HASLAM TORCH FUND

H2 Performance Report

04/01/2023 – 09/30/2023

Managers: Lindsey Campbell, Viktoria Eisenstadt, Sam Holloway, Luke Ireton, Ethan McNeill, Nathan Miller, Caden Mitchell, Lucas Nulsen, Michael Ray, Chyanne Smailovic

September 30, 2023

Dear Mr. & Mrs. James A. Haslam II,

Above all else, the Haslam Fund wanted to first extend our deep appreciation for your constant support of this incredible program. Your generous contributions have enhanced the learning experience and shaped the future for aspiring finance and business students at the University of Tennessee. As a fund, we have grown exponentially in our efforts as top-down investment portfolio managers, despite our short tenure. Our comradery stands as a reflection of your love and dedication to this University and its students. Through the Torch Fund program, we have come to embrace the value of a strong work ethic, a deep sense of fiduciary responsibility, and an overall understanding of the nuances within financial markets. By gaining hands-on investment experiences with real equity, we are equipped to begin our careers with a distinct advantage over our peers. The Haslam Fund will always be dedicated to showing our appreciation to you by working extremely hard to beat our benchmarks, while gaining invaluable knowledge that few students have the privilege of obtaining in their college career.

Throughout the fiscal year from October 1, 2022, to September 30, 2023, our fund was able to achieve each of our three goals: beat our benchmarks, outperform all other funds relative to our benchmark, and produce positive returns. The Haslam Fund generated a 13.40% return to close out the fiscal year and beat our 60/40 benchmark by 0.24% and BETFX (an investable version of our benchmark, offered as an ETF by Morningstar) by 1.79%. We accomplished this by correctly assessing macroeconomic factors that affected certain market sectors and found securities that would benefit from changes in the market. One major contributor was our outstanding return of 59.55% in the Energy sector while the relative benchmark returned 29.80%.

During the H2 period from April 1, 2023, to September 30, 2023, the Haslam Fund strategically directed our focus towards economic recession uncertainties, the Federal Reserve's elevated interest rates, and geopolitical tensions as primary economic indicators for our investment strategy. With these variables in mind, we held a slightly pessimistic outlook and wanted to increase our positions in defensive sectors while decreasing positions in cyclical sectors. We also targeted a greater allocation to fixed income and focused on reducing our overall duration. More specifically, our fund approved liquidations in Amgen Inc. (AMGN), FedEx (FDX), and U.S. Bancorp (USB) which helped to facilitate purchases in Halliburton (HAL) and Janus Henderson ETF (JAAA).

Each student manager within the Haslam Fund is incredibly grateful to serve within this amazing program that grants us the opportunity to develop not just knowledge and skills, but also character. We will always strive for excellence and never become complacent with our position at any given time. Our team is deeply thankful for your unwavering confidence in our abilities, and we aim to further our successes within the Haslam Fund for years to come.

Sincerely,

Your Haslam Torch Fund

Lindsey Campbell, Viktoria Eisenstadt, Sam Holloway, Luke Ireton, Ethan McNeill, Nathan Miller, Caden Mitchell, Lucas Nulsen, Michael Ray, and Chyanne Smailovic

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Economic Outlook

Macroeconomic Outlook

At the beginning of the period, the Haslam Fund adopted a less pessimistic view of the macroeconomy. H1 was characterized by overall pessimism and higher allocations in defensive sectors, whereas in H2 we took a less pessimistic view, which involved moderate rebalancing of our portfolio. The main driver of the continued pessimism was persistent inflation, coupled with uncertain Fed policy. The main driver of our improving outlook was U.S. economic resilience, despite a high interest rate environment, coupled with strong growth.

Domestic Economy

Defying earlier expectations, the U.S. economy has avoided a recession thus far. During the H2 period, U.S. GDP growth was positive for the entire six months. The majority of economic data releases demonstrated a robust and surging economy despite the Fed's rate hikes beginning nearly 16 months ago. Coupled with this, however, is inflation data that remains too high. While CPI has been slowly approaching the Fed's target rate of 2.00%, core CPI, which inverted this April, remains much higher than the Fed's target rate, reading 4.30% in September. The Taylor Rule indicates rates may need to rise higher, though the suitability of this tool within current volatile conditions is questionable. Meanwhile the gap between target and neutral rates has narrowed. This, however, is opposed to our fund's preferred method of determining the likelihood of rate movements. We place more emphasis on implied rate movements based on derivative markets (e.g. Fed fund futures), available in Bloomberg's World Interest Rate Probability function. According to this indicator, the Fed is most likely to hold rates where they are through the next five FOMC meetings, then begin cuts next June. Additionally, we are concerned about a looming debt crisis creating issues going forward for the domestic economy. As the Fed raises rates, the cost of servicing the debt will balloon. This comes at a time of record deficits for the U.S., with no signs of ending.

U.S. fiscal deficits are a symptom of broader political uncertainty. The U.S. government was downgraded by Fitch from AAA to AA+ in August. The reasons cited for this downgrade were financial, but also political, with Fitch citing the "erosion of governance" as a prime reason for the downgrade.

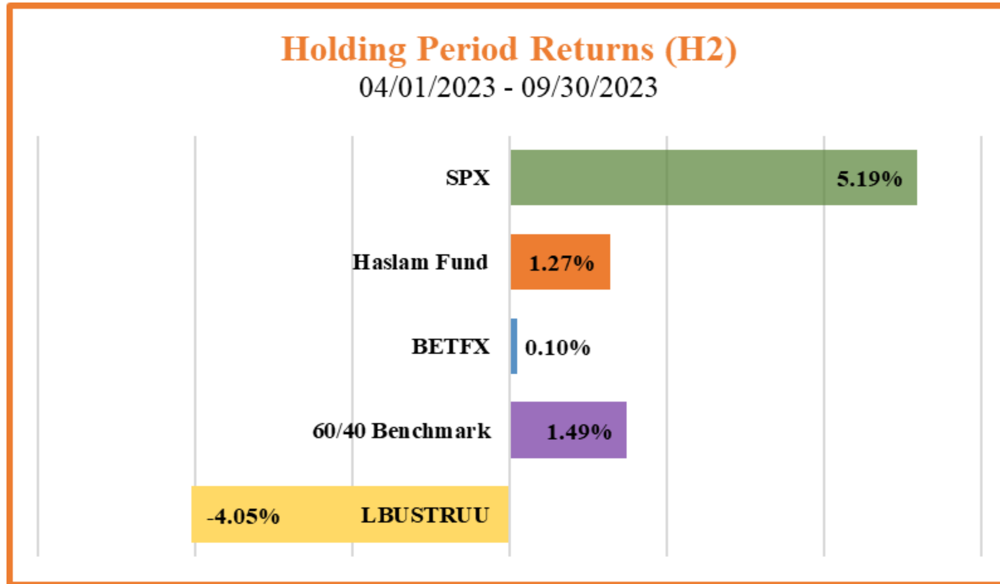
Global Economy

The global economy experienced many headwinds during H2. After experiencing consistent double-digit growth for decades, concerns around the Chinese economy continued, as China began experiencing deflation in H2. While the U.S. has made some progress fighting inflation, some other developed economies have struggled. In the U.K., for example, YoY Core CPI read 6.90% in August. Additionally, after decades of increased globalization, the world economy is becoming less interdependent. The U.S. has seemed to indicate an increased "de-coupling" from China, which will further drive down global trade, and harm earnings of firms with significant exposure to China. Another headwind that the global economy must face is the Russia-Ukraine War, which continues to threaten global food and energy supply.

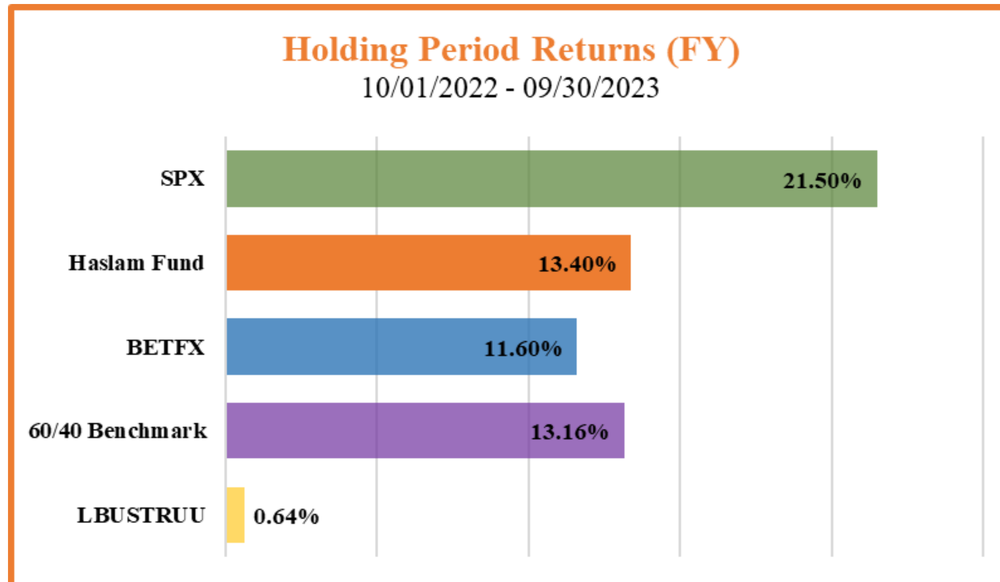
Economic Outlook Implementation

In order to reflect a slightly less pessimistic view of the economy in H2, we took steps to undo some defensive measures implemented in H1. One example being the liquidation of pharmaceutical giant Amgen, which brought the fund to being at-weight in the Healthcare sector. We also purchased Halliburton, an oil and gas servicing company, to further gain exposure to the Energy sector, which would be primed to outperform in a "soft landing" scenario. Finally, a goal entering H2 was to further shorten our duration among Fixed Income holdings. This was accomplished through the purchase of a floating rate collateralized loan obligation ETF, JAAA. Moving forward, the Haslam Fund will continue its close monitoring of the macroeconomy and positioning our portfolio to better respond to shifting economic outlooks.

Summary of Portfolio Performance

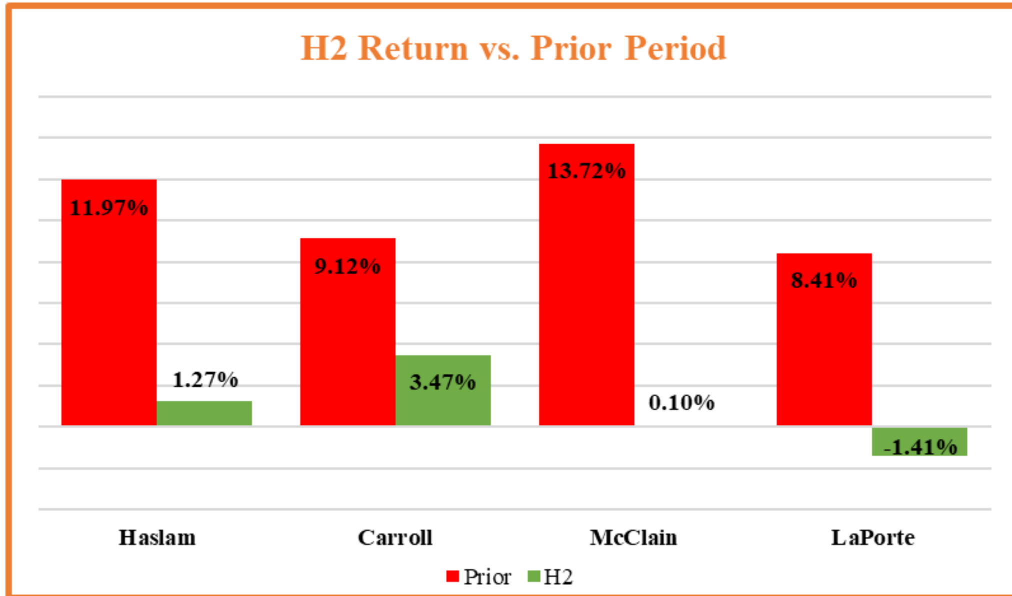


Looking at absolute returns for H2, the Haslam Torch Fund finished second among the four Torch Funds, with a return of 1.27%. The Haslam Torch Fund underperformed the 60/40 benchmark by 22 basis points for the period and was the second highest benchmark relative return among the four funds. The Haslam Fund outperformed BETFX by 117 basis points. BETFX is an ETF from Morningstar that represents a 60/40 allocated portfolio.

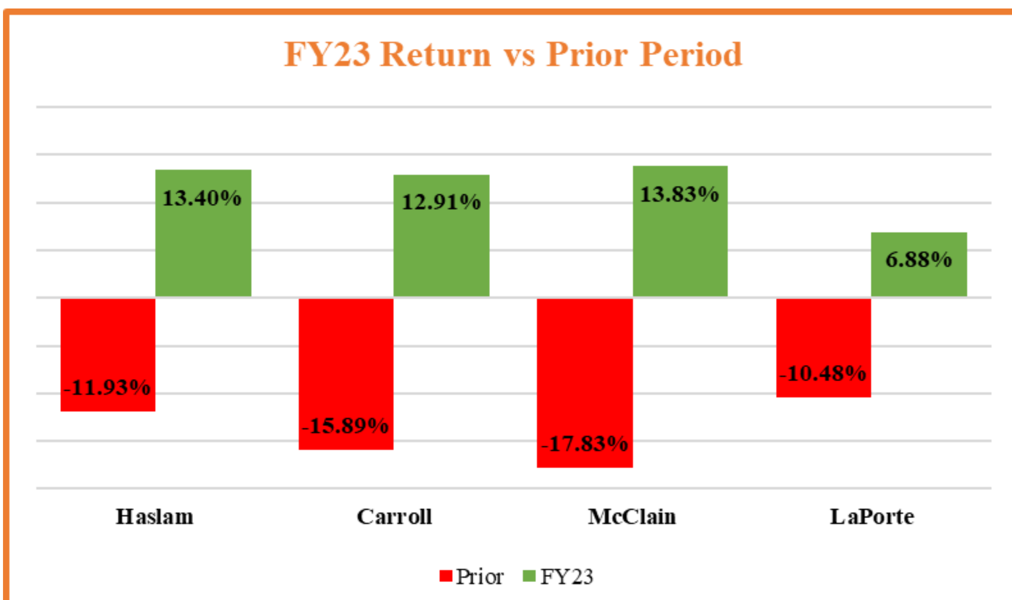


Absolute returns for the FY were 13.40%, the second highest among the four Torch Funds. For the FY, the Haslam Fund outperformed the 60/40 benchmark by 24 basis points and was the only fund to beat their respective benchmark, with the second-best performing fund being under their benchmark by 25 basis points. The fund also outperformed BETFX as well by 30 basis points.

Summary of Portfolio Performance



As shown above, the Haslam Fund was second behind the Carroll Fund. The lower absolute returns this period can be attributed to the macroeconomic environment of inflationary pressures and economic uncertainty.



In terms of FY23, The Haslam Fund was the only one out of the four funds to completely recover losses in absolute returns from FY22, with a net gain of 147 basis points.

Summary of Portfolio Performance

Betas	H1	H2	Tenure
Beta Compared to Benchmark	0.98	0.93	0.97
R-Squared of Beta	0.96	0.93	0.97
Beta Compared to S&P 500	0.64	0.61	0.64
R-Squared of Beta	0.95	0.91	0.94

Sharpe Ratios	H1	H2	Tenure
Haslam Fund Portfolio	1.48	-0.11	0.89
Benchmark	1.42	-0.05	0.97
S&P 500	1.34	0.63	1.05
BETFX	1.10	-0.43	0.62

Treynor Ratios	H1	H2	Tenure
Haslam Fund Portfolio	0.21	-0.01	0.10
Benchmark	0.20	-0.00	0.10
S&P 500	0.29	0.07	0.18
BETFX	0.23	-0.03	0.10

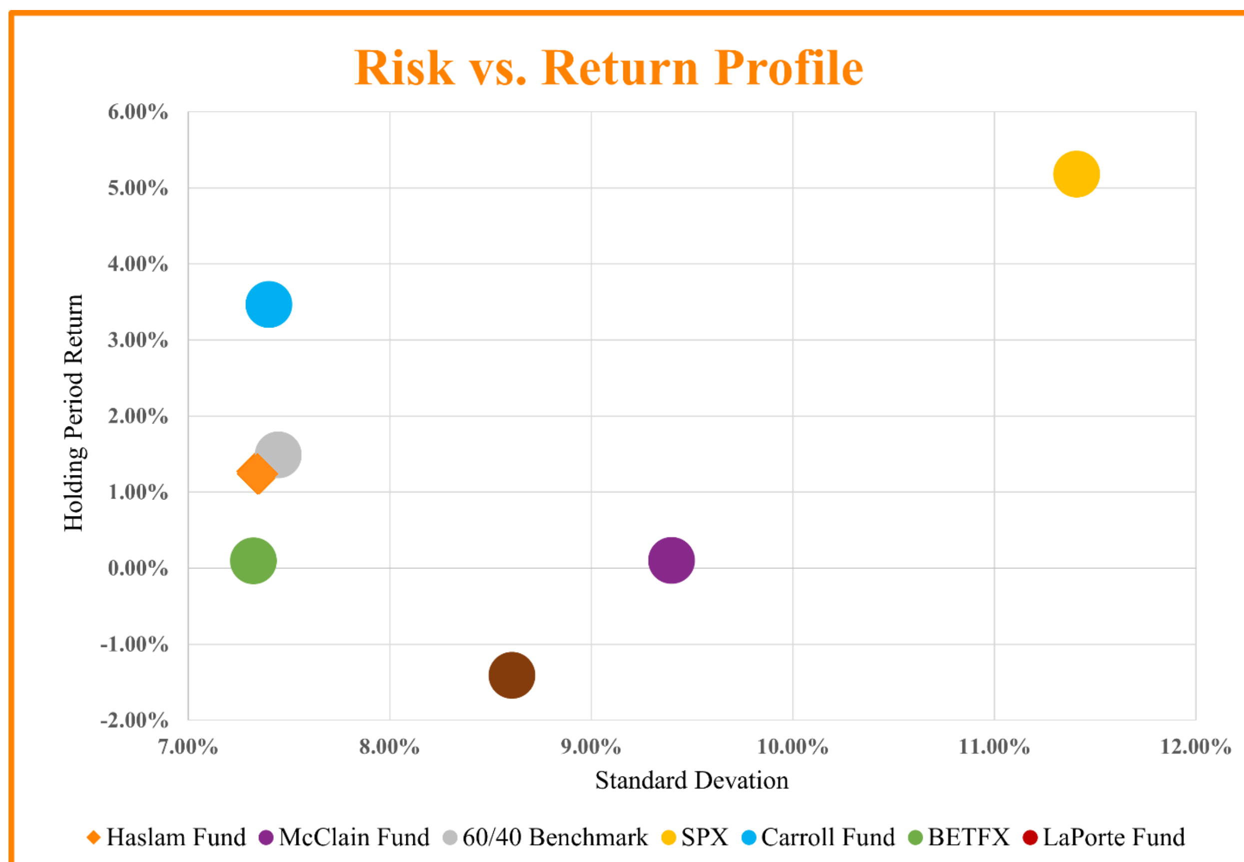
Other Metrics	H1	H2	Tenure
Standard Deviation (%)	1.48	7.35	11.20
Tracking Error	1.42	2.98	2.75
Information Ratio (Benchmark)	1.34	-2.69	1.39

Note: All calculations presented are annualized and calculated using daily returns over the reporting period.

*The primary benchmark for the Haslam Torch Fund is a 60-40 portfolio, weighted 60.00% of S&P 500 returns and 40.00% of Bloomberg Barclays U.S. Aggregate Bond Index returns.

