Carroll Fund Period 3 Performance Report

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Dear Mr. Larry and Mrs. Vivian Carroll,

The lessons and skills we have learned during our experience as wealth managers for the Carroll Torch Fund are incomparable in value, and we cannot thank you enough for your generous donation. The Torch Fund program has allowed us to grow our knowledge of and passion for the inner workings of financial markets and provided a glimpse into many of the key responsibilities and actions of wealth managers. Through consistent communication and strong work ethics, we have been able to work as a team to monitor the fund's investments, engage in discussions about the current economic outlook, analyze the opportunities and challenges that may arise because of it, and strive for continuous learning. This opportunity has also allowed us to strengthen our competencies in professionalism, communication, and teamwork, further preparing us for successful lives after graduation.

In Period 3, we made a few adjustments to the fund's holdings. We purchased positions in Global X Variable Rate Preferred ETF (PFFV), Phillips 66 (PSX), Tyson Foods Inc. (TSN), and bought additional shares of WisdomTree Floating Rate Treasury ETF (USFR). We also liquidated our positions in First Trust NASDAQ Cybersecurity ETF (CIBR), Innovator U.S. Equity Power Buffer ETF (PNOV), Principal Spectrum Preferred Securities Active ETF (PREF), and Schwab U.S. TIPS ETF (SCHP). As we maintain a slightly pessimistic outlook on the economy, we added positions we felt would be optimal for lowering our exposure to risk.

During Period 3, which runs from April 1st to September 30th, the Carroll Fund had a total return of -16.52%. Although we had a negative return over Period 3, we were able to outperform the S&P 500 Index, which returned -20.13%, but this outperformance was ultimately dominated by underperformance in the first half of the fiscal year. Unfortunately, we also narrowly missed our primary benchmark. While Period 3 was challenging, we learned firsthand how sensitive the market is to the macroeconomic environment. This increased volatility could largely be attributed to ongoing geopolitical events between Russia and Ukraine, the Federal Reserve interest rate hikes, and sentiments of recession.

Once again, thank you for your generous donation and continued support. Without your help, none of what we do or learn would be possible, and our gratitude spans further than can be expressed in written words. There is no doubt we will all look back fondly on the memories we have made and the experience that we gained. As we all prepare for graduation this upcoming winter and spring, we are extremely excited to apply what we have learned in our future careers and grateful for the opportunity to serve as Carroll Torch Fund managers.

Sincerely,

Anthony Torres, Ashleigh Skipper, Dylan Isaacs, Eldon Lu, Emily Barnes, Jeremy Meanwell, John Wade, Maxwell Baker, Simon Heeran, and Tristan Damron

Economic Outlook

Domestic Economy

For Period 3, the fund had a slightly pessimistic outlook on the domestic economy. During our weekly meetings, we focused on the topics of inflation, actions of the Fed, employment numbers, mortgage rates, and other key economic indicators. A hawkish Fed has led to three consecutive 75 basis point interest rate hikes since the beginning of the summer, which puts the federal funds rate over 3%. Insights from the Jackson Hole Fed meeting and other announcements from Jerome Powell suggest that these hikes will continue into 2023. The Fed's aggressive actions are a result of the high CPI coupled with decreasing unemployment rates. One positive note is that the YoY CPI has decreased each month since the June release signifying that the Fed's actions are working. However, it needs to decrease much more as the Fed's goal is 2% inflation, and it is currently sitting a little higher than 8%. Regarding the housing market, the rapid increase in mortgage rates has started to reduce demand for homes, which could result in a reduction in home prices nationwide. Lastly, our slightly pessimistic outlook has continued following adverse market reactions to earnings releases by industry leaders. For example, FedEx and Nike offer a general view into business to business and consumer activity, respectively, and their post earning release declines may serve as indicators of a coming recessionary period (in addition to generating some of our steepest losses this period).

Global Economy

The Carroll Fund has maintained its pessimistic outlook on the global economy during Period 3 due to the vulnerable and sporadic state of the world. The fear of a global recession has increased as prominent countries are still fighting the lingering effects of COVID-19. The Bank of England and European Central Bank's most recent interest rate hikes were 50 and 75 basis points respectively, with the goal of reducing record high inflation. China's economy has been suppressed throughout 2022 due to the mass quarantine and citywide lockdowns that the government implemented to slow the increasing number of coronavirus infections. This has also caused greater inefficiencies in the global supply chain as exports out of China were lower during Period 3. Lastly, the Russia-Ukraine war continued throughout the end of September furthering the disruption of global trade and increasing the prices of commodities such as oil and wheat. All these factors have caused our fund to be uncertain about the direction of the global economy.

Outlook

Due to the uncertainty and volatility in the global and domestic economies, the Carroll Fund's outlook continues to be pessimistic heading into next year. The federal funds rate is expected to increase into 2023 and geopolitical tensions are rising. Moving forward, we will closely watch the actions of the Federal Reserve and the other economic indicators discussed to adjust the investment strategy as needed. We currently hold a defensive position in the market seen by our beta of 0.70 compared to the S&P 500 and cash allocation of 8%. Still, we will continue to search for unique opportunities that will hedge our portfolio risk against the high-interest rate environment.

Performance Summary

Overarching Mission
To manage the funds provided to us by our benefactor in ways that demonstrate our dedication to proper fiduciary management and keen financial inquiries while outperforming our benchmark.

Our Goals				
Objectives	**Period 1**	**Period 2**	**Period 3**	**FY**
1. Achieve Positive Return	✓	✗	✗	✗
2. Outperform Benchmark	✗	✓	✗	✗
3. Outperform Competing Funds on Relative Basis	✗	✗	✗	✗
4. Outperform Competing Funds on Absolute Basis	✗	✗	✗	✗

Period	Carroll Fund Return	Benchmark Return	S&P 500 Return	Spread from Benchmark	Spread from S&P 500
Period 1	**5.30%**	6.61%	11.00%	-1.30%	-5.70%
Period 2	**-4.32%**	-5.14%	-4.61%	0.82%	0.29%
Period 3	**-16.52%**	-15.77%	-20.13%	-0.76%	3.61%
FY	**-15.89%**	-15.00%	-15.27%	-0.89%	-0.62%

- The Carroll Fund's benchmark is a weighted average of the S&P 500 Index and Bloomberg Barclay's U.S. Aggregate Total Return Value Unhedged Index, weighted at 60% and 40%, respectively.

Best and Worst Performers

P3 Best & Worst Performers		
Holding	**$ Return**	**% Return**
MRK	$ 1,118.38	4.77%
USFR	$ 441.13	0.81%
COP	$ 270.64	3.96%
PSX	$ 90.48	0.90%
PEP	$ (533.40)	-2.47%
MSFT	$ (7,452.72)	-24.33%
TSM	$ (7,717.61)	-32.36%
AAPL	$ (8,876.85)	-20.45%
FCOM	$ (11,555.77)	-31.34%
AMZN	$ (15,168.00)	-30.91%

FY Best & Worst Performers		
Holding	**$ Return**	**% Return**
COP	$ 4,940.84	53.61%
MRK	$ 3,222.29	22.82%
PEP	$ 2,460.87	10.62%
CVS	$ 2,050.92	14.92%
LMT	$ 1,938.43	15.18%
BLOK	$ 7,343.14	-52.43%
PYPL	$ 9,288.20	-57.43%
TSM	$ 9,750.74	-55.27%
AMZN	$ 15,586.23	-39.54%
FCOM	$ 17,478.95	-40.65%

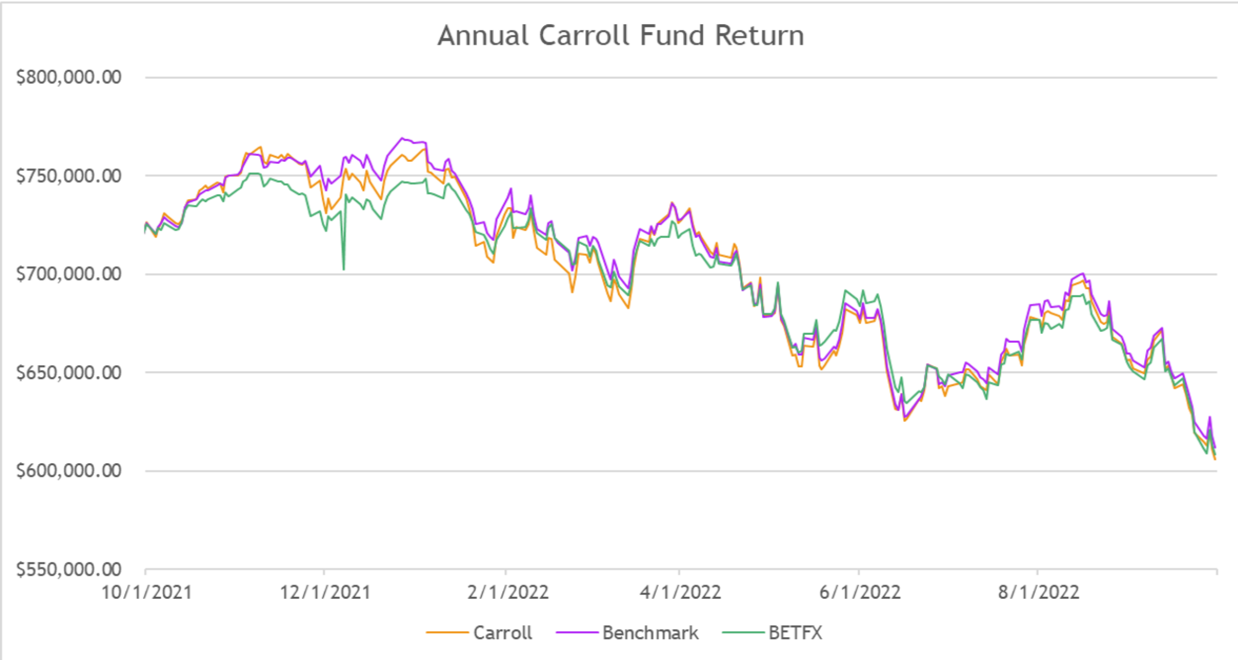
Risk Metrics

Carroll Risk Metrics				
Metric	**P1**	**P2**	**P3**	**FY**
Sharpe Ratio	2.00	-1.08	-2.07	-1.09
Treynor Ratio	0.17	-0.15	-0.34	-0.15
Information Ratio	-1.12	0.73	-0.53	-0.32
Tracking Error	0.04	0.04	0.03	0.04
Standard Deviation	0.10	0.16	0.17	0.15
Beta vs. Benchmark	1.24	1.16	1.06	1.09
R^2 of Beta	0.89	0.94	0.96	0.95
Beta vs. S&P 500	0.72	0.71	0.69	0.70
R^2 of Beta	0.91	0.95	0.98	0.97

- All reported metrics are annualized and use daily returns for their calculation.
- BETFX is the Morningstar Balanced ETF Asset Allocation Portfolio.

Comparable Risk Metrics				
Metric	**P1**	**P2**	**P3**	**FY**
Benchmark				
Sharpe Ratio	3.19	-1.55	-2.11	-1.13
Treynor Ratio	0.25	-0.20	-0.34	-0.16
S&P 500				
Sharpe Ratio	3.03	-0.79	-1.73	-0.69
Treynor Ratio	0.42	-0.17	-0.43	-0.15
BETFX				
Sharpe Ratio	0.89	-1.38	-2.28	-1.22
Treynor Ratio	0.25	-0.19	-0.38	-0.20

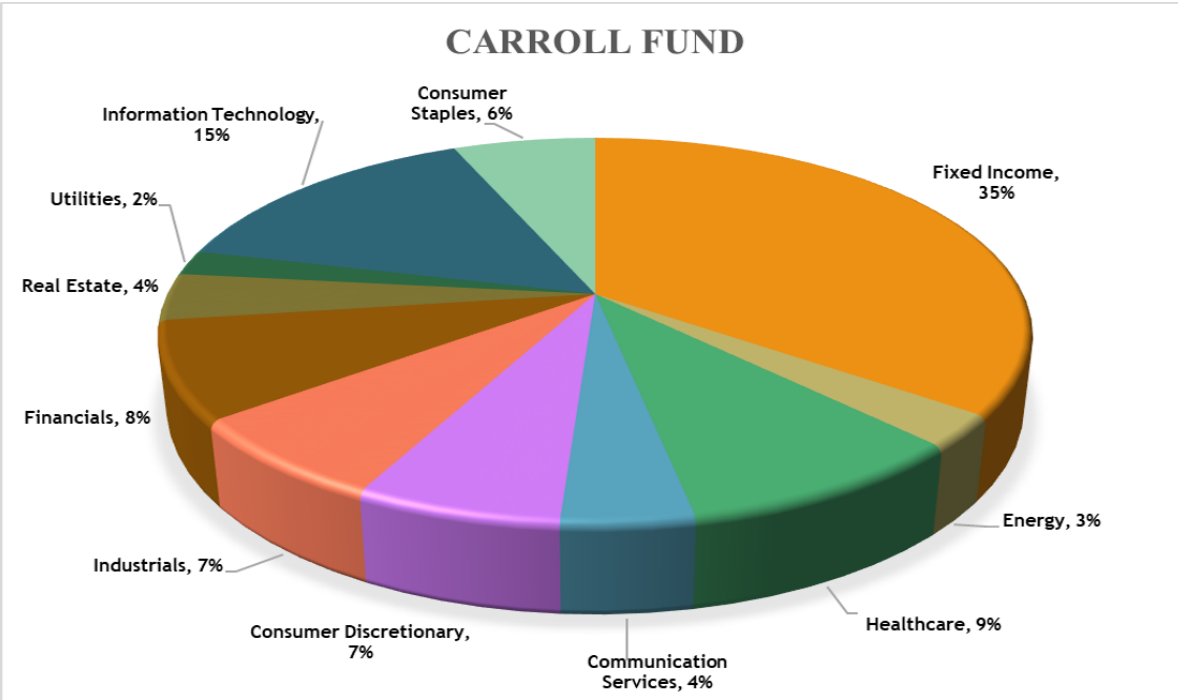
Carroll Fund Returns

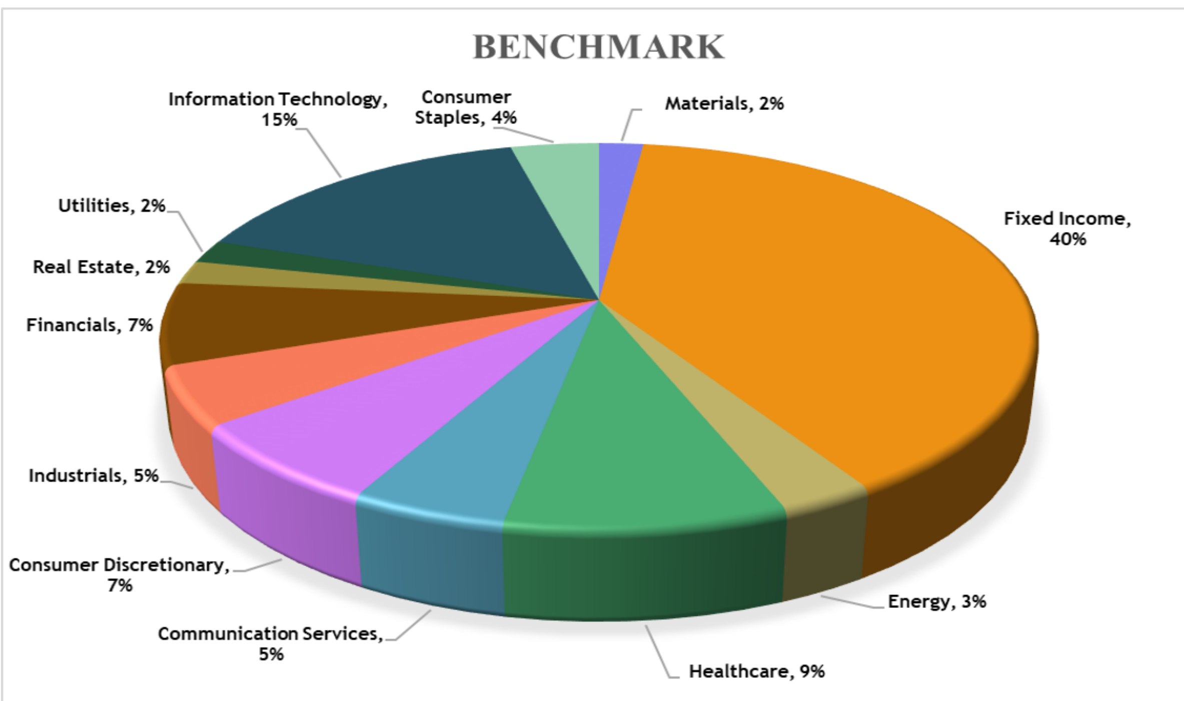


Torch Fund Returns

Torch Fund Returns				
Fund	**P1**	**P2**	**P3**	**FY**
Carroll	**5.30%**	**-4.32%**	**-16.52%**	**-15.89%**
Haslam	7.28%	-2.94%	-15.42%	-11.93%
LaPorte	8.51%	-5.06%	-13.11%	-10.48%
McClain	3.59%	-5.59%	-15.98%	-17.83%

