



O'Neill Investment Fund

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Overview



1. Inherited portfolio (Jackson)
2. Current portfolio (Jackson)
3. Added positions (Jackson)
4. Benchmark (Jackson)
5. Macro environment (Matt)
6. Risks (Nathan)
7. Summer portfolio (Nathan)
8. What we learned (Nathan)
9. Conclusion (Nathan)

Inherited Portfolio



	Value as of 12/5	Allocation %	Total Allocation
Cash			
SPAXX	\$ 26,307.29	6.0%	6.0%
Stock			
ADP	\$ 7,407.84	1.7%	72.8%
EFA	\$ 26,751.51	6.1%	
IWM	\$ 17,542.46	4.0%	
KBE	\$ 9,163.95	2.1%	
LLY	\$ 8,623.44	2.0%	
MDY	\$ 26,689.53	6.1%	
PM	\$ 10,297.50	2.3%	
SPY	\$ 157,570.10	36.0%	
UNH	\$ 8,742.00	2.0%	
V	\$ 8,185.05	1.9%	
XLV	\$ 38,004.75	8.7%	
Bonds			
BSV	\$ 50,958.16	11.6%	21.2%
TLT	\$ 42,014.24	9.6%	
Total	\$ 438,257.82		

	Value as of 1/16	Allocation %	Total Allocation
Cash			
SPAXX	\$ 136,848.37	30.2%	30.2%
Stock			
ADP	\$ 7,694.72	1.7%	49.3%
EFA	\$ 27,576.81	6.1%	
LLY	\$ 10,182.96	2.2%	
PM	\$ 11,070.00	2.4%	
SPY	\$ 109,203.60	24.1%	
UNH	\$ 9,322.94	2.1%	
V	\$ 9,042.75	2.0%	
XLV	\$ 39,810.69	8.8%	
Bonds			
BSV	\$ 51,021.36	11.2%	20.5%
TLT	\$ 42,041.42	9.3%	
Total	\$ 453,815.62		

Current Portfolio

BA; \$4,713.38 - 1.08%

BSV; \$52,253.76 - 11.98%

CSCO; \$5,442.50 - 1.25%

EFA; \$26,490.72 - 6.07%

KMB; \$10,428.75 - 2.39%

ORCL; \$11,352.60 - 2.60%

PM; \$18,549.60 - 4.25%

QQQ; \$33,025.21 - 7.57%

SPY; \$126,338.30 - 28.96%

TLT; \$46,222.00 - 10.60%

USO; \$1,891.04 - 0.43%

V; \$13,306.64 - 3.05%

XLV; \$ 29,254.23- 6.71%

Cash; \$56,970.43 - 13.06%

New Securities in the Portfolio

QQQ

Jan 24~ \$20,000: \$222.23/share ; Feb 14~ \$10,000:
221.30/share ; Mar 12- \$5,000: \$184.29/share

ORCL

Mar 26~\$10,000: \$47.83/share

CSCO

Apr 2~\$5,000: \$38.73/share

KMB

Apr 10~\$10,000: \$133.09/share

BA

Apr 10~\$5,000: \$147.08/share

USO

Apr 2~\$5,000: \$5.84/share (prior to reverse stock split)

