

The background features a blurred financial chart with a red semi-transparent overlay. The chart includes a line graph with a peak and a dip, and a table of stock data. Visible text in the background includes 'ImgnTech', 'Share Price', 'Change on day 32.30', '2013/2013', 'High Low', and 'P/E 1000s Stock'.











PORTFOLIO REVIEW

Macro Mercenaries

Jack Perry, Elias Stewart, Tim Odjav, Kyler Zarate

12/2/2024

Investment Overview: Hold vs Sell

Growth Strategy	NOC	NVDA	OFLX
			
ONTO	PAYC	PYPL	RVLV
			
	SEDG	TMDX	
			



GROWTH STRATEGY: +23.38% & \$61,138.69

Investment Decision	REBALANCE
Total Return	+23.38%
SPY Return	18.60%
Holding Period	271 Days
Portfolio Weight	3.3294%
Sharpe Ratio	0.8026
Standard Deviation	23.89%
Beta	1.52
Purchase Date	03/04/2024
Original Rebalance Date	09/04/2024
Proposed Rebalance Date	12/02/2024



Investment Thesis

At the beginning of 2024, Stratton Oakmont pitched a strategy focusing on growth companies following specific Top 20 Percentile criteria. Using Bloomberg's Equity Screener, they filtered companies who were in the Top 20 Percentile in Quarterly Basic EPS over 5 Year Average, Quarterly Revenue Growth YoY, and Return on Common Equity. As the final filter they screened for companies with a PEG Ratio ≤ 2 . This left them with 8 companies: *ACLS*, *GSHD*, *HEES*, *HRI*, *IDCC*, *LW*, *NVDA*, and *VVV*. ~\$50,000 equally invested.

They projected an 81.45% 1-year return. Even though the strategy does not meet its projected return, it is still outperforming the market.

Rebalance Reasoning

While the returns have missed their projections, the strategy has still outperformed the market since it was implemented. The strategy was able to identify companies that have increasing revenues, EPS, and return on equity that are still undervalued by PEG Ratio standards.



GROWTH STRATEGY

Selected Screening Criteria		Matches		
	Security Universe	1687798		
51)	:: Trading Status: Active	546783		⊗
52)	:: Exchanges: NASDAQ GM; NASDAQ GS; NYSE National	10404		⊗
53)	:: Current Market Cap >= 500 Million	4100	i	⊗
54)	:: Top 20 Sequential Percentile Rank - Higher is Better(Latest Quarterly ...	586	i	⊗
55)	:: Top 20 Sequential Percentile Rank - Higher is Better(Latest Quarterly ...	117	i	⊗
56)	:: Top 20 Sequential Percentile Rank - Higher is Better(LF Return on Co...	22	i	⊗
57)	:: Current FY BEst PEG Ratio <= 2	10	i	⊗
58)	Add screening criteria			



GROWTH STRATEGY: Old Tickers vs New Tickers

Old Tickers

Company Name	Ticker
Axcelis Technologies Inc.	ACLS
Goosehead Insurance Inc.	GSHD
H&E Equipment Services Inc.	HEES
Herc Holdings Inc.	HRI
InterDigital Inc.	IDCC
Lamb Weston Holdings Inc.	LW
NVIDIA Corp.	NVDA
Valvoline Inc.	VVV
Beta	1.52

New Tickers

Company Name	Ticker
Novo-Nordisk A/S	NVO
QUALCOMM Inc	QCOM
PDD Holdings Inc	PDD
MercadoLibre Inc	MELI
Apollo Global Management Inc	APO
KLA Corp	KLAC
Royal Caribbean Cruises Ltd	RCL
LPL Financial Holdings Inc	LPLA
Booz Allen Hamilton Holding Co	BAH
Agiros Pharmaceuticals Inc	AGIO
Beta	1.14