**BETFX is Morningstar Balanced ETF Asset Allocation Portfolio Fund.

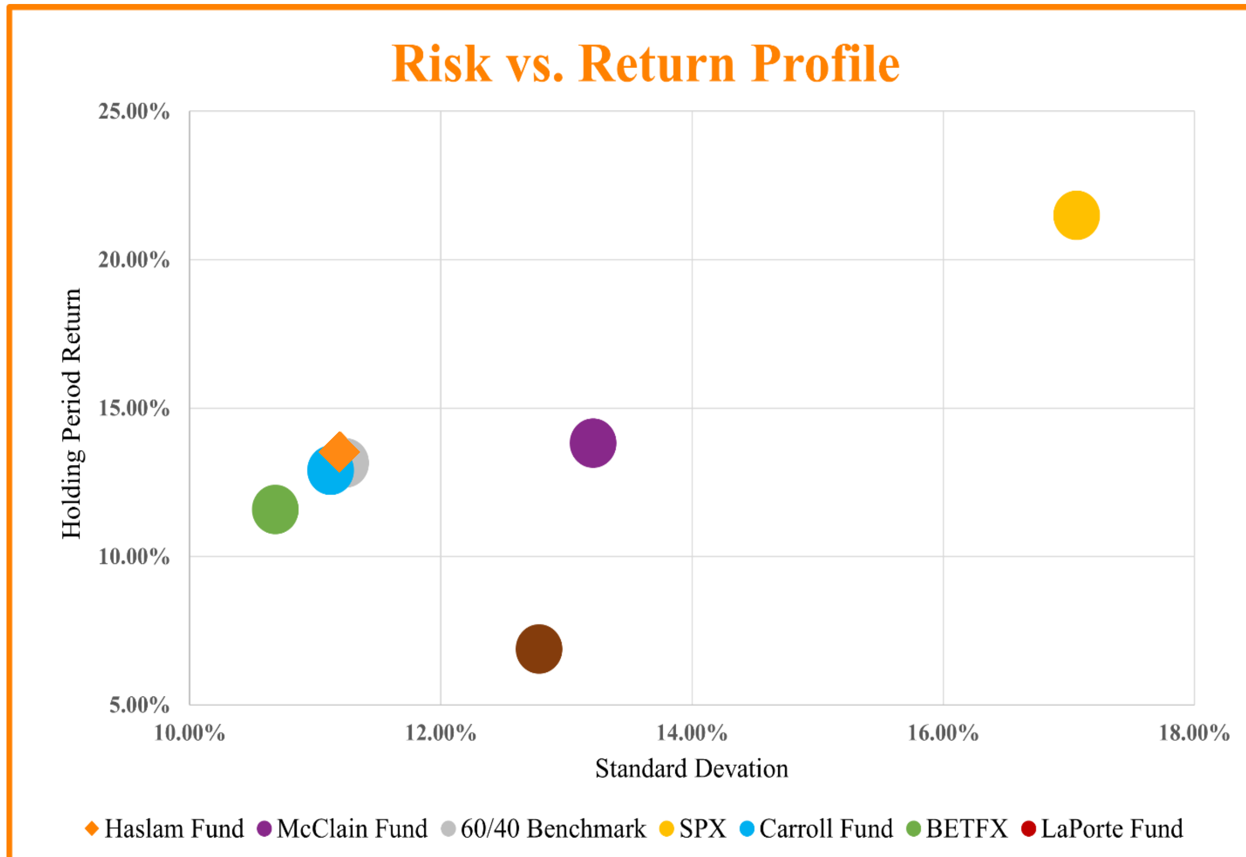
Summary of Portfolio Performance



H2	Holding Period Return	Standard Deviation	Coefficient of Variation	Sharpe Ratio	Treynor Ratio
Carroll Fund	3.47%	7.40%	2.1325	0.4787	0.0374
Haslam Fund	1.27%	7.35%	5.7874	-0.1070	-0.0085
LaPorte Fund	6.88%	8.60%	1.2500	-0.7087	-0.0579
McClain Fund	0.10%	9.40%	94.0000	-0.3150	-0.0395
60/40 Benchmark	1.49%	7.44%	4.9932	-0.0481	-0.0036
BETFX	0.10%	7.32%	73.2000	-0.4283	-0.0340
SPX	5.19%	11.41%	2.1984	0.6336	0.0723

After a strong performance in H1, the Haslam Fund fell just short of the 60/40 benchmark in H2. The Haslam Fund finished second among the four Torch Funds in terms of Sharpe ratio at -0.1070, and second in Treynor ratio at -0.0085 for the FY. The Sharpe ratio includes standard deviation in the denominator of the calculation, while the Treynor includes beta. The Haslam Fund sustained a lower standard deviation than all other funds at 7.35%, which led to having the second highest Sharpe ratio. The Haslam Fund also sustained the second lowest beta vs benchmark at 0.9299, above the McClain Fund at 0.7497. The coefficient of variation ratio (STD/HPR) was very high for most funds largely due to low returns across the market in H2. The Haslam Fund achieved a coefficient of variation of 5.7874, indicating poor use of risk management. With the rise in yields on risk-free U.S. Treasury bills, achieving higher returns is more difficult without taking on additional risk. With this in mind, the Haslam Fund has been working towards a more defensive positioning.

Summary of Portfolio Performance

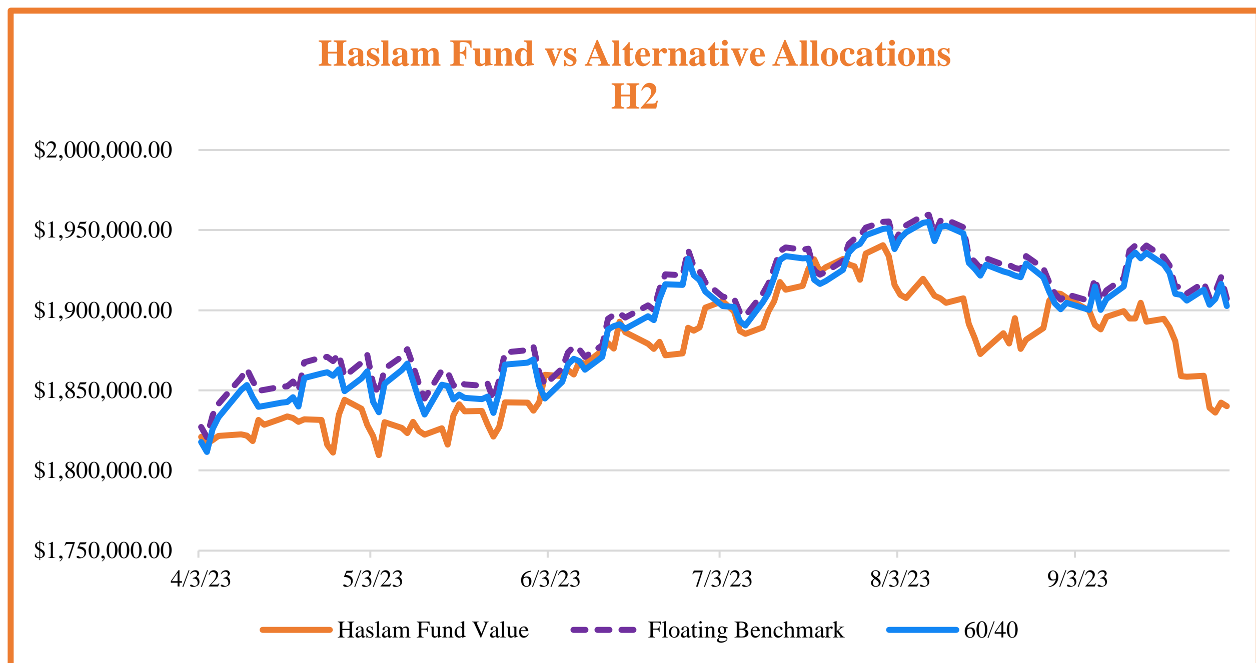


H2	Holding Period Return	Standard Deviation	Coefficient of Variation	Sharpe Ratio	Treynor Ratio
Carroll Fund	12.91%	11.12%	0.8613	0.8604	0.0991
Haslam Fund	13.40%	11.20%	0.8358	0.8935	0.1035
LaPorte Fund	6.89%	12.78%	1.8549	0.3315	0.0390
McClain Fund	13.83%	13.21%	0.9552	0.8056	0.1372
60/40 Benchmark	13.16%	11.24%	0.8451	0.8697	0.0927
BETFX	11.60%	10.68%	0.9207	0.7950	0.0927
SPX	21.50%	17.06%	0.7935	1.0476	0.1787

During the FY, the Haslam Fund finished first among the four Torch Funds in terms of Sharpe ratio, and second in Treynor ratio for the FY. The Haslam Fund sustained a lower standard deviation than all other funds at 11.20%, which led to having the highest Sharpe ratio. The Haslam Fund also sustained the second highest beta vs benchmark at 0.9672, second only to LaPorte Fund at 1.0848, and the lowest coefficient of variation (CV) among all other funds for the FY at 0.8358. This indicates the Haslam Fund achieved the best risk-return tradeoff of all funds, meaning 0.8358 units of risk were required to generate one unit of return. In the rising rate environment experienced during FY, achieving alpha is more difficult without additional risk, making the Haslam Fund's performance even more impressive.

Overview of Performance Objectives

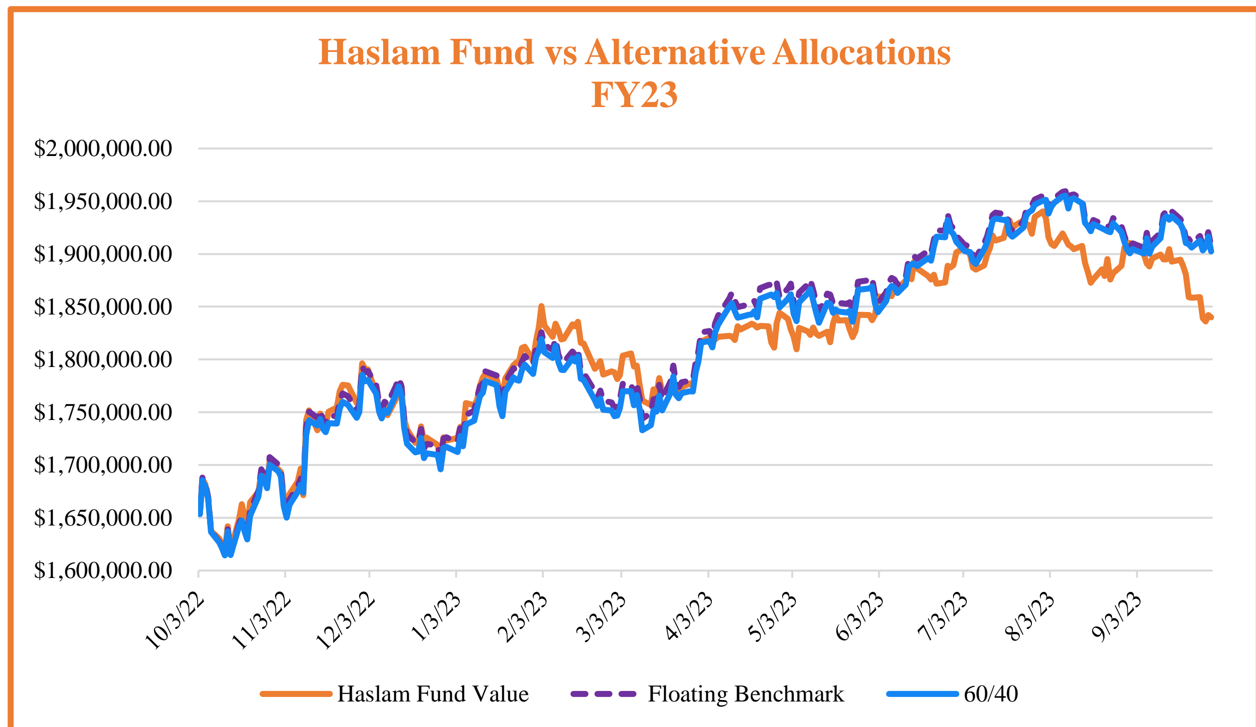
Objective	H1	H2	Tenure
Generate positive return	✓	✓	✓
Beat our benchmark	✓	✗	✓
Outperform all other funds on an absolute basis	✗	✗	✗
Outperform all other funds on a risk-adjusted basis	✗	✗	✗



The graph above shows the Haslam Fund compared to the 60/40 benchmark as well as a floating weight benchmark. The floating weight benchmark (shown by the purple dotted line) is a mix of the S&P 500 and the Bloomberg Barclays U.S. Aggregate Bond Index, weighted by the fund's actual asset class allocation for a given day. Therefore, when the floating weight benchmark exceeds the fixed 60/40 benchmark, this means the portfolio has strong allocation. As seen in the graph above for H2, the floating weight benchmark exceeds the 60/40 benchmark for most of the period, but the gap narrows towards the end of the period. This is consistent with demonstrating allocation skill.

Meanwhile, if the Haslam Fund appears above the floating weight benchmark this indicates strong security selection within asset classes, and vice versa. Unfortunately, our portfolio underperformed the floating benchmark in H2, indicating a lack of selection skill.

Overview of Performance Objectives



For the FY, the Haslam Fund was above both the 60/40 and floating benchmarks for the majority of H1, but was below during the majority of H2, beginning around April and was at the lowest during the end of H2, continually dropping below both benchmarks through August and September.

Starting with H1, our portfolio was very close, essentially tracking the floating and 60/40 benchmarks. Towards the end of H1 in February and March, our asset allocation and security selection outperformed. During February, the SPX Index was down 2.61% as market sentiment around interest rate pauses were cut short when the FOMC made their hawkish position for the near future clear. In March, the SPX Index gained 3.51% for the month, but most of the month was plagued by the collapses of Silicon Valley Bank (SVB) and First Republic Bank (FRCB) creating concerns of regional bank instability. Despite those events, the Haslam Fund outperformed during this down period due to our optimal asset allocation and security selection.

As mentioned earlier, the Haslam Fund value underperformed the floating and 60/40 benchmarks for the majority of H2. While a rally in tech stocks took place during H2, our portfolio was not allocated to capitalize on the Information Technology sector, as we were underweight the respective SPX sector index (S5INFT). The largest positive movers by net change in the sector were Broadcom (AVGO), Fair Issac Corp (FICO UN) and Nvidia (NVDA). We held Broadcom, which was our biggest winner for the year, taking profits by selling 35 shares on 05/02/2023.

Going forward, we are slightly pessimistic for the next 6-12 months. As a result, we are modifying allocations and holdings towards a somewhat more defensive position.

Largest & Smallest Holdings and Best & Worst Performers

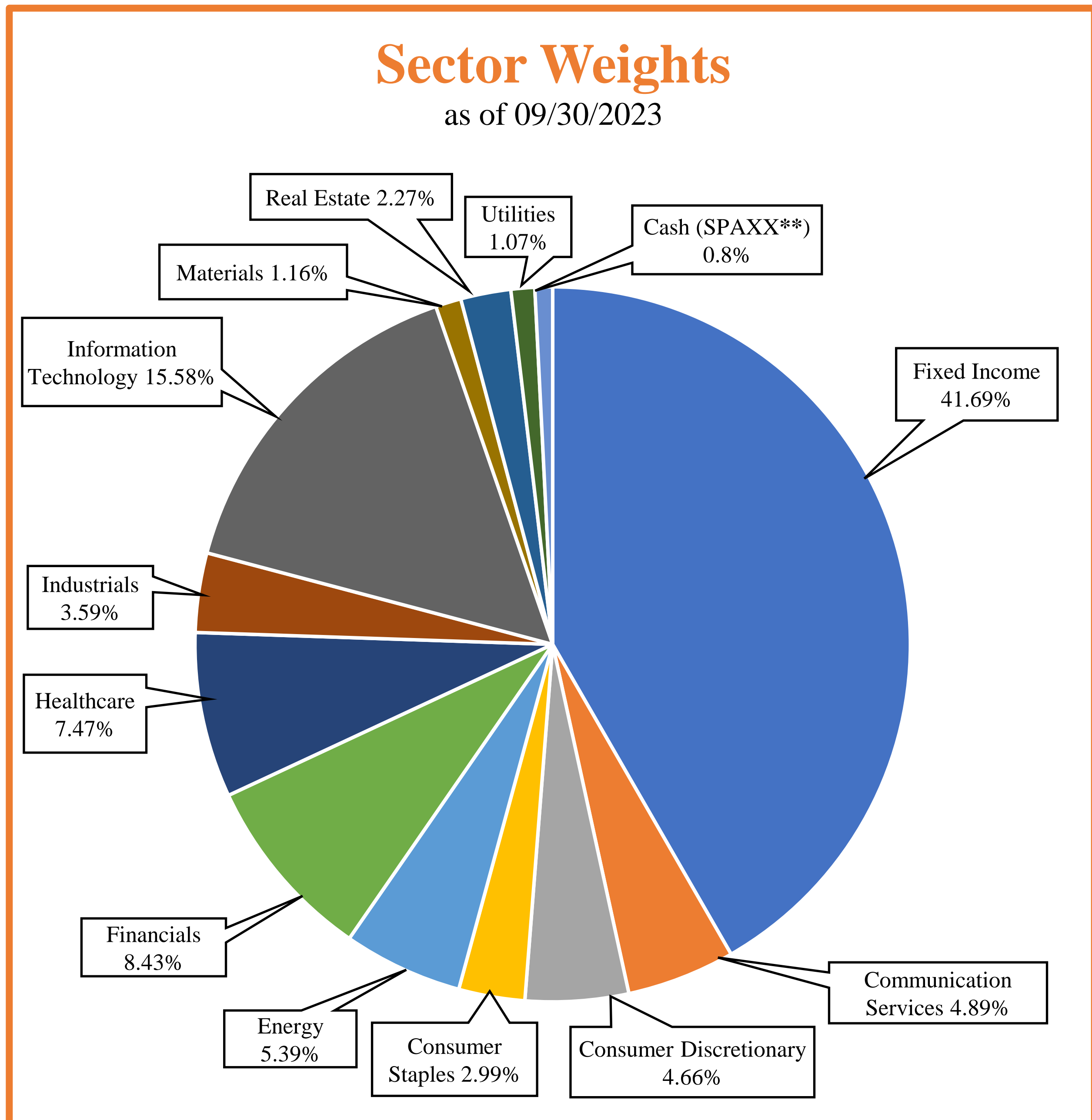
Largest Holdings	Weight (%)
WisdomTree Floating Rate (USFR)	9.58
iShares Core U.S. Aggregate Bond ETF (AGG)	8.00
BlackRock Municipal Income Trust (BFK)	7.02
Apple Inc. (AAPL)	6.65
Janus Henderson AAA CLO ETF (JAAA)	6.07

Smallest Holdings	Weight (%)
Utilities Sector SPDR Fund (XLU)	0.50
Entergy Corp. (ETR)	0.57
Verizon Communication Inc. (VZ)	0.81
Lockheed Martin Corp. (LMT)	0.91
RTX Corp. (RTX)	0.94

Best H2 Performers	Return (%)
Applied Materials Inc. (AMAT)	70.40
Broadcom Inc. (AVGO)	70.04
Palo Alto Networks Inc. (PANW)	43.13
JPMorgan Chase & Co. (JPM)	42.60
KKR & Co. (KKR)	40.69

Worst H2 Performers	Return (%)
Dollar General (DG)	-54.94
CVS Health Corp. (CVS)	-24.31
Camden Property Trust (CPT)	-14.53
Walt Disney Co. (DIS)	-14.08
Verizon Communications Inc. (VZ)	-7.77

Portfolio Allocation



Asset Type	H1 End Value	(%) Portfolio	H2 End Value	(%) Portfolio
Equities	1,042,290.59	57.37	1,058,320.13	57.52
Fixed Income	641,682.05	35.32	781,723.51	42.48
Cash	132,946.32	7.31	14,679.65	.80
TOTAL	**1,816,918.96**		**1,840,043.64**	

Summary of Individual Holdings

Holdings	H1 Return (%)	H2 Return (%)	Tenure Return (%)	Current Weight (%)
Equities				
AAPL	19.65	4.12	24.57	6.65
ABT	5.66	-3.35	2.16	2.09
AMAT	50.56	13.24	70.40	3.33
AMGN	9.06	-	9.06	-
AMZN	-8.59	23.07	12.50	3.59
ARCB	19.06	-	19.06	-
AVGO	46.56	15.61	70.04	2.03
BAC	-3.84	-2.66	-5.63	1.62
CPT	-7.29	-7.88	-14.53	1.11
CVS	-20.87	-4.41	-24.31	1.38
DD	37.16	-	37.16	-
DG	-11.80	-49.17	-54.94	1.07
DIS	6.15	-19.06	-14.08	1.07
ET	18.22	17.46	37.96	3.30
ETR	9.19	-12.16	-3.83	0.57
EVR	-	-1.65	-1.65	1.78
FDX	45.35	-	45.35	-
GPK	30.02	-11.81	14.77	1.16
HAL	-	36.25	36.25	2.09
JBL	24.45	-	24.45	-
JPM	26.61	12.82	42.60	1.40
KKR	26.55	17.92	40.69	1.83
LMT	24.16	-12.22	13.21	0.91
MET	-3.03	10.37	6.86	1.79
MRK	25.19	-1.86	22.89	3.04
MSFT	24.37	9.99	36.74	4.87
PANW	21.95	17.37	43.13	1.53
PAVE	21.03	7.44	28.07	1.74
PG	19.22	-0.64	18.47	1.44
PLD	11.60	-	11.60	-
RHHBY	3.98	-4.67	-0.76	1.86
RTX	20.38	-25.30	-5.39	0.94
TSN	0.07	-	0.07	-
VZ	5.86	-13.31	-7.77	0.81
WELL	13.36	15.97	31.16	1.16
WMT	14.12	9.62	25.06	1.55
XLC	21.61	15.58	38.05	3.02
XLU	4.95	-11.38	-6.81	0.50
Fixed Income				
AGG	4.83	-4.08	0.62	8.00
BFK	9.54	-11.33	-2.60	7.02
JAAA	-	3.75	3.75	6.07
PSK	0.48	-1.24	-0.72	5.59
SCHO	2.45	0.03	2.48	5.42
USFR	1.19	2.06	2.26	9.58

Summary of Actions for the Period

H2 Actions:

U.S. Bancorp (USB)

• Purchased 700 shares for $25,200.00 (04/06/2023)

Wisdom Tree Floating Rate Treasury Fund (USFR)

• Purchased 2,188 shares for $110,209.34 (04/13/2023)

Fedex Corp. (FDX)

• Sold 158 shares for $35,818.31 (04/25/2023)

Wisdom Tree Floating Rate Treasury Fund (USFR)

• Sold 660 shares for $33,220.83 (05/02/2023)

Janus Detroit Street Trust Janus Henderson AAA CLO ETF (JAAA)

• Bought 2,220 shares for $109,912.68 (05/02/2023)

Broadcom Inc. (AVGO)

• Sold 35 shares for $21,543.72 (05/02/2023)

Amgen Inc. (AMGN)

• Sold 70 shares for $16,688.56 (05/02/2023)

Wisdom Tree Floating Rate Treasury Fund (USFR)

• Sold 566 shares for $28,512.02 (05/09/2023)

Halliburton Co. (HAL)

• Purchased 950 shares for $28,460.96 (05/09/2023)

Evercore Inc. (EVR)

• Purchased 158 shares for $22,213.20 (09/13/2023)

U.S. Bancorp (USB)

• Sold 700 shares for $23,320.31 (09/29/2023)

Evercore Inc. (EVR)

• Purchased 80 shares for $11,152.79 (09/29/2023)

Fixed Income

Fund Manager: Sam Holloway

H2 Analysis:
During H2, bond markets experienced a significant retreat, reversing the positive returns witnessed in H1. The Bloomberg U.S. Aggregate Bond Index saw a loss of -4.05%, a notable decline from the 4.89% gain in H1. Rises in yields can be attributed to several major macroeconomic events and developments, including heightened geopolitical tensions, sticky inflation, a tight labor market, and government spending issues. Despite facing these headwinds, the U.S. economy continued to demonstrate resilience throughout the period, observable in elevated consumer spending.[1] The lack of a spending slowdown, combined with no significant uptick in layoffs, prompted the Federal Reserve to implement two 25 basis point interest rate hikes over the period, increasing the federal funds rate to 5.33%. The Haslam Fund was well-prepared for these rate hikes due to the modestly low duration of the majority of our Fixed Income holdings. The move to shorten duration proved effective, allowing the Haslam Fund to outperform its Fixed Income benchmark by 1.15% over the period. The Treasury yield curve remained inverted the entire period and showed no signs of normalizing in the near term.