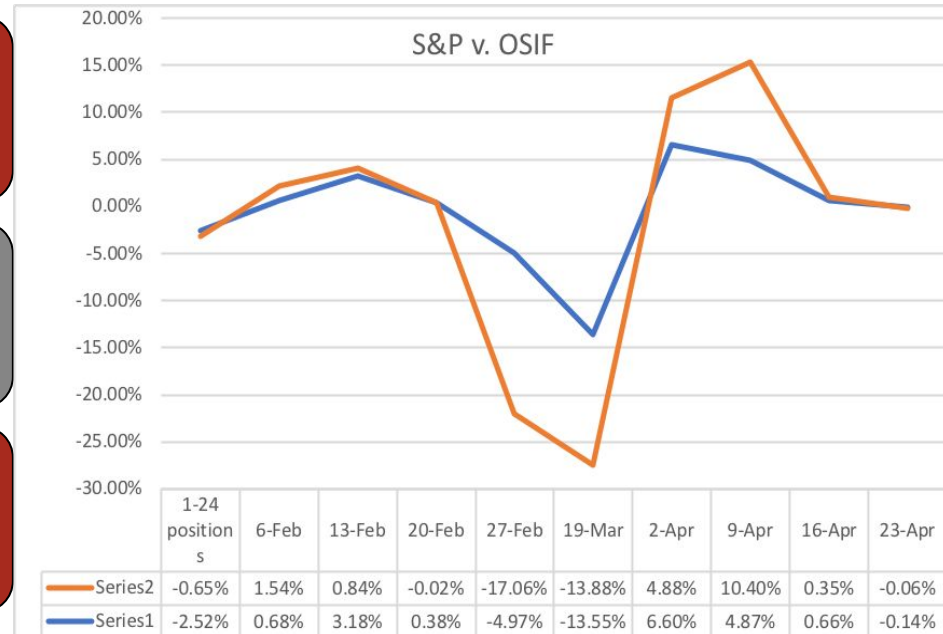
Performance against our Benchmark

We used the S&P500 Index as our benchmark for the entire semester

Chance in value from 1/16-4/29;
S&P500= -12.19%
OSIF= -3.87%

Annualized volatility from 1/16-4/27:
S&P500= 56.15%
OSIF= 30.07%

Annualized return from 1/16-4/29:
S&P500= -48.27%
OSIF= -21.51%



Orange= S&P500
Blue= OSIF portfolio

Macro Environment

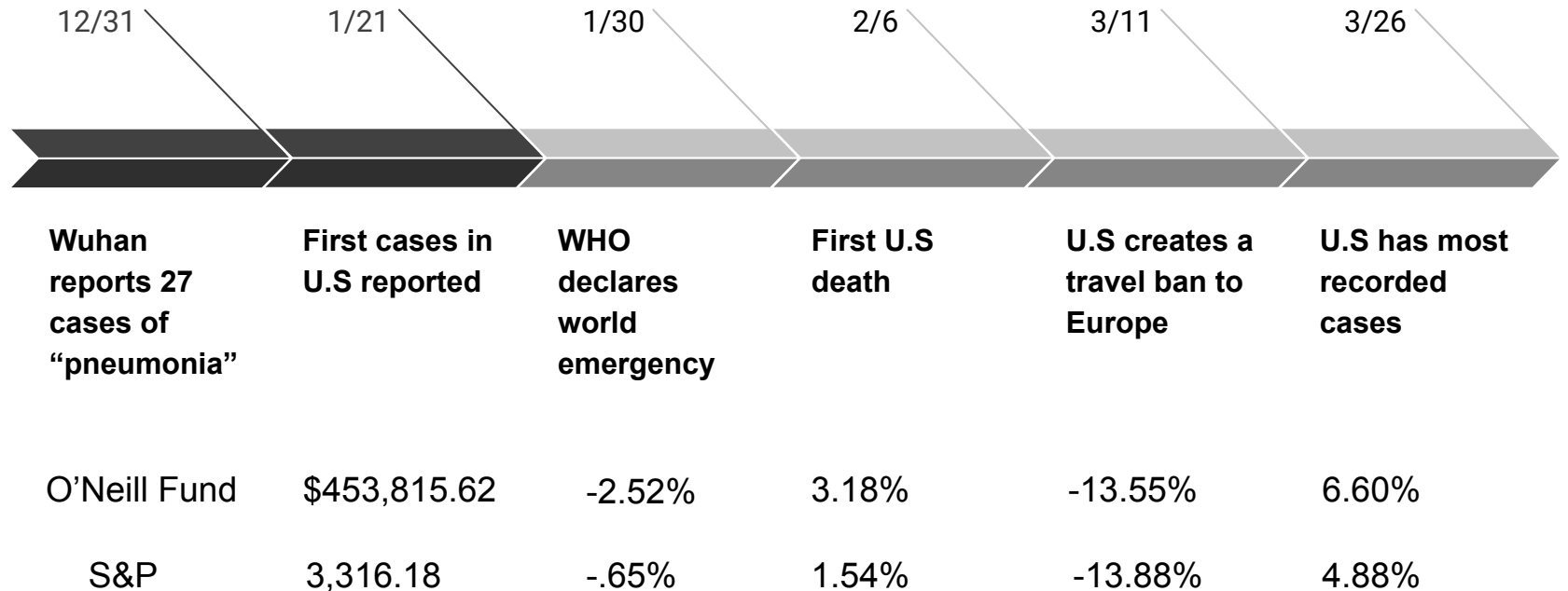
COVID-19

Federal Reserve

Yield Curve

U.S Politics

COVID-19



COVID-19 in the U.S (4/25)