Allocation of Funds





Portfolio Breakdown

Security	Value on 09/30/2022	% of Portfolio
Equity Holdings		
AAPL	$ 34,411.80	5.68%
AMZN	$ 33,900.00	5.59%
ARKG	$ 5,029.11	0.83%
BLOK	$ 5,069.00	0.84%
CAT	$ 10,337.04	1.71%
CIBR	$ 11,321.94	1.87%
COP	$ 6,959.12	1.15%
CVS	$ 15,449.94	2.55%
FCOM	$ 25,180.40	4.16%
FDX	$ 7,423.50	1.22%
J	$ 10,523.53	1.74%
JPM	$ 9,300.50	1.53%
LMT	$ 14,292.73	2.36%
MRK	$ 24,199.72	3.99%
MSFT	$ 23,057.10	3.80%
NKE	$ 5,485.92	0.91%
OGN	$ 11,466.00	1.89%
PCH	$ 9,603.36	1.58%
PEP	$ 20,734.02	3.42%
PSX	$ 9,363.52	1.55%
PYPL	$ 6,885.60	1.14%
SPGI	$ 16,488.90	2.72%
TSM	$ 15,905.92	2.62%
TSN	$ 7,450.09	1.23%
V	$ 17,054.40	2.81%
WELL	$ 14,343.36	2.37%
WMT	$ 10,246.30	1.69%
XLU	$ 12,643.43	2.09%
Fixed Income Holdings		
AGG	$ 35,067.76	5.79%
PFFV	$ 37,098.40	6.12%
USFR	$ 89,749.80	14.81%
SPAXX	$ 49,978.73	8.25%

Communications Services

Managed by Maxwell Baker

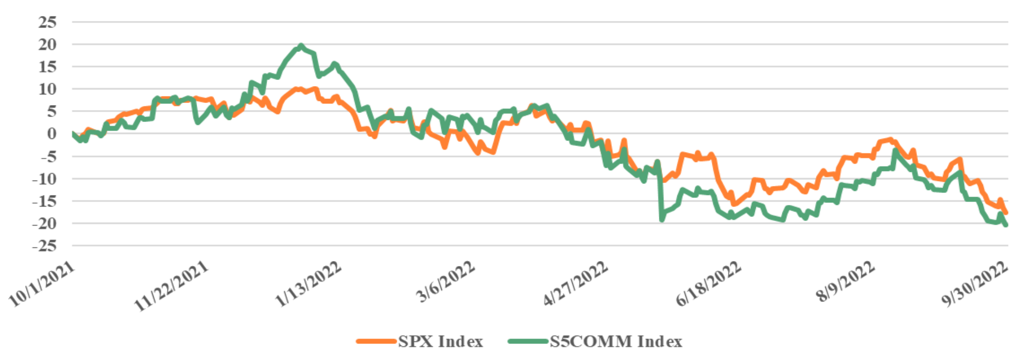
Sector Overview

The Communication Services sector comprises Telecommunications Services and Media & Entertainment industries. Telecommunications Services is made up of companies that utilize wireless, wired, satellite, and VoIP connections to provide communication as a service. The Media & Entertainment industry includes social media, movie production, advertising, television broadcasting, and publishing.[1] The Communications Services sector has a market cap of $2.64T and a market weight within the S&P of 8.38% as of market close on September 30th.[2]

Impacts from Period 3

The Communications Services sector has seen massive mergers and acquisitions in the last year with Warner Brothers Discovery, Microsoft & Activision[3], and Disney & Hulu.[4] This plays into the maturing state of the sector, as competition is bought out and barriers to entry continue to rise. As a result, streaming services are starting to be sold in bundles, leading many to believe that streaming will revert to the same business model that led many to ditch cable.[5] Streaming services also surpassed cable television this year. In July, streaming topped cable by 0.4% of TV viewing time in the US.[6] In the telecommunications front, wireless service providers are developing methods of improving connection and eliminating "dead zones" with satellite technology. While T-Mobile's partnering with Tesla made headlines, other wireless carriers are suggesting they may have the lead on the new technology.[7] Satellite technology implementation and a growing need for Communication services, specifically in the novel virtual workspace, will be a growth driver in the Telecommunications Services industry. Telecommunication has an annualized forecasted revenue growth of 2.4% over the next five years.[8] In the social media and big data space, companies such as Google, Meta, and Twitter have all been under intense scrutiny relating mostly to data privacy and censorship from both users and the United States Federal Government. The video game industry in the United States has grown an average of 14.3% per year since 2016 and a forecasted 9.4% average annual growth from 2022-2026. The metaverse, VR, cryptocurrencies, and NFTs could play a part in furthering the profitability of in-game purchases for companies like EA & Microsoft.[9]

Performance



Fidelity MSCI Communications Services ETF (FCOM)

Holding Description

The Fidelity MSCI Communication Services Index ETF (FCOM) is a fund that was made to track the performance of the MSCI USA IMI Communication Services 25/50 Index.[1] The fund utilizes "Representative Sampling" to ensure that FCOM's investment profile matches the characteristics of the MSCI Communication Services 25/50 Index. Listed below are FCOM's top holdings[2]:

Top 10 Holdings			
Alphabet Inc Class A	**11.67%**	AT&T Inc	**4.35%**
Meta Platforms Inc Class A	**11.19%**	Netflix Inc	**4.27%**
Alphabet Inc Class C	**10.47%**	Comcast Corp Class A	**4.12%**
Verizon Communications Inc	**5.53%**	T-Mobile US Inc	**3.71%**
The Walt Disney Co	**5.39%**	Activision Blizzard Inc	**2.74%**

Impacts from Period 3

The overall slowing markets have disproportionately affected the Communications Services sector and by proxy FCOM's largest holdings. Majorly held companies like Meta[3] and Netflix[4] had significant earnings misses while other large holdings such as Google and Verizon still fell despite outperforming the sector as a whole.

Future Outlook

Because of FCOM's investment strategy, the decline of the Communications Services sector has caused FCOM to underperform the rest of the market. While FCOM is an effective way to invest in the Communications Services sector with a low expense ratio of 0.08%, our fund could sell off a portion of the large FCOM holding and choose individual stocks in different industries within the Communications Services sector to reduce exposure to the volatility of the riskier holdings in FCOM and take advantage of more stable equities. We are looking for one firm in the digital advertising industry and one company in wireless telecommunications to transition from broad to targeted exposure within the Communications Services sector.

New Transactions

There were no transactions made involving FCOM during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 43,719.55	$ 41,344.80	-3.51%	$ 142.49
Period 2	$ 41,666.80	$ 36,611.40	-11.32%	$ 52.33
Period 3	$ 36,877.05	$ 25,180.40	-31.34%	$ 140.88
FY	$ 43,719.55	$ 25,180.40	-40.65%	$ 335.70

Consumer Discretionary

Managed by John Wade

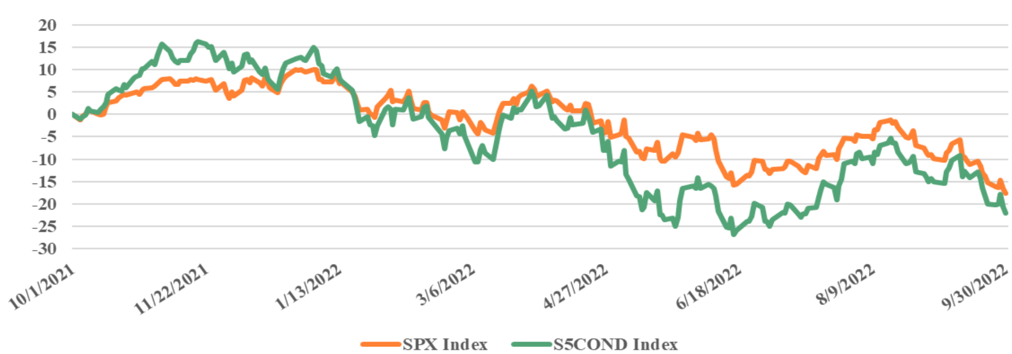
Sector Overview

The Consumer Discretionary sector has a market weight of 11.41% and a market capitalization of $6.28 trillion.[1] It contains four industry groups: Automobiles & Components, Consumer Durables & Apparel, Consumer Services, and Retailing. These industries provide the goods and services not necessary to maintain human life like automobiles, restaurants, and luxury clothing.[2] The Consumer Discretionary sector relies heavily on global and domestic economic conditions. It typically outperforms the market during times of economic expansion and underperforms during a recession.[3] The Carroll Fund's Discretionary holdings during Period 3 were Amazon (AMZN) and Nike (NKE).

Impacts from Period 3

The Consumer Discretionary sector featured an active Period 3, experiencing the effects of both market extremes. Like other sectors, Consumer Discretionary struggled during the first half of the period. Worldwide interest rate hikes and declining sentiment levels reduced the overall spending on discretionary items.[4] Other economic factors that have stunted the sector's performance include the continued global supply chain issues, COVID-19 lockdowns in China, and the Russia-Ukraine war. However, Consumer Discretionary was the most stable sector over the last three months with a positive return of 4.3%.[5] Leisure Products, Multiline Retail, and Hotel, Restaurants, & Leisure are the three sub-sectors that provided growth.[6] The physiological effect of the lockdowns during COVID-19 has persuaded consumers to spend a greater percentage of their livelihood on experiences and opportunities, rather than necessities and investments. While the recent stability is encouraging, it is also temporary if the economy continues toward a recession.

Performance



Amazon, Inc. (AMZN)

Holding Description
With a market capitalization of around $1.15 trillion, Amazon is the largest company in the Consumer Discretionary sector. The main business function is to provide and transport a wide variety of products found on their e-commerce marketplace that accounts for over 50% of their reported revenue.[1] The two other main sources of revenue are subscription services and Amazon Web Services (AWS). Amazon Prime, a subscription service that includes benefits like free shipping, streaming, and shopping deals, has been consistently increasing since it was launched in 2006, and it currently has over 200 million memberships.[2] AWS, a cloud-computing service, has recently become more important in Amazon's business model because its low operating expenses help boost margins. It is also important to note that Amazon is heavily involved in the acquisition of other companies to either improve their position in established markets or enter new markets. They bought Wickr in 2021 to improve AWS and One Medical in 2022 to attempt to gain market share in the Healthcare industry.[3]

Impact from Period 3
Over the course of Period 3, Amazon's stock price fluctuated greatly due to macroeconomic factors and internal inefficiencies. Ever since the pandemic, Amazon has focused its operations on building warehouses and hiring employees. This growth strategy put Amazon in a vulnerable position after the increase in interest rates decreased e-commerce sales. The first quarter earnings reported a net loss of $3.8 billion, which caused the stock price to plummet.[4] However, the market reacted positively to the second quarter earnings report as Amazon beat revenue estimates.[5] These positive returns were quickly erased after the announcement of closures and postponements of 69 warehouses nationwide in response to their high labor and transportation costs and low sales.[6] The high labor costs are a result of the unionization battles that started and gained momentum throughout Period 3.

Future Outlook
Even though Amazon greatly underperformed during Period 3, the Carroll Fund is still confident in its ability to thrive in the future. The reduction of operating expenses, improvement of AWS sales, and consistent advertisement sales lower the risks associated with a recession. AWS YoY net sales growth was 35% and advertisement revenue increased by 18% last quarter.[7] Amazon also plans to further its investment in Prime because revenues continue to increase. Benefits include meal delivery services, access to NFL games on Thursday, and the ability to watch popular TV series.[8] The AWS, advertisement, and subscription segments will keep Amazon stable during the short-term in preparation for large gains after interest rates are reduced.

New Transactions
There were no transactions made involving AMZN during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	**$ 39,399.12**	**$ 50,015.10**	**1.07%**	**$ -**
Period 2	**$ 51,121.35**	**$ 48,899.25**	**-2.23%**	**$ -**
Period 3	**$ 49,068.00**	**$ 33,900.00**	**-30.91%**	**$ -**
FY	**$ 39,399.12**	**$ 33,900.00**	**-39.54%**	**$ -**

Nike, Inc. (NKE)

Holding Description

Nike, Inc is one of the world's leading designers and sellers of athletic shoes, apparel, and equipment for men, women, and children. Through The Jordan Brand and investments into professional athletes, Nike fulfills their goal of inspiring customers to follow their goals and aspirations. Nike also owns the subsidiary brand, Converse, that targets the casual shoe, apparel, and accessories market. The company is highly affected by international affairs as 60% of sales are done outside of the United States. Nike's products can be sold at four different places: Nike Direct retail stores, Nike Digital Brand e-commerce site, retail accounts, or independent distributors.[1] One unique insight of Nike's business model is that all products are outsourced from 3rd-party manufacturing companies in order to minimize expenses.[2]

Impact from Period 3

The combination of high transportation and fulfillment costs, COVID-19 shutdowns in China, and complex supply chain issues created headwinds for Nike during Period 3. The improvement in revenues in North America, Europe, Middle East, & Africa (EMEA), and Asia Pacific & Latin America (APLA) were minimized by the reported 9% loss in China in the 2022 fiscal annual report.[3] Even though Nike beat the 2022 Quarter 4 and 2023 Quarter 1 expected earnings, the stock price continued its downwards trajectory. The improvement in manufacturing shipping-times to Nike, buildup of late deliveries, and influx of holiday orders have increased inventory levels by 44% YoY. In order to liquidate excess inventory, Nike implemented markdowns and wholesale deals reducing profitability further.[4] Along with this, net income was down 22% from the previous year causing the price to drop double digits on Sept. 30.[5]

Future Outlook

Nike believes that its Consumer Direct Acceleration strategy, a focus on improving the customer experience in-stores and digitally, will consistently improve revenues moving forward. Last quarters Nike Direct and Nike Digital Brand revenues increased by 8% and 16%, respectively. Along with that, President John Donahoe stated that the massive selloff of inventory has created a foundation for more efficient operations and growth for the rest of the fiscal year.[6] However, Nike's success revolves around the actions of the Federal Reserve and regulations in China. There have been reports of a new omicron sub-variant, BF.7, in Northern China, and inflation is holding strong despite interest rate hikes.[7] These could continue to damage the company, so it will be important to monitor how these news stories unfold.

New Transactions

There were no transactions made involving NKE during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 9,705.96	$ 11,000.22	15.00%	$ 38.28
Period 2	$ 10,868.22	$ 8,880.96	-19.27%	$ -
Period 3	$ 8,812.32	$ 5,485.92	-37.29%	$ 40.26
FY	$ 9,705.96	$ 5,485.92	-41.95%	$ 78.54

Consumer Staples

Managed by Ashleigh Skipper

Sector Overview

Consumer Staples encompasses multiple industry groups and countless companies that produce the essential products and services in a consumer's daily life. Alternatively referred to as the consumer defensive sector, it includes food, beverages, tobacco, alcohol, and household items. Consumer Staples can be broken down into 3 main industry groups. These are "Food & Staples Retailing", "Food, Beverage, Tobacco", and "Household & Personal Products". These industry groups are broken down into a total of 6 individual industries: Food & Staples, Food Products, Beverage, Tobacco, Household Products, and Personal Products.[1] This sector is known for relatively steady growth, dividends to stockholders, and low volatility within the market.

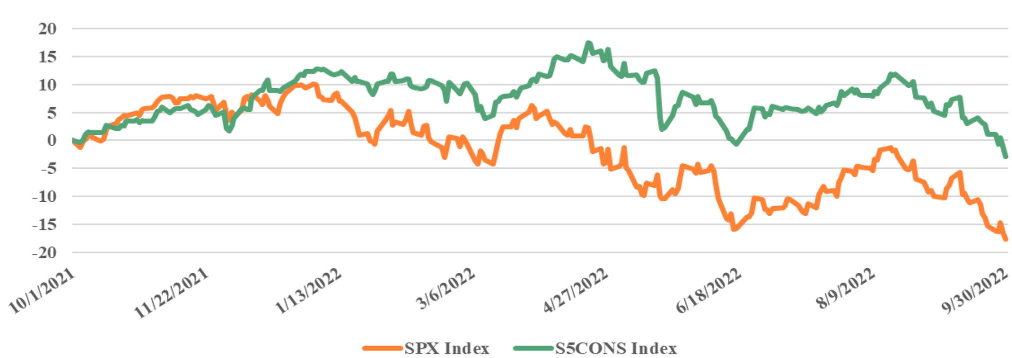
This sector has a market cap of $4.00 trillion and a market weight of 6.74%.[2] Consumer staples are largely considered to be non-cyclical, which means that the current state of the economy has very little impact on the demand for and performance of the sector. In fact, this is what leads to its alternative name as consumer defensive, as it typically recaptures most of its returns when the overall market is down and defends its positioning as a steady option.[3]

During Period 3, the Carroll Fund maintained three holdings in the sector: Walmart Inc. (WMT), PepsiCo (PEP), and Tyson Foods (TSN).

