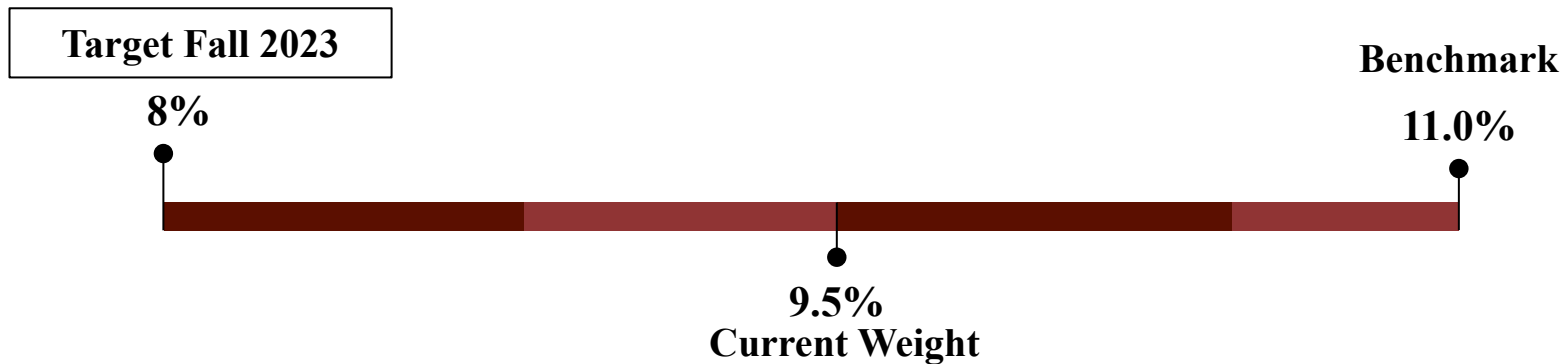
Consumer Discretionary	% of Sector	% of Assets
Booking Holdings Inc (BKNG)	14.52%	0.82%
LVMH Moët Hennessy Louis Vuitton SA Unsponsored ADR (LVMUY)	20.24%	1.14%
Crocs, Inc (CROX)	11.48%	0.65%
Lowe's Companies Inc (LOW)	15.35%	0.87%
O'Reilly Automotive Inc (ORLY)	21.49%	1.21%
Consumer Discretionary Select Sector SPDR Fund (XLY)	16.92%	0.95%
Total	100.00%	5.64%

OPPORTUNITIES

- **Uncorrelation from index**
- **Significant E-commerce presence**
- **Consistent cash flow generation and buyback programs**



Proposed allocation: ***Maintain Underweight Benchmark***
Underweight the Current Allocation



Underweight to Benchmark



INVESTMENT OUTLOOK / FACTORS

- **Heightened Interest Rates Through the Rest of 2023**
 - Fed's hawkish interest rates stance expected through 2023
 - Deposit outflows mitigated by higher net interest margin
- **Firms Insulated from Regional Crisis & Recessionary Risks**
 - Capitalize on banks insulated from regional crisis driven by deposit inflows
 - AXP HNW customer base & SCHW durable business model (trading | banking)
- **Regaining Industry Stability After Severe Headwinds**
 - Value investment thesis capitalizing on recent downturn from doubling down (Citi & USB)

RISK FACTORS

- **Elevated customer deposit outflows & lower trading**
- **Rescission driven layoffs & downsizing**
- **Increased banking regulations**