GROWTH STRATEGY: Old vs New

Name	Ticker	Current Price	Shares	Purchase Date	Purchase Price	Value Today	Original Value	Percent Change	Weight
Axcelis Technologies Inc	ACLS	\$ 74.24	54	3/4/2024	\$ 115.75	4,008.96	6,250.50	-35.86%	6.56%
Goosehead Insurance Inc	GSHD	\$ 126.12	85	3/4/2024	\$ 73.35	10,720.20	6,234.75	71.94%	17.53%
H&E Equipment Services Inc	HEES	\$ 59.74	107	3/4/2024	\$ 58.05	6,392.18	6,211.35	2.91%	10.46%
Herc Holdings Inc	HRI	\$ 232.00	37	3/4/2024	\$ 167.70	8,584.00	6,204.90	38.34%	14.04%
InterDigital Inc	IDCC	\$ 195.96	58	3/4/2024	\$ 107.15	11,365.68	6,214.70	82.88%	18.59%
Lamb Weston Holdings Inc	LW	\$ 77.24	61	3/4/2024	\$ 102.02	4,711.64	6,223.49	-24.29%	7.71%
NVIDIA Corp	NVDA	\$ 138.25	70	3/4/2024	\$ 85.33	9,677.50	5,972.75	62.03%	15.83%
Valvoline Inc	VVV	\$ 39.71	143	3/4/2024	\$ 43.65	5,678.53	6,241.95	-9.03%	9.29%
						61,138.69	49,554.39	23.38%	

Name	Ticker	Current Price	Shares	Purchase Date	Purchase Price	Value Today	Original Value	Weight
Novo-Nordisk A/S	NVO	\$ 106.80	47	12/2/24	\$ 106.80	5,019.60	5,019.60	10.09%
QUALCOMM Inc	QCOM	\$ 158.53	32	12/2/24	\$ 158.53	5,072.96	5,072.96	10.20%
PDD Holdings Inc	PDD	\$ 96.56	52	12/2/24	\$ 96.56	5,021.12	5,021.12	10.09%
MercadoLibre Inc	MELI	\$ 1,985.17	2	12/2/24	\$ 1,985.17	3,970.34	3,970.34	7.98%
Apollo Global Management Inc	APO	\$ 175.03	29	12/2/24	\$ 175.03	5,075.87	5,075.87	10.20%
KLA Corp	KLAC	\$ 647.03	8	12/2/24	\$ 647.03	5,176.24	5,176.24	10.40%
Royal Caribbean Cruises Ltd	RCL	\$ 244.06	21	12/2/24	\$ 244.06	5,125.26	5,125.26	10.30%
LPL Financial Holdings Inc	LPLA	\$ 325.15	16	12/2/24	\$ 325.15	5,202.40	5,202.40	10.46%
Booz Allen Hamilton Holding Co	BAH	\$ 148.18	34	12/2/24	\$ 148.18	5,038.12	5,038.12	10.13%
Agios Pharmaceuticals Inc	AGIO	\$ 59.39	85	12/2/24	\$ 59.39	5,048.15	5,048.15	10.15%
						49,750.06	49,750.06	



NOC: 21 shares, \$10,282.65

Investment Decision	HOLD
Total Return	26.63%
Sharpe	0.7841
Holding Period	3 years, 7 months
1 year return	3.05%
Standard Deviation	28.58%
Beta	0.35
Dividend Yield	1.68%
Weight Total Portfolio	0.56%
Alpha	0.11



Business Description

Northrop Grumman Corporation is an aerospace and defense company based out of the United States. Products range from unmanned autonomous aircraft systems to weapons systems built for continental defense. They operate in the United States, Asia/Pacific, Europe and other countries worldwide.

Investment Thesis

The fund purchased shares in NOC originally in April of 2021, then purchased additional shares in Oct. Of 2022. The original investment thesis recognized that NOC was the 5th highest recipient of government contracts. NOC is also one of the top defense contractors in the world and has been for the last few decades. Increased threats of war in numerous places have led to more industry growth.

HOLD Reasoning

Though NOC has been relatively flat this year, the company has a low standard deviation and has a very low beta, two things the fund is actively searching to lower. NOC is an extremely consistent company, outperforming earnings expectations for the last 8 quarters. Political tensions are continuing to rise throughout the world, which usually leads to an increase in defense spending from multiple nations, which would boost revenues even more. NOC remains in the top 5 for U.S. government contracts from the United States. Last year it received \$33.82B in revenue from US contracts, ~86% of total revenue. This could decrease going forward with the Trump administration's projected budget cuts.



