



O'Neil Student Investment Fund

Spring 2023 Board Presentation



Agenda

- Meet the Team & Introductions
- Macroeconomic Trends
- Portfolio Composition
- Transactions
- Portfolio Performance
- Best Decisions
- Worst Decisions
- Future/Outlook

The Team



James Fryer



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Macroeconomic Trends

Overview

- Unstable Inflation
- Tensions Between China & U.S.
- Emerging Technology (AI)
- Increased Unemployment
- Anticipated Recession
- Fear of Financial Markets/Banking Collapse
- Currency Threats





Macroeconomic Trends

Unstable Inflation/Fears of Recession

- Tracking Bond Yields
 - Bonds are susceptible to raised rates → show inverted yield curve
 - FOMC continue to raise interest rates
- Silicon Valley Bank (SVB) Failure
 - Government eventually raised FDIC to insure the depositors of their money
 - Fast transactions led to very quick withdrawals
 - Fear that banking sector may follow similar suit to '08
- Inflation Increases
 - Inflation continues to rise despite rising interest rates
 - Consumer spending slowly declines, but not fast enough

[Click Here for Yield Curve](#)

Macroeconomic Trends

Emerging Technology

- ChatGPT
 - Decisions in tech sector were heavily influenced by the release of this product
- AI markets
 - Investigated potential start ups
 - Emphasis in chip industry due to increased technology
- Developments in military technology
 - Avoided increasing exposure military tech companies due to more pressing macro conditions
- Semiconductor chip industry
 - Heavily influenced by emerging technologies
 - Paused to discuss cyclical nature of sales
 - Delivery/execution is most important
- EV Market
 - Influenced our decisions due to growth of industry



Macroeconomic Trends

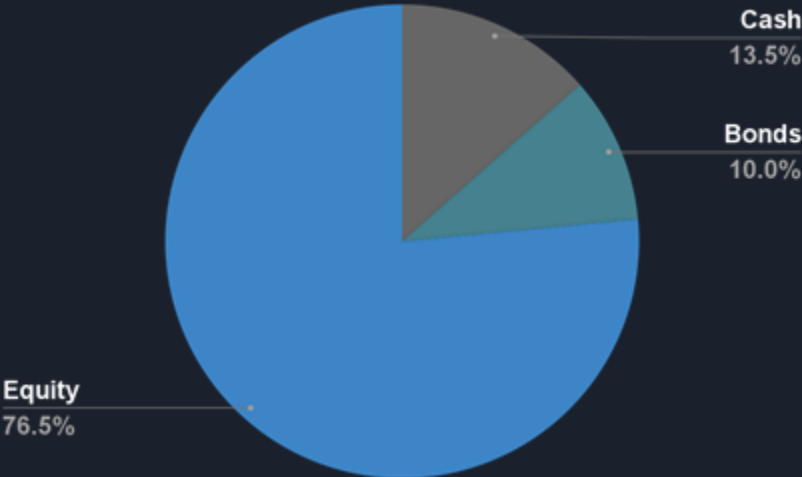
Geopolitical Tensions

- Ongoing chip war
 - TSMC & intel brace for potential supply attack
 - Tensions continue between Taiwan & China
 - CHIPS Act aiding chip security
- Foreign investments
 - Briefly looked at Chinese market to determine any worthwhile investments
 - Covid-19 relief did not impact markets as much as anticipated
- Russia geopolitics
 - Looked at domestic oil stocks
 - Oil seemed attractive given multiple companies initiating buyback programs
 - Decrease in Russian oil production aids domestic buyback program

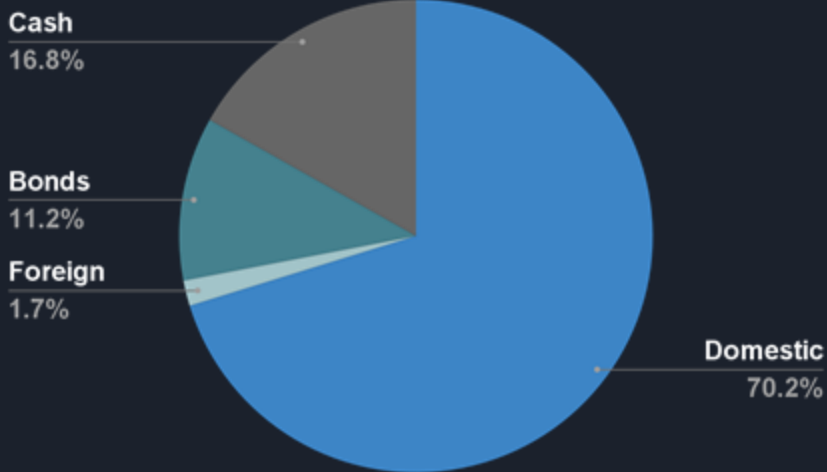


Portfolio Composition

(Beginning & End)