Moving Forward:
Throughout the period, we observed a steady decline in inflation, with the Consumer Price Index (CPI) registering at 3.00% for June, marking the lowest level this year. This decline, following the peak of 9.10% in June 2022, has substantially benefitted the Haslam Fund. However, it still remains well above the Federal Reserve's 2.00% target. The persistence of inflation above this target raises concerns about potential future rate hikes, but the possibility of financial markets autonomously driving rates to restrictive levels would avoid the need for further rate hikes by the Federal Reserve. The Haslam Fund managed to mitigate losses effectively through its low duration approach. As the Federal Reserve gradually approaches its terminal interest rate, our fund's objective is to prudently extend our average duration. Introducing additional duration in the short term positions the portfolio to leverage current high yields and the potential for capital gains in a declining interest rate environment. Key data releases to monitor on the inflationary front include the Consumer Price Index (CPI) and the Personal Consumption Expenditures (PCE), the latter of which is the Federal Reserve's preferred gauge of inflation. Given the Federal Reserve's dual mandate of maintaining low inflation and low unemployment, the labor market remains a critical element that the Haslam Fund will vigilantly track. The September unemployment rate registered at 3.80%, reflecting a slight increase from the 3.40% at the beginning of H2.[2,3] Moving forward, we anticipate potential rate cuts by the Federal Reserve in mid to late 2024 and are enthusiastic about the investment opportunities that lie ahead.

Period	Start Value ($)	End Value ($)	Return (%)	Benchmark Return (%)	Weighting Difference from Benchmark (%)
H1	601,474.25	641,682.05	3.60	4.89	2.64
H2	641,682.05	767,043.86	-2.41	-4.05	1.69
Tenure	601,474.25	767,043.86	1.79	0.64	1.69

BlackRock Municipal Income Trust (BFK)

Sector: Fixed Income
Fund Manager: Sam Holloway

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	138,728.21	148,626.97	9.54	2.40
H2	148,626.97	129,120.59	-11.33	1.81
Tenure	138,728.21	129,120.59	-2.60	4.32

H2 Actions: Held. Total dividend payment of $2,663.94 during this period.

Holding Description:
The BlackRock Municipal Income Trust (BFK) is a closed-end investment product strategically designed as a source of income exempt from regular federal income tax obligations.[4] Under normal market conditions, BFK achieves this objective by allocating a minimum of 80.00% of its assets to investment-grade municipal bonds. BFK has the flexibility to utilize derivatives for investments in these securities. BFK does not specify a benchmark, allowing the portfolio managers complete authority on investment decisions. BFK was introduced to the market in 2001 by BlackRock, Inc. and accounts for 7.02% of total assets held in the portfolio. BFK's underlying holding are issued from over thirty states and include revenue and general obligation securities.

Positive Drivers:
The high duration of BFK makes it a highly attractive holding for the Haslam Fund, particularly in a declining interest rate environment. While the Consumer Price Index (CPI) fell in H2, it did not recede to a level prompting the Federal Reserve to consider cutting interest rates. The continued decrease in CPI and cooler labor market serves as significant factors that could potentially prompt the Federal Reserve to consider a rate cut, which, in turn, would deliver strong returns for BFK. The majority of its holdings are rated single A or better, which has contributed to the mitigated impact of elevated interest rates. Throughout the entirety of H2, BFK traded at a discount to its Net Asset Value (NAV), but the Haslam Fund anticipates this to normalize as the possibility of interest rate cuts draws nearer. Also, BFK boasts an impressive tax-equivalent yield of 6.28%. The tax-equivalent yield signifies the yield a taxable bond would have to achieve in order to match the return of its tax-equivalent counterpart. This elevated figure contributes greatly to dividend payments received in the portfolio, while simultaneously serving as a safe haven due to the security of municipal bonds.

Negative Drivers:
Although BFK’s duration of 13.09 years is an attractive aspect of the fund, it also renders it particularly susceptible to changes in interest rates. In H2, the Federal Reserve enacted two rate hikes that had adverse impacts on the value of the underlying holdings. The potential for further rate hikes by the Federal Reserve, driven by sustained strength in the labor market and elevated inflation, may diminish the performance of BFK. Additionally, it is worth noting BFK bears a relatively high expense ratio of 2.11%.

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

Sector: Fixed Income
Fund Manager: Sam Holloway

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	150,868.44	156,036.24	4.83	1.41
H2	156,036.24	147,266.64	-4.08	1.54
Tenure	150,868.44	147,266.64	0.62	3.01

H2 Actions: Held. Total dividend payment of $2,409.44 during this period.

Holding Description:
iShares Core U.S. Aggregate Bond (AGG) is an exchange-traded fund (ETF) designed to replicate the investment performance of an index representing the entire U.S. investment-grade bond market. AGG was introduced to the market in 2003 and employs the same benchmark as the Fixed Income segment of the portfolio, the Bloomberg U.S. Aggregate Bond Index.[5] AGG provides extensive exposure to a wide range of securities, including government and corporate debt, Mortgage-Backed Securities (MBS), Asset-Backed Securities (ABS), and Commercial Mortgage-Backed Securities (CMBS). As a result, AGG serves as an excellent diversification tool and accounts for 7.99% of the portfolio.

Positive Drivers:
AGG is a passively managed ETF that meticulously follows the investment-grade bond index, resulting in it retaining the same positive drivers as the overall bond market. AGG boasts the second highest duration in the Haslam Fund, offering the opportunity for favorable returns in a declining interest rate environment. While we continue to operate within a heighted interest rate space, AGG effectively secures a strong coupon payment with minimal default risk, thanks to its premier credit quality and balanced diversification. The explicit alignment between AGG and the Fixed Income benchmark allows the Haslam Fund to mirror benchmark returns while capitalizing on opportunities elsewhere in the Fixed Income landscape.

Negative Drivers:
The subpar performance of AGG during H2 can predominantly be attributed to the two interest rate hikes implemented by the Federal Reserve, coupled with a continually resilient labor market. AGG is one of the Haslam Funds' higher duration holdings, their depleted returns stemmed from mechanical underperformance in a rising interest rate environment. The Haslam Fund will continue to monitor macroeconomic data releases regarding inflation, the labor market, and consumer spending to determine if the Federal Reserve has done its job combating high inflation. AGG boasts an extremely low expense ratio of 0.03%, yet we can anticipate a slightly lower return than its benchmark due to this expense.

Janus Henderson AAA CLO ETF (JAAA)

Sector: Fixed Income
Fund Manager: Sam Holloway

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	-	-	-	-
H2	-	111,732.60	3.75	2.10
Tenure	-	111,732.60	3.75	2.10

H2 Actions: Bought 2,220 shares for $109,912.68 on 05/02/2023.
Total dividend payment of $2,303.56 during this period.

Holding Description:
Janus Henderson AAA CLO (JAAA) is an exchange-traded fund (ETF) designed with the goal of investing in high-quality Collateralized Loan Obligations (CLOs) to deliver consistent risk-adjusted returns while maintaining a low correlation with traditional Fixed Income assets.[6] CLOs are renowned for their typically lower volatility and reduced downside risk.[7] JAAA exhibits low sensitivity to changes in interest rates, in part to the underlying CLOs alignment with the Secured Overnight Financing Rate (SOFR). In H2, the inclusion of JAAA within the Fixed Income sector was extremely valuable, resulting in it being the highest returning ETF of 3.75%. JAAA also serves as an integral element for diversification within the Haslam Fund.

Positive Drivers:
JAAA has remained remarkably resilient in the face of rising interest rates, thanks to its unparalleled credit quality, boasting over 90.00% of its holdings with a pristine triple-A rating. This top-tier credit quality signifies an exceptionally low level of default risk, even amidst a backdrop of increasing interest rates. JAAA strategically diversifies its portfolio by investing in a wide range CLOs, effectively spreading risk across the fund. Notably, JAAA offers an attractive yield compared to other Fixed Income securities, boasting a compelling Yield-To-Worst (YTW) of 7.53%. Furthermore, JAAA occupies a unique position within the Haslam Funds' Fixed Income sector, focused on CLOs, thus adding an element of diversification that differentiates it from the rest. Low correlation and nearly zero duration have proven to be invaluable assets, particularly during challenging times for fixed income investments. Looking ahead, the Haslam Fund anticipates that JAAA will continue to deliver robust returns going into 2024, regardless of the prevailing interest rate environment. In addition to its investment merits, JAAA offers outstanding liquidity due to its ETF structure, a notable advantage when compared to the typically illiquid nature of CLOs.

Negative Drivers:
The entirety of H2 JAAA was trading at a premium relative to its Net Asset Value (NAV). This premium suggests that the market may perceive JAAA as overvalued, potentially raising questions about its price sustainability. Despite the reliance of JAAA in the face of interest rate hikes, it is essential to recognize that a more severe downturn in the macroeconomic landscape or escalating geopolitical tensions could exert additional stress on this holding. Such external pressures could impact the credit quality and overall performance of its underlying securities, potentially affecting returns. Additionally, it is important to note JAAA is actively managed, coming with a relatively high expense ratio, standing at 0.22%. While active management can offer benefits, the higher expenses can erode returns.

Schwab Short-Term U.S. Treasury ETF (SCHO)

Sector: Fixed Income
Fund Manager: Sam Holloway

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	-	101,629.57	2.45	1.08
H2	101,629.57	99,754.87	0.03	1.88
Tenure	-	99,754.87	2.48	2.97

H2 Actions: Held. Total dividend payment of $1,904.69 during this period.

Holding Description:
Schwab Short-Term U.S. Treasury (SCHO) is an exchange-traded fund (ETF) designed to track as closely as possible, the total return of Short-Term U.S. Treasury Bond Market Index.[8] Short-term treasuries are securities with a remaining maturity between one and three years. It achieves this by maintaining a strategic focus on securities positioned at the front end of the Treasury yield curve. These carefully selected securities within SCHO offer a combination of diversification, exceptional liquidity, and the complete backing of the U.S. Treasury Department. This unique blend of features positions SCHO as an attractive holding for the Haslam Fund providing stability and consistent dividends.

Positive Drivers:
SCHO has served as a reliable and integral diversification element within the Fixed Income sector of the Haslam Fund during this period of interest rate uncertainty. Its added value stems from delivering substantial dividend payments while exposing itself to minimal interest rate risk. Additionally, its extremely low duration ensures minimal sensitivity to changes in interest rates. Notably, SCHO is fully invested in U.S. Treasury-issued securities, widely acknowledged for their risk-free status.[9] Due to its high liquidity as an ETF, SCHO can be transacted by the Haslam Fund swiftly if needed. Additionally, it features an exceptionally low expense ratio of 0.03%.

Negative Drivers:
While SCHO effectively served as a defensive position during the sustained rise in interest rates, it tends to underperform certain higher-duration counterparts in a declining interest rate environment. In H2, the U.S. experienced a downgrade in its long-term credit rating, transitioning from triple A to double A+. This downgrade reflects mounting concerns regarding the erosion of governance, rising government deficits, and unaddressed fiscal challenges in the medium term. However, this is not the first occurrence of a downgrade and is not a cause of immediate concern for the Haslam Fund. While SCHO will continue to be a dependable source of strong dividend payments for the Haslam Fund in the short term, it is important to recognize that as we extend our investment horizon, the attractiveness of SCHO as an investment may diminish.

SPDR ICE Preferred Securities ETF (PSK)

Sector: Fixed Income
Fund Manager: Sam Holloway

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	110,506.20	107,653.20	0.48	3.06
H2	107,653.20	102,898.20	-1.24	3.18
Tenure	110,506.20	102,898.20	-0.72	6.16

H2 Actions: Held. Total dividend payment of $3,423.60 during this period.

Holding Description:
SPDR ICE Preferred Securities (PSK) is an exchange-traded fund (ETF) created to mirror the investment performance of the ICE Exchange-Listed Fixed & Adjustable-Rate Preferred Securities Index.[10] PSK invests in non-convertible investment-grade preferred stocks and securities that serve as functional equivalents and have par values of $25.00. PSK serves as a valuable diversification option for the Haslam Fund, given its investments in securities that are not included in our Fixed Income benchmark. PSK was introduced to the market in 2009 and is under the management of State Street Global Advisors, one of the largest asset management firms in the world.

Positive Drivers:
Preferred securities represent a unique segment within the Fixed Income sector, functioning as a hybrid between common stock and traditional bond. Preferred stocks are generally perceived as safer than common stocks, while also offering higher returns compared to bonds.[11] PSK diversifies the Haslam Funds' Fixed Income holdings and taps into a type of security not present within the benchmark. It is important to note that preferred securities are perpetual, with no maturity date, resulting in an extended duration and thus increased sensitivity to interest rate changes. PSK is currently taking advantage of high yields, with the potential to capture capital gains, especially in the event of rate cuts by the Federal Reserve.

Negative Drivers:
PSK exhibits extensive exposure to the Financial sector, with more than 70.00% of its holdings issued by financial institutions. The Haslam Fund will diligently monitor earnings releases and forward guidance from these major financial holdings, including Citigroup and CapitalOne. This heighted vigilance is important in light of the increased regulatory scrutiny stemming from the failures of Silicon Valley Bank (SVB) and First Republic Bank (FRCB). It is worth noting that all major banks passed the Federal Reserves stress test in June, with some banks performing exceptionally well during the period. Also, PSK is one of the lowest-rated Fixed Income holdings within the Haslam Fund, with over 70.00% of its holdings carrying a rating of BBB. Similar to traditional Fixed Income securities, preferred securities exhibit an inverse relationship with changes in interest rates. This inverse relationship provides insight into why PFK posted negative returns in H2.

WisdomTree Floating Rate Treasury Fund (USFR)

Sector: Fixed Income
Fund Manager: Sam Holloway

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	201,371.40	127,736.07	1.19	2.10
H2	127,736.07	176,200.90	2.06	2.61
Tenure	201,371.40	176,200.90	2.26	4.71

H2 Actions: Bought 2,188 shares for $110,209.34 on 04/17/2023. Sold 660 shares for $33,220.83 on 05/02/2023 and sold 566 shares for $28,515.02 on 05/09/2023. Total dividend payment of $4,853.24 during this period.

Holding Description:
WisdomTree Floating Rate Treasury Fund (USFR) is an exchange-traded fund (ETF) designed to mirror the price and yield performance of the Bloomberg U.S. Treasury Floating Rate Bond Index.[12] Floating Rate Notes (FRNs) are debt securities issued by the Treasury Department, characterized by interest rates that dynamically adjust in reference to the spread over 3-month Treasury Bills. USFR serves as a shield for the Haslam Fund against the adverse effects of rising interest rates, all the while maintaining an exceptionally low default risk.

Positive Drivers:
Throughout H2, USFR has served as a reliable repository for the Haslam Fund, facilitating cash preservation. The fund's primary investment in FRNs underscores the unparalleled safety it offers, featuring an exceptionally low default risk. These FRNs are thoughtfully positioned at the front end of the historic inverted Treasury yield curve, ensuring attractive dividend payments. The exceptional performance of USFR during H2 can be attributed to the choice of the Federal Reserve to implement two 25 basis point interest rate hikes.

Negative Drivers:
USFR stands as a robust defensive asset within the Haslam Fund, adept at safeguarding capital, yet it faces the risk of substantial underperformance in an environment of declining interest rates. The limited potential for capital appreciation is primarily a consequence of its exceptionally low duration, which currently stands at a mere 0.05 years. Compounding this challenge, a shift in market sentiment toward reallocating capital from defensive holdings like USFR to alternative assets could further depress its price, exacerbating the performance decline.

Communication Services

Fund Manager: Chyanne Smailovic

H2 Analysis:
The S&P 500 Communication Services Index (S5TELS) generated positive returns during H2 of 16.50%. The Communication Services sector outperformed the S&P 500, credited in large part to the surge in AI and FAANG stocks during H2. FAANG stocks are the publicly traded stocks of Meta (formerly known as Facebook), Amazon, Apple, Netflix, and Google. Notably, three of the five FAANG stocks, Meta, Google, and Netflix are represented in this sector.[1] In H2, we held onto our positions in Disney, Verizon, and XLC. As H2 unfolded, despite predictions of a soft landing attributed to lower YoY inflation, discretionary spending grew at an annual growth rate of 80 basis points.[2] Companies are slowing the intake of new debt as high rates make the cost of borrowing much higher.[3] Due to these pressures weighing on consumer-spending centric industries like entertainment and telecommunications, our investments in this sector underperformed by 16.86%, generating an unrealized capital loss of 0.36% for this period.

Moving Forward:
For the Communication Services sector, the Haslam Fund is overall slightly pessimistic moving forward. We believe that a higher interest rate environment will persist for longer, with even a possibility of another rate hike before rates begin to come down. Rates will not decrease until the inflationary environment begins to waver and relieve consumer budgets. Consumer spending is a key driver of the sector's performance. To add, consumer confidence was down 5.24% in September.[4] The restart of student loan repayments to begin in early October will likely put a dent on discretionary spending, which is an important growth driver for the Communication Services sector. This sector is cyclical in nature, and we are confident in our underweight position to align with our defensive strategy. However, we are ready to position ourselves for new opportunities in industries such as interactive media and services before an economic upturn, to capitalize on lower prices and higher return potential once the economy enters a recovery period.

Period	Start Value ($)	End Value ($)	Return (%)	Benchmark Return (%)	Weighting Difference from Benchmark (%)
H1	80,818.92	91,128.56	13.74	18.75	-3.88
H2	91,128.56	90,028.08	-0.36	16.50	-0.36
Tenure	80,818.92	90,028.08	13.44	38.26	-0.36

Communication Services Select Sector SPDR Fund (XLC)

Sector: Communication Services
Fund Manager: Chyanne Smailovic

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	40,562.83	49,100.59	21.61	0.56
H2	49,100.59	55,537.79	13.58	0.47
Tenure	40,562.83	55,537.79	38.05	1.13

H2 Actions: Held. Total dividend payment of $230.92 during this period.

Holding Description:
The Select Sector SPDR Communication Services Fund is a passively managed ETF whose goal is to track performance of equity securities included in the Communications Services Select Sector Index (IXCTR). XLC's benchmark is the SPX Index. The fund uses market-capitalization weights to allocate each equity. The fund's top five holdings are: Meta Platforms Inc. Class A (25.44%), Alphabet Inc. Class A (12.33%), Alphabet Inc. Class C (10.59%), AT&T Inc. (5.14%), and T-Mobile (5.08%). The fund has a low expense ratio of 0.10% and management fees of 0.03%, due to the passive management strategy. The fund was trading at a discount to NAV of 5 basis points.[5]

Positive Drivers:
In H2, the rally of tech and AI stocks continued from H1, albeit not as strong as in H1. Regardless, XLC benefited as over 50.00% of its holdings were stocks that rallied, such as Alphabet Class A and C, Meta, and Netflix. While we do not hold these single stocks due to their volatility and overvaluation, XLC gives us the benefits of their high performance while lowering our risk. XLC has extremely low expenses, allowing us to have diversified exposure to the Communication Services sector while paying minimal fees. 5G continues to expand and is projected to grow by roughly $96.00 B by 2030, and as cellular services become even more of a necessity for consumers, the growth of 5G will have significantly fewer obstacles.[6] Another positive driver is the expansion of revenue streams through advertising. As online usage continues to grow and ad-supported streaming plans increase in popularity, this can be an addition to the recurring revenue model used by numerous firms in the sector.

Negative Drivers:
A negative driver in the sector, especially in the high interest rate environment, is investment in the future. As the sector's industries become increasingly competitive, it is a necessity to consistently invest in new technology, particularly in the telecommunications industries.[7] For instance, Verizon forecasts a cut in capital investment in 2024 as they want to focus on building more cash reserves as their 5G expansion is very capital intensive.[8] Streaming platforms also struggle to be profitable, due to the high cost of operations and the ease for consumers to switch to other platforms when one becomes too pricey for their liking.[9]

Verizon Communications, Inc. (VZ)

Sector: Communication Services
Fund Manager: Chyanne Smailovic

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	17,428.23	17,850.51	5.86	3.44
H2	17,850.51	14,876.19	-13.31	3.33
Tenure	17,428.23	14,876.19	-7.77	6.87

H2 Actions: Held. Total dividend payment of $599.00 during this period.

Holding Description:
Verizon Communications Inc. (VZ) is a U.S. based wireless telecommunications company that provides a variety of services to its customers. Formed in 2000 following a merger between Bell Atlantic and GTE Corporation, Verizon is one of the largest telecom companies in the U.S.. They provide wireline and wireless services for millions of customers from regular households to multi-million-dollar organizations and even U.S. government entities. Verizon has different revenue streams, one from selling a multitude of products such as home internet routers, smartphones, accessories, and tablets, and the other from subscriptions to their services. Verizon's most recent market capitalization is roughly $136.25 B.