NVDA: 630 shares, \$87,097.50

Investment Decision	HOLD
Total Return	3092.84%
Sharpe	1.2575
Holding Period	7 years, 11 months
1 year return	206.44%
Standard Deviation	24.56%
Beta	1.65
Dividend Yield	0.029%
Weight Total Portfolio	5.66%
Alpha	29.65

Business Description

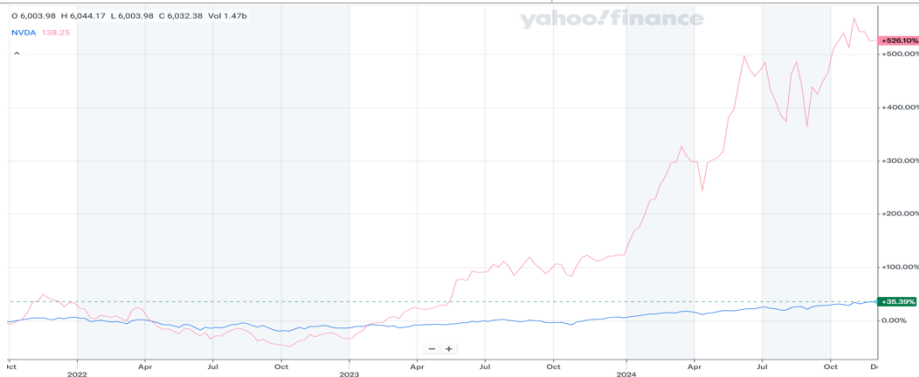
NVIDIA Corp designs and develops graphics, computing, and networking solutions including graphics processing units, central processing units, and system-on-a-chip units. Their products are used in data centers, gaming, professional visualization, and automotive markets.

Investment Thesis

Analysts since 2016 have been choosing to hold NVDA because of their dominant presence over competitors, market growth with AI and Data Centers, market demand for GPUs, and solid operational metrics. NVDA has positioned themselves to take advantage of these high growth markets, with their products having a reputation for high performance that meet the needs of AI and data centers.

HOLD Reasoning

Nvidia has established itself as the dominant player in the GPU/CPU chip space, especially with the development of AI requiring complex units to handle processing. Semiconductors are in large demand by AI and data scientists, as well as companies leveraging their data. Revenue growth increased from \$26B to \$60B from 2023 to 2024 with operating margins far above competitors (62% vs AMD at 5.6% and INTC & MRVL in the negatives). The management team also has a strong track record, which will help to continue this market position and growth. Possible risks with meeting demands of industries, dependency on 3rd-party suppliers, significant expenses with next generation of GPUs.



OFLX: 32 shares, \$1,581.44

Investment Decision	HOLD
Total Return	-39.65%
Sharpe	-0.1283
Holding Period	3 years, 2 months
1 year return	-35.20%
Standard Deviation	3.42%
Beta	0.39
Dividend Yield	2.75%
Weight Total Portfolio	0.32%
Alpha	-0.55



Business Description

Omega Flex, Inc. is a leading manufacturer of flexible metal hoses to carry gases and liquids. Prominent markets included general industry and residential/commercial/institution construction, but OFLX is currently the only corrugated medical tubing in the U.S. approved for medical tubing requirements.

Investment Thesis

Analyst Abram Gubler pitched OFLX for its strong competitive advantages, including low debt, cash generating business model, and being the first mover of flexible metal piping into the medical industry. The company's product is quick and cheap to install, with strong prospects to grow in the medical industry.