CURRENT HOLDINGS

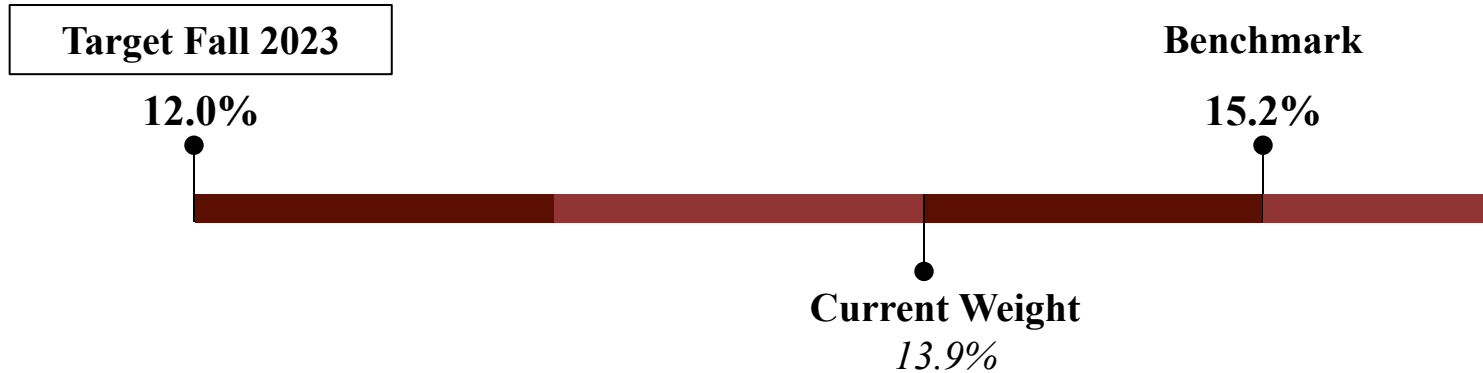
Financials	% of Sector	% of Assets
Berkshire Hathaway Inc Class B	17.53%	1.48%
Citigroup Inc	18.83%	1.59%
US Bancorp	15.12%	1.28%
Charles Schwab Corporation Common Stock	9.60%	0.81%
American Express Company	15.30%	1.30%
Sun Life Financial Inc	9.46%	0.80%
Financial Select Sector SPDR Fund	14.16%	1.20%
Total	100.00%	8.47%

OPPORTUNITIES

- **Large banks with strong liquidity & balance sheets**
- **Banks stabilizing post-regional crisis**



Proposed allocation: ***Decrease Underweight Benchmark***
Underweight the Current Allocation



Underweight to Benchmark

INVESTMENT OUTLOOK / FACTORS

- **Elevated Energy Prices Going Forward in 2023**
 - High energy prices will continue to drive strong earnings/Cash on hand
 - Oil prices remaining in \$85-95 WTI range in 2023
- **Russia & Ukraine Conflict/China Reopening/ OPEC+ Cut**
 - High global demand vs. Low global supply
- **Focus On Companies With High Dividend Yields/ Healthy Balance Sheet / Diversified Business Operations**
 - Healthy balance sheets will create opportunities for value investors

RISK FACTORS

- **Decline in Demand for Oil and Gas**
- **Acceleration of Clean Energy Initiatives Due To Shift To Renewables**

CURRENT HOLDINGS

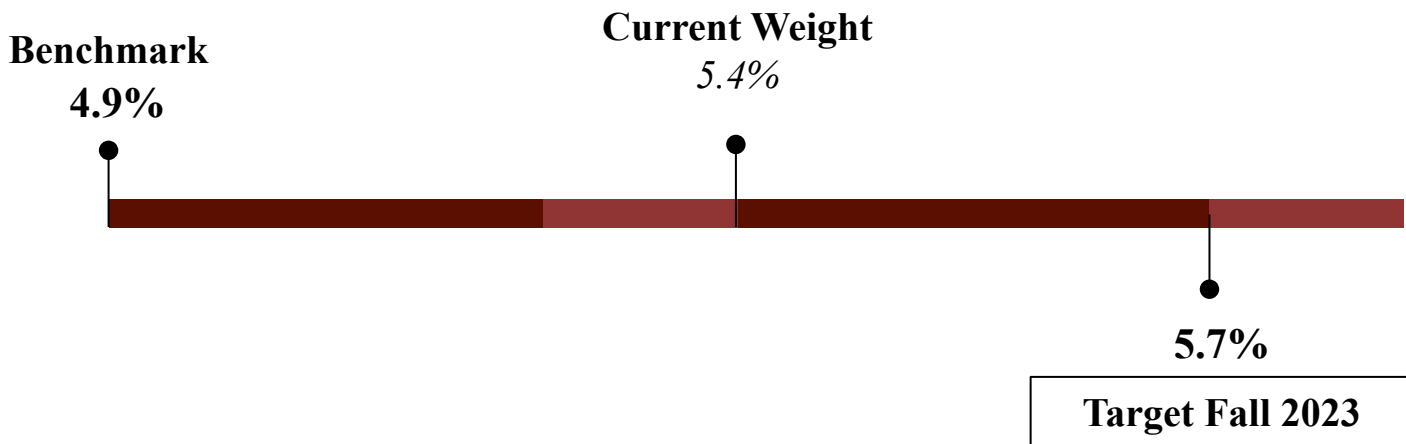
Energy	% of Sector	% of Assets
Exxon Mobil Corp	42.19%	1.32%
Energy Transfer LP Unit	29.84%	0.94%
iShares Global Energy ETF	27.96%	0.88%
Total	100%	3.13%