Positive Drivers:
Verizon continues to focus on expanding their 5G network as 4G LTE becomes phased out. Verizon announced on August 14, 2023, that they are ready to utilize a 5G C-band spectrum they won rights to in March 2021.[10] This band will allow them to expand their 5G Ultra-Wideband connection faster, allowing them to continue achieving growth in the wireless segment and gain a competitive advantage. Verizon has also seen a net subscriber addition of over 400,000 in Q2 to their broadband segment, which will only grow as internet usage continues to rise.[11] Verizon also has brought down their long-term debt and increased their free cash flow, improving their financial health. Verizon continues to pay a significant quarterly dividend yield that our fund capitalizes on as supplemental income to boost our returns.

Negative Drivers:
Verizon is currently in a legal battle after being sued by investors due to accusations that Verizon did not disclose health and environmental concerns over lead cables that it owns. If the proposed lawsuit goes through, it will cover thousands of investors and cost Verizon millions in claims to be settled.[12] Another negative driver is the heavy competition in the wireless telecommunications industry. Verizon has seen net subscriber losses in their wireless services segment in the beginning of H2 despite a gain in wireless revenue. This stems from Verizon having a higher churn rate than its biggest competitors, T-Mobile and AT&T.[13] Churn rate is a ratio unique to firms that rely on subscriber count to generate revenue. The higher the churn rate means there is more customer turnover. If Verizon consistently has a high churn rate, then they open themselves up for their competitors to take advantage of this and acquire more market share, in an industry where more subscribers are integral to the company's financial health and future.

The Walt Disney Company (DIS)

Sector: Communication Services
Fund Manager: Chyanne Smailovic

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	22,827.86	24,231.46	6.15	-
H2	24,231.46	19,614.10	-19.06	-
Tenure	22,827.86	19,614.10	-14.08	-

H2 Actions: Held. No dividend payments during this period.

Holding Description:
The Walt Disney Company is one of the most recognized conglomerates in the world. Founded in 1923, Disney is an entertainment company that specializes in content creation, content distribution, merchandise, and the operation of theme parks, resorts, and cruise ship experiences across the globe. Disney has a large, diversified portfolio of over 200 companies, including Marvel, Lucasfilm, ABC Networks, 20th Century Studios, and large stakes in Hulu and ESPN. Disney also leverages its collection of intellectual property through Disney+, its streaming service. Disney's market capitalization is roughly $148.31 B.

Positive Drivers:
In H2, Disney has experienced several positive trends that signify the company's relevance and profitability. While the pandemic had caused a decline in revenue for Disney's Parks & Experiences segment, in Q3 FY23 they exceeded pre-pandemic levels by 41.10%, despite rising inflation burdening consumers. Disney also has healthy financials, seeing a massive increase in free cash flow, along with their decrease in long-term debt. This will enable them to foster their large investments in Parks & Experiences over the next decade, which has proven to be their most profitable segment this period. Disney also saw impressive performance in their international Disneyland parks, particularly in Shanghai and Hong Kong, showing that they have growth potential outside domestic channels.[14] Disney also plans to return quarterly dividend payments at the end of their FY, after almost a four-year pause.

Negative Drivers:
While Disney's Parks & Experiences have performed strongly, the company has struggled to gain traction with their streaming service, Disney+. The platform has seen a decline in the addition of new subscribers due to subscription price increases, and a large loss of subscribers in India as Disney was not able to acquire streaming rights to cricket matches. The WGA and SAG-AFTRA strikes have affected many companies, including Disney in the media and entertainment industries by halting production of new shows and movies, and these strikes are expected to have a negative effect on revenue until new media is released from the studios.[15] Streaming platforms continue to grapple with profitability challenges, primarily stemming from substantial capital investments, including licensing fees, and lower revenues per subscriber. The reduction in revenue can be attributed to a higher churn rate, in contrast to traditional cable packages where it is more difficult for customers to cancel their subscriptions.

Consumer Discretionary

Fund Manager: Luke Ireton

H2 Analysis:

Throughout H2, the holdings within our Consumer Discretionary sector had a total return of -7.38% and underperformed the Consumer Discretionary sector Index by 16.45%. Because the Consumer Discretionary sector is cyclical, it outperformed during a period that included strong performance for the S&P 500. The sector's performance came as a surprise to many analysts who expected consumer spending to decrease because of the uncertainty in the economy. A possible reason for robust consumer spending may be explained by the drop of inflation from 7.70% in October of 2022 to the current rate of 3.70%. The decrease in inflation has created a sustainable environment for consumers to spend their excess income on non-essential products.[1] Unfortunately for the Haslam Torch Fund, we were underweight in this sector by 2.57% because of our pessimistic outlook of a potential recession which would have negatively affected this sector. Additionally, we held Dollar General during the period which exhibited significant underperformance, declining -49.17% and dragging down our overall return.

Moving Forward:

The Haslam Torch Fund remains pessimistic about the performance of the Consumer Discretionary sector because of the potential decrease in consumer spending. Spending may slow because of certain macroeconomic factors such as increasing inflation rates and the start of student loan repayments. The Federal Reserve has signaled a "higher for longer" approach for interest rates because of the uncertain future of the U.S. economy. Furthermore, a rise in CPI can negatively affect the consumers' ability to spend on leisure products. The U.S. market is also still at risk of a future recession which ultimately hurts the Consumer Discretionary sector. This is because there is less excess income for consumers to spend on products that they want and save income for products and services that they need. On the other hand, the U.S. Dollar has strengthened which allows for consumers to purchase products from overseas for less.[2] If the U.S. Dollar continues to strengthen, it could offset the potential increase in inflation by giving consumers more purchasing power.

Period	Start Value ($)	End Value ($)	Return (%)	Benchmark Return (%)	Weighting Difference from Benchmark (%)
H1	103,373.96	92,856.36	-9.98	4.21	-1.22
H2	92,856.36	85,781.20	-7.38	9.07	-2.57
Tenure	103,373.96	85,781.20	-16.61	13.62	-2.57

Amazon.com, Inc. (AMZN)

Sector: Consumer Discretionary
Fund Manager: Luke Ireton

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	58,760.00	53,710.80	-8.59	-
H2	53,710.80	66,102.40	23.07	-
Tenure	58,760.00	66,102.40	12.50	-

H2 Actions: Held. No dividend payments during this period.

Holding Description:
Amazon is the largest U.S. online retailer with a market capitalization of $1.34 T. The firm offers a wide range of products while having personalized shopping services, online payment, and direct shipping to their customers. Amazon has multiple streams of revenue such as online retailing, third-party seller services, and Amazon Web Services (AWS) which account for about 85.00% of total sales. Subscription services, advertising services, physical stores, and other services account for the remainder of the sales. Furthermore, services represent approximately 55.00% of sales while products represent roughly 45.00% of sales. Headquartered in Seattle, Amazon divides its operations into three segments: North America, International, and AWS. The Haslam Fund continues to hold our position in Amazon because of its well-established business model that allows various revenue streams.

Positive Drivers:
Amazon focuses on long-term, sustainable growth in free cash flows driven by increasing operating income and finding ways to lower costs without harming its loyal customer base. They continue to leverage innovation in technology and distribution methods for each side of their business in order to boost sales such as their "one-click" purchasing method. Amazon has been strategically implementing AI technologies to improve customer experience and optimize operations in logistics and fulfillment, supply-chain management, and e-commerce.[3] Furthermore, the company has begun to expand into the Healthcare industry to bring a new way to administer primary care through Amazon Pharmacy. They are offering relatively inexpensive and convenient access to prescription medication. An example of this is through their RxPass which allows Prime members to receive frequently prescribed generic medications for a $5.00 monthly fee and no delivery cost. The company also introduced a virtual healthcare marketplace called Amazon Clinic where customers can receive support from professionals from the comfort of their own home.[4]

Negative Drivers:
While there is plenty of upside to Amazon, one of their main challenges is the slowdown of AWS cloud-computing growth. Despite an earnings beat in April, their stock still fell about 4.00% because of the concerns over cloud-computing. This is due to concerns of high inflation and a possible recession making the company more cautious with their cloud costs.[5] Amazon's cloud-computing service now faces competition from Microsoft's computing services that may reduce overall revenue.[6] Another major drop in their stock price occurred from a massive FTC lawsuit that claims Amazon uses monopolistic tactics to maintain its large market share.[7] The company is accused of using its market power to inflate prices and overcharge suppliers. More specifically, Amazon is allegedly retaliating against sellers who offer lower prices for the same product on a competing platform.

Dollar General Corp (DG)

DOLLAR GENERAL

Sector: Consumer Discretionary
Fund Manager: Luke Ireton

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	44,613.96	39,145.56	-11.80	0.46
H2	39,145.56	19,678.80	-49.17	0.56
Tenure	44,613.96	19,678.80	-54.94	0.95

H2 Actions: Held. Total dividend payment of $219.48 during this period.

Holding Description:
Headquartered in Tennessee, Dollar General is one of the largest discount retailer stores in the U.S. with approximately 19,145 stores located in 47 states. Within their stores, Dollar General sells merchandise such as consumables, seasonal items, home products, and apparel. About 80.00% of Dollar General's revenue comes from consumables such as paper and cleaning products, packaged food and snacks, perishables, health and beauty merchandise, and pet supplies. Dollar General prides themselves with having smaller stores of about 7,500 sq. ft. and has located approximately 80.00% of their stores in towns of 20,000 or fewer people. While having a market capitalization of $22.78 B, Dollar General still offers competitive low prices to sell in large volumes to their low- and fixed-income customer base.

Positive Drivers:
Dollar General's approach to store growth leaves it unrivaled as its footprint extends across the U.S. driving a favorable outlook. The company is able to facilitate this growth by using a proprietary algorithm to find the optimal location to place a profitable store. This algorithm looks at factors such as population, population density, traffic patterns, and speed limits. Using this algorithm, Dollar General plans to open 990 new stores across the U.S. in fiscal 2023, and even opened their first store in Mexico. With gas prices and inflation on the rise, consumers may try to save money by driving shorter distances and purchasing generic brands which would enhance Dollar General's revenues. Dollar General has also implemented a $25.00 M investment toward an efficient inventory demand forecasting tool to better support their stores and distribution centers. With one of their main issues being an inventory level rise of 3.40% YoY, this forecasting tool is expected to boost profit as their strategy pertains to selling large quantities at low prices.

Negative Drivers:
Dollar General faced many challenges in 2023, resulting in two major drops in their stock price: a 19.00% decrease in June and a 17.00% decrease in August. In one instance, they have continued to demonstrate their poor response to relieving OHSA penalties which have totaled up to cost $21.00 M since 2017.[8] These violations relate to too much backroom storage and merchandise that block aisles, fire extinguishers, emergency exits, and electrical panels. Furthermore, employees are susceptible to potential injury for having no choice but to stack boxes higher than recommended. Labor shortages have contributed to these higher inventory levels and have allowed an increase in shrinkage.[9] In order to quickly clear their high inventory levels, Dollar General expects to take a $95.00 M hit in their operating profit by marking down products.[10] The retailer forecasted their same-store sales growth to be in the range of -1.00% to 1.00% compared to its initial growth forecast between 1.00% to 2.00%.[11]

Consumer Staples

Fund Manager: Luke Ireton

H2 Analysis:
Throughout H2, the Consumer Staples sector had a total return of 4.41% and outperformed the S&P 500 Index by 9.88%. After a strong performance of 10.62% in H1, the sector outperformed during H2 due to various macroeconomic variables. For instance, many investors have been putting their wealth towards taking advantage of high U.S. treasury yields instead of riskier, dividend-paying stocks. Although Consumer Staples is typically identified as a defensive sector due to its low volatility and low beta, current yields offer more attractive risk and return levels. Fortunately for the Haslam Torch Fund, we were underweight in this sector by 1.37% and our position in Walmart has proven beneficial after having a total return of 9.26% in H2. This strong return compensated for our position in Procter & Gamble which returned a disappointing -0.64%.

Moving Forward:
The Haslam Torch Fund has a neutral outlook on the Consumer Staples sector because of both positive and negative factors. On one hand, the strength of the U.S. Dollar is increasing relative to other currencies which promotes purchasing power for consumers buying goods and services from overseas. Furthermore, inflation and CPI have been steadily returning to their target which encourages consumers to spend more on essential products. The call for higher wages by workers has also recently been approved by various well-known companies such as Amazon. This gives consumers more income on hand to utilize. On the other hand, the Federal Reserve's "higher for longer" approach for interest rates does not provide an optimistic outlook for the Consumer Staples sector. With that being said, many analysts believe that U.S. stocks within the Consumer Staples sector have been trading at a discount to the S&P 500 index and are beginning to be perceived as attractive.[1]

Period	Start Value ($)	End Value ($)	Return (%)	Benchmark Return (%)	Weighting Difference from Benchmark (%)
H1	72,436.10	53,307.68	10.62	13.60	-2.12
H2	53,307.68	55,014.06	4.41	-5.47	-1.37
Tenure	71,436.10	55,014.06	13.87	7.46	-1.37

The Procter & Gamble Co. (PG)

Sector: Consumer Staples
Fund Manager: Luke Ireton

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	22,977.50	27,061.58	19.22	1.45
H2	27,061.58	26,546.52	-0.64	1.26
Tenure	22,977.50	26,546.52	18.47	2.94

H2 Actions: Held. Total dividend payment of $342.42 during this period.

Holding Description:
The Procter & Gamble Company (PG) is a multinational conglomerate that manufactures superior daily-use consumer products. They have over 35 major brands such as Bounty, Crest, Gillette, Pampers, Puffs, and many more. Procter & Gamble divides its business into five global segments: Fabric and Home Care; Baby, Feminine, and Family Care; Beauty; Healthcare; and Grooming. The Fabric and Home Care and the Baby segments typically account for over 50.00% of their revenue each year. While headquartered in Cincinnati, Ohio, they have operations in roughly 70 countries worldwide and about two dozen manufacturing sites in 20 U.S. states. Procter & Gamble accumulates more than half of their revenue outside the U.S. and has a market capitalization of $342.20 B. Because of their presence in numerous countries, Procter & Gamble has spent approximately $8.00 B in global advertising expenditure to reach out to all their customer segments.[2]

Positive Drivers:
Procter & Gamble is known for having a strong brand loyalty from consumers regardless of potential economic downturns. Although they had a -0.64% return in H2, Procter & Gamble's tenure still provided an 18.47% return. These returns can be attributed to strong revenue growth across multiple categories and regions leading to a respectable 16.50% EPS growth YoY.[3] The company itself credits its integrated strategic choices: a focused portfolio, superiority across products, productivity improvements in cost and cash, constructive disruption, and organization structure. Procter & Gamble, a company based around creating products from raw materials, expects to see a tailwind of favorable commodity prices of roughly $800.00 M. In this sense, these prices will lead to a decrease in their cost of goods sold.

Negative Drivers:
Similar to H1, Procter & Gamble is facing its biggest headwind of about $1.00 B after-tax or an incremental $600.00 M because of adverse foreign exchange rates. U.S. companies that operate worldwide like Procter & Gamble tend to have an unfavorable outcome when the U.S. Dollar strengthens. Furthermore, the U.S. Dollar is not expected to weaken anytime soon because the Federal Reserve is taking a "higher for longer" approach to treasury yields, ultimately hurting Procter & Gamble. In addition to this headwind, the company also expects a higher YoY net interest expense of roughly $200.00 M after tax. This is attributed to the effect of higher inflation and the call for increases in wages and benefits for employees.[4]

Walmart, Inc. (WMT)

Sector: Consumer Staples
Fund Manager: Luke Ireton

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	23,086.60	26,246.10	14.12	0.43
H2	26,246.10	28,467.54	9.62	1.15
Tenure	23,086.60	28,467.54	25.06	1.75

H2 Actions: Held. Total dividend payment of $304.38 during this period.

Holding Description:
Walmart is one of largest retailers in the world and was ranked first in the 2023 Fortune 500 rankings based on total revenue. Walmart operates discount stores, supercenters, and neighborhood markets where they sell groceries and general merchandise. Walmart's operations take place through three segments: Walmart U.S., Walmart International, and Sam's Club. Because of their low price to high volume approach, Walmart sees roughly 240.00 M customers visiting stores and websites each week. Walmart possesses a massive top-line of about $630.00 B in 2023 but only maintained about 2.23% of it into their net profit. The company is headquartered in Bentonville, Arkansas and has over 10,500 stores across 20 different countries with roughly 2.10 M associates. Walmart accumulates 85.00% of their sales in the U.S. and has a market capitalization of $430.92 B.

Positive Drivers:
Walmart prides itself in offering everyday low prices by buying in bulk from their suppliers. Although they are the largest supermarket in the U.S., Walmart continues to have competitive pricing against smaller retailers. Walmart has also been growing with their relatively new membership program, Walmart Plus.[5] This feature provides loyal members with advantages such as online ordering with free delivery and discounts on groceries, merchandise, and gas. Walmart Plus has started to compete with competitive membership reward programs such as Amazon Prime and Kroger Rewards. Although this membership program does not provide a significant revenue stream for the massive company, the potential growth that comes from this rewards program encourages consumers to shop at their stores and promotes long-term customer loyalty. In their 2021 FY, revenue from the membership fee amounted to approximately $1.70 B, which increased to approximately $2.20 B in their 2022 FY and further to approximately $2.60 B in their 2023 FY.[6]

Negative Drivers:
Similar to Dollar General, Walmart faced higher-than-normal inventory levels because of consumer spending pullback which led to numerous markdowns on goods.[7] Walmart has been forced to close 22 stores in 14 states due to poor financial performance at the respective stores.[8] From 2021 to 2022, Walmart closed about 850 stores and has only opened 30 from 2022 to 2023.[9] The company currently has 10,623 stores in operation which is the lowest since 2013. This is an indication of their slow recovery from poor financial sales in the past. With four stores closing in Chicago earlier this year, Walmart revealed that they were losing tens of millions of dollars per year regardless of their $70.00 M attempt to improve those stores.[10]

Energy

Fund Manager: Lucas Nulsen

H2 Analysis:
The Energy sector was the second highest performing sector in the S&P 500 during H2, with the S5ENRS index returning 11.06%. The Haslam Fund started the period with a single position in the Energy sector, with Energy Transfer (ET) and purchased Halliburton (HAL) in May. The two holdings returned 36.56% during H2, beating the benchmark by 25.50%. The Haslam Fund's overweight position in the Energy sector was a major contributor to the fund's outperformance of the 60/40 benchmark. The Energy sector benefited from a 30.01% increase in WTI crude oil prices during the third quarter of 2023, led by OPEC production cuts, and the refilling of the Strategic Petroleum Reserves (SPR). U.S. rig counts have also declined 15.20% in H2, making a significant impact on supply. As a result, investors have had to adjust their portfolios to account for the changing dynamics of the Energy sector.

Moving Forward:
Moving forward, the Energy sector presents a fantastic opportunity for the Haslam Fund to capitalize on the rapidly changing landscape of the industry. With the OPEC production cuts running at least until the end of this year, and the conflict in Ukraine, we expect macroeconomic factors to continue to make an impact on energy prices. Although predicting crude prices is difficult, the EIA is projecting WTI crude prices to stay mostly flat through the rest of the year.[2] The Haslam Fund is projecting an increase in crude oil production domestically in the coming months, with an expected $70.70 B in capital expenditures by U.S. Exploration & Production companies this year, a 17.00% increase from 2022 levels.[3] Although we have seen more capital discipline in this cycle, we believe our holding in oil field service giant Halliburton is positioned well to benefit from production increases. We also believe the Midstream segment will remain stable through the recent period of volatile energy prices. We remain confident that Energy Transfer, a major midstream company with operations in the U.S. and Canada, is a quality long-term holding that will provide the Haslam Fund with consistent returns in years to come. The Haslam Fund is well-equipped to adapt its investment strategy in response to the constantly evolving Energy sector, staying agile and forward-thinking in pursuit of sustainable positive returns.

Period	Start Value ($)	End Value ($)	Return (%)	Benchmark Return (%)	Weighting Difference from Benchmark (%)
H1	47,792.99	54,032.51	18.22	17.09	0.57
H2	54,032.51	99,266.99	36.56	11.06	4.66
Tenure	47,792.99	99,266.99	59.55	29.80	4.66

Energy Transfer LP (ET)

Sector: Energy
Fund Manager: Lucas Nulsen

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	47,792.99	54,032.51	18.22	5.17
H2	54,032.51	60,791.99	17.46	4.82
Tenure	47,792.99	60,791.99	37.96	10.77

H2 Actions: Held. Total dividend payment of $2,675.63 during this period.

Holding Description:
Energy Transfer is a Dallas-based energy company that owns and operates an extensive portfolio of energy assets, including pipelines and infrastructure that cover twenty different states and even parts of Canada. The Company operates in multiple segments, including Crude Oil Transportation and Services, Interstate and Intrastate Transportation and Storage, Midstream Operations, NGL and Refined Product Transportation serving customers across Canada and the U.S.. Energy Transfer specializes in fee-based midstream transportation and storage of oil and gas. They generate most of their revenue through long-term transportation contracts, providing stability against commodity price fluctuations. Energy Transfer is a crucial holding in the Haslam Fund due to its extensive control over domestic Midstream oil and gas infrastructure.