**Beginning
Asset Allocation**



**End Asset
Allocation**



Transactions

Holding	Decisions	Trade Date	Shares	Price	Amount
intel Corporation	Buy	2/7/2023	165	\$30.33	\$5,004.45
Microsoft Corp	Buy	2/15/2023	18	\$272.31	\$4,901.58
Air Products & Chemicals, Inc	Sell	2/22/2023	43	\$280.03	\$12,219.67
Target Corporation	Buy	2/28/2023	31	\$165.55	\$5,132.05
Adobe Inc	Buy	3/9/2023	21	\$348.68	\$7,322.28
Volkswagen AG	Buy	3/30/2023	300	\$16.38	\$4,914.00
Taiwan Semiconductor Co.	Sell	4/18/2023	124	\$87.96	\$10,907.04
LIT (Lithium ETF)	Sell	4/18/2023	91	\$63.85	\$5,810.35
Raytheon Technologies	Sell	4/18/2023	81	\$104.40	\$8,456.40
Total			874		\$64,667.82

Portfolio Performance

Holding	Decisions	Trade Date	Shares	Price	Amount	Current Price	Gains/Losses
Intel Corporation	Buy	2/7/2023	165	\$30.33	\$5,004.45	\$31.83	4.9%
Microsoft Corp	Buy	2/15/2023	18	\$272.31	\$4,901.58	\$288.37	5.1%
Air Product & Chemicals, Inc	Sell	2/22/2023	43	\$280.03	\$12,219.67	\$288.55	17.1%
Target Corporation	Buy	2/28/2023	31	\$165.55	\$5,132.05	\$162.40	-1.9%
Adobe Inc	Buy	3/9/2023	21	\$348.68	\$7,322.28	\$377.55	8.3%
Volkswagen AG	Buy	3/30/2023	300	\$16.38	\$4,914.00	\$16.86	2.9%
Taiwan Semiconductor Co.	Sell	4/18/2023	124	\$87.96	\$10,907.04	\$88.40	9.6%
LIT (Lithium ETF)	Sell	4/18/2023	91	\$63.85	\$5,810.35	\$63.80	-29.2%
Raytheon Technologies	Sell	4/18/2023	81	\$104.40	\$8,456.40	\$94.24	12.1%
Total			874		\$64,667.82		



Best Decisions

1



2



3



Best Decisions

Buy: Adobe Inc.

- Bought at \$348.68
- Has since risen to \$377.55 (as of 4/18)
- 8.3% increase in value
- Buy Decisions:
 - Monitored pending lawsuit around Figma & Adobe
 - Basic monopoly (Figma only adds)
 - Interest in AI in Adobe Inc. products
 - Much of their revenue is subscription and lots of potential rev.



Best Decisions

Buy: Microsoft Corp.

- Bought at \$272.31
- Has since risen to \$288.37 (as of 4/18)
- 5.1% increase in value
- Buy Decisions:
 - \$1B investment in Open AI
 - Activision acquisition
 - Set to add \$10B fund into AI
 - BoA priced it up to \$300/share
 - Fundamental analysis was strong - good on the books



Best Decisions

Buy: intel Corp.