Impacts From Period 3

Considering the current inflationary period occurring as a result of lingering effects of the pandemic, stimulus checks, and high amounts of money in circulation, Consumer Staples have largely upheld their reputation of weathering the storm better than many other sectors. However, not all trends within the sector have remained the same as before. As inflation heavily impacts the prices of packaged goods, many consumers are being more selective with where and how they shop, leaning towards private labels or less spending overall.[4] In turn, costs are rising for consumer staples companies, who are left with no choice but to raise prices to maintain profit margins, despite strict price competition amongst competitors. In addition, the current strong dollar in comparison to other global economies has led to a general lessening in revenues for abroad branches of many Consumer Staples companies, though it benefits their imports.

Performance



PepsiCo, Inc. (PEP)

Holding Description

Through its immense operations, PepsiCo serves customers & consumers across 200 countries. The company is a leading food and beverage company with many brands that the average consumer would use or recognize on a daily basis, including Pepsi-Cola, Gatorade, Lays, and Quaker Oats. Today, the company is split into 4 divisions: PepsiCo International, PepsiCo Beverages North America (PBNA), Frito-Lay North America (FLNA), and Quaker Foods North America (QFNA). PepsiCo International is subsequently split up into 4 regions, totaling around 40% of the company's operations. PBNA accounts for around 30%, while FLNA and QFNA account for around 25% and 5% respectively. The United States (stemming from PepsiCo Beverages, Frito-Lay, and Quaker North America) accounts for approximately 56% of PepsiCo's sales. Tying into another holding of the Carroll Fund, Walmart Inc. represents around 15% of the company's sales.[1]

Impacts from Period 3

Still feeling impacts from both supply chain issues across their production & distribution lines and the increasing costs of their packaged goods, PepsiCo faced lowered profit margins throughout their operations. Again, decreased consumer spending habits impacted their bottom line, though not as severely due to their role as a consumer staple. As they operate internationally, tensions due to the Russia-Ukraine war and other geopolitical climates may impact their distribution lines and sales outlets. Potentially as a result of the strong dollar and currency imbalance, PepsiCo had negative revenue growth in their European markets.[2]

Future Outlook

Continuing economic pressures will force PepsiCo to reevaluate their expenses and adjust prices as minimally as possible to avoid alienating established customer bases who are also feeling the pressure on their wallets. However, the company is at the forefront of their industry and should bounce back quickly once the economy recovers. PepsiCo also has numerous deals and partnerships in the work to allow them to continuously expand their product offerings and reach.

New Transactions

There were no transactions made involving PEP during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 23,246.30	$ 22,061.17	13.91%	$ -
Period 2	$ 21,968.46	$ 21,257.26	-2.41%	$ 273.06
Period 3	$ 21,559.52	$ 20,734.02	-2.47%	$ 292.10
FY	$ 23,246.30	$ 20,734.02	10.62%	$ 565.16

Tyson Foods, Inc. (TSN)

Holding Description

As a leading food company and one of the largest United States chicken producers, Tyson Foods includes many household brands including Hillshire Farm, State Fair, Ballpark, Jimmy Dean, and of course Tyson. The company serves customers across the United States and internationally, actively exporting to around 140 other countries (namely Australia, Canada, the United Kingdom, and Mexico), though these markets only generate around $7 billion annually.[1] Split into four segments, Tyson Foods deals with chicken, beef, pork, and prepared foods. Chicken accounts for 30% of the company's revenue, with processing capacity of around 47 million chickens a week. The beef segment accounts for 35% of Tyson's revenue, in which they import up to 155,000 head of cattle from the open market. Pork products make up the 3rd segment, which measures at only 15% of total revenue and around 469,000 pigs processed per week. Lastly, prepared foods account for the remaining 20% of revenue and rely on operations related to manufacturing and marketing the refrigerated/frozen food products and the logistics required to get the products to the retail space.

Impacts from Period 3

Tyson Foods had significant challenges, many of which stemmed from the inflation running rampant amongst the world and the rising costs of their imports for production of their goods. Facing a ban from exporting their pork products to China during Period 3, the company lost a significant amount of revenue and a slow-down in a far from ideal time. The exact reasoning for this ban was not disclosed to the public, though Tyson announced full cooperation with health officials and their policies.[2] While not too far off from the losses being faced by their competitors, increases in prices and negative publicity definitely lowered sales throughout the past few months.

Future Outlook

They announced a shift in the position of their CFO, promoting John R Tyson, of the Tyson family, to the role effective on October 2nd. This is intended to bring fresh thinking to the company and increase opportunities moving forward, which will hopefully line up well with a macroeconomic shift back to increased spending habits.[3] However, Tyson is not a highly differentiated leader in their industry segment, so they must quickly resume operations and strive to make up for money lost without losing out in a price competition battle.

New Transactions

The Carroll Fund bought 113 shares of TSN at $90.09 on May 5th, 2022.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 3	$ 10,180.29	$ 7,450.09	-26.07%	$ 51.98

Walmart, Inc. (WMT)

Holding Description
With over 10,500 stores and clubs located across the world, occupying 24 different countries through the reach of Walmart US, Walmart International, and Sam's Club, Walmart was founded in 1962 as Wal-Mart Discount City by Sam Walton and his brother.[1] Walmart US is the largest segment, consisting of around 4,000 stores and capturing about 70% of the company's sales. This group contains Walmart Supercenters, Walmart Discount Stores, Walmart Neighborhood Markets, and Walmart.com (plus mobile applications). Walmart International captures around 20% of sales through about 5,100 locations and holds equity investments in many markets. Sam's Club accounts for the remaining sales and consists of the ~600 locations in the United States alongside their online presence.[2]

Impacts from Period 3
Walmart Inc. did not escape the pressures of the macroenvironment totally, feeling the pressure of inflation and decreases in consumer spending. Sam's Club increased their membership price for the first time in 9 years by nearly 11%.[3] In an effort to safeguard their position at the top of the market, they have continued to evaluate their prices, while increasing their offerings both in terms of products and in services. Post-pandemic, curbside pick-up and online ordering increased in popularity and have proven to be solid revenue streams for the company, with an 18% growth on a two-year stack for their e-commerce channels in Quarter 2.[4]

Future Outlook
It can be expected for the current inflation rate of 8% YoY to have continued impacts on Walmart's bottom line, though not as severely as what might be felt by companies in other industries. Consumers will be more stringent with their spending and may carefully evaluate prices for similar goods amongst Walmart and its competitors, with previous loyalties being less important. However, it is fully expected for Walmart to recover from any losses faced moving out of this potential recessionary period.

New Transactions
There were no transactions made involving WMT during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 10,826.95	$ 11,430.51	3.81%	$ -
Period 2	$ 11,427.35	$ 11,764.68	3.30%	$ 43.45
Period 3	$ 11,929.79	$ 10,246.30	-13.00%	$ 132.72
FY	$ 10,826.95	$ 10,246.30	-5.35%	$ 176.17

Energy

Managed by Tristan Damron

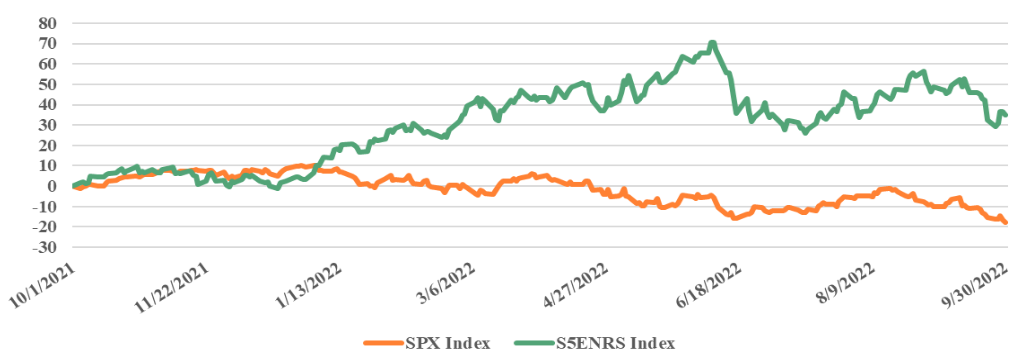
Sector Overview

The Energy sector is composed of companies that primarily explore for and produce energy. The sector has a market capitalization of $3.67 trillion and a market weight of 5.15%. [1] These companies focus on exploration, extraction, refining, production, marketing, and transportation, as well as companies that provide services for these operations. Furthermore, companies within the sector can be broken up into categories: upstream, midstream, and downstream. Upstream companies are involved in the exploration of oil and gas, while downstream companies mainly focus on the refining and production of oil and gas. Finally, midstream companies are responsible for transporting and storing energy products. Energy is arguably one of the most important sectors, as the economy and businesses would not be able to function without it. Over the last decade, renewable energy trends have risen as the world becomes more conscious of the environment and the damage caused by fossil fuels. [2]

Impacts from Period 3

In Period 3, the Energy sector outperformed the S&P 500 Index. Due to the ongoing war in Ukraine and overall high demand, gas prices spiked over the summer to the $4-$5 range on average.[3] Oil prices also climbed over the summer, with WTI Crude hitting a high of $122.17 per barrel and Brent Crude climbing up to $123.58 per barrel.[4] With the sanctions imposed on Russia by Europe and the United States, the global supply of oil has been further weakened. With rising gas prices and high demand, the Biden Administration decided to release one million barrels of oil per day for six months from the Strategic Petroleum Reserve, totaling 180 million barrels. The release will continue until the end of October 2022. Furthermore, after the Federal Reserve's decision to hike interest rates by 75 basis points in September, the price of WTI Crude dropped to $76.71 and Brent Crude dropped to $82.86.[5] This drop is attributed to the strong dollar, lower demand for oil, and recession fears. With the lack of oil production, the Strategic Petroleum Reserve release almost completed, and the ongoing war in Ukraine, the Energy sector could be poised for continued outperformance.

Performance



ConocoPhillips (COP)

Holding Description
ConocoPhillips is an independent energy company based in Houston, TX. The company focuses on the exploration, production, and transportation of crude oil, bitumen, and several natural gas variations on a global scale. It focuses on safely finding energy and transporting it to the world. ConocoPhillips operates through six main business segments: Alaska, The Lower 48, Europe, Middle East and North Africa, Asia Pacific, and Canada. In 2020, the company developed a plan to become net-zero emissions by the year 2050. ConocoPhillips mission statement is: "We exist to power civilization."[1]

Impacts from Period 3
ConocoPhillips performed well over Period 3, outperforming the S&P 500 Energy Index. The share price hit a high of $122.71 over the summer, eventually finishing slightly lower but still positive at $102.34. One reason the company performed so well was because of rising oil prices caused by the war in Ukraine and increased demand for oil. Oil is a global commodity, and therefore is influenced by global supply and demand.[2] ConocoPhillips also reported Quarter 2 earnings on August 4th, with an earnings per share of $3.91, beating expectations.[3]

Future Outlook
The future is bright for ConocoPhillips. The company should keep performing well if oil prices stay high and they continue to beat earnings estimates. On November 4th, the company will release Quarter 3 earnings reports. Analysts are predicting solid earnings and have an estimated earnings per share of $4.42.[4] Also, with news of another release from the Strategic Petroleum Reserve, experts are expecting gasoline prices to begin rising again, as well as the price of crude oil.

New Transactions
There were no transactions made involving COP during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 9,533.60	$ 9,816.48	7.19%	$ 62.56
Period 2	$ 10,032.72	$ 6,800.00	40.43%	$ 89.76
Period 3	$ 6,839.44	$ 6,959.12	3.96%	$ 150.96
FY	$ 9,533.60	$ 6,959.12	53.61%	$ 303.28

Phillips 66 (PSX)

Holding Description
Phillips 66 is an energy manufacturing and logistics company based out of Houston, Texas, that specializes in the refining of oil, marketing, transportation, manufacturing of chemicals, and electric power generation.[1] The company operates under several brands in the United States including Phillips 66, Conoco, and 76. Phillips 66 has just over 7,600 independently owned "outlets" under one of the previously mentioned brands in the 48 states across the country. The mission statement of the company is: "Providing energy. Improving lives."[2]

Impacts from Period 3
Phillips 66 performed well over Period 3, outperforming the S&P 500 Energy Index. The share price peaked over the summer to $110.25 as the price of crude oil increased. Due to these increased oil prices, investors became more bullish on the stock. At the end of Period 3, the share price fell back down to $80.72, most likely due to the decline in oil prices and demand concerns. On July 29th, the company reported Quarter 2 earnings. Phillips 66 reported an earnings per share of $6.77, beating estimates by $0.85.[3] On July 1st, company CEO Greg Garland stepped down from the role, and the company brought in Mark Lashier to be the new CEO and President.[4] Greg Garland remains on the Executive Board.

Future Outlook
Although Phillips 66 had a negative return over Period 3, the company still performed very well. Phillips 66 should continue to have high profit margins with gas prices back on the rise. Phillips 66 has the capacity to produce two million barrels of oil per day from refining operations and could see substantial positive growth in the short-term. Furthermore, Phillips 66 is set to release Quarter 3 earnings on November 1st, 2022. Analysts are expecting the company to beat earnings expectations once again.[5]

New Transactions
The Carroll Fund bought 116 shares of PSX at $81.88 on April 27th, 2022.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 3	$ 9,498.08	$ 9,363.52	0.90%	$ 225.04

Financials

Managed by Anthony Torres

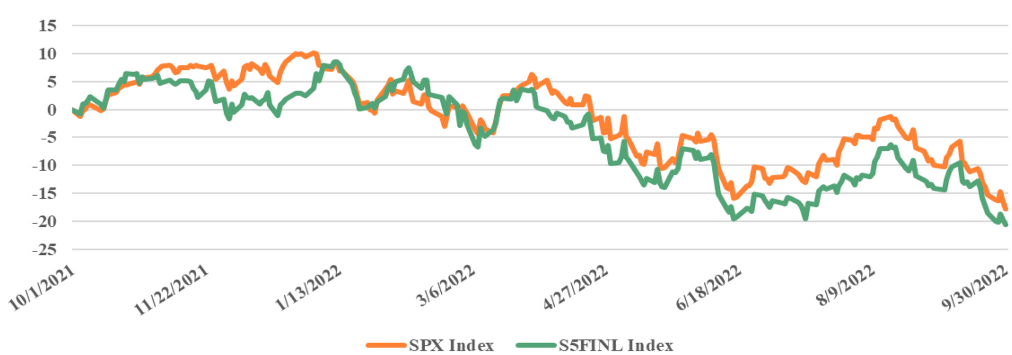
Sector Overview

The Financials sector contains firms that provide financial services to commercial and retail consumers. Firms and institutions in this sector are primarily involved in industries such as Banking, Mortgage Finance, Investment Banking, Insurance, Capital Markets, Asset Management, Real Estate Investing, and Credit Lending.[1] This section of the economy captures an estimated 11.5% of the S&P 500 Index allowing it to cover a significant portion of overall market activity.[2] A large component of revenue in this sector stems from interest generated on loans and mortgages, and these levels of revenue fluctuate as macroeconomic changes directly affect Financials. As a result, this sector is usually categorized as cyclical.[1] Higher rates yield higher net interest margins, whereas lower rates elevate consumer sentiment and investments. Strong financial activity is a sign of a healthy economy as these companies' advance loans for business growth, grant mortgages to new homeowners, and issue insurance policies to protect individuals, businesses, and assets.

Impacts from Period 3

Currently, the United States just recently experienced its 3rd consecutive rate hike to combat high inflation.[3] These drastic increases make the cost of borrowing money exceedingly difficult for consumers resulting in an underperforming Financials sector. Over the course of Period 3, the Financials sector was down 20.89%, only slightly better than the decline of the S&P 500 Index which fell 22.09% in the same period.[4] Mortgage rates in this quarter reached a height of 6.7% influencing homebuyers to refrain from loans and borrowing additional credit.[5] Market uncertainty has also negatively affected IPOs forcing the IPO market to have its slowest year two in decades.[6] Deal activity is not expected to increase throughout the remainder of 2022 as more companies have decided to wait until next year to go public. Most Fed officials anticipate rates to get as high as 4% and 4.5% by year-end and some experts believe these rate hikes will continue into 2023. These projections lead investors to believe the Financials sector will continue to struggle as the economy faces greater risk of tipping into a recession.