Positive Drivers:
The Midstream segment performed very well as a whole during H2, however Energy Transfer performed exceptionally well. Energy Transfer posted a strong $584 M in net income and raised their quarterly dividend in the most recent quarter. ET aims to expand and streamline their operations through continued acquisitions. In August, ET announced their acquisition of Crestwood Partners, a $7.10 B all equity deal which allows ET to gain a foothold in the Delaware, Powder Springs, and Williston basins.[4] Energy Transfer is also one of the biggest midstream players in the Permian Basin, which is the largest oil producing basin in the U.S. producing roughly 5.70 M barrels per day and growing.[5] As we see increased investment in the Permian by exploration and production companies, the Haslam Fund believes ET's vast network of pipelines and infrastructure in the Permian will be very beneficial for them. Despite mostly flat earnings per share (EPS) in recent quarters, the company continues to rise in value due to rising energy prices. The company boasts a 9.51% dividend yield and has demonstrated their commitment to promoting shareholder wealth by raising or maintaining their dividend every quarter since October 2020.[6] The Haslam fund believes Energy Transfer is poised for growth due to advancements in shale oil and gas production, strategic acquisitions, and the increasing demand for natural gas exports.

Negative Drivers:
Although midstream oil and gas companies are less impacted by day-to-day commodity price fluctuations, a 70.25% drop in natural gas prices in 2022 and early 2023 has certainly impacted Energy Transfer's fee revenue. Rig counts have also declined 17.48% in H2, which has impacted ET's service demand. These fluctuations come at different times and for different reasons, which is why the Haslam Fund monitors changes in the Energy sector very closely. Environmental concerns, political and legal challenges, and the capital-intensive nature of midstream infrastructure projects also pose potential risks that can impact ET's operations.

Halliburton (HAL)

HALLIBURTON

Sector: Energy
Fund Manager: Lucas Nulsen

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	-	-	-	-
H2	-	38,475.00	36.25	0.94
Tenure	-	38,475.00	36.25	0.94

H2 Actions: Bought 950 shares for $28,460.96 on 05/09/2023.
Total dividend payment of $304.00 during this period.

Holding Description:
Halliburton is a Houston, Texas based company and is one of the largest providers of products and services in the oil and gas industry. Halliburton operates in more than 80 countries and offers a wide range of services, including drilling, well construction, completion, and production optimization for oil and natural gas exploration and production companies. These segments provide a comprehensive range of services, spanning oilfield services and construction, as well as the necessary products and services for overseeing oilfield projects from inception to completion. Halliburton posted third quarter revenue of $5.81 B, up 8.00% from one year prior at $5.36 B. Halliburton's largest segment, Completion and Production, showed major growth in the third quarter with revenues of $3.49 B, up from $3.14 B just one year before. HAL is the top pressure pumper in North America and a pioneer in Hydraulic fracturing.[7] HAL's expertise extends to identifying reserves, constructing wells, and optimizing production flow, ultimately ensuring that clients' investments operate at peak efficiency, both onshore and offshore.

Positive Drivers:
Recently, domestic rig counts have declined off their peaks and dropped 17.48% in H2. In the third quarter, crude prices jumped 30.01% with the OPEC production cut extension, and the refilling of the Strategic Petroleum Reserves (SPR). This increases the likelihood of a rebound in rig counts, which will benefit Halliburton with their rig services. There has also been an increase in capital expenditures by exploration and production companies in 2023, up 17.00% YoY to $70.70 B. This increase in capital expenditures signal new investment in operations that will require services from companies like Halliburton. Halliburton has a strong focus on innovation and engages in the development of advanced drilling techniques, and sustainable technology that will attract new clients. With recent innovations in shale and fracking, this opens the door for service companies like Halliburton to expand their operations. Halliburton is also committed to securing long-term service contracts with major exploration and production companies, which provide stable revenue streams in an industry with wide price swings. For example, Halliburton was awarded two major contracts in H2, one for an undisclosed amount in June for the Hynet Northwest project in the Liverpool Bay, and another for $2.5 B for the development of Barracuda and Caratinga Oil fields in offshore Brazil.[8]

Negative Drivers:
Halliburton operates within an industry facing geopolitical instability, cyclicality, and environmental and regulatory risks. Political issues, industry cycles, and changing regulations can disrupt operations of upstream exploration and production companies that require Halliburton's services. Competition from companies like Schlumberger Limited, Baker Hughes Company, and National Oilwell Varco, which provide similar services can run the risk of underbidding Halliburton on major contracts.[9] Most importantly, Halliburton's performance is closely tied to crude oil prices which are historically volatile. For this reason, Halliburton will require extra monitoring as crude prices can change very rapidly.

Financials

Fund Manager: Nathan Miller

H2 Analysis:
The Haslam Fund outperformed in the Financials sector in H2 returning 7.37% and in the FY returning 17.34%. The comparable S&P 500 Financials Index only returned 4.15% in H2 and 11.71% in FY. The Haslam Fund outperformed the sector index by 322 basis points in H2 and 563 basis points in FY. The Haslam Fund currently holds five companies within the Financials sector consisting of: Bank of America Corp. (BAC), Evercore (EVR), JPMorgan Chase & Co. (JPM), KKR & Co. (KKR), and MetLife, Inc. (MET). Over H2, the Haslam Fund decided to liquidate our position in U.S. Bancorp (USB) and purchase Evercore (EVR). At the time we wanted to reduce exposure to the banking industry and saw promising growth in deal flow. The Haslam Fund believes that there is going to be strong growth in the M&A industry over the next year and Evercore is the best candidate to capitalize on this. The Haslam Fund's strategic decisions in H2 reflect its commitment to adapt to changing market dynamics and seize emerging opportunities within the Financials sector. The fund's investment approach will continue to be guided through analysis of market trends, coupled with a forward-thinking perspective on potential areas of growth. The Haslam Fund remains dedicated to delivering strong returns to outperform the benchmark and is confident in the current companies that the fund holds in the Financials sector.

Moving Forward:
The Haslam Fund is pessimistic about the Financials sector for the upcoming period. There is still a lot of uncertainty surrounding banks that leads investors to be wearisome about the industry. The Haslam Fund plans to take a more defensive position against banks but sees strong opportunities in the M&A industry. With this approach the Haslam Fund has shifted weighting in the sector to capitalize on returns going into 2024. The other factor to consider is the expectation for the Federal Reserve to hold interest rates steady and possibly make cuts by summer of next year. If this is the case, then the Financials sector is one that we will want to be underweight in. When interest rates are held high, banks will start losing money. The market as a whole will start to decline and consumer spending will decrease. This results in less loans and mortgages to be taken out. The Haslam Fund has taken a more defensive position in the Financials sector but remains confident that the current stock selection will outperform the sector index.

Period	Start Value ($)	End Value ($)	Return (%)	Benchmark Return (%)	Weighting Difference from Benchmark (%)
H1	119,801.90	113,482.84	10.35	7.31	-2.02
H2	113,482.84	155,175.61	7.37	4.15	1.85
Tenure	113,482.84	155,175.61	17.34	11.71	1.85

Bank of America Corp. (BAC)

Sector: Financials
Fund Manager: Nathan Miller

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	32,827.40	31,088.20	-3.84	1.46
H2	31,088.20	29,762.06	-2.66	1.61
Tenure	32,827.40	29,762.06	-5.63	2.98

H2 Actions: Held. Total dividend payment of $500.02 during this period.

Holding Description:
Bank of America is the second largest commercial bank in the U.S.. The company stands as a global financial powerhouse, extending its comprehensive suite of financial services and products to clients across the globe. With an expansive network comprising 3,900 retail financial centers, and 56 M verified digital users, the bank contrasts the traditional values with the new technological advancements.[1] Bank of America also provides approximately 15,000 ATMs to ensure strong physical and digital access for its customers. As a leader in the Financials sector, the company strives to provide a diverse customer base with unparalleled and effortless banking experience.

Positive Drivers:
Bank of America is poised for growth with a commitment to modernize its financial centers. They are renovating over 2,500 centers to provide enhanced services and experiences for clients. Their virtual financial assistant, Erica, has gained immense popularity, with over 1.50 B client interactions, demonstrating strong customer engagement.[2] Leveraging this growth, the company is enhancing its data analytic capabilities, enabling the identification of customer trends and system optimization, which presents opportunities for discovering emerging trends and delivering better services to its clientele.

Negative Drivers:
Bank of America was found to have erroneously charged fees, failed to honor credit card reward bonuses, and even opened accounts without customer consent.[3] This will cost approximately $250.00 M in payments to affected customers and regulatory fines. This violation of multiple consumer protection laws, including the Truth in Lending Act, the Fair Credit Reporting Act, and the Consumer Financial Protection Act of 2010, has resulted in severe consequences.[3] Customers were burdened with excessive charges as Bank of America repeatedly levied insufficient funds fees for the same transaction. Additionally, Bank of America's customers were deprived of credit card rewards they were entitled to. While some had their credit files inaccurately impacted due to unauthorized account openings, causing financial harm and distress. This incident marks the third time in the past decade that the bank has faced allegations of illegal activities, casting a shadow on its commitment to ethical and lawful practices. These fees are going to have a direct impact on the company's net income and in the long-term the bank is going to have to find a way to regain customers' trust or greater losses could be incurred. Bank of America had disappointing returns for the FY of -5.63%, but the Haslam Fund is still confident in the long-term growth the company offers.

Evercore (EVR)

Sector: Financials
Fund Manager: Nathan Miller

EVERCORE

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	-	-	-	-
H2	-	32,815.44	-1.65	-
Tenure	-	32,815.44	-1.65	-

H2 Actions: Bought 158 shares for $22,213.20 on 9/13/2023. Bought 80 shares for $11,152.79 on 9/30/2023. No dividend payments during this period.

Holding Description:
Evercore is a prominent global independent investment banking firm renowned for its commitment to delivering exceptional results to clients. Led by CEO John S. Weinberg and with founder Roger Altman actively engaged as Senior Chairman, Evercore operates in over 50 countries, maintaining 17 global advisory offices in 11 different nations.[4] With approximately 2,245 employees, and roughly 61.00% of whom are skilled bankers, the company derives its revenue from the U.S., Europe, and Latin America. Evercore divides its operations into two segments: investment banking and equity, responsible for 98.00% of its revenue, and asset management, accounting for the remaining 2.00%. Evercore's asset management business manages approximately $10.50 B in assets, encompassing wealth management and institutional asset management.

Positive Drivers:
Evercore is well-positioned to capitalize on several future developments despite recent challenges to the investment banking landscape. The industry, which faced a slowdown in deal flow due to rising interest rates and economic uncertainty, is now showing signs of recovery. As interest rates potentially decline in 2024, leverage will become more affordable, enabling buyers to propose higher bids. Notably, smaller deals are gaining momentum, sustaining deal flow. Evercore's strengths, including its robust research platform and consistent dividend growth, position it well to seize opportunities. The company's emphasis on expanding independent advisory services and fostering relationships with financial sponsors, in a backdrop of over $3.70 T in private equity dry powder, further reinforces its growth prospects. While Evercore operates in a highly competitive and cyclical industry, the company is poised to leverage its strengths and navigate potential threats to maintain a strong position in the investment banking sector.

Negative Drivers:
Despite the strong position, Evercore faces certain negative drivers and challenges in the Financials sector. The industry's recent sluggish deal flow, attributed to rising interest rates, tightening credit, and economic uncertainties, has adversely affected overall transaction volumes. With less deal flow, advisory fees are expected to decline, potentially impacting Evercore's revenue and profitability in the short term. The highly competitive and cyclical nature of the business poses a persistent threat, especially if interest rates continue to stay high and the investment banking industry continues to grapple with a slowdown in deal activity. Economic uncertainty and its associated risks remain a concern, potentially influencing client behavior and affecting the demand for investment banking services. Evercore has demonstrated resilience and adaptability, these negative drivers underscore the challenges inherent in the industry and highlight the need for strategic risk management and planning.

JPMorgan Chase & Co. (JPM)

JPMorgan Chase & Co.

Sector: Financials
Fund Manager: Nathan Miller

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	18,601.00	23,195.18	26.61	1.91
H2	23,195.18	25,813.56	12.82	1.54
Tenure	18,601.00	25,813.56	42.60	3.83

H2 Actions: Held. Total dividend payment of $356.00 during this period.

Holding Description:
JPMorgan Chase & Co. is a global financial services company that targets individuals, companies, and governments to provide top quality financial services. The company is headquartered in New York, NY, with offices in over 60 countries and over 240,000 employees. JPMorgan Chase has a significant presence in the Financials sector with roughly $3.70 T in assets and $303.00 B in stockholders' equity.[5] The company operates through four primary business segments, which include Consumer & Community Banking, Corporate & Investment Banking, Asset & Wealth Management, and Commercial Banking, each catering to distinct Financials service needs.

Positive Drivers:
JPMorgan Chase is positioned for growth with several positive drivers. The acquisition of First Republic has led to strong client retention, resulting in roughly $6.00 B in net deposit inflows. The addition of 84 First Republic branches has expanded their client base. These strategic moves have not only brought in more customers but also enhanced the company's market presence. Furthermore, JPMorgan Chase's diversified portfolio and continuous expansion efforts make it well-prepared to navigate various business cycles, ensuring its resilience and long-term success in the Financials sector. JPMorgan Chase also demonstrated strong financial performance over Q2, including huge increases in net income, soaring by 79.00% YoY to reach $1.70 B. This remarkable growth was mirrored in their revenue figures, which amounted to $3.70 B, marking a substantial 20.00% YoY rise. In the divisions of investment banking and markets, gross revenue reached $821.00 M, an 8.00% YoY increase, driven by increased M&A volume.[6] Overall, JPMorgan Chase's impressive financial performance and array of positive drivers indicate that the company is well-prepared for sustained growth and future success in the dynamic financial services industry.

Negative Drivers:
JPMorgan Chase faces certain risks and negative drivers in its operations. One concern is related to its involvement in commercial real estate banking, with the acquisition of additional assets from First Republic. In the event of a downturn in the real estate industry and the potential inability of customers to make mortgage payments, this could result in significant losses. Additionally, the decision to retain a large number of First Republic employees will increase operating costs. If these employees are unable to retain customers, they could become an ongoing financial burden for the company. There is also concern related to counterparty risk. JPMorgan faces exposure to potential risks associated with various financial transactions and contracts, particularly in the event of sustained high interest rates. These factors require careful monitoring and risk management to ensure the company's financial stability.

KKR & Co. (KKR)

Sector: Financials
Fund Manager: Nathan Miller

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	36,464.00	28,780.96	26.55	0.92
H2	28,780.96	33,756.80	17.92	0.64
Tenure	36,464.00	33,756.80	40.69	1.69

H2 Actions: Held. Total dividend payment of $180.84 during this period.

Holding Description:
KKR & Co. is an investment firm that specializes in alternative asset management focusing on private equity, energy, infrastructure, real estate, credit strategies, and hedge funds. The company also generates profits through capital markets and insurance solutions. KKR was founded by Henry Kravis, Jerome Kohlberg Jr., and George R. Roberts in 1976. The company is headquartered in New York, employs roughly 2,600, and has a market cap of $54.20 B.[7] As of August 7th, the company has $100.00 B of dry powder and $321.00 B in performance fee eligible AUM. KKR is the largest Financials sector holding for the Haslam Fund and was a top performer, beating the S&P 500 sector index by 28.98% for the FY.

Positive Drivers:
KKR & Co. has several positive drivers propelling its growth. Notably, the company's specific strategic focus on specific business segments within the tech growth sector position it well to capitalize on the continuous advancement and expansion in the technology industry, presenting substantial potential for future profits. KKR acquired Simon & Schuster, the third-largest U.S. publisher, in a $1.62 B deal.[8] This deal marks the transformation of Simon & Schuster into a standalone firm from its previous ownership under Paramount Global. Additionally, KKR's strategic $1.00 B investment in USI Insurance represents a substantial entry into the insurance industry, anticipated to contribute to increased profitability.[9] The company also had a $250.00 M investment in Reliance Retail, India's largest retail chain, opens up access to a vast and promising market, offering growth opportunities for the company.[10] In Q2 KKR experienced large growth in fee related earnings of $602.30 M up 31.00% YoY. This growth can be attributed to KKR's effective management of a growing asset portfolio, as well as enhanced fee generation through the syndication of debt, primarily associated with the firm's proprietary transactions. These drivers align KKR for a bright future in the alternative asset management industry.

Negative Drivers:
KKR faces certain risks and negative drivers in its operations. Market risk is a concern, given the company's exposure to various markets, making it susceptible to fluctuations in interest rates and country-specific macroeconomic factors. Additionally, the intensifying competition within the private equity and alternative asset industry poses challenges and impacts the company's profitability. Political and regulatory risks are also present, as political instability and discussions of new regulations can introduce uncertainty into KKR's investment decisions. These factors underscore the importance of vigilant risk management in the dynamic landscape of alternative asset management.

MetLife Inc. (MET)

Sector: Financials
Fund Manager: Nathan Miller

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	31,909.50	30,418.50	-3.03	1.65
H2	30,418.50	33,027.75	10.37	1.79
Tenure	31,909.50	33,027.50	6.86	3.36

H2 Actions: Held. Total dividend payment of $546.00 during this period.

Holding Description:
MetLife stands as a leading premier global provider of insurance, annuities, and comprehensive employee benefit programs. The company offers a wide range of insurance products including life, auto, home, and health insurance with the goal of providing families with peace of mind. MetLife is headquartered in New York, and operates in 40 countries around the globe. The company is broken into 6 segments including: the U.S., Asia, Latin America, EMEA (Europe, Middle East, and Africa), MetLife Holdings, and Corporate & other.[11] MetLife's diversified global portfolio top three weights include: investment grade corporate (valued at $138.50 B), net mortgage loans ($81.10 B), and structured products ($56.2 B).

Positive Drivers:
MetLife exhibits a multitude of positive drivers that underpin its growth. One standout is its product diversification, offering a comprehensive range of insurance products and services that open multiple avenues for expansion, particularly in emerging markets. The company's adoption of cutting-edge technology, including AI, big data, cybersecurity, and cloud solutions, enhances operational efficiency across various segments. This technological integration not only improves performance but also positions MetLife to stay competitive in the rapidly evolving insurance landscape. Furthermore, the company's diversified portfolio allocation, is a critical driver that sets the stage for long-term success. With its $587.50 B in assets under management (AUM), MetLife is well-prepared to identify and seize emerging market trends, ensuring a bright future for the company and its investors.

Negative Drivers:
While MetLife is poised for growth, the company does face certain risks and negative drivers. Similar to all companies in the Financials sector, interest-rate risk is a big concern, as the company's profitability will be impacted if the Federal Reserve decides to cut rates next year. A reduction in rates would decline MetLife's return on premiums, resulting in a decline to the company's financial performance. Additionally, the insurance industry is heavily regulated, leading to the second challenge of regulatory risk. MetLife operates across various types of insurance, each subject to distinct regulations, making it crucial for the company to navigate these regulatory complexities effectively. The company has also been facing fluctuation in healthcare costs, this can significantly affect a company's operational costs, potentially leading to reduced profitability. While these risks are present, effective risk management and strategic planning are essential to mitigate their potential impact and ensure the company's financial stability and continued growth.

U.S. Bancorp (USB)

Sector: Financials
Fund Manager: Nathan Miller

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	-	-	-	-
H2	-	-	-6.13	1.34
Tenure	-	-	-6.13	1.34

H2 Actions: Bought 700 shares for $25,200.00 on 4/6/2023.
Sold 700 shares for $23,320.31 on 9/30/2023.
Total dividend payment of $336.00 during this period.

Holding Description:
U.S. Bancorp is a well-known financial services holding company that offers varying types of financial services to individuals, companies, and institutions. The company is headquartered in Minneapolis, MN and employs approximately 78,200 individuals.[12] U.S. Bancorp is renowned for its financial stability and responsible risk management, but also extends its commitment to actively engaging in corporate social responsibility, community development initiatives, and environmental sustainability efforts.

Positive Drivers:
U.S. Bancorp has several indicators that will drive the company's growth and success. The acquisition of Union Bank has significantly expanded the customer base, adding 1.20 M new consumer and small business customers, along with 3,000 commercial customers.[13] This influx of clients offers a promising avenue for growth. Furthermore, the bank's robust digital transformation initiatives have yielded impressive results, with over 500,000 enrollments to date and continued daily growth. This enhanced digital presence strengthens its competitive position in the modern banking landscape. U.S. Bancorp has taken advantage of the strong deposit base, supported by diversification across consumer, corporate, and commercial customers. This provides a stable foundation for the bank's operations and revenue streams, contributing to its positive outlook.

Negative Drivers:
U.S. Bancorp faces numerous potential risks that could impact its future performance. One notable concern is its exposure to commercial real estate loans, which account for roughly $55.00 B in the bank's portfolio.[13] While this makes up only 14.00% of the total loan portfolio mix, it still represents a substantial amount. The real estate market's performance is closely tied to economic conditions, and if there were a downturn or housing market instability that resulted in clients being unable to meet their mortgage payments, it could lead to significant financial setbacks for the bank. U.S. Bancorp has also projected for poor growth, during this years Barclays Global Financial Services Conference the company gave disappointing forward guidance. Expecting Q3 adjusted revenue to decrease in comparison to Q2, as well as quarter-over-quarter decline in net interest due to higher deposit costs and declines in loan growth. Given the potential implications of these risks on both the stability and performance of the bank, the Haslam Fund liquidated its position in U.S. Bancorp.

Healthcare

Fund Manager: Caden Mitchell

H2 Analysis:
The Healthcare sector of the Haslam Fund saw a -3.08% loss during H2, while the S&P 500 Healthcare sector index experienced a 0.24% gain. This loss was primarily driven by underperformance in the pharmaceutical industry, of which the Haslam Fund is heavily weighted in. Following a volatile beginning to H1, markets seemed to steady as the year went on. Going into H2, the team took on a slightly less pessimistic view of the market as a result of a strong H1 performance. To better take advantage of strong market performance, the Haslam Fund sought to move away from being overweight in the Healthcare sector. This was accomplished by the full liquidation of Amgen (AMGN) in May, taking the fund down to four holdings within the sector. This liquidation also took the fund down to two pharmaceutical companies, an industry which struggled in H2. All of the Healthcare holdings in the Haslam Fund saw a negative return in H2, after a strong H1. During H2, the consensus opinion turned away from a recession and now seems to indicate that a soft landing is the most likely outcome. Also, during H2, the Fed paused rate hikes, which were putting the Healthcare sector under pressure.