01	COVID-19 Cases	945,249
02	COVID-19 Deaths	53,243
03	COVID-19 Recoveries	110,834
04	Unemployment	22 Million (4/16)

Federal Reserve

Interest rates

- From 3/3-4/9, Fed has cut rates by 150 basis points to about .25%
 - These are the rates banks pay to borrow overnight

Securities purchases

- Would purchase \$500 billion in Treasury securities and \$200 billion in government-guaranteed mortgage-backed securities
- Announced 3/23 that this number was actually unlimited

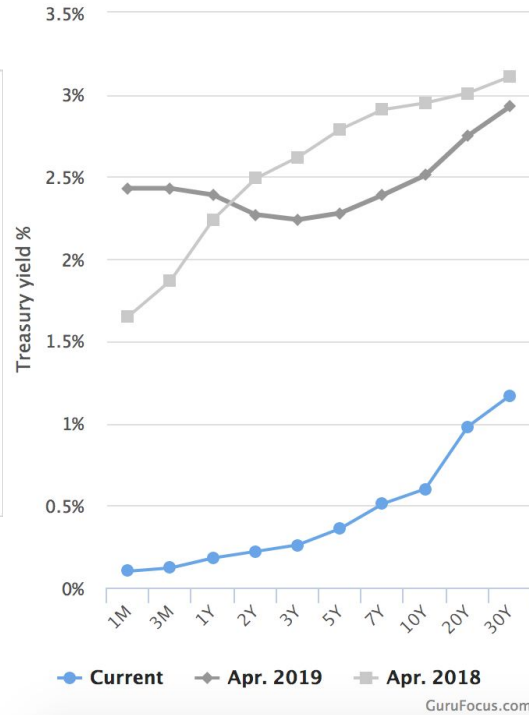
Repo operations

- Offering \$1 trillion in daily overnight repo, and \$500 billion in one month and \$500 billion in three-month repo (\$100 b before virus)
 - firms borrow and lend cash and securities short-term, usually overnight

Commercial paper funding

- \$1.2 trillion market in which firms issue unsecured short-term debt to certain money market funds and others, to finance day-to-day operations
- Fed buys up to three months worth of corporate paper 1-2% higher than overnight lending rates

Flat Yield Curve v. Current (4/24)



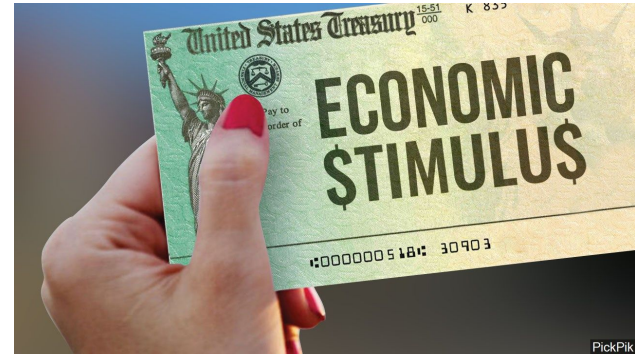
- When the difference between the short and long-term rates narrows, it's a signal that people are less certain that growth is here to stay
- Short term yield reflect Fed, long term reflect Inflation

U.S Politics

First Stimulus
Package (3/27)