Performance



J.P. Morgan Chase & Co. (JPM)

Holding Description

JPMorgan Chase & Co. offers clients global financial services and retail banking. Their services include investment banking, asset management, treasury and security services, commercial banking, private banking, home finance, and card member services. The company is the largest bank in the United States and around the globe in terms of market capitalization.[1] They are also the largest bank holding company in the United States boasting $3.7 trillion in assets.[2] With company history spanning over 200 years, JPM continues to remain a global leader in financial services by capturing the majority of market share by value of total assets.[3]

Impacts from Period 3

This year the IPO pipeline froze due to soaring inflation, rate hikes, fear of an impending recession and a volatile stock market.[4] This negatively affected JPM's second largest revenue segment, Corporate & Investment Bank, where Banking revenue was down 37% in Quarter 2.[5] In the same period, Investment Banking dropped 61%, primarily driven by lower Investment Banking fees which fell 54% across all products.[6] On August 11th, J.P. Morgan completed its acquisition of Global Shares, an industry leading cloud-based provider of share plan management software.[7] Throughout the span of Period 3, JPM underperformed at -21.86% when compared to its competitors.

Future Outlook

JPM has already proven its resilience as a company during the COVID-19 pandemic; despite revenue decreases affecting all businesses, JPM shares lost much less in comparison to other financial stocks.[1] This is attributable to their strong balance sheet reflecting their ability to cover liabilities and maximize financial performance despite recent episodes of economic uncertainty. Additionally, with the new acquisition of Global Shares, JPM becomes an industry leading provider of employee equity plans allowing the company to further diversify revenue streams. Chairman and CEO, Jamie Dimon expressed his confidence in the company's ability to continue to serve clients across all segments amidst geopolitical tension and uncertainty about how high rates will likely increase.[5]

New Transactions

There were no transactions made involving JPM during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 14,874.57	$ 14,093.15	-2.65%	$ 89.00
Period 2	$ 14,391.30	$ 12,132.48	-13.28%	$ 89.00
Period 3	$ 12,042.59	$ 9,300.50	-21.29%	$ 178.00
FY	$ 14,874.57	$ 9,300.50	-33.72%	$ 356.00

PayPal Holdings, Inc. (PYPL)

Holding Description

PayPal operates as a holdings company which offers online payment solutions on a global scale. Through its subsidiaries, PayPal provides a technology platform that facilitates digital and mobile payments between consumers and merchants. The company is a leading technology platform and digital payments company which allows users to transfer funds electronically directly from a customer's bank account, credit card, or PayPal account. PayPal depends on transaction fees, which account for more than 90% of the company's revenue, while value-added services generate roughly the remaining 10%.[1] PayPal's strategy to drive growth in business includes growing core business; extending its value proposition for merchants and consumers; forming strategic partnerships; and seeking new areas of growth within the payment processing industry.[1]

Impacts from Period 3

PayPal underperformed in 2022 caused by weak earnings guidance, slowing top-line growth, job cuts, and falling margins.[2] PayPal's ability to grow revenue is primarily affected by consumer spending patterns and merchant & consumer adoption of digital payment methods.[1] Over the course of Period 3, PYPL felt the effects of consecutive rate hikes and recessionary fear perceived by consumers as the company experienced a slowdown in transaction volume. Coming off record amounts in payment volume and new accounts created on the platform during COVID-19 restrictions, mixed results and overestimated earnings caused shares to fall more than 17% after Quarter 1 and stock was down 54% for the year up to June 6th.[3] In late September, shares were fell once more after analysts downgraded the stock on concerns of rising costs and lower profits.

Future Outlook

PayPal, notably viewed as an early pioneer for fintech, is a reputable company that has successfully adapted to threat of new entrants, evolution within the industry, and industry disruptors. With the completion of various acquisitions over the past few years such as Venmo, a mobile peer-to-peer payment platform, PayPal has acquired other fast growing payment processing companies, launched new business segments to take advantage of blockchain technology, and further expanded their reach into new demographics of consumer groups. Although PayPal boasts an impressive market share of 41.87%, some investors appear to be reluctant even after its dramatic decline in price throughout the course of 2022 due to interest rate hikes and expected headwinds to future earnings.[4]

New Transactions

There were no transactions made involving PYPL during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 16,173.80	$ 15,086.40	-4.15%	$ -
Period 2	$ 15,595.20	$ 9,252.00	-38.67%	$ -
Period 3	$ 9,333.60	$ 6,885.60	-26.23%	$ -
FY	$ 16,173.80	$ 6,885.60	-57.43%	$ -

S&P Global, Inc. (SPGI)

Holding Description
S&P Global Inc. operates worldwide providing its clients with financial information services. SPGI offers distinct and reliable information such as: ratings, benchmarks, and analytics in the global capital and commodity markets.[1] The company is a leader in financial information services with a purpose of providing intelligence that is both valuable and essential to individuals, companies, and governments allowing them to make informed financial decisions. SPGI derives its revenues from a mix of subscription fees, as well as various corporate, insurance, and government clients around the globe.[2] The company's reports 4 revenue segments: S&P Global Ratings (48.5%), S&P Global Market Intelligence (26.6%), S&P Global Platts (11.3%), and S&P Dow Jones Indices (13.6%).[1] The dividend aristocrat is one of fewer than 25 companies in the S&P 500 Index that has increased its dividend for at least 46 consecutive years.[3]

Impacts from Period 3
After the Quarter 2 earnings release on August 2nd, SPGI demonstrated resilience despite economic uncertainty reporting a 42% increase in revenue vs. prior year, primarily due to the inclusion of the IHS Market addition.[4] However, these numbers were partially offset by declines in Ratings revenue during the same period.[4] On August 29th, SPGI announced its completion of the full acquisition of Private Market Connect (PMC), a leading data solutions provider in private markets. The acquisition will integrate into the Market Intelligence division and further expand the breadth and depth of its data solutions and offer high-quality data in a timely manner.[5]

Future Outlook
With the recent merger of IHS Markit (INFO) earlier in 2022 and the new acquisition of Private Market Connect, S&P Global, Inc. enhanced value added to its consumers with new products to provide broader and deeper portfolios of innovative solutions at a larger scale. SPGI's in-house M&A activity enables the company to focus on accelerating growth and providing new solutions to distinguish themselves from competitors. However, shareholders should always consider the risk SPGI, and its competitors, face which mainly stem from changes in interest rates, volatility in markets, and uncertain economic/political conditions which have historically undermined and could in the future undermine business confidence affecting the company's revenues.[6] Investors need extremely reliable, accurate, and timely information to make critical business and investment decisions. Although volatile markets may dissuade investors, SPGI offers world-class financial information that will always be valuable to customers.

New Transactions
There were no transactions made involving SPGI during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	**$ 23,131.44**	**$ 25,484.22**	**11.25%**	**$ 41.58**
Period 2	**$ 24,899.40**	**$ 22,149.72**	**-12.92%**	**$ 41.58**
Period 3	**$ 22,025.52**	**$ 16,488.90**	**-24.72%**	**$ 91.80**
FY	**$ 23,131.44**	**$ 16,488.90**	**-27.37%**	**$ 174.96**

Visa, Inc. (V)

Holding Description

Visa is one of the global leaders in facilitating digital payments. They operate a retail electronic payments network and manage financial services worldwide. The company provides value by offering global commerce through the transfer of money and information to individual consumers, business enterprises, financial institutions, and government entities. VisaNet acts as its advanced transaction processing network enabling authorization, clearing and settlement of payment transactions, and offers solutions that expedite secure and reliable money movement for all participants.[1] Visa maintains the position as the world's largest financial stock by market capitalization, and leads its industry by processing trillions in payments each year.[2] The company holds the largest portion of market share by purchasing volume at over 50%, and provides support to customers in more than 200 countries and territories.[3]

Impacts from Period 3

Throughout Period 3, Visa, like all tech giants fell victim to the economic effects of drastic inflation, consecutive interest rate hikes, recessionary fears, and geopolitical tension. As a result, Visa shares suffered a decline over 11% before Quarter 2 finished its course.[4] However, during the same period, Visa rode the recovery of the travel & hospitality sector and experienced an increase of 38% cross-border payment volumes led by travel-related spending over the summer.[5] Despite high levels of inflation in September, the consumer-confidence index reflected attitudes towards the economy rose driven by a decrease in gas prices.[6]

Future Outlook

Visa Inc. is currently the world's largest payment processor facilitating over 635 million financial transactions daily.[1] As the financial landscape continues to evolve, Visa faces the risk of new fintech companies competing for market share as new disruptors enter the payment processing industry. Although more companies and individuals are translating to alternative forms of digital payment such as blockchain technology, Visa will continue to dominate its market for years to come due to their reputation and value delivered to their customers. Inflation and rate hikes remain as strong headwinds to growth for the industry as we head into next year. Nonetheless, experts expect Visa to continue to outperform consensus expectations as cross-border travel gains momentum.

New Transactions

There were no transactions made involving V during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 22,124.16	$ 20,804.16	-2.54%	$ 36.00
Period 2	$ 21,257.28	$ 21,289.92	2.51%	$ 36.00
Period 3	$ 21,730.56	$ 17,054.40	-21.19%	$ 72.00
FY	$ 22,124.16	$ 20,804.16	-2.54%	$ 36.00

Healthcare

Managed by Dylan Isaacs

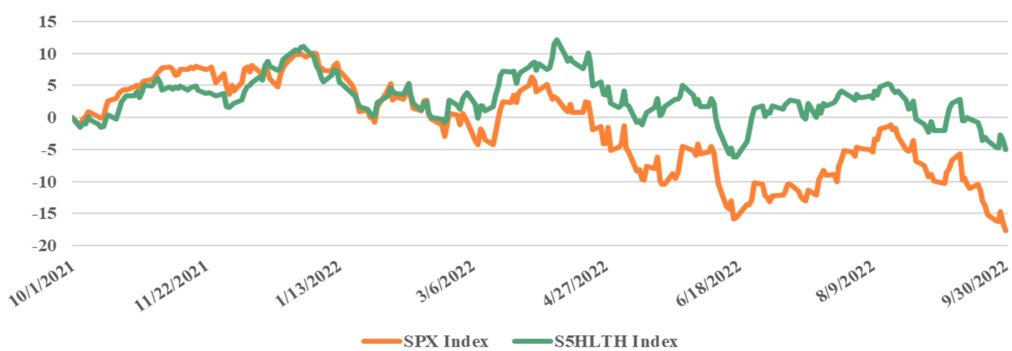
Sector Overview

The Healthcare sector has grown in market size from $8.3 trillion in 2020 to $8.8 trillion in 2021. Within the Healthcare sector, there are two main industry groups: Healthcare Equipment & Services and Biotechnology and Pharmaceuticals and Life Sciences Tools & Services. National healthcare expenditures contribute to more than 19% of the United States GDP and represent over 15% of the weight in the S&P 500 Index.[1] Much of the sector demand is seen as more price inelastic, as consumers prioritize the health of themselves and their families over other products and services. As a result, the Healthcare sector is more defensive and has outperformed the S&P 500 Index by 9.35% during a less than stellar Period 3 market performance. During Period 3, the Healthcare sector was down 11.50%. The Carroll Fund holds CVS Health Corporation (CVS), Merck and Co. (MRK), Organon and Co. (OGN), and ARK Genomic Revolution ETF (ARKG).

Impacts from Period 3

As most people around the globe enter the "endemic," expenditures on elective procedures, prescriptions, and products continue to rebound.[2] However, COVID-19 continues to impact the global economy, as countries like China lockdown cities in response to outbreaks of the virus. Outside of China, these lockdowns are much less prominent. Telehealth, originally normalized from the pandemic, has managed to remain a preference to many customers seeking healthcare in a more convenient manner. About 22% of Americans have utilized telehealth in 2022.[3] There continue to be labor shortages within the sector. Hospitals have experienced the brunt of labor shortages, as 1 in 6 United States hospitals report critical nursing shortages throughout the period.[4]

Performance



ARK Genomic Revolution ETF (ARKG)

Holding Description

ARK Genomic revolution ETF (ARKG) is an actively managed fund with an expense ratio of 0.75%. The fund aims to invest in securities that will benefit largely through advancements in genomics, such as genomic sequencing, analysis, synthesis, or instrumentation.[1]

Top 10 Holdings			
Exact Sciences Corp	**6.96%**	Beam Therapeutics	**4.14%**
Ionis Pharmaceuticals Inc	**6.63%**	CareDx Inc	**4.11%**
Intella Therapeutics Inc	**4.41%**	Teladoc Health Inc	**4.09%**
CRISPR Therapeutics AG	**4.28%**	Fate Therpeutics Inc	**3.83%**
Ginkgo Bioworks Holdings Inc	**4.22%**	Twist Bioscience Corp	**3.76%**

Impacts from Period 3

Though ARKG has produced a loss of 28.43% during Period 3, the ETF was able to capitalize on the CVS deal to purchase Signify health.[2] Signify stock surged to near 40% following the announcement of the deal, which ARKG used as an opportunity to reduce the fund's position by more than $7 million shares since late 2021.[3]

Future Outlook

Genomics will continue to grow its importance in the healthcare space as the science develops and applications become more wide-reaching. ARKG comprises the firms which are at the forefront of pushing the envelope within the field. As a high beta stock (1.45), ARKG is likely to underperform during the economic turmoil in current markets. The Carroll Fund believes ARKG will produce strong returns over the next 5-10 years and consider this a long-term hold.

New Transactions

There were no transactions made involving ARKG during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 11,453.58	$ 9,369.72	-17.53%	$ 58.51
Period 2	$ 9,678.78	$ 7,027.29	-25.00%	$ -
Period 3	$ 7,348.59	$ 5,029.11	-31.56%	$ -
FY	$ 11,453.58	$ 5,029.11	-55.50%	$ 58.51

CVS Health Corporation (CVS)

Holding Description
The Consumer Value Store (CVS) operates 9,900 retail locations, over 1,100 walk-in medical clinics, serves as a pharmacy-benefits manager with 110 million plan members, and specialty pharmacy solutions to more than one million patients each year.[1] Above all else, CVS aims to serve customers and patients through every stage of the healthcare process. A major corporate objective of CVS is to improve access to healthcare across the United States. Currently, more than 70% of Americans live within 3 miles of a CVS Pharmacy.[2] CVS revenue segments are Pharmaceuticals (38%), Retail (34%), and Healthcare Benefits (28%).

Impacts from Period 3
During the CVS U.S. Bank of America Healthcare Conference, leadership discusses how COVID-19 is affecting revenues. CVS is projecting to provide 18 million vaccines over the 2022 fiscal year which is down from 59 million in 2021.[3] Though COVID-19 revenues are a relatively small component, the firm will continue to capitalize on boosters, vaccines, and testing. CVS continues to grow its reach within the Healthcare sector through strategic M&A. During Period 3, CVS entered an all-cash deal to purchase Signify Health (SGFY) for $8 billion. Signify offers software and services to help payers, such as health plans, government programs, and employers, shift to value-based plans.[4] Notably, Signify Health offers in-home healthcare and is compatible with many Medicare Advantage members.

Future Outlook
Shrinking global economic growth will put pressure on CVS throughout the coming periods. As a result of inflation near 8% YoY, the Federal Reserve has increased interest rates at the fastest rate seen in 40 years. New projects will see longer payback periods as debt financing becomes more expensive. Consumers are becoming more selective in their expenditures; thus, retail segments are expected to face demand challenges. Prescriptions filled are expected to continue to grow near 5% YoY throughout 2022. Full-year 2022 EPS guidance ranges from $8.40 to $8.60: upgraded by 20 cents from Quarter 1 projections.[5] The Carroll Fund believes CVS to be a long-term hold.

New Transactions
There were no transactions made involving CVS during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	**$ 13,619.34**	**$ 16,711.92**	**22.15%**	**$ 81.00**
Period 2	**$ 16,873.92**	**$ 16,396.02**	**-1.36%**	**$ 89.10**
Period 3	**$ 16,376.58**	**$ 15,449.94**	**-4.57%**	**$ 178.20**
FY	**$ 13,619.34**	**$ 15,449.94**	**14.92%**	**$ 348.30**

Merck & Co. (MRK)

Holding Description
Merck & Co. (MRK) aligns its business around the goal of improving the health and wellness of people and animals worldwide by expanding access to its medicines and vaccines. As a global pharmaceutical company, revenues are evenly split between the United States and international markets. 87.8% of the firm's revenue is derived from pharmaceutical sales with key drivers being Keytruda and Gardasil. In turn, 11.4% of revenue stems from the animal health segment of the firm, where livestock products drive revenues as farmers push to meet global demand for ruminant and poultry products.[1] R&D stands as the largest expenditure to MRK as they invest over $12 billion annually in drug research and the FDA approval process.[2]

Impacts from Period 3
Throughout Period 3, MRK has been able to grow the revenue of its top-selling oncology drug Keytruda and HPV vaccine Gardasil. Sales grew by 26% and 36% respectively.[3] Keytruda is a revolutionary blockbuster cancer drug that MRK plans to capitalize on throughout the patent exclusivity that runs through 2028. Additionally, there are 12 drugs in phases two and three of the FDA approval process that are intended to be used in combination with Keytruda. Four indications for Keytruda have been approved during Quarter 2 of this year.[4] MRK expects GAAP full-year EPS to be between $5.89 and $5.99.