Moving Forward:
Looking forward, the market still faces many risks. Although recession fears are tamped down, there remains a possibility of a recession in 2024. The Healthcare sector is non-cyclical, and is largely unaffected by economic downturns.[1] Although the Fed has paused, if not completely stopped the rate hikes of the last two years, the market seems to believe that rates will be "higher for longer." The creation of new drugs and treatments is largely driven from both high R&D spending coupled with acquisitions from larger companies in the sector. In the case of a prolonged higher cost of capital, there will likely be a decrease in R&D and M&A activity from the Healthcare sector going forward. We will maintain our slightly underweight position in the sector, which will provide defense in the case of a downturn but will not limit our upside given a continued bull run.

Period	Start Value ($)	End Value ($)	Return (%)	Benchmark Return (%)	Weighting Difference from Benchmark (%)
H1	119,221.40	160,865.10	7.25	7.95	1.23
H2	160,865.10	137,495.82	-3.08	0.24	-0.37
Tenure	119,221.40	137,495.82	3.09	8.21	-0.37

Abbott Laboratories (ABT)

Sector: Healthcare
Fund Manager: Caden Mitchell

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	22,061.28	23,087.28	5.66	1.01
H2	23,087.28	22,081.80	-3.35	1.00
Tenure	22,061.28	22,081.80	2.16	2.07

H2 Actions: Held. Total dividend payment of $232.56 during this period.

Holding Description:
Abbott Laboratories (ABT) is a global healthcare company, headquartered in Abbott Park, Illinois that operates in four, well diversified business segments. Abbott operates 88 manufacturing facilities globally.[2] In addition to product diversity, Abbott maintains geographic diversity as well, with only 40.00% of company sales coming from the U.S. Abbott's four segments are: Diagnostic Products, Medical Devices, Nutritional Products, and Pharmaceuticals. Diagnostic Products make up 40.00% of Abbott's sales. A large portion of recent Diagnostics sales have been Covid-19 testing kits. Medical Devices is historically Abbott's highest earning division, and now represents 35.00% of sales. This segment of Abbot's business is largely comprised of cardiovascular devices and diabetes treatments. Abbott's diabetes sales were driven by growth of Free Style Libre, which saw an increase of 22.40% in sales, representing $4.3 B in sales. Free Style Libre is a continuous glucose monitoring (CGM) device to aid in the detection of diabetic episodes.[3] Nutritional Products make up 15.00% of sales. This segment is largely formula-based food that is fed to infants and geriatrics. Finally, Pharmaceuticals represent 10.00% of sales. Abbot's Pharmaceutical division operates differently than other holdings. Abbott only sells generics of drugs no longer under patent, selling them to emerging markets.

Positive Drivers:
Abbott's Medical Devices division beat earnings estimates in its quarterly earnings reports in H2 by 6.30%. Because of decreasing sales in their Diagnostic division (-46.40% YoY), Abbott will be forced to rely on its Medical Devices to lead the company's sales in the coming year, led by higher sales in its cardiovascular and diabetes divisions. While there is some concern about how the rise of GLP-1s will affect Abbott's diabetes division, many users of GLP-1s continue to use Free Style Libre for glucose monitoring. The demand for diabetes drugs and treatments has skyrocketed recently, and companies like Abbott are in prime position to benefit from higher demand. High sales volume and relatively low COGS have allowed Abbott to continue spending on R&D without having to borrow at higher rates.

Negative Drivers:
One headwind facing Abbott is the certain decrease of revenue coming from its Diagnostics division. Covid-19 tests were a massive driver of Diagnostics sales in recent years. Although there has been a slight resurgence in Covid-19 tests in the latter part of H2, Abbott still projects a nearly 40.00% percent decrease in sales in its Diagnostics division, with Covid-19 testing revenue projected to fall 82.00% from FY 2022. Another headwind has been a higher cost of debt, which shows no sign of easing anytime soon, with the increased possibility of "higher for longer" interest rates. While Abbott has not yet had to borrow extensively at higher rates, an ever-decreasing cash balance may force their hand soon.

Amgen Inc. (AMGN)

Sector: Healthcare
Fund Manager: Caden Mitchell

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	15,778.00	16,922.50	9.06	1.81
H2	16,922.50	-	-1.38	-
Tenure	15,788.00	-	7.58	1.81

H2 Actions: Sold 70 shares for $16,688.56 on 05/04/2023.
No dividend payments during this period.

Holding Description:
Amgen Inc. (AMGN) is a global biotechnology company. Amgen is headquartered and generates 70.00% of its sales in the U.S. Amgen develops drugs in six major commercial areas: oncology/hematology, inflammation, cardiovascular disease, bone health, nephrology, and neuroscience. In FY 2022, Amgen had nine drugs generate over $1.00 B in sales. This was led by Enbrel, an anti-inflammatory drug.

Positive Drivers:
In H1, Amgen completed the acquisition of Horizon Therapeutics, a biotech firm with potential to spur Amgen's slow growing sales. This acquisition offers Amgen the chance to bridge the R&D gap it currently finds itself in and provides potential to expand existing sales. Amgen typically focuses on developing drugs in fields where there is little to no competition or existing drugs. One example of this is the small-cell lung cancer treatment Tarlatamab. A final positive driver is that Amgen maintains a cash balance that is greater than pre-pandemic levels.

Negative Drivers:
Going forward, Amgen faces pricing pressures for its existing drugs and its newly developed drugs may not be deployed in time to alleviate this stress. Amgen has not brought a new drug to the market since 2021, which is not sustainable with many drugs nearing expirations on their patents over the next few years. Many competitors are entering markets that Amgen was previously thought to be in greater control over, pushing sales down. Amgen's highest grossing drug, Enbrel, has seen extensive price erosion and decreased sales over recent years.[4] The combination of these has led to Enbrel's revenue decreasing by 21.00% from 2019-2022, with declines projected to increase over the coming years. The main driver of this headwind is successful competitors Humira and Rinvoq from AbbVie, and Xeljanz from Pfizer. After a strong H1, the decision was made to fully liquidate Amgen. This decision was made because the fund wanted to slightly reduce its weight in Healthcare. Amgen was the obvious candidate for this as it was the fund's smallest position. Another reason for Amgen's liquidation is that it has not developed a new drug that went to market since 2021, with the introduction of Lumakras and Tezspire.

CVS Health Corporation (CVS)

Sector: Healthcare
Fund Manager: Caden Mitchell

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	34,619.31	26,974.53	-20.87	1.21
H2	26,974.53	25,344.66	-4.41	1.59
Tenure	34,619.31	25,344.66	-24.31	2.48

H2 Actions: Held. Total dividend payment $439.24 during this period.

Holding Description:
CVS Health Corporation (CVS) is the largest drugstore chain in the U.S. CVS operates in all 50 sates, the District of Columbia, and Puerto Rico and has been led by CEO Karen Lynch since 2021. CVS operates around 9,000 retail locations and drugstores and also has over 1,100 minute clinics.[5] Its physical locations also sell non-health related goods, including foods, drinks, cosmetics, and personal care products. CVS medical products are sold primarily to healthcare plan sponsors including employers and insurance companies. CVS business is separated into three business segments: Pharmacy Services, Retail / Long-term Care, and Healthcare Benefits. Pharmacy Services is CVS largest contributor to sales, representing almost 45.00%. Retail / Long-term care represents about 30.00% of sales. In 2022, the company dispensed 26.80% of total retail pharmacy prescriptions in the U.S.. Finally, Healthcare Benefits is the smallest revenue segment, making up nearly 25.00% of sales.[6] The vast majority of this revenue comes from CVS insurance business, which represents over 90.00% of Healthcare benefits revenue.

Positive Drivers:
CVS made two high profile acquisitions despite M&A activity being lower. Although the market largely balked at these acquisitions, CVS has a chance to integrate both Oak Street Health and Signify into its future plans to expand into primary care. Signify allows CVS to expand into the telemedicine space that was popularized during the pandemic. CVS acquired Aetna in the biggest healthcare merger in history in 2017, which provides stable income that will offset some concerns of lower margins.

Negative Drivers:
A potential headwind that CVS may face is, similar to many healthcare companies, increased scrutiny from the U.S. government. CVS has made high profile transactions in recent years and may find themselves at odds with an increasingly activist FTC. Another headwind that CVS is facing is declining margins. Gross margin has declined three years running, moving from 18.30% to 16.80%, and is projected to decline dramatically for FY 2023. Similarly, to many other healthcare companies, CVS is facing a large loss in revenue from the decrease in Covid-19 testing and vaccinations. A final potential headwind is labor issues. In late September, CVS pharmacists walked out with complaints about their workload.[7] CVS was quick to give in to the group's demands and promised to hire more pharmacists. This represents another threat to CVS already shrinking margins.

Merck & Co., Inc. (MRK)

Sector: Healthcare
Fund Manager: Caden Mitchell

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	46,763.16	57,769.77	25.19	1.65
H2	57,769.77	55,901.85	-1.86	1.34
Tenure	46,763.16	55,901.85	22.89	3.34

H2 Actions: Held. Total dividend payment of $792.78 during this period.

Holding Description:
Merck & Co. Inc (MRK) is a global healthcare company that develops a diverse set of pharmaceutical products for geographically diverse customers. Merck is also active in animal health sciences. Merck is headquartered and generates the largest share of its revenue in the U.S., contributing 45.00% of total revenue. The EMEA region is responsible for 25.00% of revenue, followed by China which accounts for 10.00% of revenue. Japan, Asia Pacific, and Latin America account for around 5.00% of sales each. Their products include oncological drugs, vaccines, antivirals, diabetes drugs, and animal health products. Pharmaceuticals account for 90.00% of revenue and the Animal Sciences division accounts for just 10.00%. Merck has recovered well from its failure to develop a Covid-19 vaccine in 2020 and 2021.[8] Merck remains the Haslam Fund's largest weighted healthcare company, representing 40.70% of the fund's weight in the Healthcare sector.

Positive Drivers:
Merck has an excellent patent expiration schedule. The company's highest selling drug, Keytruda, which accounts for over 40.00% of revenue, does not expire until 2028. Merck continues to invest in research and development, spending over $10.00 B each of the last two years. In early H2, Merck acquired Prometheus Biosciences just under $9.00 B. This merger provides cushion for some of Merck's drugs that have expiring patents or will expire soon. Executives at Merck have stated that the acquisition also carries promising treatments for ulcerative colitis and Chron's disease.

Negative Drivers:
As is the case for most pharmaceutical companies, the threat of regulation looms large over the actions of pharmaceutical companies. Last year the Inflation Reduction Act was signed into law. The IRA gives Medicare the right to negotiate drug prices directly with drug manufacturers. This could have major effects on Merck's margins for drugs that are negotiated with Medicare. Merck's diabetes component is continuously seeing decreasing sales. This is primarily driven by an increase in pricing competition from generics and lower demand due to successful alternatives like Ozempic. Another headwind for Merck is its struggles to reduce its dependence on Keytruda, as it has not yet been able to find a replacement in R&D or M&A.

Roche Holding AG (RHHBY)

Sector: Healthcare
Fund Manager: Caden Mitchell

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	-	36,111.02	3.98	1.97
H2	36,111.02	34,167.51	-4.67	-
Tenure	-	34,167.51	-0.76	1.97

H2 Actions: Held. No dividend payments during this period.

Holding Description:
Roche Holding AG is a global healthcare firm that develops and manufactures pharmaceutical and diagnostic products. Roche seeks to develop the next generation of pharmaceuticals and diagnostics through spending on research & development. Roche's business can be broken down into two segments, pharmaceuticals and diagnostics. Pharmaceuticals account for about 70.00% in revenue, whereas Diagnostics account for 30.00% in revenue. Roche remains the Haslam Fund's only international company, as it is headquartered in Switzerland. Despite being headquartered outside of the U.S., 45.00% of sales are still generated in the U.S., with Europe and Asia both making up nearly 25.00% of sales last year. The remaining 5.00% is represented by Latin America, Africa, Australia, and Oceania.

Positive Drivers:
Roche remains a massive spender on R&D, spending $15.20 B in FY 2022. Roche has a well-diversified set of drugs and as a result, will not be as affected by a massive drug's patent expiration. Roche's highest selling drug, Ocrevus is under patent in the U.S. until 2029 and in Europe until 2028. Another positive for Roche is continuously growing same drug sales YoY. Ocrevus, alongside other drugs like Tecentriq and Hemlibra, are the main drivers of Roche's Pharmaceutical sales, which are expected to grow 3.00-4.00% each year through 2027.[9] This is currently new CEO Thomas Schinecker's first year. Schinecker led Roche's Diagnostic division before moving to CEO this year which should translate into continued high performances from Roche's Diagnostic division.

Negative Drivers:
While Roche has continued spending on R&D, recent results have been disappointing. Roche has not been able to successfully replace its high performing drugs that are no longer under patent, or have patents that will expire soon. One of these drugs is Avastin. Avastin is an oncological drug that whose patent expired in 2019. Roche has not replaced Avastin with a drug that could drive similar revenue, and as a result Roche lost around $2.00 B in annual sales. As a result of disappointing results from R&D, the company's cash ratio has drastically decreased.

Industrials

Fund Manager: Michael Ray

H2 Analysis:

The Industrials sector faced sluggish growth throughout the high interest rate environment of H2. Inflated pricing deterred demand for several different industries within the sector, specifically packaging, transportation, and industrial supplies. The Haslam Fund adapted to the inflationary environment by leaning away from volatile consumer spending and transportation industries in exchange for infrastructure and aerospace and defense industries which were more independent of inflation. To start H2, the Haslam Fund chose to liquidate FedEx over concerns with the restructuring of their long-time business model and the continued inflation of shipping and packaging costs. The plans FedEx had in place did not seem feasible within the short time frame they provided themselves, so we chose to move on from FedEx and realize our capital gains. From there, our fund was less exposed to transportation stocks and more exposed to the capital goods subsector, particularly within aerospace and defense. Our two aerospace and defense holdings of Lockheed Martin and RTX provided consistent returns until internal issues within both companies caused their respective stock prices to plummet during the last three months of the period. In addition to internal issues, rumors of a government shutdown in September put downward pressure on most aerospace and defense stocks due to their dependence on the U.S. government as a customer. Although Lockheed and RTX experienced losses, both problems within their respective companies were singular occurrences and will not affect them going forward. Overall, these downturns in stock price caused our Industrials holdings to underperform the S&P 500 Industrials Sector Index, with a -5.69% return compared to its 1.01% return.

Moving Forward:

Moving through 2023, the Industrials sector will continue to struggle with the reduction in consumer spending they faced throughout H2. With inflation still above the Fed's policy rate, it seems unlikely that the Fed will cut interest rates before the start of 2024. As interest rates stay higher for longer, our fund will continue to avoid industries susceptible to consumer spending and capitalize on opportunities that become available within aerospace and defense and domestic infrastructure. One opportunity is the rising tensions between Ukraine and Russia and within countries in the Middle East that could boost our defense holdings. The U.S. government has already reached unprecedented levels of spending over the last three years and will continue to heavily invest in aerospace and defense to fortify the U.S. against potential threats. Another positive factor for Industrials moving forward is the ultimate easing of supply chain challenges as digital infrastructure takes over. Despite slower demand growth through decreased consumer spending, industrial margins could grow as supply chain costs decrease with its implementation, and investments in domestic infrastructure will benefit as a result.[1]

Period	Start Value ($)	End Value ($)	Return (%)	Benchmark Return (%)	Weighting Difference from Benchmark (%)
H1	103,242.12	108,867.45	31.99	23.29	-1.79
H2	108,867.45	66,060.68	-5.69	1.01	-2.06
Tenure	103,242.12	66,060.68	25.99	24.52	-2.06

FedEx Corporation (FDX)

Sector: Industrials
Fund Manager: Michael Ray

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	-	36,101.42	45.35	0.77
H2	36,101.42	-	-0.28	0.50
Tenure	-	-	44.94	1.55

H2 Actions: Sold 158 shares for $35,818.31 on 04/25/23.
Total dividend payment of $181.70 during this period.

Holding Description:
FedEx is a global leader in the delivery and logistics industry. Much of their success is attributed to the separation of their four business segments: FedEx Express, FedEx Ground, FedEx Freight, and FedEx services. FedEx Express accounts for over 50.00% of their revenue and is the world's largest express transportation provider, serving more than 220 countries and territories.[2] FedEx Ground handles small ground deliveries in North America while FedEx Freight hauls larger shipments through less-than-truckload (LTL) carriers. FedEx Services is their smallest business segment that assists customers with shipping packages from their office and store locations. In April 2023, FedEx announced the combination of FedEx Express, Ground, and Services to create a singular entity, called Federal Express Corporation. By June of 2024, FedEx will no longer operate as four separate business segments but instead as a fully integrated air-ground network. They have also committed to the DRIVE and Network 2.0 initiatives, which look to reduce structural costs and redundancies within its shipping network.

Positive Drivers:
FedEx's DRIVE initiative looks to save them $4.00 B by 2025 and $7.00 B by 2027.[3] Since its integration within their business model, their stock price has rebounded substantially from a low point in late 2022. The DRIVE initiative will be facilitated by the combination of their separate business units into one and will rely on data driven insights to make the best decisions for their customers. Also, FedEx maintains the world's largest cargo fleet of almost 700 aircrafts, significantly outnumbering their competitors and establishing them as an international presence. Their broad coverage both globally and domestically ensures that their services are accessible and relevant for all their customers. Another positive driver for FedEx was their 10.00% dividend increase in April, which was enacted because of their significant rebound to start 2023.

Negative Drivers:
Due to the announcement of the consolidation of their separate business segments, our fund decided to liquidate FedEx in April. Our main concerns were with the timeliness of this decision and their movement away from a successful decentralized strategy. With a recession looming, we thought it was unwise to try and restructure a business while also increasing shipping rates and investing in large technology updates with their Network 2.0 and DRIVE initiatives. To add, they decided to move away from a corporate structure that promoted innovation and tailored solutions across different business units, meaning they will have less flexibility for their customized range of services moving forward. Another problem was their shift from air to rail delivery with Network 2.0. With the Railroad Safety Act of 2023, we had concerns over union strikes and stoppages along railroads that could deter LTL shipments from arriving on time.

Global X U.S. Infrastructure Development ETF (PAVE)

Sector: Industrials
Fund Manager: Michael Ray

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	31,615.26	29,880.90	21.03	0.61
H2	29,880.90	32,020.52	7.44	0.28
Tenure	31,615.26	32,020.52	28.07	0.96

H2 Actions: Held. Total dividend payment of $84.28 during this period.

Holding Description:
Global X U.S. Infrastructure Development ETF is an exchange traded fund created to invest in companies that stand to benefit from a potential increase in domestic infrastructure activity.[4] Its benchmark, the U.S. Infrastructure Development Index (IPAVE), measures the performance of U.S. listed companies that provide exposure to U.S. domestic infrastructure development. PAVE's top three holdings include Eaton, a global power management company, Parker Hannifin, a motion and control technologies provider, and Fastenal, an industrial and construction product supplier. With 98 holdings, PAVE encompasses almost every aspect of the industrial economy, particularly construction, engineering, transportation, and producers of raw materials. Additionally, PAVE is not restricted to investing solely in the Industrials sector. While over 70.00% of its investments reside in Industrials, 20.00% are in Materials, and the remaining 10.00% are scattered throughout the Utilities, Information Technology, and Consumer Discretionary sectors.

Positive Drivers:
PAVE is a well-diversified ETF with minimal idiosyncratic risk that provides the Haslam Fund with exposure to multiple industries within the Industrials sector. To add, the Infrastructure Investment and Jobs Act signed by President Biden in 2021 has ensured continued infrastructure development through 2031, with $550.00 B available in appropriations.[5] The bill has directed funding over the past two years to industries that have led to PAVE's success, including transportation and transit, clean energy, water infrastructure, environmental remediation, and digital infrastructure. As long as the government continues on their path of record level spending, PAVE will continue to profit. Finally, PAVE will benefit from the approaching shift to digital infrastructure. Increased power consumption, automation in production, and decreased supply chain barriers support most of the holdings within PAVE's portfolio and would create significant cost reductions in their processes as well.

Negative Drivers:
With a presidential election looming in 2024, the future for PAVE may be bleak. Under new leadership, stricter guidelines for spending on domestic infrastructure may be enacted to better abide by the nation's debt ceiling. Another issue is that PAVE may be oversold in the future. Because the Industrials sector is cyclical, it would make sense for investors to realize their capital gains and place their money in a safer, more defensive sector with a recession on the horizon. Finally, PAVE offers a weak dividend yield compared to other domestic infrastructure ETFs, which could drive investors towards those substitutes.

Lockheed Martin Corporation (LMT)

Sector: Industrials
Fund Manager: Michael Ray

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	21,632.24	19,381.93	24.16	1.55
H2	19,381.93	16,767.36	-12.22	1.23
Tenure	21,632.24	16,767.36	13.21	3.11

H2 Actions: Held. Total dividend payment of $246.00 during this period.

Holding Description:
Lockheed Martin is a global security and aerospace company that creates cyber security systems, satellites, advanced weaponry and defense systems, and aeronautics. Their overall strategy is to design and develop platforms and systems that can adapt to the requirements of 21st Century security. The company operates through four business segments: Aeronautics, Rotary and Mission Systems, Space, and Missiles and Fire Control. Significant profit drivers include their F-35 fighter jets, C-130 airlifters, Blackhawk combat helicopters, 5G.MIL Unified Communications Network, and the Orion Satellite in partnership with NASA.[6] The U.S. government is their largest customer, primarily signing multi-million-dollar contracts through the Department of Defense. The remainder of Lockheed's customers are international customers, who are contracted through the U.S. military, reiterating the strength of their relationship with the U.S. government. In addition to forming strategic relationships, Lockheed Martin seeks to develop differentiating technologies and enhance their digital infrastructure through sustainable business practices.

