MCCLAIN TORCH FUND

FY 2023

10/01/2022-09/30/2023

2022-2023

PORTFOLIO MANAGERS:

Jackson DeFrancesco

Alonso Garcia

Ben Lebovitz

Ashley Long

Hannah Patrignani

Kyle Siegel

Jacqueline Tenney

Lane Widerkehr

Dear Mr. and Mrs. McClain,

On behalf of every member of the McClain Fund, we wish to express our sincere gratitude for your unwavering support in fostering our growth as value investors and young professionals in the field of finance. Your generosity has enabled us to sharpen our skills and gain tangible experience that will lead us through our future endeavors.

Over the fiscal year from 10/1/2022 to 9/30/2023, the McClain Fund has generated a total return of 13.83%. While the McClain Fund outperformed all other funds on an absolute basis, we fell short of our benchmark, the Russell 3000 Value Index, by 18 basis points. We attribute this underperformance to our slightly cautious investment approach during the volatile economic environment observed throughout this fiscal year. Nevertheless, our portfolio outperformed the benchmark on certain risk-adjusted metrics, including our Treynor ratio of 0.1372 and our Sharpe ratio of 0.8056.

Over the last fiscal year, the United States economy has seen a series of aggressive interest rate hikes caused by inflationary risks. As a value fund, these interest rate hikes have significantly affected our valuation models through fluctuations in discount rates that trim each security's previously calculated margin of safety. In the coming months, this will be a crucial factor that our Fund considers when evaluating new investment decisions.

Following the economic uncertainty of the past fiscal year and the probable end of interest rate hikes by the FOMC, the McClain Fund will seek to actively engage in portfolio optimization. This entails a reduction in our number of portfolio holdings, along with the reallocation of surplus cash to promising securities available at attractive prices.

Again, we would like to thank you for providing us with the unique opportunity to participate in active portfolio management. The growth opportunities provided by the Torch Fund program have allowed us to expand our knowledge of the intricacies of value investing, as well as collaborative decision-making, none of which would have been possible without your generous support.

Thank you for taking the time to attend this year's Torch Fund End of Year Presentation. The invaluable insights and wisdom you shared with us were immensely appreciated, and it was a privilege to be enriched by your guidance.