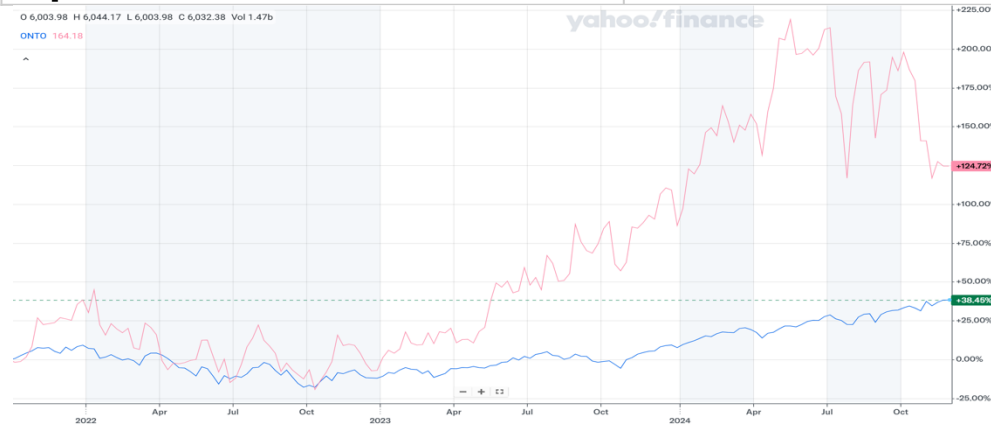
HOLD Reasoning

Despite recent stock performance, OFLX has great prospects for being an easier/cheaper alternative to what's available on the current CSST market. This is a fragmented industry with no dominant players, meaning that price competition is relevant. OFLX has also committed to paying out dividends for the last decade, with 2023 payout out \$13M to shareholders. Their gross margins are also high compared to competitors at 60% and they are carrying no long-term debt. Their business is also highly correlated with the housing market, which is currently down. As the housing market recovers, we can expect the slight decline in sales growth to improve.



ONTO: 35 shares, \$5,746.30

Investment Decision	HOLD
Total Return	48.75%
Sharpe	0.01096
Holding Period	2 years, 19 days
1 year return	17.77%
Standard Deviation	40.57%
Beta	1.37
Dividend Yield	--
Weight Total Portfolio	1.17%
Alpha	0.23



Business Description

Onto Innovation, Inc. develops process control systems for optical metrology, defect inspection, lithography, and data analysis used by semiconductor and microelectronic device manufacturers in their wafer production. Their business segments include systems and software, parts, and services with their revenue mainly coming from Asian countries like South Korea, Taiwan, and China, and then the United States.

Investment Thesis

Analyst Ernesto Bustillos III pitched ONTO Innovation for their strong customer base including Toshiba, TSMC, and Samsung, the US Chips and Science Act allocating capital to the semiconductor value chain, a strong management team, and rapid growth.

HOLD Reasoning

ONTO operates in a highly-specialized, necessary, but competitive part of the semiconductor industry. Direct sales and customer relationships are necessary; ONTO works with Samsung and Taiwan Semiconductor Manufacturing, accounting for 19% and 14% of their total revenues respectively. About \$57M of shares are held by insiders compared to competitors, suggesting incentives to improve the business. May be worth monitoring over the next year, as the financial health of large individual customers could affect ONTO's business negatively.



PAYC: 32 shares, \$7,421.44

Investment Decision	Hold
Total Return	584.13%
Sharpe	0.1197
Holding Period	8 years, 8 months
1 year return	27.67%
Standard Deviation	48.431%
Beta	1.14
Dividend Yield	0.65%
Weight Total Portfolio	0.48%
Alpha	4.1

Business Description

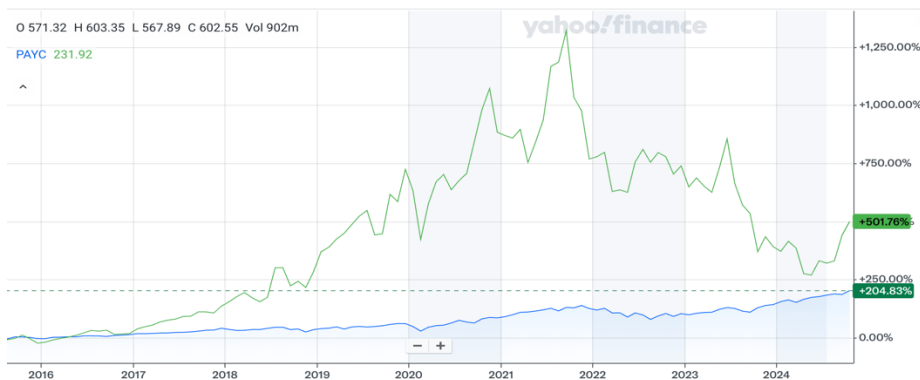
Paycom Software, Inc. provides cloud-based human capital management (HCM) solution delivered as software-as-a-service for small to mid-sized companies in the United States. It offers functionality and data analytics that businesses need to manage the employment life cycle from recruitment to retirement.