Positive Drivers:
The most significant driver of Lockheed Martin's revenue is its longstanding relationship with the U.S. government as a defense contractor. With 73.00% of their revenue coming from U.S. government contracts, they are primed to reap the rewards of continuing geopolitical tensions and increased investments in their vastly successful F-35 fighter jets.[6] Additionally, Lockheed's space division has announced new partnerships with corporate giants like Amazon and Cisco to bring voice technology and video to the moon, displaying their increased investment in AI. Lastly, Lockheed Martin has a continued commitment to sustainability and are ranked within the 89th percentile for their Environmental, Social, and Governance (ESG) score among their peers.[7] Concurrently, their 2025 Sustainability Management Plan has combined stakeholder input and industry trends to establish a plan that will reduce their overall carbon footprint by 36% by 2030.

Negative Drivers:
Lockheed's stock price held steady throughout H2 until early September when it began to drop significantly. Their stock dip occurred because of the delays of their F-35 fighter jets, but the central causes were a downgrade from Moody's over concerns of a government shutdown and the disappearance of an F-35 jet in South Carolina.[8] Aside from these temporary concerns, Lockheed also has risks stemming from their reliance on the U.S. government. They are susceptible to fluctuations in government spending and regulations, meaning their revenues will vary with changes in fiscal and political policy. A final threat stems from the competitive aerospace and defense industry they operate in. They are competing against multiple other giants within this space, such as RTX Corporation, Northrop Grumman, L3 Harris Technologies, and Honeywell Corporation.

RTX Corporation (RTX)

Sector: Industrials
Fund Manager: Michael Ray

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	23,084.52	23,503.20	20.38	1.34
H2	23,503.20	17,272.80	-25.30	1.17
Tenure	23,084.52	17,272.80	-5.39	2.79

H2 Actions: Held. Total dividend payment of $283.20 during this period.

Holding Description:
RTX is one of the world's largest aerospace and defense companies. Originally known as Raytheon Company, it became Raytheon Technologies after an all-stock merger with United Technologies in 2020. They have delivered over $1.40 B in total gross cost synergies since the merger, exceeding their original four-year goal of $1.00 B in 2020.[9] In June 2023, they underwent another name change, becoming RTX Corporation while reducing their four business segments down to three. The three segments, Collins Aerospace, Pratt & Whitney, and Raytheon, each drive revenue through their diversified product lines. Collins Aerospace offers a wide range of aviation products and mission systems and covers 67.00% of all air traffic management with their innovative surveillance systems. Pratt & Whitney produces aircraft engines and auxiliary power units for commercial, military, and business use. Raytheon is a combination of their missile, defense, and space programs, focusing on the design and development of integrated systems that protect air, land, sea, and space. Through these highly diversified business segments, RTX can reach a wide variety of customers, including the U.S. government, customers in commercial aerospace, and other foreign governments. RTX continues to drive the aerospace and defense industry through product innovation and investments in new and advanced technologies that have established their global presence.

Positive Drivers:
RTX has been an essential asset for the Ukrainian army throughout their war with Russia. In May, the U.S. army awarded them with a $625.00 M contract for their anti-aircraft Stinger missiles to replenish supplies in Ukraine.[10] In addition, RTX has a strong presence in the Middle East with ten of their Iron Dome defense systems scattered throughout Israel in strategic positions. Other than the U.S., Israel is the only other country with this specific network of radar detectors and missile launcher technology, which leaves room for global growth. Finally, RTX has consistently beat earnings expectations each quarter, which is optimistic for their stock price moving forward.

Negative Drivers:
The primary reason for RTX's complete reversal of returns from H1 to H2 can be attributed to the announcement of their geared turbofan engine recall in July. During their Q2 earnings release, they informed the public that their GTF engine had been contaminated with a microscopic powder metal that was causing engine discs to crack before the end of their life cycle. Over 600 GTF engines will be recalled and inspected over the next three years, and most of them will be replaced by the new engines produced after the merger in 2020.[11] These new engines have had enhanced angle scan inspections and are free of powdered metal contamination, meaning this issue will not continue once the recalls are complete. RTX's stock price reflects the markets' reaction to their GTF engine issue, and their depressed price leaves room for growth and potential investment moving forward.

Information Technology

Fund Manager: Lindsey Campbell

H2 Analysis:
The Information Technology sector is the largest sector by weight in both the S&P 500 and the Haslam portfolio. The sector makes up a substantial 27.09% of the S&P 500 and 26.72% of the Haslam portfolio. Throughout the period, the sector remained resilient despite market uncertainties and economic headwinds. The Haslam Fund was able to outperform the S5INFT index by 0.28% during H2. This success is largely due to Applied Materials, Broadcom, and Palo Alto Networks, which all returned well above the benchmark. H2 was filled with many market uncertainties due to the Federal Reserve rate hikes. As a cyclical sector, Information Technology companies have historically underperformed during similar market conditions experienced over the period.[1] This pushed the Haslam Fund to take profit in Broadcom during the period. Still, the Haslam Fund finished the period only slightly underweight in Information Technology, ultimately contributing to the portfolio's successful results.

Moving Forward:
The Information Technology sector will continue to face headwinds from economic conditions. However, it is likely the sector will stay resistant against the market cycle due to excitement around AI and innovation across the industry. The Federal Reserve appears to be approaching the end of the tightening cycle that has persisted throughout the last FY, and tech companies will be able to fund R&D at cheaper rates.[2] As this spending increases the sector will remain the market leader. The Information Technology holdings within the Haslam portfolio are each set to benefit greatly from the sector's overall tailwinds. The software and services industry will see major growth in AI, cloud, and SaaS. Cloud has a TAM of $3.00 T, which Microsoft plans to capitalize on.[3] The company is a leader in the cloud computing industry and is fighting to outpace Amazon as the leader in market share.[4] The semiconductor industry will also perform well into the future, with 81.00% of companies expecting to expand revenue over the next year.[5] Despite geopolitical tensions, the semiconductor industry led the sector and the Haslam portfolio throughout the year, mostly due to the excitement and increase in demand for AI. The Haslam Fund's semiconductor holdings, Applied Materials and Broadcom, are the dominant players in the industry and will lead growth in the future with their strong innovation. The technology hardware and equipment industry has a less favorable outlook than other tech industries as it is set to grow at a small CAGR of 1.40%.[6] Currently the Haslam Fund has little exposure in the declining industry and plans to avoid future investments in this industry. The Haslam Fund will continue to monitor changes in the macroeconomic environment and industry trends to stay on top of the fast-growing industry.

Period	Start Value ($)	End Value ($)	Return (%)	Benchmark Return (%)	Weighting Difference from Benchmark (%)
H1	264,078.48	279,233.96	29.77	27.50	0.71
H2	279,233.96	286,744.11	10.86	10.58	-0.37
Tenure	264,078.48	286,744.11	41.25	40.93	-0.37

Apple Inc. (AAPL)

Sector: Information Technology
Fund Manager: Lindsey Campbell

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	56,800.20	67,773.90	19.65	0.33
H2	67,773.90	70,367.31	4.12	0.29
Tenure	56,800.20	70,367.31	24.57	0.68

H2 Actions: Held. Total dividend payment of $197.28 during this period.

Holding Description:
Headquartered in Cupertino, CA, Apple Inc. is a diverse technology company that largely operates in the communication equipment industry. Apple designs, manufactures, and markets smartphones, personal computers, tablets, wearables, and accessories. They also offer a wide range of related services. Their services include digital payment, content, cloud, and advertising services. The iPhone is Apple's biggest revenue driver as it accounts for 52.00% of revenue. Apple is a true multinational company with a strong presence across the U.S. and the world through their facilities that are used for corporate functions, R&D, retail, and data centers. The Americas contribute 40.00% of revenue, while Europe, China, and Japan each contribute 25.00%, 20.00%, and 10.00% respectively. Apple's direct retail stores contribute 35.00% of sales, while the remaining 65.00% come from their partnerships with indirect channels including third-party cellular networks, retailers, resellers, and wholesalers.

Positive Drivers:
Apple's biggest driver is their service segment which has an impressive growth outlook. This segment is their most profitable business line as it has a gross margin of 70.50%, while their hardware segment's gross margin is only 35.40%. In their Q3 earnings reported in August, the segment grew over 8.00%, and is expected to continue growth moving forward.[7] Apple will also see revenue growth through their iPhone segment, due to a 9.00% price increase forcing customers to pay more for new products.[8] Apple has done an exceptional job of creating brand loyalty allowing them to increase prices without seeing decline in customer growth. Emerging markets present a substantial tailwind for the company. Starting with India, where the country has seen a substantial growth of their middle class that now makes up roughly 31.00% of the population. In India, Apple has seen sales growth of 46.00%.[9]

Negative Drivers:
Apple is exposed to numerous headwinds that threaten the company's strong outlook. In H2, the Chinese government announced its ban of Apple products for use by government employees.[10] This also has the potential to extend to local governments and state-owned companies across the country. Apple's manufacturing capacity is also threatened from political tensions between China and the U.S., which will threaten their ability to fulfill orders. Apple is also facing pressure in Europe from European Union (EU) regulation. The company is now required to use USB-C connector for their charging ports in Europe, starting with the iPhone 15. This will limit the revenue Apple previously generated from the sale of chargers.[11]

Applied Materials Inc. (AMAT)

Sector: Information Technology
Fund Manager: Lindsey Campbell

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	36,213.06	54,290.86	50.56	0.63
H2	54,290.86	61,194.90	13.24	0.52
Tenure	36,213.06	61,194.90	70.40	1.42

H2 Actions: Held. Total dividend payment of $282.88 during this period.

Holding Description:
Applied Materials Inc. is a global technology company headquartered in Santa Clara, CA. The company develops, manufactures, markets, and services cutting-edge semiconductors. The business is divided into three segments including Semiconductor Systems, Applied Global Services, and Display Adjacent Markets, these divisions account for 75.00%, 20.00%, and 5.00% of sales respectively. The largest segment, Semiconductor Systems, encompasses a wide range of manufacturing equipment that is used for fabricating integrated circuits. The Applied Global Services division includes products used to enhance equipment and fab performance and productivity. The Display and Adjacent Markets includes engineered tools used for liquid crystal displays, organic light-emitting diodes, and display technology for consumer-oriented technology devices. Applied Materials plays an influential role in the high-tech ecosystem with their solutions that contribute to significant developments across the Information Technology sector.

Positive Drivers:
Applied Materials was the Haslam Portfolio's top contributor for the FY. The company returned 2.66% above the benchmark for H2 and 29.47% for the FY. This strong growth has the chance to continue through numerous tailwinds for the company. In H1, the company announced the plan to build the world's largest R&D facility for creating advanced semiconductor process technology.[12] This investment will allow the company to accelerate innovation and remain an industry powerhouse. Their ability to create the industry's leading products and services that focus on improving performance, power, and area cost will drive sales into the next year. Sales demand will be driven by Internet of Things, communication, foundry, and automotive and power chip customers. Due to their superior technology in chip material engineering, the company will be able to capitalize on the increasing demand for advanced packaging for chips. The advanced packaging market was valued at $29.00 B in 2022 and is growing at a CAGR of 8.70%.[13] This will allow Applied Materials to lead the transition into next-generation chips with two and three nanometer technology.[14]

Negative Drivers:
Applied Materials success is tied to its performance in Asian markets, as 80.00% of revenue comes from the region. China alone accounts for roughly one third of revenue, leading the company to face a serious headwind from geopolitical tensions between the U.S. and China. For a third year the Chinese market led semiconductor sales in 2022. However, from 2020 to 2022 the company's sales in the country decreased by 4.00% and as political uncertainties persist, sales could continue to decline.[15]

Broadcom Inc. (AVGO)

Sector: Information Technology
Fund Manager: Lindsey Campbell

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	35,520.80	51,323.20	46.56	2.07
H2	51,323.20	37,376.10	15.61	1.43
Tenure	35,520.80	37,376.10	70.04	4.14

H2 Actions: Sold 35 shares for $21,543.72 on 05/01/2023.
Total dividend payment of $414.00 during this period.

Holding Description:
Headquartered in San Jose, CA, Broadcom is a global technology company that designs, develops, and supplies a range of leading semiconductor and infrastructure software solutions. Their portfolio size is unmatched with unique products that target a variety of niche markets. The business is divided into Semiconductor Solutions and Infrastructure Software, which account for 22.00% and 78.00% of revenue respectively. Semiconductor Solutions includes the company's product lines and intellectual property licensing. This segment is broken down into broadband, networking, wireless, storage, and industrial. With over 17,000 patents, Broadcom has one of the industry's largest IP portfolios. The Infrastructure Software segment includes solutions that allow customers to build, run, manage, connect, and protect applications across the environments they operate in. The segment enables businesses to find actionable insights into their operations allowing for value driven decision making.

Positive Drivers:
Broadcom was one of the Haslam portfolio's top performers for the FY, returning 5.03% above the sector benchmark in H2. This strong performance is largely due to the company's ability to capitalize on the demand for next generation networking technologies, as customers look to scale out their AI abilities within data centers.[16] In H2, Broadcom introduced Jericho3-AI which enables the highest performance fabric for AI in the industry.[17] Through load balancing, congestion-free operation, ultra-high radix, and zero-impact failover Jericho3-AI leads to 10.00% shorter job completion times compared to alternative solutions. This meets the skyrocketing use of AI and the demand for fabrics that will allow network operators to handle the expanding space. Overall, AI will drive the company's growth in the future as it is set to increase semiconductor revenue by 25.00% in the next year and could be responsible for up to 20.00% of the company's overall revenue for 2024.[18]

Negative Drivers:
Broadcom will experience headwinds brought from uncertainties between U.S. and China relations. Roughly 35.00% of revenue is generated from business in the country.[19] Continued geopolitical tensions will threaten the relationship between the company and the region that contributes a large portion of its success and potential growth. Broadcom's acquisition of cloud computing company VMware is expected to close by the end of the year. However, with a $69.00 B valuation that makes it one of the largest M&A deals in the IT space the transaction has yet to fully been approved by regulators. While the transaction has been approved by many regulators including the EU, the company still requires Chinese approval.[20] This highlights the significance geopolitical tensions with China has on Broadcom.

Microsoft Corporation (MSFT)

Sector: Information Technology
Fund Manager: Lindsey Campbell

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	66,143.60	81,877.20	24.37	0.58
H2	81,877.20	89,673.00	9.99	0.47
Tenure	66,143.60	89,673.00	36.74	1.17

H2 Actions: Held. Total dividend payment of $386.24 during this period.

Holding Description:
Headquartered in Redmon, WA, Microsoft is a leading technology and software company with a global presence. They provide a wide range of products and services and divide their business into three key segments. Intelligent Cloud accounts for 41.48% of revenue and focuses on providing cloud-based solutions through their server products and cloud services including Azure. The Productivity and Business Process segment accounts for 32.69% of revenue and includes their suite of Office products, LinkedIn, and Dynamics. The More Personal Computing segment accounts for the remaining 25.83% of revenue and includes the Windows operating system, devices, gaming, and services. Microsoft is a multinational company, 50.00% of sales are generated from the U.S., while international markets account for the remaining 50.00%.

Positive Drivers:
Microsoft's dominant position in the Information Technology sector will allow the company to capitalize on the increasing demand for generative-AI. At the end of the period, Microsoft began to roll out its AI solution, Copilot, on Windows 11, Microsoft 365, Bing, and Edge.[21] Their innovative solution of Copilot will enhance user experience from business to personal use, and has the potential to add roughly $5.00 B in revenue over the next year.[22] The company is also set to outpace Amazon in the race to lead market share in the AI industry through their successful hybrid-cloud strategy. Azure and their other range of cloud services drove the Intelligent Cloud segment to see revenue growth of 28.00% in 2022, and strong developments in their cloud-infrastructure business poise this segment to continue to see strong growth moving forward.[23]

Negative Drivers:
Microsoft operates in an increasingly competitive industry where constant innovation is required to maintain their leading position. Large investment in R&D for generative-AI will be required to remain in competition with Amazon and Google Cloud as they hyperscale their respective AI products.[24] The shift to AI and cloud positions Microsoft's on-premises services to suffer from cannibalization. Microsoft's Xbox business will continue to suffer from the impact of inflation on consumers. Despite a decline in consumer spending, Microsoft slightly raised the price of Xbox Series X and the Xbox Game Pass in July.[25] These price increases may lead to lower sales in the division as consumers lack expendable income for related products.

Palo Alto Networks Inc. (PANW)

Sector: Information Technology
Fund Manager: Lindsey Campbell

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	19,654.80	23,968.80	21.95	-
H2	23,968.80	28,132.80	17.37	-
Tenure	19,654.80	28,132.80	43.13	-

H2 Actions: Held. No dividend payments during this period.

Holding Description:
Headquartered in Santa Clara, CA, Palo Alto Networks is a leading cybersecurity company that specializes in cloud security and advanced firewalls. The company's platform allows enterprises, organizations, service providers, and governments to protect themselves against today's increasingly complex cyber threats. They divide their business into products and subscriptions, these divisions account for 22.90% and 77.10% of sales respectively. Their product lines include hardware and software firewalls, SD-WAN, and Panorama. The subscription segment includes a wide range of services divided into cloud-based delivered security services, secure access service edge, cloud security, and security operations. Through their products and subscriptions, Palo Alto Networks empowers customers to securely operate in today's digital age.

Positive Drivers:
Palo Alto Networks has benefited greatly from an increasingly hybrid workforce, as businesses require their services more than ever. Remote work brought from the Covid-19 pandemic has led to a new hybrid work environment which the company has capitalized on through their innovative Zero Trust security solutions that offer comprehensive cybersecurity measures tailored for this new environment.[26] In H2, their Zero Trust platform was considered a leader in the Forrester Wave Zero Trust Platform Providers report.[27] In July, the SEC adopted new rules requiring public companies to disclose cybersecurity attacks within four days in a Form 8-K.[28] This will push C-suite executive to place a greater emphasize on cybersecurity in order to align with the new regulation and avoid investor concern around security threats.

Negative Drivers:
While the company has performed well despite many macroeconomic uncertainties over H2, the persistence of these events on top of the threat of recession will continue to be a headwind moving forward. The current high interest rate environment leads many organizations to treat cybersecurity as an afterthought, and this trend has the potential to negatively affect their growth moving forward.[29] Cybersecurity spending growth for companies dropped to 6.00% compared to 17.00% in the previous year.[30]

Materials

Fund Manager: Ethan McNeill

H2 Analysis:
The Materials sector of the Haslam Fund reported an -11.81% loss during H2. Additionally, the S&P 500 Materials sector experienced a -1.60% loss. The Haslam Fund's Materials sector underperformed by 10.21% compared to the S&P 500 Materials sector index. As of the end of H2, Materials makes up 2.01% of our equity holdings, reflecting an underweight position relative to SPX by 0.30%. Given the cyclical nature of the Materials sector, demand plays a crucial role in influencing prices. There is a growing concern in the sector regarding sustainable materials, prompting companies to shift towards eco-friendly alternatives. In H2, political discussions arose as the U.S. government initiated talks about imposing 4.00% to 8.00% net royalties on materials extracted from federal lands. These deliberations pose potential threats to companies involved in gold and copper mining on U.S. soil.[1] Furthermore, during H2, there was an uptick in demand for lithium, paralleling the surge in electric vehicle sales. EVs are projected to rise to 40.00% of global auto sales by 2030 compared to 10.00% in 2022.[2] Most industries in the Materials sector underperformed; however, basic materials was a bright spot. Martin Marietta Materials, a producer of concrete and stone building products, generated a 16.00% return during H2. Additionally, Vulcan Materials, a basic materials company producing cement products, yielded an 18.26% return during the same period.

Moving Forward:
The Haslam Fund intends to explore materials companies that exhibit high projected demand in the near future. Given the inherent volatility of materials markets in relation to demand, our fund will scrutinize potential opportunities with forward-looking demand indicators. Our current position in Graphic Packaging Holding Company (GPK) stands as a testament to strategic foresight. In light of the escalating demand for sustainable materials, GPK has demonstrated remarkable adaptability, instilling confidence in our forward outlook. However, it is noteworthy that the S&P 500 Materials sector has outperformed our current holding by nearly 10.00%. Companies in the basic materials industry producing concrete products will be a point of interest moving forward. The global cement market is expected to grow from $405.99 B in 2023 to $544.55 B by 2030.[3] Moving forward, we will also be evaluating opportunities in the lithium battery industry in our pursuit to align our holdings with prevailing market demand. Because lithium is an essential component in building electric car batteries, we will be carefully monitoring the supply levels in the metals and mining Industry.

Period	Start Value ($)	End Value ($)	Return (%)	Benchmark Return (%)	Weighting Difference from Benchmark (%)
H1	34,848.24	24,368.44	33.29	19.96	-0.30
H2	24,368.44	21,299.68	-11.81	-1.60	-0.44
Tenure	24,368.44	21,299.68	25.03	18.06	-0.44

Graphic Packaging Co.

Sector: Materials
Fund Manager: Ethan McNeill

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	18,871.44	24,368.44	30.02	0.89
H2	24,368.44	21,299.68	-11.81	0.78
Tenure	18,871.44	21,299.68	14.77	1.90

H2 Actions: Held. Total dividend payment of $191.20 during this period.