Sincerely,

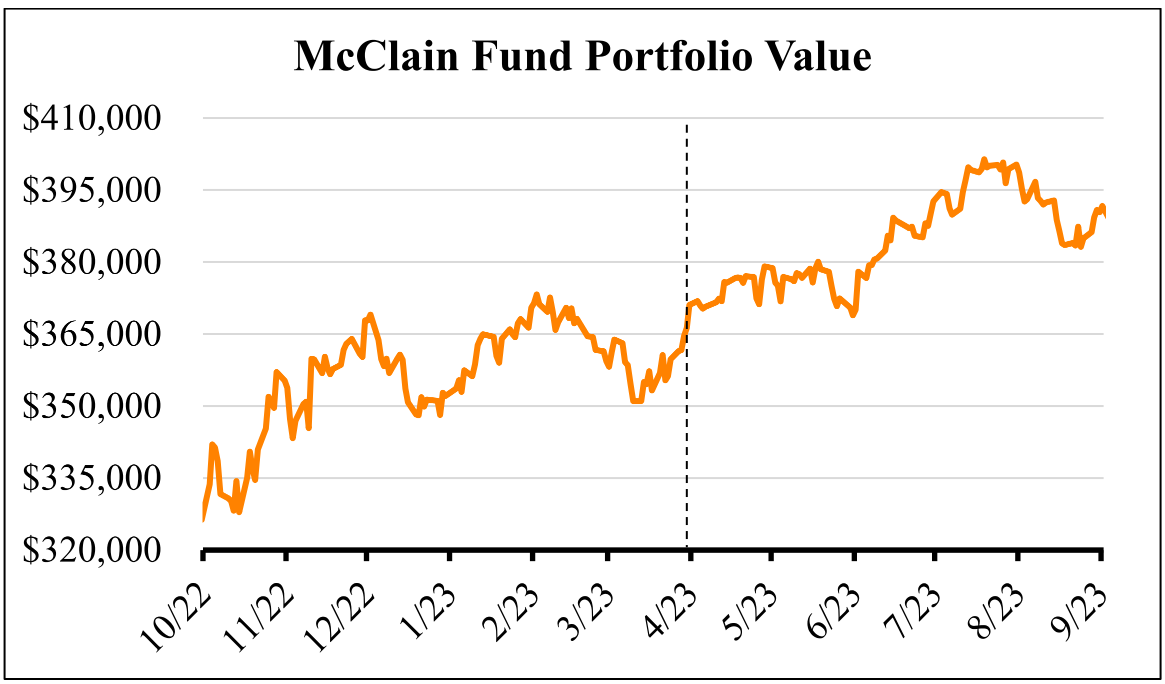
The McClain Fund

Hannah Patrignani

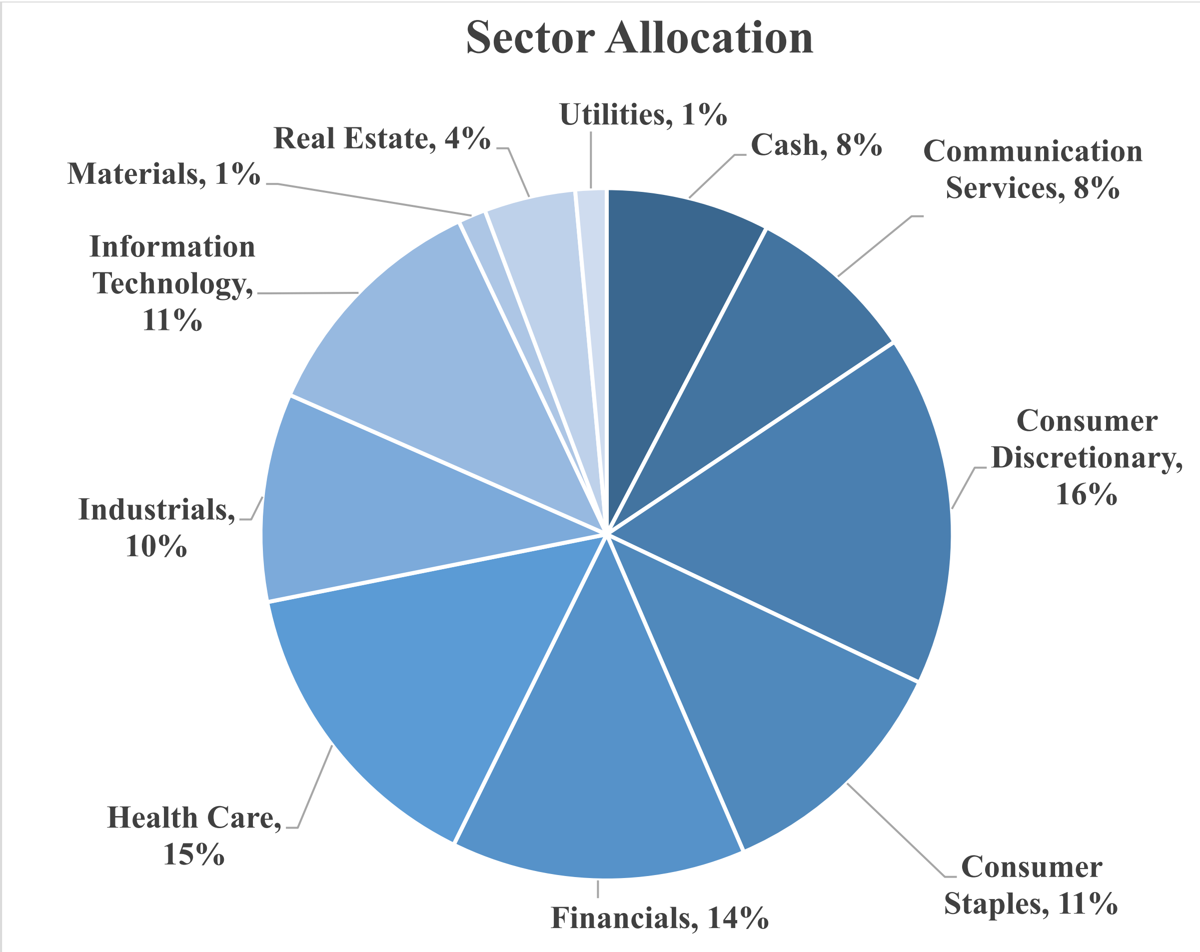
ashley Long

Account Summary: FY 2023

Portfolio Value as of 9-30-2022	$326,308.21
Contributions	-
Withdrawals	-
Realized Gain	$66,833.72
Unrealized Gain	($31,812.87)
Interest	$1,123.41
Dividends	$8,997.63
Portfolio Value as of 9-30-2023	**$371,450.11**