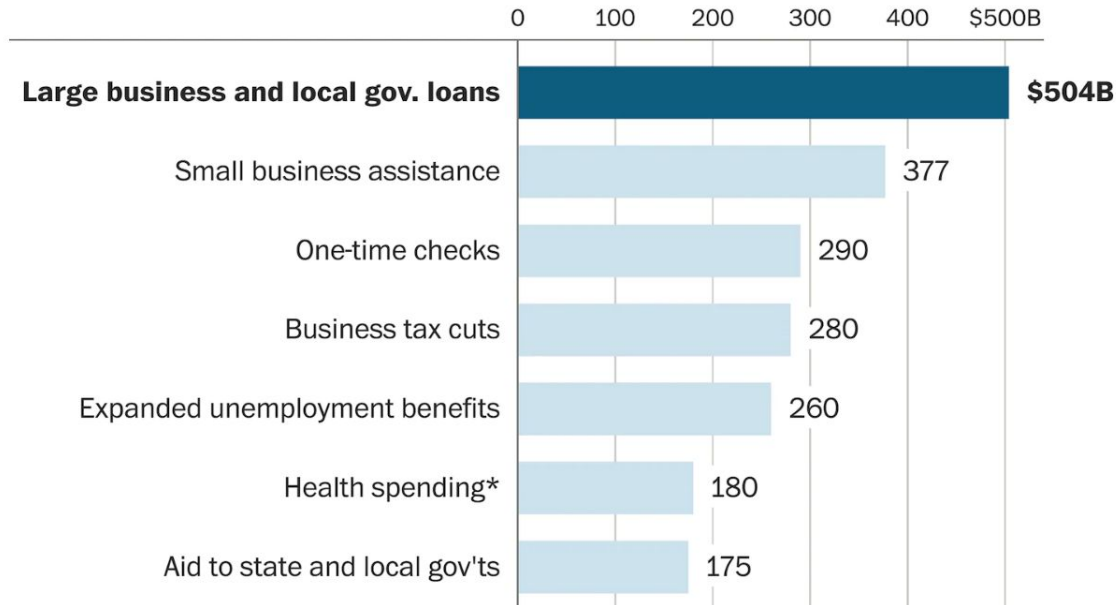
Second Relief Bill
(4/24)

Presidential
Elections



First Stimulus Package 3/27

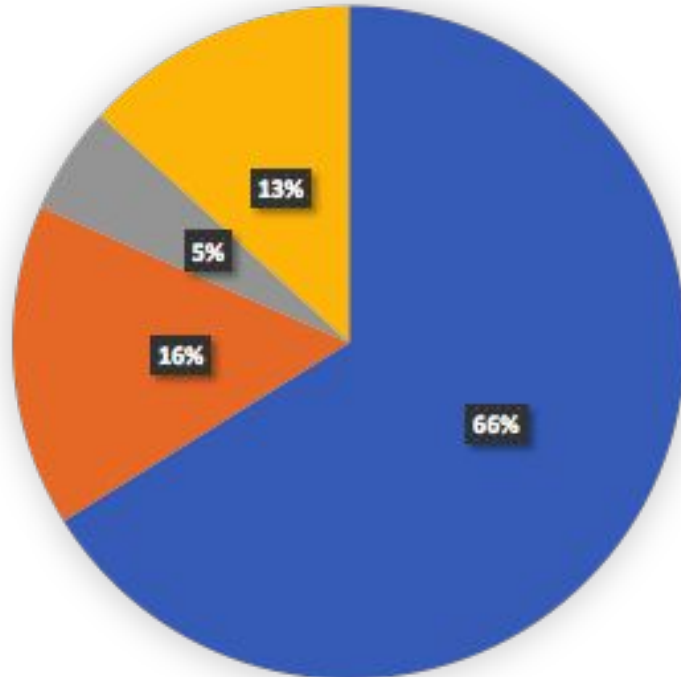
\$2.2 Trillion Package



- \$25 b to airlines, \$17 b to companies deemed critical to national security
- 0 interest loans to firms with less than 500 employees up to \$10 m per firm (PPP)
- \$1,200 Check for every adult, \$500 for every child

Second Relief Bill 4/24

Relief Breakdown



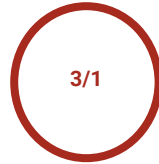
\$484 Billion Relief Bill

1. \$320 B towards PPP (Blue)
2. \$75 B towards hospital funding (Orange)
3. \$25 B towards virus research (Gray)
4. \$64 B towards other (Yellow)

2020 Presidential Race



Mike Bloomberg



Pete Buttigieg



Elizabeth Warren



Bernie Sanders



Risk

Sharpe Ratio:

-2.63 & -7.03

Risk free rate - 10yr treasury

Used S&P as benchmark

- Upsides:
 - Portfolio is 60% US equities
 - Highest performing liquid asset
- Downsides:
 - US equity only
 - Our large bond positioning negates risk