Future Outlook
The economic environment will mostly affect MRK's ability to finance R&D through debt, as interest rates continue to rise. The prescription industry operates with strong demand inelasticity, which has allowed MRK to return positive yields over the period. Looking forward, the Carroll Fund believes MRK to be a long-term hold, as the firm continues to generate and grow cash flows from blockbuster drugs under patients. These cash flows will help MRK fund future R&D in an environment where debt is expensive.

New Transactions
There were no transactions made involving MRK during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 15,303.20	$ 21,535.84	-0.11%	$ 122.20
Period 2	$ 21,600.47	$ 23,056.05	7.96%	$ 193.89
Period 3	$ 23,469.12	$ 24,199.72	4.77%	$ 387.78
FY	$ 15,303.20	$ 24,199.72	22.82%	$ 703.87

Organon & Co. (OGN)

Holding Description
Organon & Co. (OGN) spun off Merck Pharmaceuticals in 2021 with a focus on three main business segments: women's health, established brands, and biosimilars. OGN has more than 60 medicines and products across these areas.[1] Established brands contribute 64.5% of OGN's revenue with products involving cardiovascular and respiratory health. The women's health segment most notably sells Nexplanon, a contraceptive implant, which maintains patent exclusivity until 2027 in the United States. As an international company, OGN's revenue is derived 22% from the United States market and 78% from the international market. Successful R&D projects are critical to OGN's operations, and in 2021 R&D expenditures almost doubled to $364 million.[2]

Impacts from Period 3
OGN has experienced growth in women's health, established brands, and biosimilars throughout Period 3 excluding the impact of foreign currency. During Quarter 2, OGN increased revenue by 5% QoQ, but the firm reports a decrease in revenue of 1% after foreign exchange adjustments are included. Biosimilars have experienced strong growth of 40% throughout the current period. Global launch of immunology and oncology treatments Renflexis and Ontruzant contribute heavily to this growth.[4] Excluding exchange rate adjustments, Renflexis and Ontruzant have grown revenue by 39% and 61% respectively. OGN reached an all-time low of $23.40 to conclude the period.

Future Outlook
The tailwinds of global exchange rate depreciation against the dollar will continue to cloud OGN's growth in underlying business operations. As central banks from around the world raise interest rates simultaneously, and volatile markets eventually calm, the dollar will begin to depreciate. OGN is uniquely positioned with large exposure to international markets. The Carroll Fund believes that OGN is a long-term hold and will provide strong returns as the dollar begins to depreciate.

New Transactions
There were no transactions made involving OGN during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 12,332.10	$ 14,920.50	-5.41%	$ 103.60
Period 2	$ 15,268.40	$ 17,115.70	15.63%	$ 137.20
Period 3	$ 17,223.50	$ 11,466.00	-31.83%	$ 274.40
FY	$ 12,332.10	$ 11,466.00	-32.16%	$ 515.20

Industrials

Managed by Emily Barnes

Sector Overview

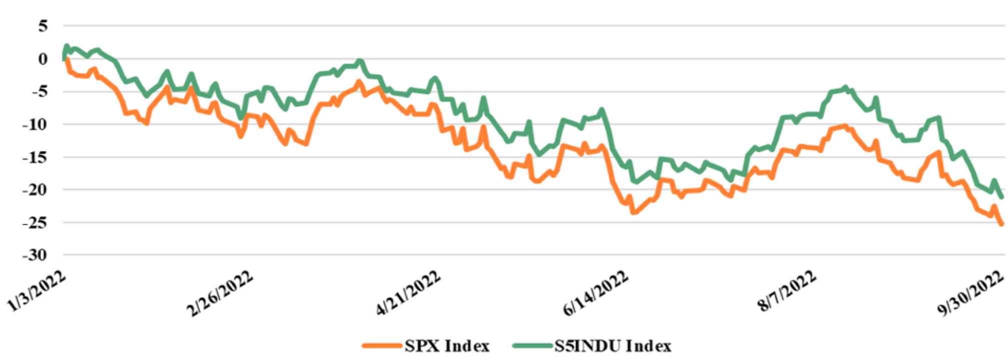
The Industrials sector covers 14 different industries divided into three main industry groups (listed in descending order of market weight): Capital Goods, Transportation, and Commercial & Professional Services. Capital Goods manufacture and distribute products for Aerospace & Defense, Construction & Engineering, Building Products, Electrical Equipment, Industrial Conglomerates, Machinery, and Trading Companies & Distributors. Transportation companies provide products and services for Airlines, Air Freight & Logistics, Marine, Road & Rail, and Transportation Infrastructure. Commercial & Professional Services companies include Commercial Services & Supplies and Professional Services.[1]

This sector has a market weight of 7.9% and an index beta of 0.84.[2] Industrial companies are cyclical in nature, performing well in the mid-cycle phase and underperforming during recessionary times. Due to the sector's cyclicality, common macroeconomic indicators to measure performance are those that reflect overall economic health: GDP, federal interest rates, government regulations and contracting, and consumer spending trends.

Impacts from Period 3

Significant headwinds for the Industrials sector during Period 3 include negative trending United States GDP and Federal Reserve interest rate hikes. GDP experienced two consecutive quarters of negative annualized GDP: -1.6% in Quarter 1 and -0.6% in Quarter 2.[3] The Federal Reserve hiked the federal funds rate five times during 2022, leaving the fiscal year at a rate of 3.25%.[4] Rising inflation and post-COVID-19 transitions have created a series of global supply-chain complications specifically for Transportation companies, and a shrinking economy based on GDP results have affected demand and volume for industrial companies. The Industrials sector experienced tailwinds regarding the United States Department of Defense budget of $722 billion in the fiscal year 2022.[5] This budget increase of 2.4% from the prior year is primarily due to involvement in the Russia-Ukraine conflict. With continuing efforts to support Ukraine, the Department of Defense pledged an additional $1.1 billion aid package in late September.[6]

Performance



Caterpillar, Inc. (CAT)

Holding Description
Caterpillar Inc. is the world's leading manufacturer of various equipment and engines for construction, mining, and forestry needs. CAT has four reportable operations: Energy & Transportation (40% of revenue), Construction Industries (35% of revenue), Resource Industries (20% of revenue), and Financial Products (5% of revenue).[1] These operations help distribute goods and services and facilitate customer relations among its reach in more than 190 countries. CAT's reputation is attributed to prioritizing long-term profitable growth for investors, achieved through targeting optimal investment opportunities and enhancing its employee work base. The company has a current market capitalization of $94.76 billion[2]

Impacts from Period 3
CAT's Quarter 2 results for 2022 showed a sales and revenue increase of 11%, and the corporation returned nearly $1.7 billion to shareholders through dividends and repurchased shares.[3] However, macroeconomic conditions put a strain on the company's overall return. CAT experienced a total return of -25.33% during Period 3, underperforming the S5INDU Index total return of -18.71%. Two consecutive negative GDP quarters coupled with federal funds rate hikes throughout the period directly affected companies in the Industrials sector, specifically construction activity. Key events for CAT this period include entering into a revolving credit facility of $3.15 billion - a relatively routine initiative from CAT to protect against future inflation and interest rate uncertainty - and its settlement with the IRS regarding back-taxes disputes, with CAT receiving no penalties.[4]

Future Outlook
While CAT underperformed its sector index this period, the Carroll Fund remains confident in the security moving into 2023. Since it's an industry leader with strong reputation and relatively steady earnings, this security provides our portfolio with appropriate exposure to the Construction & Engineering industry, even during concerning macroeconomic conditions. The Infrastructure Investment & Jobs Act will provide opportunities for CAT with a projected infrastructure growth rate of 10.9% in 2023.[5] CAT has also announced its involvement in a project to replace truck fleets at the Escondida Mine in Chile, and through recent company acquisitions, its strategic goal is to reduce greenhouse emissions with current oil and gas usage by utilizing EV technologies in future operations.

New Transactions
There were no transactions made involving CAT during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 12,242.79	$ 13,024.62	8.27%	$ 69.93
Period 2	$ 13,041.00	$ 14,037.66	8.31%	$ 69.93
Period 3	$ 13,845.51	$ 10,337.04	-24.29%	$ 145.53
FY	$ 12,242.79	$ 10,337.04	-12.17%	$ 285.39

FedEx Corporation (FDX)

Holding Description
FedEx Corporation is a multi-conglomerate holding company that specializes in shipping and transportation solutions. FDX has 3 main operational branches: FedEx Express, FedEx Ground, and FedEx Freight. FedEx Express accounts for ~ 50% of revenue reaching 220 countries with its specialized overnight shipping and 2-day deliveries. FedEx Ground accounts for ~35% of revenue providing business-to-business shipping solutions in North America. FedEx Freight accounts for ~ 10% of revenue, offering Less-Than-Truckload solutions in North America.[1] The company offers 4 service branches in addition to its operational branches. FedEx's strategy is to maximize long-term earnings performance and cash flows. FedEx measures its overall performance with customer service surveys, metrics on fulfillment cost per order, shipment damage, and on-time delivery. The holding has a current market capitalization of $39.79 billion.[2]

Impacts from Period 3
In mid-September, FDX released its preliminary Quarter 1 earnings for FY2023, resulting in a near 30% stock price drop and causing leadership to withdraw their 2023 earnings outlook forecasted in June of 2022. Reported revenue of $23.3 billion missed expectations of $23.6 billion and reported EPS of $3.44 missed expectations of $5.14.[3] These less than favorable implications put newly implemented CEO Raj Subramaniam and his leadership team on the hot seat. FDX attributes its misses primarily to its FedEx Express branch's inability to align capacity and demand. Macroeconomic tensions in Asia due to COVID-19 restrictions and weakened demand, servicing issues in Europe post-integration with acquired TNT Express, and general ocean and air freight pressures are FDX's reasons for their Quarter 1 results. The Carroll Fund experienced a -35.01% total return for FDX during Period 3, underperforming both the S&P 500 Index and the S5INDU Index.

Future Outlook
FedEx Corp. has been around for nearly 50 years and has proven itself as an industry leader among its competitors; therefore, we believe the stock price will bounce back eventually. But with regards to the significant earnings misses this quarter and leadership's wavering expectations for global demand in 2023, the Carroll Fund is pessimistic about FDX's performance in the short term. FDX has discussed its cost-reduction plan to combat unexpected misses during the quarter, but it will take time for the company to recoup its massive market loss. The Carroll Fund will be watching FDX leadership decisions, Federal Reserve interest rates, and global demand trends to see if FDX is worth holding or pivoting away from the Transportation industry moving into 2023, due to lingering recessionary sentiment.

New Transactions
There were no transactions made involving FDX during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 11,126.50	$ 12,932.00	18.29%	$ 37.50
Period 2	$ 12,927.50	$ 11,568.50	-10.54%	$ -
Period 3	$ 11,062.50	$ 7,423.50	-32.04%	$ 95.00
FY	$ 11,126.50	$ 7,423.50	-31.09%	$ 132.50

Jacobs Solutions, Inc. (J)

Holding Description
Jacobs Solutions Inc. is a technical professional services company that provides engineering, technical, professional, and construction services. Jacobs serves a range of markets with an international reach: Advanced Manufacturing, Cities & Places, National Security, Infrastructure, Health & Life Sciences, Space, and Energy & Environment. The firm operates through 2 main business segments: Critical Missions Solutions and People & Places Solutions. Jacobs drives profit from finding opportunities in high-margin industries.[1] It attributes its success to three accelerators: climate response, data solutions, and consulting and advising. The company uses these drivers to differentiate from competitors and to provide a well-rounded and inclusive service for clients. The holding has a current market capitalization of $13.98 billion.[2]

Impacts from Period 3
Jacobs had a total return of -20.94% during Period 3, underperforming the S5INDU Index return of -18.71%. Similar to other Industrials sector stocks, the negative return is primarily a result of macroeconomic headwinds such as federal fund interest rate hikes and global supply-chain squeezes. Jacobs has been a key player in multiple high-stakes projects throughout Period 3, including helping create the hardware and software for NASA's Artemis spacecraft, completing the design for water systems in New Mexico, and driving Electric Vehicle infrastructure initiatives in Nevada. Jacobs's revenues have continually increased over the past 3 fiscal years, providing strong operating profit and declaring a quarterly dividend payout at the end of October.[3]

Future Outlook
The Carroll Fund is optimistic about Jacobs' performance moving into 2023, even with recessionary fears looming. In addition to its current projects, Jacobs has pledged its services to a slew of international projects regarding green hydrogen research and grid design. In January 2023, the current CEO Steve Demetriou will pass his title on to long-term employee Bob Pragada.[4] Our fund will assess the succession closely and see how the company is impacted by the leadership change. We believe Jacobs's diversified portfolio of business interests will protect the company from some risk exposure during upcoming phases of the business cycle and has the potential to outperform other Industrials stocks.

New Transactions
There were no transactions made involving J during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 13,062.02	$ 13,505.31	5.21%	$ 20.37
Period 2	$ 13,539.26	$ 13,367.57	-0.85%	$ 22.31
Period 3	$ 13,539.26	$ 10,523.53	-21.94%	$ 44.62
FY	$ 13,062.02	$ 10,523.53	-17.46%	$ 87.30

Lockheed Martin Corporation (LMT)

Holding Description
Lockheed Martin Corporation is a global security and aerospace company that researches, designs, develops, and manufactures the integration and sustainment of advanced technological systems, products, and services. Lockheed Martin has four main business areas: Aeronautics (40% of revenue), Missiles & Fire Control (15% of revenue), Rotary & Missions Systems (25% of revenue), and Space (20% of revenue).[1] LMT's product sales are the company's biggest profit driver, constitution 85% of total sales. LMT belongs to the Aerospace & Defense industry, with 70% of sales directed toward the United States government and the remaining 30% to foreign military and other local commercial businesses. The holding has a current market capitalization of $105.38 billion.[2]

Impacts from Period 3
LMT had the best performance of all Carroll Fund Industrials sector holdings during Period 3, with a total return of -11.22% beating the S5INDU Index return of -18.71%. While the holding wasn't immune to macroeconomic headwinds affecting all Industrials stocks this year, LMT got a performance boost from the United States' involvement in the Russia-Ukraine war and several innovation projects. LMT won a $121.6 million United States Army contract during this period and led the development of NASA's Orion spacecraft.[3] The biggest news upset for the company was the Pentagon's suspension of F-35 fighter jet deliveries due to Chinese alloys found in jet batteries, a violation of defense production regulations.

Future Outlook
The Carroll Fund remains confident with LMT's performance moving into 2023. LMT is an industry leader with strong ties to both United States and international military operations, providing our portfolio with great exposure to an innovative market with an opportune horizon. LMT has also announced its investment of $100 million in F-35 combat drones and contracts for Pentagon high-power laser technology and kilowatt lasers for the Department of Defense.[4] Our fund will closely monitor changes in the Russia-Ukraine war, the United States' potential involvement if China invades Taiwan, and new government contracts and spending as mid-term elections roll in, along with common macroeconomics indicative of Industrial stock performance.

New Transactions
There were no transactions made involving LMT during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 12,688.60	$ 13,150.17	3.80%	$ 103.60
Period 2	$ 13,111.32	$ 16,331.80	24.98%	$ 103.60
Period 3	$ 16,501.26	$ 14,292.73	-12.13%	$ 207.20
FY	$ 12,688.60	$ 14,292.73	15.18%	$ 414.40

Information Technology

Managed by Eldon Lu

Sector Overview

With the rapid growth of innovation and integration of new technology, the Information Technology, or IT, sector accounts for the largest sector of the S&P 500 Index. The IT sector consists of firms in various levels of business, including R&D, design, production, manufacturing, and sale of electronic goods and services.[1] The IT sector can be broken down into two main categories of software and hardware, wherein each has further subcategories ranging from communication equipment, components, IT support, computing services, and storage. The IT sector accounts for some $11.85 trillion in market cap, roughly 26.4% of the S&P 500 Index as of period end.[2]

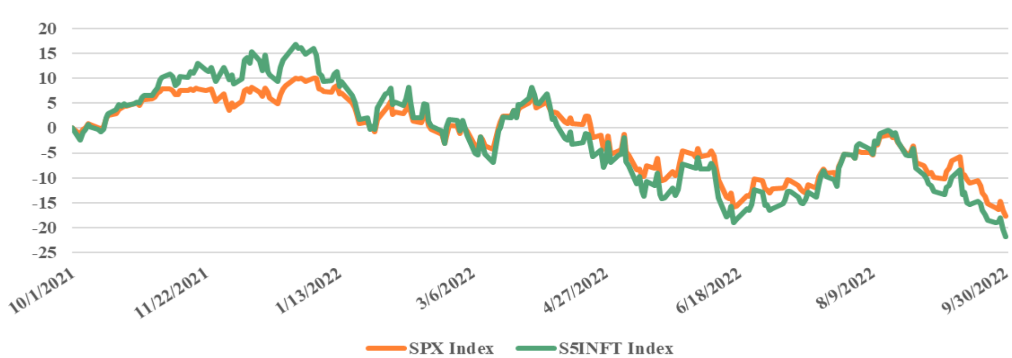
Impacts from Period 3

With the global economy still reeling from COVID-19, the consequences of stimulus checks and the rapid growth of the money supply have caused a dramatic inflationary period. Disruptions in the supply chain and strict oversea COVID-19 policy have caused even further strain on prices.[3] The sudden increase in prices has shifted consumer demand towards more staple items. To combat this, the Federal Reserve has taken an aggressive approach to increasing interest rates, which further increases risk in the sector as many have high capital requirements to fund projects. With increased borrowing rates, many firms will have to slow down activities to meet short-term obligations.