OPPORTUNITIES

- **High Dividend Paying & Diversified Companies**
- **More focus on crude oil**



Proposed allocation: ***Maintain Overweight the Benchmark***
Overweight the Current Allocation



Overweight to Benchmark

INVESTMENT OUTLOOK / FACTORS

- **Restructuring of Medicare**
 - Medicare Advantage enrollment surpassing Medicare enrollment
 - Change in premiums and coverage
- **Virtual Care, Automation, and Artificial Intelligence**
 - Telemedicine and digital solutions
- **Aging Global Population**
 - Baby boom generation, rise in chronic conditions, increase demand for services

RISK FACTORS

- **Cybersecurity Breach (Patient Data)**
- **Increased Labor Costs from Inflation & Staffing Shortage**
- **Endemic Covid-19**

CURRENT HOLDINGS

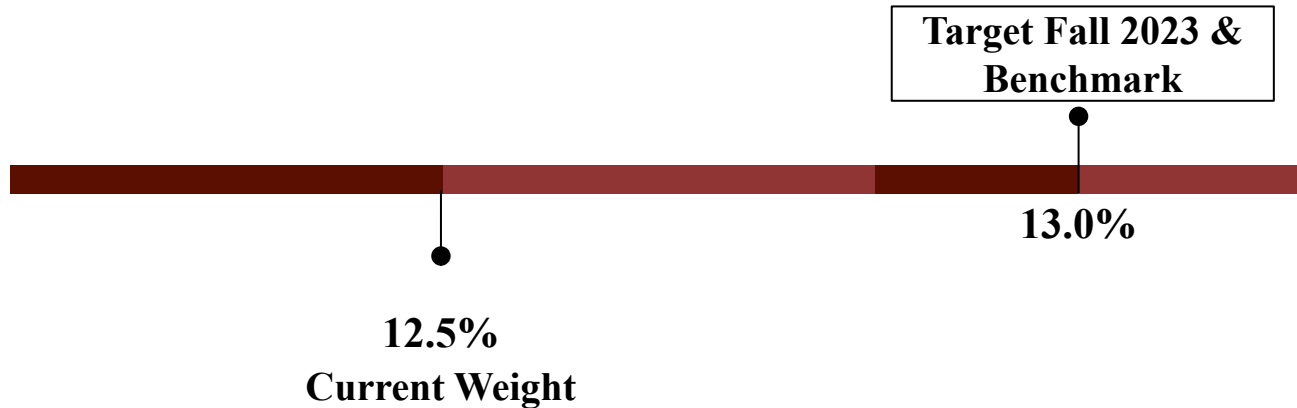
Healthcare	% of Sector	% of Assets
Abbott Laboratories (ABT)	15.72%	1.19%
Agilent Technologies (A)	11.74%	0.89%
Cigna Corp (CI)	19.67%	1.49%
CVS Health Corp (CVS)	20.27%	1.53%
iShares Global Healthcare ETF (IXJ)	15.97%	1.21%
Johnson & Johnson (JNJ)	16.62%	1.26%
Total	100.00%	7.56%

OPPORTUNITIES

- **Stability**
- **High Patient Volumes**
- **Continued Robust Growth in Sector**



Proposed allocation: ***Maintain at Benchmark***
Overweight the Current Allocation