Summer Portfolio

- Hold these blue chip companies that will eventually rebound
- Roughly 60% Stock, 40% Bonds & Cash. Pension fund portfolio
- Sold ADP, defensive stock...
- Withstand uncertainties
- Good news will spike market

	Current Value as of 4/23	Allocation %	Total Allocation
Cash			
SPAXX \$	72,079.07	16.9%	16.9%
Stock			
BA \$	4,545.42	1.1%	59.3%
CSCO \$	5,327.36	1.3%	
EFA \$	24,997.64	5.9%	
KMB \$	10,527.00	2.5%	
ORCL \$	10,913.70	2.6%	
PM \$	17,227.20	4.0%	
QQQ \$	31,788.52	7.5%	
SPY \$	105,004.40	24.7%	
USO \$	2,251.92	0.5%	
V \$	11,313.84	2.7%	
XLV \$	28,797.36	6.8%	
Bonds			
BSV \$	52,215.84	12.3%	23.7%
TLT \$	48,871.00	11.5%	
Total \$	425,860.27		

Future Outlook

COVID-19

2020 Elections

US Reopening

Good places to play:

1. Healthcare
 - a. Demographics and innovation make us long-term bulls
2. Tobacco
 - a. A staple, high margins in this industry
3. Software Industry
 - a. Investing in things that will truly change the world

Rebounding Stocks

Boeing (BA)

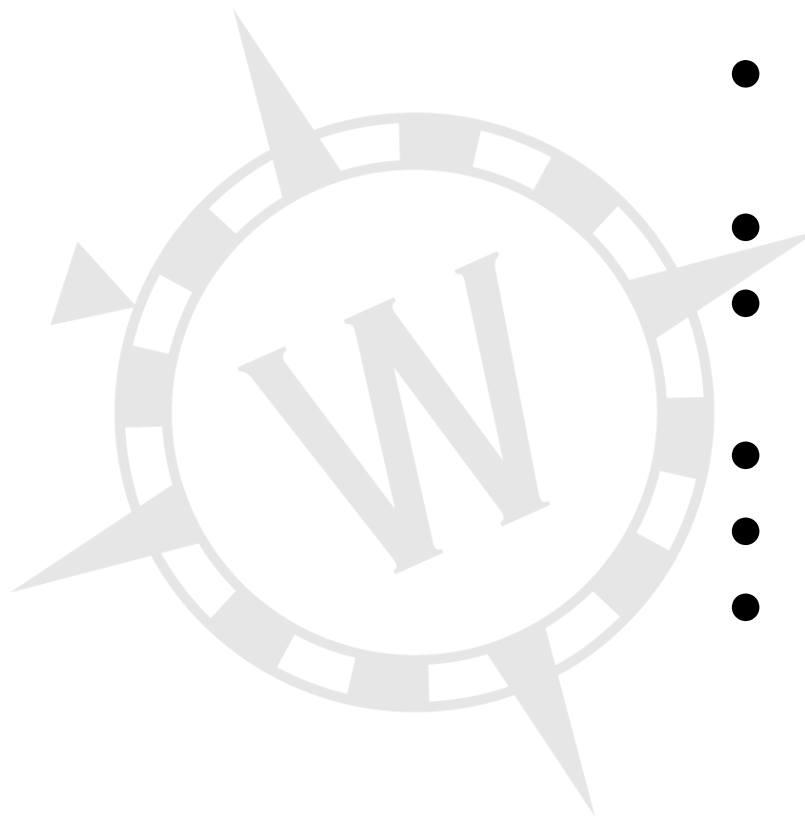
- Invested \$4,400
- Down 4.5%
- Tied to US Government

US Oil (USO)

- Invested \$4,200
- Down 59.3%
- All time low
- June/July futures



What We Learned



- Don't underestimate a global pandemic
- Power of yield curve/market volatility
- Importance of reading (Thanks, Ernesto)
- Look for opportunities in crisis
- Power of Federal Reserve
- How to react & maintain composure in downturn

Conclusion

Best learning experience for us:

- 1st semester
 - Capitalize on booming market
- 2nd semester
 - React to a market decline
 - Anticipate market rebound

We're excited for what the future will bring; and are confident we will be better lifelong investors for having taken this course.

**To the O'Neil
family, the
Board, and our
professors:
Thank You**

References

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