Holding Description:
Graphic Packaging Holding Company (GPK) was launched in 1992 and is currently headquartered in Atlanta, GA. GPK provides the supply of paper-based packaging solutions. The company's packaging solutions are made primarily with fibers from sustainability sourced trees or recycled materials. The main drivers of their operations include the demand and the price of packaging materials. Their revenue is separated into three segments: Americas Paperboard Packaging, Paperboard Mills, and Europe Paperboard Packaging, these account for 65.00%, 15.00%, and 20.00% of revenues, respectively.[4] Most of their sales are conducted through third party brokerage agreements which flow through multinational food, beverage, and consumer product companies.

Positive Drivers:
Between Q1 and Q2, GPK retired $13.00 M of their total debt.[5] Moreover, their capital expenditures saw a reduction of approximately $7.00 M. Additionally, sustainability initiatives generated favorable publicity, appealing to investors with a preference for environmental considerations. Furthermore, GPK strategically acquired Folding Carton Company for an estimated $262.50 M, a move aimed at expanding its market share. As noted in GPK's Q2 earnings report, the company paid out $30.00 M in dividends while repurchasing $1.00 M in shares. Their Q3 earnings report displayed an adjusted EBITDA of $448.00 M which was a $16.00 M increase compared to Q3 2022.[6] These were the results of $92.00 M in favorable pricing and $32.00 M in commodity input cost deflation.

Negative Drivers:
In their Q2 earnings report, GPK reported a loss in their adjusted EBITDA, amounting to 33.00 M. Additionally, their net sales exhibited minimal movement, leading to diminished confidence among shareholders regarding future prospects. Notably, GPK's stock price demonstrated a volatility of 34.00% throughout the month of August, dissuading risk-averse investors. The gross profit experienced a significant decline of $54.00 M from Q1 to Q2, signaling a concerning trend for potential investors. GPK's Q3 earnings results showed a 4.00% decrease in net sales and a 12.00% decrease in net income versus the prior year quarter. The company experienced $32.00 M in commodity input cost deflation during Q3; however, these effects were offset by $64.00 M in unfavorable volume and $43.00 M in labor, benefits, and other inflation. GPK also experienced an increase in capital expenditures resulting from the construction of a new manufacturing facility in Waco, Texas.

Real Estate

Fund Manager: Ethan McNeill

H2 Analysis:
During H2, the Haslam Fund delivered a commendable 2.94% return in the Real Estate sector, outperforming the broader S&P market by 10.08%. The S&P 500 Real Estate sector experienced a 7.14% decline in the same sector during this period. The Real Estate market was adversely impacted by interest rate hikes and escalating vacancy rates, acting as significant negative catalysts. To prudently manage risk, our team strategically shifted focus away from Commercial Real Estate Investment Trusts engaged in office building development, thus reducing exposure to the threat of elevated vacancy rates. The Haslam Fund pursued a diversified approach, effectively fortifying itself against uncertain market conditions. We allocated investments into two distinct REITs: Welltower Inc (WELL) and Camden Property Trust (CPT). Welltower specializes in senior living and healthcare-related real estate, constituting a dependable revenue stream. Meanwhile, Camden Property Trust derives its income from multifamily apartment complexes. Given the disparate industries these holdings represent, the Haslam Fund effectively counterbalanced a 7.88% loss in Camden Property Trust with a commendable 15.97% return in Welltower. This judicious allocation further exemplifies our commitment to prudently navigating market dynamics.

Moving Forward:
Our outlook for the Real Estate sector is pessimistic. Our holdings have generated positive returns, outperforming the S&P sector's return. However, uncertainties surrounding future interest rate hikes are giving rise to short-term concerns. The Real Estate market is becoming increasingly risky due to rapidly escalating costs. Moreover, the residential Real Estate market has demonstrated consistent growth during this period. As of September 2023, the median house price stood at $412,000.00 reflecting a 2.00% increase compared to the previous year.[1] The increase in housing prices reflects a scarcity of supply in the residential market. Commercial and industrial Real Estate industries have been impacted by higher borrowing costs. REITs have experienced reduced demand coupled with elevated debt expenses, which will inevitably impede their growth. Industrials have witnessed a decline in vacancy rates; however, there remains a sustained demand for logistics centers moving forward. While not immune from macro headwinds, Camden Property Trust and Welltower offer diversification within the sector. Welltower is poised to sustain its growth trajectory through the reduction of vacancy rates and ongoing demand in the Healthcare sector. On the other hand, Camden Property Trust is strategically positioning itself to capitalize on housing supply issues by developing multifamily apartments in high-traffic areas. While interest rate hikes are anticipated to impact our Real Estate holdings, the Haslam Fund is confident our two REITs will effectively manage their associated risks.

Period	Start Value ($)	End Value ($)	Return (%)	Benchmark Return (%)	Weighting Difference from Benchmark (%)
H1	40,257.12	41,251.69	7.89	5.75	1.40
H2	41,251.69	41,715.82	2.94	-7.14	1.57
Tenure	41,251.69	41,715.82	10.90	-1.67	1.57

Camden Property Trust (CPT)

Sector: Real Estate
Fund Manager: Ethan McNeill

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	-	22,540.60	-7.29	0.79
H2	22,540.60	20,334.70	-7.88	1.93
Tenure	-	20,334.70	-14.53	2.46

H2 Actions: Held. Total dividend payment of $430.00 during this period.

Holding Description:
Camden Property Trust is a residential REIT in the U.S.. They are primarily engaged in the ownership, management, development, redevelopment, acquisition, and construction of multi-family apartment communities. The company currently has over 175 urban and suburban properties with about 61,500 apartment units nationwide. Almost half of CPT's properties are in Houston, Washington DC, Atlanta, Dallas, and Phoenix.

Positive Drivers:
CPT successfully capitalized on the advantages presented by the housing shortage. A significant portion of their property portfolio is strategically located in high-traffic areas, generating heightened demand for housing. With the median housing price soaring to $412,000.00 over the past year and multiple interest rate hikes, a notable segment of potential homebuyers opted to postpone their purchasing decisions. Consequently, thousands of individuals who might have otherwise pursued homeownership gravitated towards renting apartments. Furthermore, CPT exhibited a commendable reduction in their overall debt, as evidenced by their Q3 earnings report. Remarkably, CPT delivered an impressive 4.10% growth in same-property revenue during Q3 compared to the previous year quarter.[2] During Q3, they demonstrated a noteworthy increase in their funds from operations per share, reaching $1.73, a marked improvement from the $1.70 recorded in the same quarter from 2022.

Negative Drivers:
CPT grappled with the impact of interest rate hikes on their growth strategy. As borrowing costs escalated, the expenses associated with constructing apartment complexes surged. This, coupled with the scarcity of available housing, deterred certain renters due to the inflated cost of living in densely populated urban areas. Although occupancy rates remained generally robust, a marginal decline was observed in the latter half of the year. It is worth noting that despite the overall high occupancy rates, a slight uptick in costs potentially impacted the revenues generated from some of their investment properties.

Welltower Inc. (WELL)

Sector: Real Estate
Fund Manager: Ethan McNeill

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	16,787.52	18,711.09	13.36	1.90
H2	18,711.09	21,381.12	15.97	1.70
Tenure	16,787.52	21,381.12	31.16	3.79

H2 Actions: Held. Total dividend payment of $318.42 during this period.

Holding Description:
Welltower Inc. is a healthcare REIT headquartered in Toledo, Ohio. The REIT was founded in 1970, and they invest in senior housing operators, post-acute providers, and health systems. Additionally, Welltower develops healthcare infrastructure in hopes of facilitating better treatment. They serve healthcare providers in the U.S., United Kingdom, and Canada. Welltower provides capital which allows healthcare companies to grow, innovate, and provide better care. Welltower generates more than 90.00% of their revenue through resident fees, services, and rental income.[3] Less than 10.00% of their revenue includes interest income and other income. As of September 30, Welltower's market capitalization was $43.60 B.

Positive Drivers:
Welltower demonstrated an impressive double A ESG rating in the latter half of the year, underscoring their steadfast commitment to sustainability endeavors. In the second quarter, their revenue per room experienced a commendable growth of 7.30%, while concurrently, the company efficiently reduced its debt burden. Furthermore, Welltower exhibited strategic acumen by expanding its operations through the acquisition of Storypoint, a senior living operator based in Michigan. Positioned within the healthcare segment of Real Estate, Welltower capitalized on the advantages of an essential business sector, boasting consistently higher occupancy rates compared to the broader Real Estate industry. Prudent management of past acquired debt proved instrumental in mitigating the risks associated with escalating interest rates in the latter half of the year. Notably, WELL's enduring appeal to investors persisted, exemplified by their 209th consecutive dividend distribution in August 2023.[4]

Negative Drivers:
Welltower battled with the effects of interest rate hikes implemented by the Federal Reserve during the second half of the year, which impacted their business operations. Given the company's reliance on borrowing to fund its operations, the rise in interest rates adversely affected their funds from operations. As costs inflate in the Real Estate industry, Welltower remains vulnerable to tenants who may not be able to meet their leasing agreements. The company is partners in a variety of joint ventures, potentially leaving them vulnerable to the performance of other companies. With some of these investments being in countries such as Canada and the U.K., Welltower is exposed to foreign exchange fluctuations.

Utilities

Fund Manager: Viktoria Eisenstadt

H2 Analysis:
In H2, our Utilities holdings underperformed the Utilities sector index, S5UTIL, by 40 basis points. The Inflation Reduction Act (IRA) of 2022 has given the market a positive outlook on renewables and supports the changing industry standard for electricity generation. Within a year, the IRA has achieved 210 new energy projects, $110.00 B invested in clean energy, 170,000 new jobs,[1] a Solar Investment Tax Credit with 30.00% of solar system and storage costs covered, and an electric vehicle charging network expansion of 30,000 new stations. For equity investors, this did not justify the increases in capital expenditures to fund new projects in a high interest rate environment. This act also enforced some constricting regulation on emissions and contaminants. Electrical consumption is a macroeconomic indicator that is driving the sector up, as it increased every month of H2. Recent development has made it cost effective to become compliant with the IRA's carbon reduction agenda as solar and wind are cheaper to utilize and easier to subsidize. As a natural monopoly, the Utilities sector must get approval from local commissions regarding revenues and returns; however, approvals to raise approved ROE's will make gains on expansions, such as those provided by the IRA, easier for investors to capture. Interest rate sensitivity has dampened investors' outlook, but the Haslam Fund maintains an overall slightly optimistic view of the sector. The sector has oppositely mirrored the overall S&P 500 and will continue to do so until the economy slows down and the federal funds rate holds or drops.

Moving Forward:
Individual stocks in the south are riskier due to climate change, and northern, more densely populated cities are at risk of shortages and system failures from overload or age. Historical growth for the industries are small and up to commissions for release to investors, so it is reasonable to have more diversification while multiple firms are in a transitory period from coal-dominating generation to sustainability. Holding XLU, an ETF that closely tracks our Utilities sector benchmark, and ETR, a well-performing, vertically integrated company with a growing customer base, positions our fund favorably. It aligns with our portfolio's investing strategy since XLU's dividend yield is higher than the S&P 500's and the beta of the fund is less than one. Investments into net-zero carbon energy generation, such as nuclear energy, that are supported by healthy transmission and distribution revenues will be our focus going forward.

Period	Start Value ($)	End Value ($)	Return (%)	Benchmark Return (%)	Weighting Difference from Benchmark (%)
H1	21,691.38	22,842.00	7.19	5.10	-0.67
H2	22,842.00	19,738.08	-11.80	-11.40	-0.55
Tenure	21,691.38	19,738.08	-5.23	-6.69	-0.55

Energy Corporation (ETR)

Sector: Utilities
Fund Manager: Viktoria Eisenstadt

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	11,417.82	12,282.36	9.19	2.13
H2	12,282.36	10,545.00	-12.16	2.00
Tenure	11,417.82	10,545.00	-3.83	4.25

H2 Actions: Held. Total dividend payment of $243.96 during this period.

Holding Description:
Entergy's value statement is formed around reliability and resilience with a newfound focus on sustainability. Their business model revolves around generating, transmitting, and distributing electricity and natural gas throughout the deep south. As a vertically integrated monopoly, they have strong dominion over their operations and run a fleet of five reactors. Their nuclear generation segment has a high output such as Arkansas's Nuclear One (Units 1 and 2) and accounts for 56.00% of the state's total electric consumption. ETR's market capitalization is $19.71 B, with sustainability and clean energy being driving factors for their recent investments. Their Q2 earnings release revealed a decrease in revenue and free cash flow, but displayed an increase in net income.

Positive Drivers:
Electricity prices, population migration, and electricity consumption are key economic indicators for this utility. As the cost of living has increased in large states like California and New York, there has been migration to less expensive southern states. Liberty County, Texas saw an 11.00% increase in population over the past three years and invested $28.00 M in grid reliability.[2] In conjunction, they requested, and got approval, for a 9.48% rate increase for most customers.[3] A growing customer base provides positive cash flows, but with more people comes an increase in power consumption and an equal increase in strain on existing infrastructure already working at capacity or overload. Consumption has dramatically risen in southern states with unusual increases in heating and cooling costs of more than 50.00%.[4] ETR must pour investments into upgrading systems to handle these newer loads which are extremely capital intensive. Regulation has been favorable to ETR as they have seen an increase in their approved ROE of 9.57%, a $252.00 M revenue addition for their Texas segment, a 7.50% base-rate increase in Arkansas, and a $56.00 M revenue increase in Mississippi.[5,6,7] Its fleet of nuclear power and initiatives towards renewables is the future of electric generation as we move toward decarbonization. ETR is a safe stock that provides consistent dividends with minimal risk through a small and stable beta, an increasing dividend yield, and a low P/E ratio.

Negative Drivers:
With interest rates increasing, and a $46.35 B long-term debt balance, the firm remains highly leveraged with multiple expensive new projects. The new projects, such as renewables and infrastructure branching out into areas like Liberty County, Texas, come with astronomical price tags without the possibility of refinancing anytime soon. As interest rates hold at 5.25-5.50%, and fed futures markets not projecting a cut until July of 2024, the industry will struggle to increase revenues and operational efficiencies without burdening its customers with price increases.

Utilities Select Sector SPDR Fund (XLU)

STATE STREET GLOBAL ADVISORS SPDR®

Sector: Utilities
Fund Manager: Viktoria Eisenstadt

Period	Start Value ($)	End Value ($)	Return (%)	Dividend Yield
H1	10,219.56	10,599.64	4.95	1.62
H2	10,599.64	9,193.08	-11.38	1.57
Tenure	10,219.56	9,193.08	-6.81	3.24

H2 Actions: Held. Total dividend payment of $165.08 during this period.

Holding Description:
XLU serves as a passive investment that provides exposure to the broader Utilities sector. It is a weighted harmonic average fund with a low gross expense ratio of 0.10%. XLU is mostly made up of natural monopolies that control most of the supply chain within their respective industries and services. The Utilities sector is diversified most by the areas in which they serve, so customer base size and growth potential are factors that greatly affect a firm's performance. Since XLU is an ETF that has holdings in 30 different firms, they have a wide exposure to different systems and grids within the U.S. Their top five holdings are all vertically integrated monopolies and consist of NextEra Energy, Southern Co., Duke Energy Corp, Sempra, and American Electric Power.[8] During H2, XLU's market price consistently remained at a premium to their NAV.

Positive Drivers:
In a defensive sector, a well-diversified position can be beneficial to maintain stability. Government investment and sustainability awareness are changing industry standards. Electricity generation is the largest industrial segment within XLU. Cumulative electric generation capacity has increased every month with solar outgaining wind, nuclear, and hydro-electric sustainability sources. In June alone, 5.90 GW of solar energy was added to the utility-scale generation capacity.[9]

Negative Drivers:
Interest rate sensitivity presents a substantial risk factor for the Utilities sector as industries are plagued with debt. XLU's stock price performs poorly during times of economic growth and expansion due to higher potential capital gains in other sectors. A soft landing in this current economic environment might play out like a reverse slow down after an expansion instead of a recession. It will negatively affect the ETF's performance due to market sentiment being optimistic about the future when previously frightened by economic turmoil with inflation pushing us into a recession. On September 26, NextEra Partners announced revisions to their renewables investment strategy and decreased their projected dividend yield growth. XLU fell 12.94% by the end of H2 and has continued to fall since. This sparked an overall pessimistic market view of the Utilities sector at the end of H2.

Fund Manager Bios

Lindsey Campbell

Lindsey is a senior from Chattanooga, Tennessee. She is pursuing a bachelor's degree in Finance with a collateral in Accounting. Lindsey joined the Haslam Torch Fund in January 2023 and currently covers the Information Technology sector. On campus, Lindsey serves as Student Body Vice President. She is also President of the Excel Modeling club, Director of Membership for Tennessee Capital Markets Society, and Social Chair for the Financial Management Association. She is also a member of Chi Omega, The University of Tennessee Investment Group, and is a Senior Analyst in the Masters Investment Learning Center. After graduation Lindsey will be joining Lazard as an Investment Banking Analyst in Charlotte, North Carolina.

Viktoria Eisenstadt

Viktoria is a senior from Knoxville, Tennessee, majoring in Finance with a collateral in Information Management. Before transferring to UTK, Viktoria earned an Associate Degree from Pellissippi State Community College in Business Administration. Viktoria joined the fund in August 2023 and covers the Utilities sector. As a hobby, Viktoria enjoys playing badminton. After graduating in May 2024, Viktoria plans to pursue a Master's in Cybersecurity at UTK.

Sam Holloway

Sam is a senior from Franklin, Tennessee pursuing a bachelor's degree in Finance with a collateral in Supply Chain Management. Sam joined the Haslam Torch Fund in August 2023 and currently covers Fixed Income. He spent last summer as an Investment Analyst Intern for The Trust Company of Tennessee, a wealth management firm in Knoxville. On campus, he is a member of the Financial Management Association and the Golf Club. Sam will graduate in May 2024 and plans to pursue a career in asset management.

Luke Ireton

Luke is a senior from Cincinnati, Ohio pursuing a bachelor's degree in Finance with a concentration in International Business. As a first-semester manager, Luke is covering the Consumer Discretionary and Consumer Staples sectors in the Haslam Torch Fund. Within the Haslam College of Business, Luke is a Smith Global Leadership Scholar, serves as the President of UT Investment Group, and works as a Senior Bloomberg Analyst in the Masters Investment Learning Center. Luke spent this past summer interning on the internal sales desk at John Hancock Investment Management. After graduation in Spring 2024, Luke intends to pursue a career in financial services.

Ethan McNeill

Ethan is a senior from Swedesboro, New Jersey. He is currently pursuing a bachelor's degree in Finance with a collateral in Entrepreneurship. Ethan joined the Haslam Torch Fund in August 2023, and he covers the Real Estate and Materials sectors. His campus involvement includes the Financial Management Association, the Real Estate Club, and the Sigma Chi fraternity. Upon graduation in May 2024, Ethan plans to pursue a career in either commercial real estate or corporate finance.

Nathan Miller

Nathan is a senior from Knoxville, Tennessee, majoring in Finance with a minor in Economics and collateral in Entrepreneurship. He joined the Haslam Torch Fund in January of 2023 and is a second semester manager covering the Financials sector. Most recently, Nathan has spent time working for Volkswagen Group of America, Inc. in procurement. Outside of academics, Nathan volunteers for Appalachian Mountain Bike Club (AMBC), building and maintaining mountain bike trails in the Farragut, TN area. After graduation in December 2023, Nathan plans to stay in Knoxville and pursue a career in wealth management or portfolio management.

Caden Mitchell

Caden is a first-semester manager for the Haslam Torch Fund, covering the Healthcare sector. He is currently a senior, pursuing a bachelor's degree in Finance with a collateral in Accounting. On campus, he is the Director of Trading for the UT Investment Group and works as a Senior Bloomberg Analyst in the Masters Investment Learning Center. He is also involved in Tennessee Capital Markets Society, Delta Sigma Pi, and the Financial Management Association. This summer, Caden worked as an Enterprise Credit Intern with Bank of America in Chicago, Illinois. After graduation in May 2024, Caden plans to return to Bank of America as a full-time analyst in commercial banking.

Lucas Nulsen

Lucas is a senior from Nolensville, Tennessee, majoring in Finance with a collateral in Economics. As a first-semester manager, Lucas covers the Energy sector. Lucas spent the past summer as an Investment Analyst Intern for the Tennessee Department of Treasury. During his internship, he underwrote the financial standing and creditworthiness of companies that are actively in the TCRS commercial paper lending program within the Fixed Income segment. He also analyzed market cycles, as well as crude Oil prices and their correlation to domestic rig counts with the Public Equity team. After graduation, Lucas plans to pursue a career in wealth management.

Michael Ray

Michael is a senior from Knoxville, TN majoring in Finance with a collateral in Supply Chain Management. As a second-semester manager, Michael covers the Industrials sector of the Haslam Torch Fund. Before transferring back home to the University of Tennessee, Michael played Division I golf at Gardner-Webb University for two years. He also played golf on the club team at UTK and enjoys watching golf and all other sports in his free time. Michael will graduate in December and plans to move to Raleigh, NC shortly after. There, he will pursue a career in wealth management or private equity.

Chyanne Smailovic

Chyanne is a senior from Knoxville, Tennessee, majoring in Finance with a collateral in Information Management. She transferred to UTK after earning her A.S. in Finance at Pellissippi State. She is a first-semester manager covering Communication Services. During the past summer, she interned at Radio Systems Corporation in Knoxville, where she conducted account analyses to measure spending for budgets and forecasts, aided with account reconciliations, and assisted in data validation and beta testing of a financial reporting system. On campus, Chyanne is a member of Women in Finance. In her free time, you can find her exploring antique stores, walking her yorkie, or spending quality time with her family. After graduation, Chyanne intends to secure a job in corporate finance in Knoxville and return to Pellissippi State to pursue an A.S. in Accounting.

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