Maintain at Benchmark

INVESTMENT OUTLOOK / FACTORS

- **Increasing Defense Budgets**
 - The Senate and House has passed a \$26 billion increase in U.S. defense budget next year due to continued tensions in Russia vs Ukraine, China/Taiwan, etc.
 - This increase results in a tailwind to our defense holdings
- **Energy Renewal**
 - Transition to green energy and energy renewal
 - WM has made it one of their main goals this year to reinvest company earnings into energy renewal/recycling technology and efforts
- **Economic Downturn**
 - With negative economic outlook, people tend to invest into safer sectors such as industrials

RISK FACTORS

- **Supply Chain Disruptions**
- **Government Regulation**
- **Consumer Spending Slow Down**

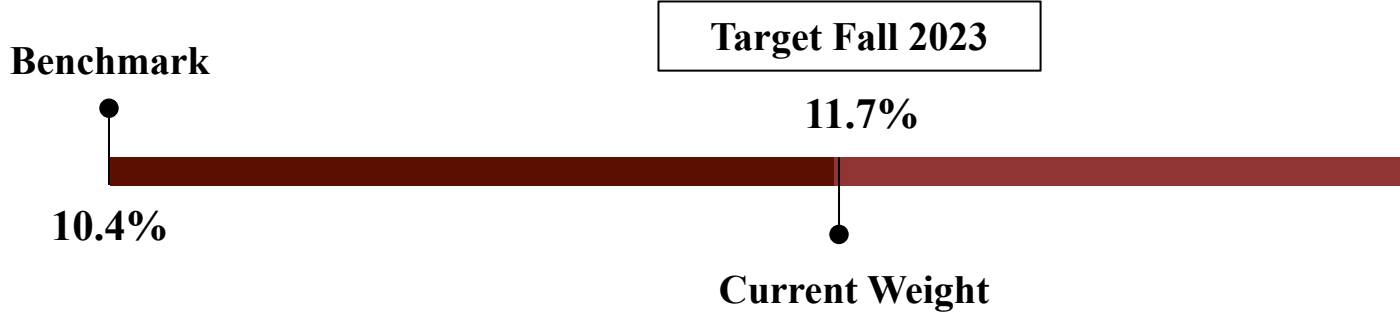
CURRENT HOLDINGS

Industrials	% of Sector	% of Assets
Huntington Ingalls Industries Inc	14.19%	1.00%
Air Transport Services Group Inc.	15.68%	1.10%
Northrop Grumman Corp	21.28%	1.49%
Waste Management, Inc.	26.48%	1.86%
Industrial Select Sector SPDR Fund	22.37%	1.57%
Total	100.00%	7.02%

OPPORTUNITIES

- **Investment into recycling**
- **Increased Defense Spending**
- **Continued Geopolitical Tension**

Proposed allocation: *Maintain Overweight Benchmark*
Maintain the Current Allocation



Maintain Overweight to Benchmark



INVESTMENT OUTLOOK / FACTORS

- **AI: Innovation and Integration**
 - Demand for AI across consumers and businesses skyrockets as practical technology becomes readily available; companies race to meet this need
- **Cloud Migration and Continued Demand for Cloud Computing**
 - Migration to the cloud continues, specifically from on-premises software to software-as-a-service (SaaS), intelligent edge services, and advanced wireless connectivity
- **Shifting Trade Dynamics**
 - Increasing global tensions destabilize supply chains and jeopardize businesses, leading to onshoring to build domestic capabilities and mitigate remaining risks

RISK FACTORS

- **Weakening Consumer and Enterprise Demand**
- **Macroeconomic and Political Pressures**
- **Shifting Global Dynamics and Rising Tensions**