Global tensions in Taiwan, an epicenter for global semiconductor manufacturing, is still under threat of an invasion from China, but plans are in place for domestic plants to alleviate the pressures.[4] The likelihood has only been aided by Russia's invasion of Ukraine, which weighs even further on the uncertainty of the future global economy.

Once a high-performing sector, several headwinds have led to the sector becoming even more unattractive for the time being. Future reinvestment in the sector during economic expansion will be key to repositioning the portfolio to outperform the market. To remain underweight in the sector for a more defensive position would aid in furthering any more losses with the larger firms seeing some -20% return and the S&P 500 IT Index (S5INFT) at -30.81% YTD.[5]

Performance



Apple, Inc. (AAPL)

Holding Description
An industry leader in telecommunications equipment, Apple is often referred to as the most valuable brand in the world. Apple is most recognized for its Products segment with its flagship product, the iPhone, and other accessories, such as the Mac and MacBook, Apple Watch, iPad, and others which account for 76.4% of revenue. The other 23.4% of revenue stems from their Services segment, which includes all online products like their App store, Apple Music, streaming, and the overall support of their iOS software.[1] Apple derives all business ventures through its goal of "bringing the best user experience to its customers."[2]

Impacts from Period 3
Although sales and demand from the previous periods have remained largely unchanged, Apple has still underperformed due to overall macroeconomic pressures. Strong business has kept Apple's share price from tumbling further compared to others in the sector, but the highly discretionary nature of Apple's products in the current environment has many consumers cutting costs and forgoing the newest iPhone 14's $800 starting price tag. Uncertainty within their largest semiconductor supplier, Taiwan Semiconductor Manufacturing, has created even further pressure on Apple.

Increased input costs and scarcity of key components have only added to Apple's request to manufacturers to decrease production rate in anticipation of decreasing demand.[3] Following this, in a very rare instance, Bank of America had downgraded Apple from a "Buy" to a "Neutral" rating, dropping the share price by nearly 5%.[4] Although there has been both internal and external pushback, the downgrade is a significant sign of the overall state of the sector.

Future Outlook
Despite its poor performance and headwinds, Apple remains an extremely strong firm. Even an upcoming positive earnings result may not be enough to move Apple back yet in the short term. However, with little deviation from their core business and fundamentals, Apple will be one of the first to rebound and should remain in the fund, even with mounting recessionary fears.

New Transactions
There were no transactions made involving AAPL during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 40,797.90	$ 44,214.93	24.10%	$ 62.92
Period 2	$ 45,320.49	$ 43,477.89	-1.54%	$ 54.78
Period 3	$ 43,403.19	$ 34,411.80	-20.45%	$ 114.54
FY	$ 40,797.90	$ 34,411.80	0.29%	$ 232.24

Amplify Transformational Data Sharing ETF (BLOK)

Holding Description

Amplify Transformational Data Sharing ETF (BLOK) is an actively traded ETF that invests 80% of its net assets into companies that are developing/integrating blockchain in their business.[1] BLOK's investment thesis is to give investors indirect exposure to blockchain technology through professionally chosen stocks. Listed below are BLOK's top holdings by weight[2]:

Top 10 Holdings			
Overstock Com Inc Del	**4.94%**	GMO Internet Group	**4.48%**
Core Scientific Inc Convert Note 10% 04/19/2025	**4.91%**	SBI Holdings Inc	**4.48%**
International Business Machs Com	**4.81%**	Coinbase Global Inc	**4.09%**
MicroStrategy Inc	**4.80%**	Silvergate Cap Corp	**4.07%**
Accenture PLC Ireland	**4.70%**	CME Group Inc	**4.00%**

Impacts from Period 3

The cryptocurrency market has been in a steady decline for the entirety of 2022, causing BLOK's price to slide drastically. However, consumer sentiment around crypto still remains optimistic.[3] More brokerages and banks are considering or have committed to transacting with cryptocurrency this year, such as Fidelity[4] and BNY Mellon.[5] On September 15th, Ethereum, the second largest cryptocurrency by market cap, merged networks and switched to a proof-of-stake system.[6] While the SEC has a high level of scrutiny towards Ethereum and other proof-of-stake tokens, the merge increased token sustainability and eliminated the environmental impact of Ethereum minting.[7] Leading up to this, BLOK's price rallied, before resuming its steady decline days later.

Future Outlook

While BLOK's investment philosophy is attractive to investors who want to participate in the crypto market without the volatility, its price has very closely tracked BTC and ETH throughout the crash, potentially disproving the reduced volatility of its indirect strategy. This along with a relatively high expense ratio of 0.71% may make a BTC or ETH index more attractive for investors wanting exposure to cryptocurrency.

New Transactions

There were no transactions made involving BLOK during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	**$ 13,987.70**	**$ 11,006.58**	**-5.02%**	**$ 1,575.56**
Period 2	**$ 11,124.40**	**$ 9,368.06**	**-14.89%**	**$ -**
Period 3	**$ 9,346.14**	**$ 5,069.00**	**-45.76%**	**$ -**
FY	**$ 13,987.70**	**$ 5,069.00**	**-52.43%**	**$ 1,575.56**

First Trust NASDAQ Cybersecurity ETF (CIBR)

Holding Description

The First Trust NASDAQ Cybersecurity ETF is an actively managed ETF that seeks to capitalize on the increase in cybersecurity needs by tracking the NASDAQ CTA Cybersecurity Index.[1] The weighting scheme is based on liquidity and market cap and is rebalanced quarterly. Firms within the ETF span across multiple industries including software, IT, communications, and semiconductors. See the ETF's top holdings below.[2]

Top 10 Holdings			
CrowdStrike Holdings Inc Class A	**6.12%**	Zscaler Inc	**3.47%**
Broadcom Inc	**6.01%**	Fortinet Inc	**3.44%**
Palo Alto Networks Inc	**5.95%**	CyberArk Software Ltd	**3.37%**
Infosys Limited (ADR)	**5.91%**	Booz Allen Hamilton Holding Corporation	**3.30%**
Cisco Systems Inc	**5.86%**	Science Applications International Corporation	**3.29%**

Impacts from Period 3

Outside of a slight rebound brought on by the conflict in Ukraine, CIBR and the industry has continued to underperform as with the rest of the sector. Because of the need for security, growth in the industry will typically follow the growth in the overall technology sector. However, multiple headwinds and pressures have largely regressed the progress made post-COVID-19 by the entire technology sector.

Future Outlook

The CIBR ETF is a great option for keeping a hand in a necessary industry, but with recent performance and the 0.60% expense ratio, a single, more diverse holding may become a better option when the macroeconomic outlook increases.[3] In the long term, cybersecurity in general should have a place in the fund with the growth of the number of devices in use, but there are better options to recoup losses during expansionary periods.

New Transactions

There were no transactions made involving CIBR during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 29,053.08	$ 31,040.52	8.93%	$ 165.05
Period 2	$ 30,617.16	$ 31,228.68	0.64%	$ 12.00
Period 3	$ 31,228.68	$ 11,321.94	-15.48%	$ 0.97
FY	$ 29,053.08	$ 11,321.94	-7.25%	$ 178.02

Microsoft Corporation (MSFT)

Holding Description

Microsoft is one of the main industry leaders that has been the foundation of the current IT landscape. Founded by Bill Gates and Paul Allen in 1975, Microsoft is the developer of the Windows operating system, the most popular operating system in the world.[1] Microsoft's largest segment of their near $200 billion in annual revenue comes from their growing interest in cloud computing through their Microsoft Azure, which offers data storage and both PaaS and IaaS services.[2] Other large segments include Windows support, Office products, and personal consumer devices, such as laptops and game consoles.

Impacts from Period 3

Like other industry and IT sector peers, Microsoft continues to suffer from macroeconomic-induced headwinds stemming from COVID-19 and global tensions. Despite little to no change in demand and market share, Microsoft's products are largely discretionary to the general consumer that is continuing to spend increasingly more on staple items. Due to their wide usage, Microsoft's Office products are less discretionary and can guarantee a steady cash flow from its subscription-based model.

Regardless, Azure's significant revenue growth has helped Microsoft retain its position in the overall computing industry. Although Google Cloud is a fair competitor, Amazon's AWS is currently the most popular choice among the three though many firms use multiple platforms.[4] With Amazon's seemingly endless capital and AWS's market share, Amazon will prove to be the largest obstacle to Azure's growth as they seek to secure lucrative deals before the competition.

Future Outlook

With the wide usage of their products and services, Microsoft can always expect strong cash flows. However, their efforts may not be enough for the short term as the stagnant GDP and the current year has already been extremely turbulent. Microsoft has already decreased revenue expectations to slow nearing levels during the pandemic but continues to stay optimistic about long term growth. As such, Microsoft will remain in the fund as a strong hold in the long term.[5]

New Transactions

There were no transactions made involving MSFT during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 28,620.90	$ 33,295.68	19.52%	$ 61.38
Period 2	$ 33,140.25	$ 30,522.69	-8.14%	$ 61.38
Period 3	$ 30,632.58	$ 23,057.10	-24.33%	$ 122.76
FY	$ 28,620.90	$ 23,057.10	-16.51%	$ 245.52

Taiwan Semiconductor Manufacturing Company (TSM)

Holding Description
Based in Hsinchu, Taiwan, Taiwan Semiconductor Manufacturing Co. is the largest semiconductor and advanced chip foundry in the world. TSM's revenue is mostly derived from manufacturing semiconductor chips through both domestic and international plants.[1] TSM has an estimated 53% of the total foundry market with Apple being their largest consumer. Other uses include less advanced computing, medical devices, communication equipment, and various automobile components.

Impacts from Period 3
Previously, the entire sector was stagnant due to the chip shortages from factory shutdowns but is now facing a new issue with Apple pulling back production on the latest iPhone, TSM will need to pull back production to prevent excess inventory.[2] Outside of the macroeconomic pressures, an increasing threat of invasion from China has put TSM at risk. The Biden Administration has also affirmed that an invasion would permit a more active response than Russia's invasion of Ukraine.[3] Such a response would more than likely have catastrophic consequences for TSM as their outlook would be largely unknown. The Biden Administration had earlier signed the CHIPS and Science Act and FABS Act, an estimated $52 billion in credits and aid seeking to incentivize domestic production of advanced chips to possibly shift overreliance in Taiwan.[5] TSM currently has plans for an Arizona plant, with other firms, such as Intel, planning for more plants as well.[6]

Future Outlook
Like others in the sector, strong performance has been heavily marred by the stagnating global economy and the aftermath of COVID-19. TSM is under even further pressure from an invasion that could quickly escalate to a full war with China. Although TSM has been a vital cornerstone for the entire market, the headwinds paint an extremely uncertain outlook. Even with the heavy incentives from the United States, a possible liquidation in favor of domestic firms may be necessary should the likelihood of an invasion and other pressures come to fruition.

New Transactions
There were no transactions made involving TSM during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 17,626.48	$ 27,911.92	7.45%	$ 61.32
Period 2	$ 29,881.60	$ 24,188.32	-13.02%	$ 91.09
Period 3	$ 23,847.28	$ 15,905.92	-32.36%	$ 223.75
FY	$ 17,626.48	$ 15,905.92	-55.27%	$ 376.16

Materials

Managed by Emily Barnes

Sector Overview

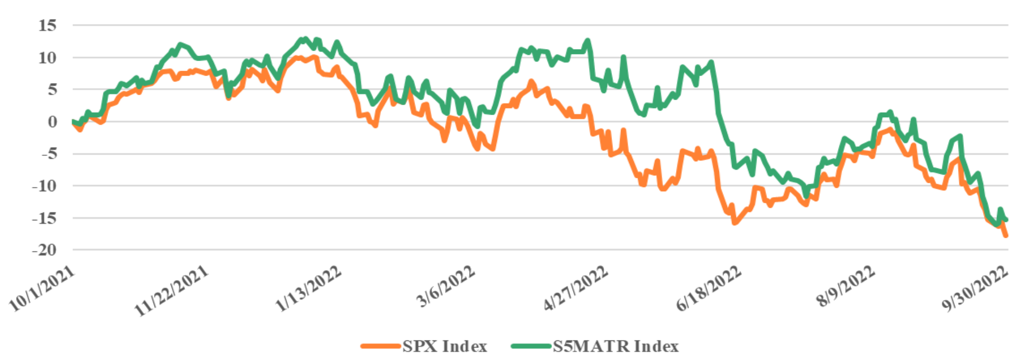
The Materials sector is composed of companies that extract, process, and/or distribute a variety of raw materials. There are five main industries within this sector (listed in descending order of market weight): Chemicals, Metals & Mining, Containers & Packaging, Construction Materials, and Paper & Forest Products.[1] Familiar products that fall into the Materials sector include chemical fertilizers, clay & concrete, gold & other precious metals, and lumber. This sector has a market weight of 2.5% and an index beta of 0.90.[2] Commodities are the first step in the supply chain, meaning their performance is quicker to rebound than other sectors during expansion periods of the business cycle.[3] The Materials sector is cyclical in nature, preferring the mid-cycle and having a strong sensitivity to economic prosperity.

Impacts from Period 3

The Carroll Fund currently holds zero securities in the Materials sector, but we have exposure to PotlatchDeltic Corporation, a timberland Real Estate Investment Trust (REIT) covered in the Real Estate sector.

The Brent Crude Oil Index showed wide fluctuations in oil prices during 2022, due to the Russia-Ukraine conflict and adjusting global energy trade agreements. During Period 3, prices peaked in June at around $120 per barrel but ended this past quarter down 23% at $87.96 per barrel.[4] The United States CPI increased to 9.06 in June, up from the previous quarter's 8.54.[5] Higher oil prices directly affected the Chemicals industry's production capacities this quarter, and while oil prices are decreasing, the Federal Reserve's interest rate hikes up to 3.25% and rising inflation rates have taken a different direction for Materials, specifically Metals & Mining. The Global Commodity Index shows all included metals having a negative 6-month price return.[6] Additionally, lumber prices have settled to pre-pandemic levels of around $430 per thousand board feet, down from 2022's high of $1320.40 per thousand board feet.[7] A continuing growth opportunity for the Construction Materials and Metals & Mining industries is the Infrastructure Investment and Jobs Act passed in 2021.[8] The bill provided a budget of $550 billion for new infrastructure investments lasting until 2026.