Performance Summary: FY 2023



Top Performers	Percent Return	Dollar Return
FY 2023		
Salesforce (CRM)	41.0%	$3,595.30
Alphabet (GOOGL)	36.9%	$5,287.10
Microsoft (MSFT)	36.7%	$4,192.90
H2 2023		
Alphabet (GOOGL)	26.2%	$4,069.50
Amazon (AMZN)	23.1%	$2,383.00
Cboe Global Markets (CBOE)	17.2%	$2,002.74

Bottom Performers	Percent Return	Dollar Return
FY 2023		
PayPal (PYPL)	(32.1%)	($2,181.20)
Fortrea (FTRE)	(29.4%)	($607.10)
Next Era Energy (NEE)	(24.6%)	($1,774.90)
H2 2023		
Fortrea (FTRE)	(29.4%)	($607.06)
ICU Medical (ICUI)	(27.9%)	($1,516.35)
Ulta (ULTA)	(26.8%)	($2,924.40)

Absolute Returns			
	FY 2023	**H1 2023**	**H2 2023**
McClain Fund	**13.83%**	**13.72%**	**0.10%**
Russell 3000 Value Index	**14.00%**	**13.16%**	**0.76%**
S&P 500	**21.59%**	**15.55%**	**5.19%**
Excess Return to RAV	**(0.17%)**	**0.56%**	**(0.66%)**
Excess Return to S&P 500	**(7.66%)**	**(1.84%)**	**(5.09%)**

Relative Fund Performance FY 2023			
Fund	**Absolute Return**	**Relative Return**	**Sharpe Ratio**
Carroll	**12.91%**	**(0.25%)**	**0.86**
Haslam	**13.40%**	**0.24%**	**0.89**
LaPorte	**6.88%**	**(6.27%)**	**0.33**
McClain	**13.83%**	**(0.17%)**	**0.81**
H1 2023			
Carroll	**9.12%**	**(2.17%)**	**1.12**
Haslam	**11.97%**	**0.68%**	**1.48**
LaPorte	**7.36%**	**(3.93%)**	**0.63**
McClain	**13.72%**	**0.56%**	**1.50**
H2 2023			
Carroll	**3.47%**	**1.98%**	**0.48**
Haslam	**1.27%**	**(0.22%)**	**(0.11)**
LaPorte	**(0.36%)**	**(1.86%)**	**(0.21)**
McClain	**0.10%**	**(0.65%)**	**(0.32)**

Relative Fund Performance						
	Sharpe Ratio			Treynor Ratio		
	FY	H1	H2	FY	H1	H2
McClain Fund	0.81	1.50	(0.32)	0.14	0.31	(0.04)
Russell 3000 Value Index	0.70	1.21	(0.14)	0.11	0.24	(0.02)
S&P 500	1.05	1.34	0.63	0.18	0.29	0.07

*Sharpe and Treynor ratios are annualized based on daily returns.

2023 FY McClain Fund vs. RAV			
	FY23	H1	H2
Standard Deviation	0.13	0.16	0.09
Tracking Error	0.06	0.06	0.05
Information Ratio	(0.09)	0.06	(0.28)

FY 2023 vs. Benchmarks			
	FY23	H1	H2
McClain Fund Beta vs. RAV	0.78	0.78	0.75
McClain Fund Beta vs. SPX	0.73	0.73	0.73
McClain Fund R^2 vs. RAV	0.88	0.91	0.79
McClain Fund R^2 vs. SPX	0.88	0.92	0.78

Purchases and Sales

McClain Torch Fund

From 10/01/2022 to 09/30/2023

H1 2023 Transactions

	Period	Date	Quantity	Price	Company	Ticker	Amount
Purchases							
	H1	12/7/2022	40	$ 95.51	Alphabet, Inc.	GOOGL	$ 3,820.40
	H1	3/10/2023	6	$ 252.19	Accenture PLC	ACN	$ 1,513.14
	H1	3/14/2023	6	$ 250.89	Accenture PLC	ACN	$ 1,505.34
	H1	3/21/2023	100	$ 17.53	Stellantis N.V	STLA	$ 1,753.00
	H1	3/21/2023	100	$ 17.52	Stellantis N.V	STLA	$ 1,752.00
	H1	3/21/2023	100	$ 17.51	Stellantis N.V	STLA	$ 1,751.00
	H1	3/21/2023	100	$ 17.51	Stellantis N.V	STLA	$ 1,751.00
	H1	3/21/2023	100	$ 17.50	Stellantis N.V	STLA	$ 1,750.00
	H1	3/21/2023	130	$ 17.56	Stellantis N.V	STLA	$ 2,282.80
	H1	3/22/2023	66	$ 27.12	Gentex Corporation	GNTX	$ 1,789.92
	H1	3/22/2023	200	$ 27.01	Gentex Corporation	GNTX	$ 5,402.00
Sales							
	H1	10/21/2022	155	$ 42.85	Cisco Systems, Inc.	CSCO	$ 6,641.75
	H1	10/31/2022	12	$ 416.00	Ulta Beauty, Inc.	ULTA	$ 4,992.00
	H1	11/22/2022	31	$ 318.00	Vertex Pharmaceuticals, Inc.	VRTX	$ 9,858.00
	H1	12/1/2022	31	$ 127.70	CBOE Global Markets, Inc.	CBOE	$ 3,958.00
	H1	12/1/2022	4	$ 126.25	CBOE Global Markets, Inc.	CBOE	$ 505.00
	H1	12/1/2022	131	$ 86.75	Dr Horton, Inc.	DHI	$ 11,364.25