CURRENT HOLDINGS

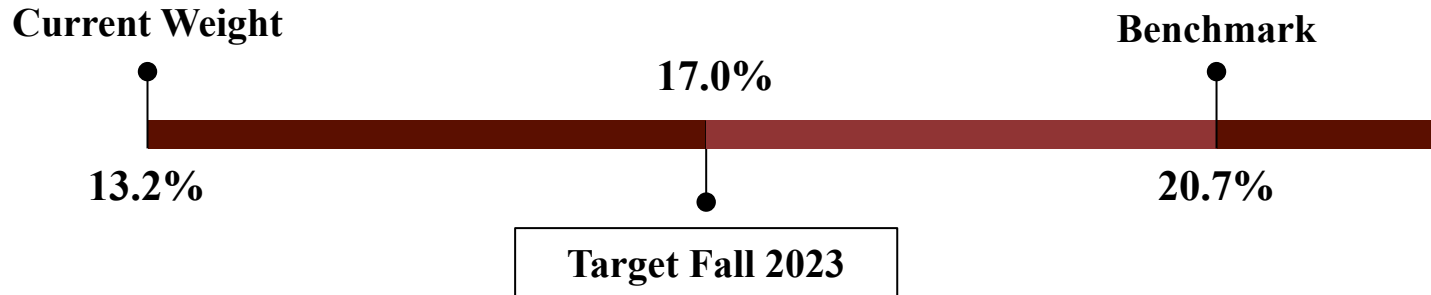
Information Technology	% of Sector	% of Assets
Applied Materials, Inc.	15.31%	1.28%
Microsoft Corp	35.39%	2.96%
IBM Common Stock	14.43%	1.21%
iShares Global Tech ETF	34.86%	2.92%
Total	100.00%	8.36%

OPPORTUNITIES

- **Growing, Robust Demand for AI Services Across Businesses**
- **Continued Growth for Machine Learning, Software, & Digitalization**
- **Industry Shifts Among Changing Macroeconomic Factors**



Proposed allocation: *Maintain Underweight Benchmark*
Overweight Spring 2023 Target



Underweight to Benchmark

INVESTMENT OUTLOOK / FACTORS

- **Expansive Growth Opportunity in Renewables**
 - Look to invest in industry leaders in building infrastructure and connecting renewable power to customers that are partnering with renewable generation firms to facilitate investments.
- **Emphasize Defensive Assets**
 - We need to emphasize the defensiveness, resilience and operational excellence, Prefer retail revenues to wholesale revenues as they are less volatile. Invest in income-oriented strategies in which we “get paid to wait.”
- **Historically Black Swan and Ressionary Resilient Sector**
 - Even though unpredictable weather, global pandemics, and rising interest rates and the highest inflation we have seen in years as water and electricity are non-discretionary. offerings.

RISK FACTORS

- **Rising interest rates**
- **Inclement weather and natural disasters**
- **Future and current bans on GHG emissions**

CURRENT HOLDINGS

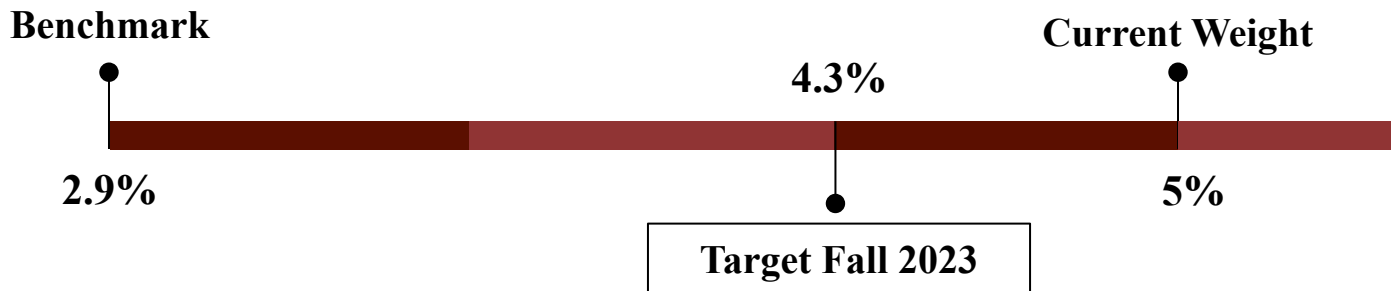
Utilities	% of Sector	% of Assets
American Water Works Company Inc (AWK)	14.72%	0.46%
Brookfield Renewable Corp (BEPC)	11.60%	0.36%
Pinnacle West Capital Corporation (PNW)	9.96%	0.31%
Exelon Corporation (EXC)	6.56%	0.20%
Utilities Select Sector SPDR Fund (XLU)	57.16%	1.77%
Total	100.00%	3.10%