Performance



Real Estate

Managed by Simon Heeran

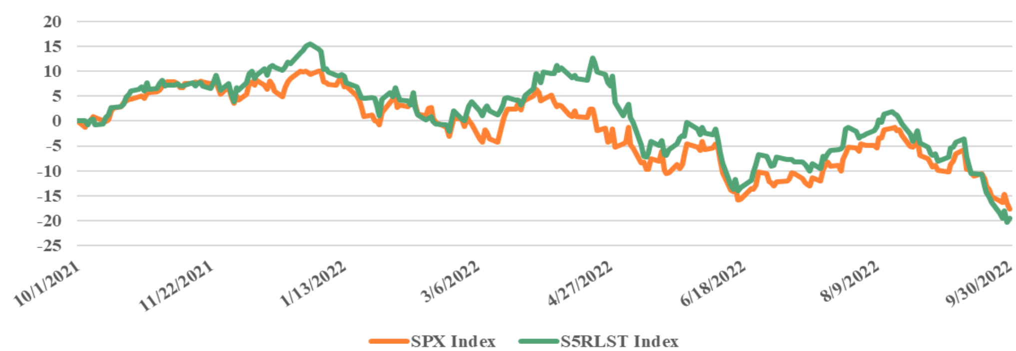
Sector Overview

The Real Estate sector includes investments in real estate properties and Real Estate Investment Trusts (REITs). It is comprised primarily of the residential, commercial, and industrial segments.[1] A REIT is a company that invests or finances properties and pays out at least 90% of taxable income to shareholders. It is an attractive form of investing due to its high dividends and high liquidity in comparison to property investment. The Real Estate sector is considered cyclical and generally follows the movement of the economy.[2] When interest rates are low and borrowing is less expensive, the Real Estate sector tends to perform well. Conversely, when rates are high and borrowing is more expensive, the sector performs worse. This sector has a market weight of 2.65% and a market cap of $1.26 trillion.[3]

Impacts from Period 3

In Period 3, the Real Estate sector was down 26.77%, while the S&P 500 Index was down 21.12%. This underperformance could be attributed to the recent drastic change in mortgage rates. Mortgage rates one year ago were at an all-time low, however, in Period 3, rates have been the highest they've been since 2008 at an average of 6.95% for a fixed 30-year rate, up about 100 basis points from one month ago.[4] This is largely in response to recent interest rate hikes from the Federal Reserve, and an unresponsive inflationary economy. While rates are still below the historical average of 8%, they are high in relation to what they have been recently, effectively lowering demand for real estate, and driving property value down. With the Real Estate sector cooling off in the middle to late segments of Period 3, there is little sign of a slowdown as interest rates could be expected to increase into the next period.[5]

Performance



PotlatchDeltic (PCH)

Holding Description
PotlatchDeltic Corporation is a timberland Real Estate Investment Trust (REIT) and the largest private landowner in Idaho. While the company is a REIT, a large portion of its revenue (65%) is generated from wood products by providing lumber, plywood, and specialty wood products for industrial applications. Timberlands accounts for approximately 30% of revenue having locations in North Idaho, Arkansas, Mississippi, and Louisiana. Real estate only accounts for approximately 5% of revenue with two active developments as well as a real estate broker holding serving rural clientele. PCH also operates six sawmills, an industrial grade plywood mill, a real estate development business, and a rural timberland sales program.[1]

Impacts from Period 3
PCH is a REIT while also generating a majority of their revenue from wood products. However, their sales strategy incorporates using a large portion of their lumber in home building. With mortgage rates on the rise, and housing demand falling, PCH has been impacted negatively, seeing drops in revenue throughout Period 3. Because PCH owns real estate, these effects have been even more problematic for the generation of revenue. With increasing inflation and therefore increasing rates from the Federal Reserve throughout Period 3, the S&P 500 Index has experienced steep losses of 20.85%. PCH has not been immune to this either, being down 22.17% in Period 3.[2] These returns are also largely attributable to the drop in lumber prices which are down 56.21% in Period 3.[3]

With PCH successfully merging with CatchMark Timber Trust, Inc., it has increased the REIT's ownership of timberlands to almost 2.2 million acres and diversified the properties in which it operates, strengthening markets in the southern region of the United States including Georgia, Alabama, Florida, Louisiana, North Carolina, Tennessee, South Carolina, and Oregon.[4]

Future Outlook
The Federal Reserve likely plans to continue to hike interest rates moving into 2023 which will consequently have adverse effects on mortgage rates and housing prices, potentially causing lumber prices to suffer more. When compared with comparable firms, ROE and the 12-month dividend yield are well above the median, and P/E is well below.[5] The successful merging with CatchMark is good news for PCH moving forward, hopefully it continues to make moves like these moving into the future to counteract the uncertainty of the market.

New Transactions
There were no transactions made involving PCH during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 12,053.34	$ 14,091.48	25.36%	$ 1,038.00
Period 2	$ 13,660.92	$ 12,338.82	-11.71%	$ 102.96
Period 3	$ 12,497.94	$ 9,603.36	-21.51%	$ 205.92
FY	$ 12,053.34	$ 9,603.36	-9.27%	$ 1,346.88

Welltower, Inc. (WELL)

Holding Description
Welltower Inc. is a Real Estate investment trust (REIT) that invests in and provides capital specifically for senior living and healthcare infrastructure with goals to "facilitate better treatment at lower costs and keep patients out of the hospital."[1] With headquarters in Toledo, Ohio, Welltower extends its reach into the United Kingdom and Canada and operates in 45 states in the United States leasing over 1,500 properties. The company provides capital under three segments of healthcare real estate: Senior Housing, Post-Acute Care, and Outpatient Medical.[1]

Impacts from Period 3
Over the course of Period 3, Welltower has experienced negative effects from the real estate market as well as the economy as a whole. In May, Welltower failed to close a merging deal with Healthcare Realty Trust Inc., allowing the REIT to instead merge with rival company Healthcare Trust of America Inc.[2] There has been a large cooling in the real estate market as property value lowered, and continued to lower, after seeing high prices due to record low mortgage rates leading to high demand for property. With the Federal Reserve hiking rates in attempts to control inflation throughout Period 3, mortgage rates have increased to almost 7%, rates not seen since 2008. Being a REIT, Welltower has surely felt these effects experiencing a -31.83% total return for the Carroll Fund portfolio. This is an underperformance compared to the S&P 500 Real Estate Index (S5RLST) which returned -20.81% in that same timeframe. Despite losses, Welltower experienced an occupancy increase of 1.3% in their second quarter for senior housing, which is said to have positive effects in the back half of the year. CEO Shankh Mitra explains that while labor costs have risen, so has availability of labor, and net hiring in July was almost the same as net hiring in the first half of the year. The holding currently sits at a 52-week low price of $57.91; however, analysts hold a buy rating with an estimate price target of $80, a decrease from $95 in the previous month.[2]

Future Outlook
With inflation continuing to rise, and the Federal Reserve expected to continue to hike rates to as high as 4.6% in the beginning of 2023 and towards the middle of the year, there is potential that mortgage rates will follow close behind, further decreasing property demand and therefore value, driving down the Real Estate sector as a whole. Blended forward P/FFO and P/E multiples at a 2-year historical average of $58.53 and $65.42 respectively show that Welltower may be slightly underpriced at $57.91, and many analysts hold a buy rating, but economic conditions increase Welltower's future performance uncertainty.[3]

New Transactions
There were no transactions made involving WELL during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 18,988.07	$ 19,126.71	0.73%	$ 136.03
Period 2	$ 19,079.88	$ 21,439.22	12.80%	$ 136.03
Period 3	$ 21,813.86	$ 14,343.36	-33.00%	$ 272.06
FY		$ 14,343.36	-21.74%	$ 544.12

Utilities

Managed by Tristan Damron

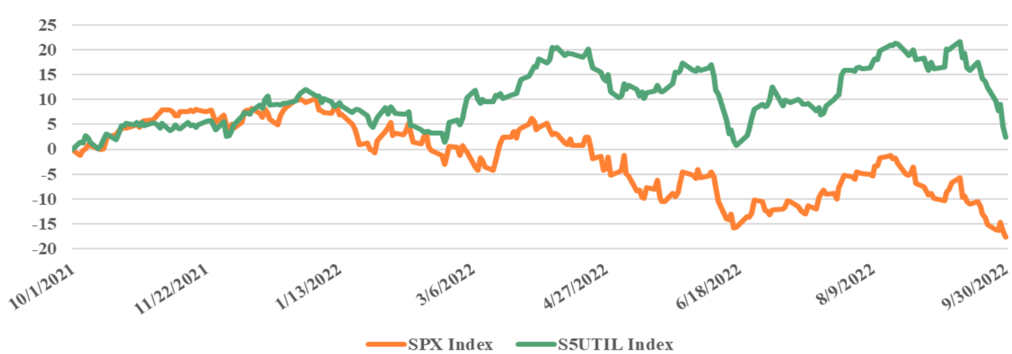
Sector Overview

The Utilities sector has a market capitalization of $1.48 trillion and a market weight of 3.01%. The sector is composed of companies that provide natural gas, electricity, water, and waste services to residential communities and businesses. The sector can be broken down into five industries: Electric Utilities, Gas Utilities, Multi-utilities, Water Utilities, and Independent Power & Renewable Electricity Producers.[1] These include renewable energy companies with focuses on turbine energy, electric, and hydro-powered energy. Because many companies in the sector provide a public service, they are highly regulated in different jurisdiction levels by the state and federal governments. Utilities are commonly invested during periods of downturn in the economy, due to their low risk and low sensitivity.

Impacts from Period 3

The Utilities sector outperformed the S&P 500 Index during Period 3, most likely due to the continued increased volatility in the markets.[2] Utilities are defensive in nature, usually performing better during economic downturn because of their low beta. As the United States moves toward clean energy and away from fossil fuels, the Utilities sector will see more growth. Furthermore, as the economy heads toward a possible recession, the sector could see more of the same returns, attracting more low-risk investors. The recent Federal Reserve interest rate hikes have had a negative impact on Utilities, as many of these companies are government regulated and hold large amounts of debt.[3]

Performance



Utilities Select Sector SPDR ETF (XLU)

Holding Description

The Utilities Select Sector SPDR ETF is an exchange traded fund that covers the Utilities sector, tracking the S&P 500 Index. XLU has $15.6 billion in assets under management and was created in 1998. The fund aims to match the performance of the Utilities Select Sector Index. This sector "includes communication services, electrical power providers, and natural gas distributors" and covers large cap stocks in the United States.[1] The fund is run by State Street Global Advisors. XLU has an expense ratio of 0.10%, a market capitalization of $54.4 billion, and a dividend yield of 3.21%. Below is a chart of the top ten holdings within the fund.

Top 10 Holdings			
NextEra Energy Inc	**17.18%**	American Electric Power Co Inc	**4.67%**
Duke Energy Corp	**8.40%**	Sempra Energy	**4.35%**
Southern Co	**7.26%**	Xcel Energy Inc	**3.86%**
Dominion Energy Inc	**6.55%**	American Water Works Co Inc	**3.45%**
Exelon Corp	**5.00%**	Public Service Enterprise Group Ir	**3.37%**

Impacts from Period 3

The Utilities Select Sector SPDR ETF underperformed through much of Period 3. The share price hit a period high of $78.12 in September, before ultimately falling to $65.51 at the end of the period. This fall is likely due to interest rates rising to combat the recent inflation spike. Because of the constant demand for utilities, this holding will remain consistent in the event of a recession.

Future Outlook

As the threat of a recession looms, investors will look to buy defensive stocks to help weather the storm. The Utilities Select Sector SPDR ETF could see strong performance though 2023 if the economy does fall into a recession due to its non-cyclical nature. However, the fund is exposed to interest rate risk as many companies within the Utilities sector hold high debt levels, caused by the Federal Reserve's interest rate hikes. Although interest rates are high, some analysts believe that they have peaked.[2] The Carroll Fund will monitor the upcoming Federal Reserve meetings closely and evaluate if the demand for utilities still outweighs the interest rate risk.

New Transactions

There were no transactions made involving XLU during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 12,328.84	$ 13,814.94	12.91%	$ 105.29
Period 2	$ 13,677.91	$ 14,370.78	4.68%	$ 90.61
Period 3	$ 14,571.50	$ 12,643.43	-11.89%	$ 196.24
FY	$ 12,328.84	$ 12,643.43	5.73%	$ 392.14

Fixed Income

Managed by Jeremy Meanwell

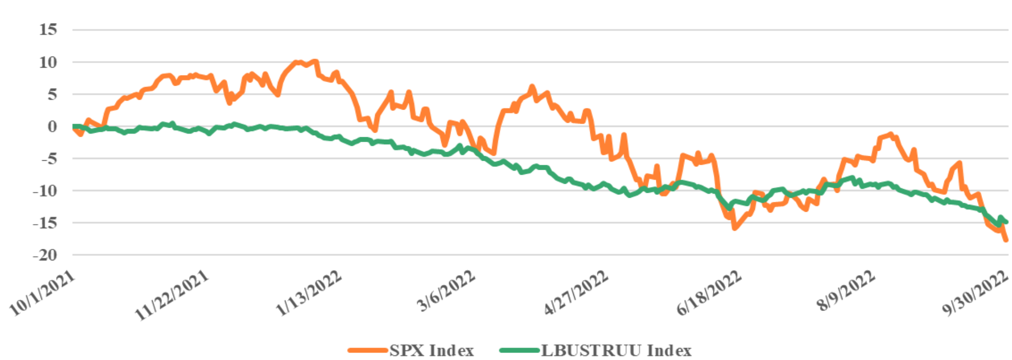
Sector Overview

Fixed income investments are securities that pay investors a fixed payment over a specified time frame. Depending on the fixed income instrument, payments can be perpetual or end at designated maturity date. Fixed income is primarily used by investors as a method to receive steady cash flows and is a considerably less risky investment than equities. Common examples of fixed income include government or corporate debt, bond ETFs and mutual funds, and preferred stock. With debt, investors take on various risks lending issuers money. The major risks include interest rate risk, liquidity risk, credit risk, and inflation risk. In an economic landscape with rising Federal Reserve interest rates, currently held bonds become less valuable because of their price's inverse relationship with interest rates. Additionally, due to a bond's fixed rate, future cash flows lose purchasing power in a high-inflation environment. Despite challenging economic conditions, there are ways investors can combat these impacts through various fixed income investments.

Impacts from Period 3

The YoY CPI averaged 8.55% throughout the period resulting in multiple 75 basis point interest rate hikes bringing the federal funds rate to 3.00% - 3.25%.[1] Although bonds are sought after in a volatile stock market, rising interest rates have damaged returns. The S&P U.S. Aggregate Bond Index is down -8.35% in Period 3, and over -14% YtD.[2] On September 21st, the Federal Reserve announced its most recent interest rate hike and the continuation of hikes until inflation shows signs of coming down.[3] Due to bonds' inverse price-yield relationship, investors sold off throughout the period and purchased cheaper debt at higher rates. Floating rate debt yields rose with the Federal Reserve's interest rate hikes. Municipal bonds lost 6.58% in the first half of this year; consequently, end of period yields is attractive.[4] The United States yield curve inverted for the first time in 2022 on March 31st but has remained and deepened since. While an inversion is a common recession indicator, investors commonly examine the United States 2-year to 10-year curve. As of period end, the yield difference between a 2-year treasury and a 10-year treasury was a substantial 44 basis points.[5] If economic conditions worsen and the United States enters a recession, investors will seek fixed income for dependable cash flows.

Performance



iShares Core U.S. Aggregate Bond ETF (AGG)

Holding Description
The iShares Core U.S. Aggregate Bond exchange-traded fund tracks the performance of the Bloomberg U.S. Aggregate Bond index (ticker: LBUSTRUU) by investing in the total United States investment-grade bond market. United States aggregate bond index performance can be used as a tool to measure United States bond market health. Securities in this fund include government related and corporate securities, treasuries, asset-backed securities (ABS), mortgage-backed securities (MBS), and commercial mortgage-backed securities. Over 90% of the fund's 10,410 holdings are allocated in Treasuries (41%), MBS pass-through (28%), industrial (15%), and financial institutions (8%).[1] Its goal, since its September 2003 inception, is to provide investors with broad exposure to United States investment grade bonds, providing diverse portfolio stability and monthly income.

Impacts from Period 3
United States COVID-19 stimulus checks, Russian energy implications, and Chinese COVID-19 lockdowns surged costs around the world. Throughout the Period, countries' central banks raised interest rates to slow down economic activity. In the United States, the Federal Reserve brought the federal funds rate up to 3.00% - 3.25%.[2] The raising of interest rates has an inverse relationship with the price of bonds, resulting in lower bond prices. As a result, bond market investors sold off throughout the period to receive current bond prices before they lost value. Consequently, aggregate bond funds like the iShares Core U.S. Aggregate Bond ETF suffered substantial losses in Period 3.

Future Outlook
Inflation has continued to muscle through Federal Reserve interest rate hikes throughout 2022. Consequently, rate hikes will persist until signs of economic slowing reveal themselves. With the Federal Reserve battling a tight labor market and rising wages, interest rates are expected to hike five to six times by next February.[3] With rates increasing, bond prices will continue to lose value, further contributing to negative returns of the iShares Core U.S. Aggregate Bond ETF. It is difficult to land the economy softly while raising interest rates as aggressively, but this is the aim of the Federal Reserve. A recession indicator leaning in the direction of a hard landing is the inverted United States yield curve. It has been inverted since March 31st and has deepened since. If the United States enters a recession, the federal funds rate will decrease, and investors will seek fixed income securities like the iShares Core U.S. Aggregate Bond ETF for dependable cash flows.