Investment Thesis

In the 2015-2016 school year, an analyst pitched Paycom Software and was noted last year as having one of SIF's highest returns. The stock was purchased to capitalize on Paycom's SaaS business model that was able to grow a customer base very quickly. Paycom has had steady growth and has been focused on serving entrepreneurs in early-stage businesses. Last year's SIF team elected to keep the stock due to it's potential uses with AI.

Hold Reasoning

Paycom has been a beneficiary of rising AI usage – streamlining processes and providing additional AI tools to their customers. Paycom has managed to maintain an operating margin of about 32.5% which ranks amongst the top for software companies. They have continued to impress in quarterly earnings reports and have managed to reduce their customer acquisition cost in the last quarter, leading to the stock surge. As a leader in the space, Paycom should continue to operate profitably, and the stock should continue to climb.



PYPL: 80 shares, \$6,941.60

Investment Decision	Hold
Total Return	140.96%
Sharpe	0.0353
Holding Period	10 years 2 months
1 year return	50.62%
Standard Deviation	38.769%
Beta	1.44
Dividend Yield	-
Weight Total Portfolio	0.45%
Alpha	-0.61

Business Description

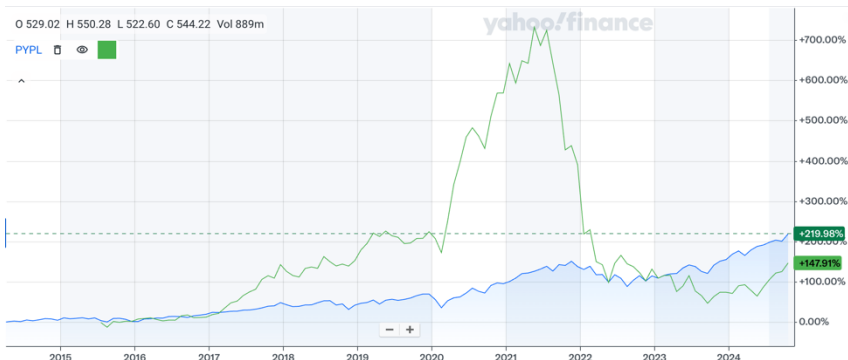
PayPal Holdings is a leader in digital payments, offering secure, fast, and convenient solutions for individuals and businesses. Its platform enables online money transfers, e-commerce transactions, and payment processing across a wide range of industries.

Investment Thesis

In the 2015-2016 school year, SIF analyst Mason Seehusen pitched a purchase of 100 shares of PayPal at \$31.51. Seehusen saw potential in the company following their 2015 acquisition of Xoom, another payments competitor. What was also noted was a strong emphasis on growing an existing customer base of 1.3 million users. Integration of online payments was also becoming more used during this time.

Hold Reasoning

PayPal now has over 426 million accounts with a consumer account CAGR of 9.71%. The company has also been active in acquisitions, purchasing well-known companies such as Venmo in 2013. The company made 5 acquisitions in 2021. While larger banks are likely to benefit from Trump's regulatory lightening, fintech companies like PayPal will also see some easing. PayPal continued to dominate the market for online payment processing technologies worldwide, holding a market share of 45 percent. This is a fundamentally a good company with more upside potential.



RVLV: 150 shares, \$5,412.00

Investment Decision	Hold
Total Return	34.13%
Sharpe	0.52
Holding Period	2 years, 1 month
1 year return	170.87%
Standard Deviation	57.029%
Beta	2.06
Dividend Yield	-
Weight Total Portfolio	0.35%
Alpha	-0.59



Business Description

Revolve Group, Inc. operates as an online fashion retailer for millennial and generation z consumers in the United States and internationally. It operates a platform that connects consumers and global fashion influencers, as well as emerging, established, and owned brands.

Investment Thesis

In the 2022-2023 school year, analyst Caroline McDonough pitched Revolve because it had recently developed a new tech platform to improve their supply chain and collect important consumer data. The company also had low debt and 89% consumer retention. The stock was also made attractive using targeted influencer advertising network that seemed to allow the company to boost media presence.