OPPORTUNITIES

- **Strong dividend payers**
- **Operational efficiency**
- **Leading Renewable Investors**



Proposed allocation: ***Maintain Overweight Benchmark***
Overweight the Current Allocation



Overweight to Benchmark



INVESTMENT OUTLOOK / FACTORS

- **Uncorrelated Returns**
 - Leading to diversification that is especially key amidst volatile market conditions with exposure to assets whose returns are driven by other factors
- **Hedging the Portfolio**
 - Steady returns that aid against inflationary pressures
 - Provides additional exposure to real assets, as well as assets that may not be neatly bucketed in any of our sectors

RISK FACTORS

- **Expertise Required for More Complex Exotic Vehicles**

CURRENT HOLDINGS

Exotics	% of Sector	% of Assets
Preferred & Income Securities ETF (PFF)	11.69%	0.29%
Invesco Water Resources ETF (PHO)	32.39%	0.79%
Gladstone Land Corp. (LAND)	16.43%	0.40%
Farmland Partners Incorporated (FPI)	17.29%	0.42%
Planet Labs (PL)	22.19%	0.54%
Total	100.00%	2.44%

OPPORTUNITIES

- **Uncorrelated Returns**
- **Portfolio Diversification**



Options

INVESTMENT OUTLOOK / FACTORS

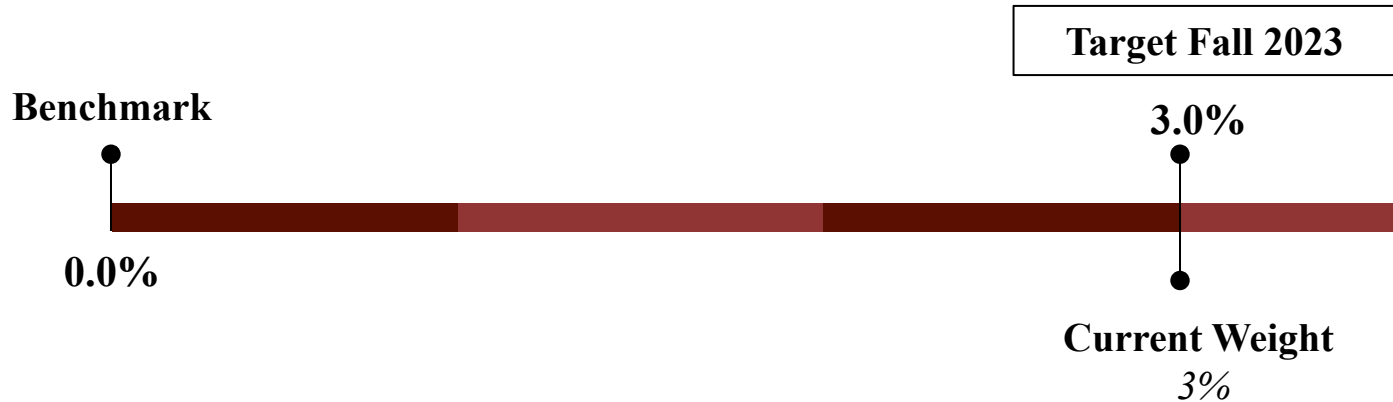
- **Covered Call Writing**
 - Writing covered calls in securities with rich implied vol in order to generate income for the fund
- **Implementing Protective Puts**
 - Purchase cheap put options opportunistically to hedge tail risks

COVERED CALLS SOLD

- LOW C210 6-16-23
- TLT C116 6-16-23
- MSFT C305 6-16-23
- AMAT C130 6-16-23
- AXP C175 6-16-23
- GOOGL C115 6-16-23



Proposed allocation: ***Maintain Overweight Benchmark***
Maintain the Current Allocation



Overweight to Benchmark



Fund Strategy/Structure

- ❖ Capture value opportunities within the current macro environment
- ❖ Position the fund relatively defensively in high risk sectors
- ❖ Agile flexible approach to security selection amidst evolving Fed outlook and US outlook
- ❖ Improve fund position learn from performance this semester

STUDENT MANAGED
INVESTMENT FUND

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Thank you!

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