New Transactions
There were no transactions made involving AGG during Period 3.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	**$ 58,190.00**	**$ 41,525.12**	**-0.08%**	**$ 257.58**
Period 2	**$ 41,241.20**	**$ 38,984.40**	**-5.84%**	**$ 117.25**
Period 3	**$ 38,857.00**	**$ 35,067.76**	**-8.70%**	**$ 406.90**
FY	**$ 58,190.00**	**$ 35,067.76**	**-10.29%**	**$ 781.73**

Global X Variable Rate Preferred ETF (PFFV)

Holding Description
The Global X Variable Rate Preferred exchange traded fund seeks to track the performance of the ICE U.S. Variable Rate Preferred Securities Index (ticker: PFTF). It provides investors a broad range of exposure to the variable rate preferred stock asset class, commonly referred to as preferreds, by investing in a broad variety of United States variable rate preferred stocks. Variable preferreds typically have a lower duration than other preferreds from their fixed-to-floating dividend yields. Nearly 85% of the fund's sector allocation is financials, and 47.7% of the credit quality is BBB. The passively managed fund pays investors monthly and has distributed $0.125 per share every month of 2022.[1]

Impacts from Period 3
Russian energy sanctions, Chinese COVID-19 lockdowns, and United States stimulus checks created a whirlwind of inflation in the United States and globally. The YoY CPI averaged 8.55% in Period 3, resulting in five federal funds rate interest rate hikes throughout the period.[2] On September 21st, the Federal Reserve announced they will continue hiking interest rates until inflation cools with no guarantee of a soft landing. When interest rates rise, fixed rate preferred stock prices fall, and vice versa. Consequently, the value of preferred stock fell throughout the period as interest rate hikes persisted; however, variable rate preferred stock that pays floating rate dividends produced stronger returns. As interest rates rose so did the value of floating rate preferreds, reducing Global X Variable Rate Preferred ETF losses relative to normal preferred stock. While the fund returned a substantial loss, the variable rate nature protected against Federal Reserve interest rate hikes.

Future Outlook
The United States is expected to raise interest rates five to six times by February 2022.[4] The rate hikes will lower fixed rate preferred stock prices but benefit variable preferreds with floating rates. This will lower the value of the fixed rate holdings in the Global X Variable Rate Preferred ETF, hindering returns until the Federal Reserve lowers interest rates. After February, interest rate hike expectations taper off which could relieve price pressures on the preferred stock market.

New Transactions
The Carroll Fund bought 1580 shares of PFFV at $25.21 on April 29th, 2022.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 3	$ 39,831.80	$ 37,098.40	-4.37%	$ 987.50

The Innovator U.S. Equity Power Buffer ETF (PNOV)

Holding Description

The Innovator U.S. Equity Power Buffer ETF is an exchange-traded fund that seeks to track the performance of the SPDR S&P 500 ETF Trust (ticker: SPY) up to a predetermined ceiling while buffering up to the first 15% of losses over a one-year period. The Innovator Buffer ETFs use options with varying strike prices expiring on the same date to provide investors exposure to equity markets with upside growth potential and a downside buffer. The ETF can be held forever and the period resets annually. The fund's current starting cap is 8.33%, and the outcome period began 11/1/2021 and ends 10/31/2022. Investors can purchase the fund at any time throughout the period, but they are still subject to the cap and buffer set at the beginning. Innovator ETFs release U.S. Equity Buffer funds monthly with varying caps and buffers, providing investors multiple timing opportunities for this investment.

Thesis for Exiting

The outlook on the United States market is pessimistic. The S&P 500 has consistently lost value after CPI readings exceed expectations. Further contributing to losses, company share prices have tanked immediately after missed earnings estimates. The United States yield curve inverted on March 31st and has deepened since, indicating a recession.[1] This, paired with a lack of confidence in the Federal Reserve's ability to land the economy softly, further contribute to market pessimism. From the beginning of the outcome period to the time of liquidation, the S&P 500 returned -19.64%.[2] The Innovator U.S. Equity Power Buffer ETF had a true loss of -4.04% as of the liquidation date.[3] With surged costs and continued supply chain headwinds, the S&P 500 would be expected to fall further below the 15% buffer before the end of the outcome period. Therefore, the Carroll Fund liquidated its position in the Innovator U.S. Equity Power Buffer ETF.

New Transactions

The Carroll Fund sold all PNOV shares for $23,343.52 on September 26th, 2022.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 24,989.90	$ 25,366.18	0.77%	$ -
Period 2	$ 25,385.00	$ 24,967.00	-1.57%	$ -
Period 3	$ 24,949.00	$ -	-6.43%	$ -
FY	$ 24,989.90	$ -	-6.56%	$ -

Principal Spectrum Preferred Securities Active ETF (PREF)

Holding Description
The Principal Spectrum Preferred Securities Active ETF is actively managed exchange-traded fund seeking to match the performance of the Bank of America Merrill Lynch U.S. Investment Grade Institutional Capital Securities Index (ticker: CIPS). The fund allocates more than 25% of its net assets in one or more industries within the financial services sector. It invests solely in $1,000 par institutional preferred securities sector, providing investors monthly cash flow. Institutional preferred shares are traded over-the-counter, pay semi-annual dividends, and are mostly fixed-to-floating rate. Principal's preferred ETF is actively managed, which differentiates itself from many competitors. There are 89 holdings in the portfolio, 74 of which are bonds. 98.247% of the fund's assets are corporate securities, and 25% of the securities are non-United States corporations.[1]

Thesis for Exiting
Russia's invasion of Ukraine, COVID-19 stimulus checks, and Chinese lockdowns began raising costs globally. March 2022 YoY CPI was 8.5%, up 0.6% from the month prior.[2] Future inflation concerns were mounting, and the Federal Reserve had raised the federal funds rate 25 basis points at its March meeting.[3] Expectations around the Federal Reserve were increasingly hawkish, indicating more hikes throughout the year. Fixed rate preferred stock dividends are sensitive to changes in interest rates. As interest rates continue increasing, the ETF's fixed rate dividends would lose purchasing power compared to preferred stock investments with floating rates. Therefore, the Carroll Fund liquidated its position in the Principal Spectrum Preferred Securities Active ETF to purchase the Global X Variable Rate Preferred ETF.

New Transactions
The Carroll Fund sold all PREF shares for $39,837.29 on April 27th, 2022.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 53,483.50	$ 43,885.92	-1.17%	$ 452.61
Period 2	$ 43,907.56	$ 41,094.36	-5.40%	$ 422.19
Period 3	$ 41,007.80	$ -	-2.50%	$ 987.50
FY	$ 53,483.50	$ -	-7.65%	$ 1,862.30

Schwab U.S. TIPS ETF (SCHP)

Holding Description

The Schwab U.S. TIPS ETF is a passively managed exchange-traded fund that tracks the performance of the Bloomberg U.S. Treasury Inflation Protected Securities (TIPS) Index (ticker: LBUTTRUU). Treasury inflation protected securities' principal value rises and falls with inflation and deflation. Therefore, as inflation rises, investors are protected from a decline in the purchasing power of their interest payments. TIPS pay investors semi-annually on a fixed rate applied to the adjusted principal of the bond and have varying maturities. The Schwab U.S. TIPS ETF holds 51 securities and has an effective duration of 6.9 years. Investors are paid monthly, and the fund is rebalanced monthly.[1]

Thesis for Exiting

The United States stimulus check response to COVID-19 triggered considerable economic activity. In addition to Russian sanction consequences and Chinese COVID-19 lockdowns, the massive addition to the money supply outgrew the economy, sending inflation to forty-year highs. To combat the Period 3 average YoY CPI of 8.55%, the Federal Reserve hiked interest rates multiple times bringing the federal funds rate up to 3.00% - 3.25%.[2] The adjusted principal value of TIPS increased with inflation, consequently increasing dividend payments materially. Although the adjusted principal value on TIPS increased with inflation, bond prices did not. The Federal Reserve interest rate hikes lowered bond prices substantially, creating negative returns for funds like the Schwab U.S. TIPS ETF. Interest rate hikes are expected to continue through March of 2023, continuing to lower bond prices.[3] CPI YoY has decreased every month since the 9.1% peak in June, showing signs of slowing inflation.[4] As Federal Reserve aggression continues, inflation will continue slowing, decreasing TIPS principal value. Therefore, the Carroll Fund liquidated its position in the Schwab U.S. TIPS ETF to capitalize on new investment opportunities in the current economic landscape.

New Transactions

The Carroll Fund sold all SCHP shares for $11,903.08 on September 23rd, 2022.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	$ 14,000.00	$ 14,087.36	2.31%	$ 253.95
Period 2	$ 14,013.44	$ 13,599.04	-3.08%	$ 54.05
Period 3	$ 13,473.60	$ -	-7.64%	$ 540.78
FY	$ 14,000.00	$ -	-9.03%	$ 848.78

WisdomTree Floating Rate Treasury ETF (USFR)

Holding Description

The WisdomTree Floating Rate Treasury Fund is a passively managed exchange traded fund that seeks to track the performance of the Bloomberg U.S. Treasury Floating Rate Bond Index. This index measures the performance of floating rate United States Treasury bonds; therefore, the fund provides investors economical access to new United States government floating rate notes. WisdomTree's USFR is designed to fluctuate with 3-month treasury bills and is priced at a spread over 3-month treasury bills. The fund distributes monthly interest payments and consists of four floating rate treasury bills with near-equal weights but varying maturities.[1]

Impacts from Period 3

Global and domestic factors such as the Ukrainian Russian War, COVID-19 stimulus checks, and Chinese lockdowns drove up costs around the world. The YoY CPI averaged 8.55% throughout Period 3, demanding action from the Federal Reserve.[2] At the central bank's annual symposium in Jackson Hole and the September 21st meeting, Jerome Powell and the Federal Reserve announced interest rate hikes would continue until inflation is tamed, regardless of pain to households and businesses.[3] Interest rate hikes were frequent throughout Period 3, bringing the federal funds rate up to 3.00% - 3.25% on September 21st.[4] This benefitted WisdomTree Floating Rate Treasury Fund holdings as their rates rose with the rate hikes. Contrary to WisdomTree's fund, the S&P 500 U.S. Aggregate Bond Index, a commonly used scope of the bond market, was down -8.35% in Period 3.[5] Throughout the period, the fund's interest payments grew 43% MoM on average, resulting in a total payment of $0.40 per share.

Future Outlook

The WisdomTree Floating Rate Treasury Fund will continue to see growth until the Federal Reserve halts or decreases interest rates. Up 0.60% from the month prior, August Core CPI YoY was 6.3%, indicating high prices even among less volatile goods and services.[6] To combat this, five to six additional interest rate hikes are expected by February of 2023 to slow inflation.[7] Expected rate hikes begin to taper off after February, possibly indicating lower inflation or decreasing United States economic health. Chinese COVID-19 lockdowns and Russian energy sanctions will continue to hinder global supply chains and increase energy costs. The strong United States dollar serves as a tailwind for the country. Imports are cheaper for corporations, potentially reducing some costs across international businesses.

New Transactions

The Carroll Fund bought 701 shares of USFR at $50.25 on September 26th, 2022.

Period	Beginning Value	Ending Value	% Return	Dividends Received
Period 1	**$ 54,438.48**	**$ 54,395.12**	**-0.03%**	**$ 4.55**
Period 2	**$ 54,395.34**	**$ 54,503.52**	**0.22%**	**$ 10.84**
Period 3	**$ 54,514.36**	**$ 89,749.80**	**0.81%**	**$ 433.60**
FY	**$ 54,438.48**	**$ 89,749.80**	**1.57%**	**$ 448.99**

Fund Managers

Anthony Torres is a senior from Augusta, GA majoring in both accounting & finance with a collateral in international business. As a first semester manager on the Carroll Fund, he oversees the Financials sector in the portfolio. Last summer, Tony interned as a Financial Due Diligence Intern with PwC in New York City, New York. Outside of his involvement in Torch Fund, he enjoys teaching students about professional development as the President of NABA Inc., and he also serves as VP of Beta Alpha Psi, an honor's accounting & finance organization. Upon graduation in May of 2023, he plans to return to New York City and begin a full-time career in private equity or investment banking.

Ashleigh Skipper is a senior from Knoxville, TN. She is majoring in finance with minors in entrepreneurship and leadership studies honors, alongside a concentration in international business. This is her first semester on the Carroll Fund, and she has taken on the Consumer Staples sector. Ashleigh is heavily involved within the Haslam College of Business as a member of the Smith Global Leadership Scholars Program, Treasurer of Women of Haslam, and serves as both a Haslam Ambassador and BUAD 100 Peer Mentor. She is also a member of the Honors Leadership Program and serves as Marketing Director for the Honors & Scholars Engagement Council. After completing internships in several different financial applications during college, Ashleigh plans to pursue wealth management or strategy consulting post-graduation.

Dylan Isaacs is a senior from Morristown, TN. He is majoring in finance with a collateral in international business. He is in his first semester of the Torch Fund Program and oversees the Healthcare sector. Dylan is a member of the Smith Global Leadership Scholars and an officer of the University of Tennessee Investment Group. He is also a member on the founding UT Sigma Chi class. Dylan enjoys playing golf competitively, spending time with family and friends, and meeting new people. After graduation in May of 2023, he hopes to pursue a career in wealth management.

Eldon Lu is a senior originally from Orange County, CA majoring in finance with a collateral in accounting. This is his second semester on the Carroll Fund, and he is overseeing the Information Technology sector of the portfolio. Currently, Eldon is interning as a Credit Analyst for Citizens Bank in Knoxville and was a member in the Deloitte Audit Innovation Challenge for Fall 2021. Eldon is currently on track to graduate by December of 2022 and is looking into either a corporate banking or wealth management role. Outside of school-related activities, Eldon has been a part of the Financial Management Association and the University of Tennessee Investment Group.

Emily Barnes is a senior from Knoxville, TN majoring in finance with a concentration in international business. She currently manages all securities in the Industrials and Materials sectors, and this is her first semester at the Carroll Fund. Emily is a proud member of Student Alumni Associates, is active in her sorority Alpha Delta Pi, and promotes the Haslam College of Business through her role as a Haslam Ambassador. This past summer, Emily interned with WestRock Company's finance department at its headquarters in Atlanta, GA. Outside of school and work, she enjoys traveling, live music, hiking, reading, and spending time with friends and family.

Jeremy Meanwell is a senior from Memphis, TN, majoring in Finance with a concentration in Integrated Business & Engineering. He currently manages the Fixed Income securities in his second semester on the Carroll Fund. Jeremy enjoys teaching students about finance by leading the University of Tennessee Investment Group Portfolio Team and working as a Senior Analyst & TA in the Masters Investment Learning Center. He is also a member of the Heath Integrated Business & Engineering Program and mentors underclassmen business students as a Haslam Peer Mentor. He values serving his community, working as the Treasurer of UT Helping Hands and being an active member of the St. Jude Walk/Run Committee. In his free time, he enjoys hiking, photography, fitness, traveling, and playing poker with friends.

John Wade is a senior from Union City, TN, majoring in finance with a collateral in accounting. This is his first semester on the Carroll Fund, and he oversees the Consumer Discretionary sector. He is a member of the University of Tennessee Investment Group and an alumnus of UTK's Emerging Leaders. He spent last summer interning as a financial analyst at Spanish Trails in Barcelona, Spain. Outside of school, John enjoys traveling, tennis, golf, reading, and Tennessee football. Upon graduation in May of 2022, John will be pursuing a career in corporate finance or wealth management.

Max Baker is a senior from Memphis, TN majoring in accounting with a collateral in finance. He is in his first semester on the Carroll Torch Fund and is currently responsible for the Communication Services sector and the fund's blockchain related holdings. He works with the Thornton Center on campus as a tutor for student athletes and is an active member of the Tennessee Undergraduate Consulting Club. In his free time, Max has a passion for art, music, and traveling. Max plans to pursue a Masters of Accountancy at the University of Tennessee and aims to have a career in tax in Washington DC. Later in his career, Max hopes to own his private tax practice or to work in wealth management.

Simon Heeran is a senior from Nashville, TN studying Finance with an Information Management collateral. He is in his first semester working with the Carroll Fund and currently works in the Real Estate sector. He enjoys discussing Finance with friends, family, and peers and making investments himself. Outside of school he plays lead and rhythm guitar and sings in a local Knoxville band called Wasted Major. He oversees the finances for the band as well. In his free time, he enjoys working out, playing guitar and keyboard, singing, dancing, listening to music, and spending quality time with friends and family. After graduating in May 2023, he plans on working in wealth management in his hometown of Nashville but will continue to feed his curiosity about all of the opportunities there are to take advantage of within finance until then.

Tristan Damron is a senior from Knoxville, TN majoring in Finance with a collateral in Supply Chain Management. This is his first semester on the Carroll Fund, managing the Energy and Utilities sectors. On campus, Tristan is the VP of Development for the University of Tennessee Investment Group and the External Coordinator for the Financial Management Association. He is also a Bloomberg Analyst in the Masters Investment Learning Center and a member of the Delta Sigma Pi business fraternity. This past summer he interned with Pilot Company as an Energy Intern in the Business Integrations department. Outside of school, Tristan enjoys hiking, camping, and spending time with family and friends. Tristan plans on pursuing a career in wealth management after graduation in May of 2023.

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