Hold Reasoning

Revolve was one of the first e-tailers to use influencer marketing and have benefitted greatly from this first-mover advantage. They have a long list of influencers and host branded events. The company is competitive in the industry with 2.63 million current active customers with 5% YoY growth. In Q3 of this year, EPS was \$0.15 compared to \$0.04 just one year ago. The company has continued to grow steadily and have exceeded expectations in multiple earnings in the last few years. Revolve is poised to continue expanding their market share and growing their customer base.



SEDG: 12 shares, \$189.60

Investment Decision	Hold
Total Return	-61.45%
Sharpe	-0.92
Holding Period	5 years and 7 months
1 year return	-79.47%
Standard Deviation	19%
Beta	1.59
Dividend Yield	-
Weight Total Portfolio	0.01%
Alpha	-0.864



Business Description

SolarEdge Technologies, Inc. is a provider of DC-optimized inverter systems that maximize power generation, reduce energy costs, and enhance ROI for photovoltaic (PV) systems. Their products offer advanced safety features, design flexibility, integration with storage systems, and module-level monitoring, supporting residential, commercial, and small utility-scale solar markets. Since 2010, the company has shipped 52.6 GW of systems, with installations in over 140 countries.

Investment Thesis

Analyst Ian VanLeeuwen recommended SolarEdge Technologies, arguing that the market had underestimated its organic and industry growth. He noted the firm's undervalued potential in the new battery segment and identified supply chain disruptions and topline revenue concerns as temporary challenges, presenting an opportunity to invest in the renewable energy company.

Hold Reasoning

Despite an underwhelming performance and negative return, we have settled with holding (SEDG). This is driven by the firm's actions of pursuing strategic restructuring by discounting its underperforming energy storage division, alleviating \$7.5MM in OPEX for the firm. Interim CEO Ronen Faier is set to focus on "two of our main priorities: financial stability through cost reduction, return to cash flow positivity and profitability; and focus on our core business lines of solar." With interest rates set to face possible cuts, this may allow for cost reductions for consumers installing their systems and high volume to offset the backlog of inventory within the firm.



TMDX: 130 shares, \$11,272.30

Investment Decision	Hold
Total Return	165.33%
Sharpe	0.97
Holding Period	3 years and 2 months
1 year return	23.34%
Standard Deviation	26%
Beta	2.07
Dividend Yield	-
Weight Total Portfolio	0.73%
Alpha	0.03

Business Description

TransMedics is a commercial stage medical technology company focused on developing and commercializing the "Organ Care System (OCS)" which aims to revolutionize organ transplant therapy by preserving and optimizing donor organs outside the human body, potentially increasing the pool of viable organs for patients with end-stage heart, lung, and liver failure.

Investment Thesis











Analyst Sam Gardiner recommended TransMedics for its strong competitive advantage as the leading provider of organ transplant solutions, driven by high utilization rates, product portability, and proven outcomes. At the time, it was the only FDA-approved organ care system available. The firm was proposed as a candidate for the ESG fund and a biotechnology replacement following the sale of MiMedx.

Hold Reasoning

Q3 earnings missed explaining the dip in October, management has stated a shift from products into services as it's main revenue generation and are projected to hit 10,000 OCS transplant by 2028. Firm has a competitive advantage with their portable technology, and they plan to release its own OCS cold perfusion technology further solidifying its place in the market. The stock valuation is below its five-year median valuation (signaling undervaluation), and the firm is reported to host an investor/analyst day on December 10th focusing on the firm's growth strategy, clinical pipeline and future operations.



Conclusion - Voting

Growth Strategy	NOC	NVDA	OFLX
			
ONTO	PAYC	PYPL	RVLV
			
	SEDG	TMDX	
			



The background of the image is a blurred financial market data page. It features various stock price listings, including 'ImgnTech Share Price' and 'KYS Share Price'. There are also line graphs showing price trends over time, with callouts for 'Change on day' values like 1.95 and 32.30. The text 'Appendix' is centered in a large, white, bold, sans-serif font over a semi-transparent red rectangular area.

Appendix

Exhibit 1