- Bought at \$30.33
- Has since risen to \$31.83 (as of 4/18)
- 4.9% increase in value
- Buy Decisions:
 - Strong CPU competitor
 - Intended to be a good long-term buy
 - Relative low risk to high reward





Worst Decisions - Selling APD

1



Worst Decisions

Sell: Air Products & Chemicals

- Sold at \$280.03
- Has since risen to \$288.55 (4/19)
- 3% rise in value
- Sell Decisions:
 - Stagnant throughout the semester
 - Wanted to promote “selling high”
 - Useful cash on hand heading into recession





Total Value Increase

Amount Transacted

\$64.6K

Unrealized Gain on New
Buys

(Jan-Mar)
\$3.1K

Beginning Portfolio

\$431K

Ending Portfolio

\$448.5K



S&P 500 vs Overall Portfolio

S&P 500 (From 1/17)

3.48%

Overall Portfolio (From 1/17)

4.06%



Outlook

Potential Risks

- 0-6 month outlook: Interest rates and inflationary trends are unpredictable
 - FOMC continues to raise interest rates
 - Inflation is down to 6.04% from last month 6.41% - not decreasing fast enough
- The team believes that a recession is imminent (Inverted Yield Curve/ Unsteady Banking)
 - High housing market with increasing interest rates
 - Consumption behavior isn't slowing down rapidly enough
 - Banks appear to be shaken & access to capital challenged



Outlook

Geopolitical Tensions

- Russia & Ukraine war to continue
- RMB replaces USD as most traded currency in Russia
- China & Saudi Arabia create deal to continue crude oil developments
- China threatening U.S. economy/currency with ongoing partnerships between Iran and Saudi Arabia for oil/trades
 - Saudi Arabia keen to move away from solely trading in U.S. currency
- U.S. elections in back half of 2023 and into 2024
 - This may seriously affect stock market
 - Monetary/fiscal policy may change



Outlook

- Overall outlook is **Bearish**
- Fears of recession looming - not a matter of if, more so when
- Suggestion:
 - Consider financial stocks or ETFs - lower interest rates will make banks wealthier
 - Monitor tech firms/stocks
 - Oil stocks may benefit from Russia supply diminishing
 - Healthcare firms are seasonal and tend to perform better in fall season
- Overall we suggest a cautious approach to buying in the fall of 2023



Thank You

Richard & O'Neill Family

Board of Directors

Professors (Ernesto, Sid, Karan)

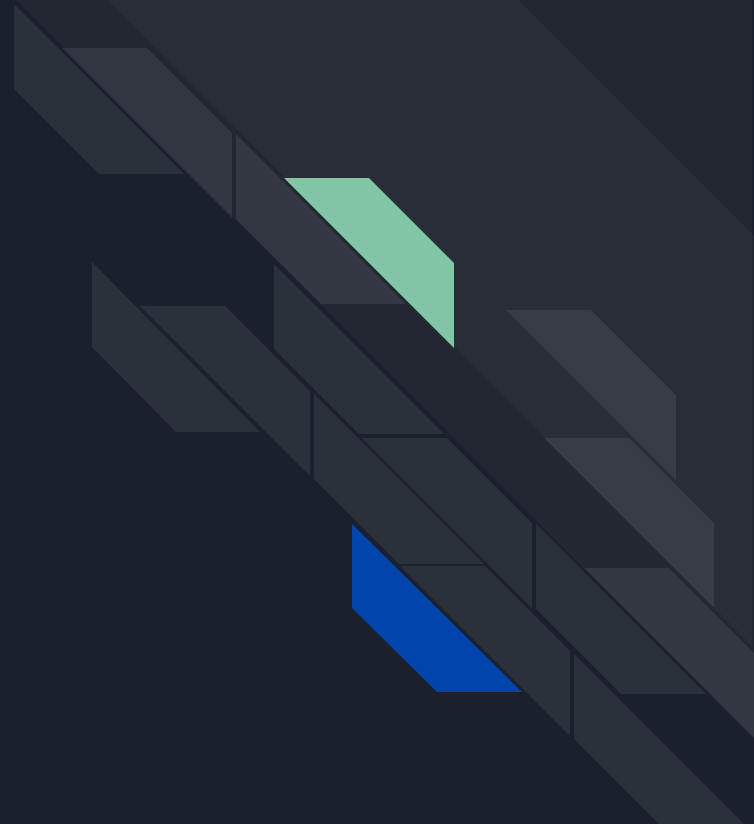


Q&A

Refreshers

- Macroeconomic trends
 - Fear of recession/unstable inflation
 - Emerging Tech
 - Geopolitics
 - Interest rates
- Portfolio Summary
 - Performance
- Transactions

Back-Up





Resources & Links

- [Stock Debates \(Week by Week\)](#)
- [ASML Valuation](#)
- [NVDA Valuation](#)
- [Yield Curve](#)