H2 2023 Transactions

	Period	Date	Quantity	Price	Company	Ticker	Amount
Purchases							
	H2	4/25/2023	35	$ 179.95	Albemarle Corporation	ALB	$ 6,298.25
	H2	4/25/2023	180	$ 55.70	Malibu Boats, Inc.	MBUU	$ 10,026.00
	H2	5/2/2023	300	$ 30.20	Southwest Airlines Co.	LUV	$ 9,059.49
	H2	5/2/2023	235	$ 37.89	Verizon Communications, Inc.	VZ	$ 8,905.04
	H2	5/8/2023	120	$ 69.58	Innovative Industrial Properties, Inc.	IIPR	$ 8,349.60
Sales							
	H2	4/18/2023	28	$ 332.00	The Goldman Sachs Group, Inc.	GS	$ 9,295.92
	H2	4/25/2023	80	$ 129.51	Electronic Arts, Inc.	EA	$ 10,360.71
	H2	6/21/2023	147	$ 59.50	Magellan Midstream Partners, L.P.	MMP	$ 8,746.43
	H2	8/3/2023	300	$ 32.59	Southwest Airlines Co.	LUV	$ 9,776.92
	H2	9/11/2023	56	$ 26.00	Fortrea Holdings, Inc.	FTRE	$ 1,455.98

Portfolio Appraisal

Mcclain Torch Fund

As of 9/30/2023

Common Stock	Quantity	Security	Ticker	Unit Cost	Price	Market Value	Percent Assets
Communication Services							
	150	Alphabet, Inc. - Class A	GOOGL	$87.66	$130.86	$19,629.00	5.28%
	75	Match Group, Inc.	MTCH	$56.33	$39.18	$2,938.50	0.79%
	235	Verizon Communications, Inc.	VZ	$37.89	$32.41	$7,616.35	2.05%
						$30,183.85	**8.12%**
Consumer Discretionary							
	100	Amazon.com, Inc.	AMZN	$167.62	$127.12	$12,712.00	3.42%
	266	Gentex Corporation	GNTX	$27.04	$32.54	$8,655.64	2.33%
	180	Malibu Boats Inc.	MBUU	$55.70	$49.02	$8,823.60	2.37%
	630	Stellantis, N.V.	STLA	$17.52	$19.13	$12,051.90	3.24%
	860	Smith and Wesson Brands, Inc.	SWBI	$16.49	$12.91	$11,102.60	2.99%
	20	Ulta Beauty, Inc.	ULTA	$360.00	$399.45	$7,989.00	2.15%
						$61,334.74	**16.50%**
Consumer Staples							
	208	Altria Group, Inc.	MO	$48.40	$42.05	$8,746.40	2.35%
	83	Kimberly Clark Corporation	KMB	$133.91	$120.85	$10,030.55	2.70%
	217	Coca-Cola Corporation	KO	$62.88	$55.98	$12,147.66	3.27%
	92	Clorox Corporation	CLX	$145.64	$131.06	$12,057.52	3.25%
						$42,982.13	**11.57%**
Financials							
	87	CBOE Global Markets Inc.	CBOE	$86.22	$156.21	$13,590.27	3.66%
	134	Encore Capital Group Inc.	ECPG	$37.21	$47.76	$6,399.84	1.72%
	79	Paypal Holdings, Inc.	PYPL	$132.54	$58.46	$4,618.34	1.24%
	72	Visa, Inc.	V	$136.30	$230.01	$16,560.72	4.46%
						$41,169.17	**11.08%**
Health Care							
	102	CVS Health Corporation	CVS	$60.96	$69.82	$7,121.64	1.92%
	33	ICU Medical, Inc.	ICUI	$182.11	$119.01	$3,927.33	1.06%
	56	Labratory Corporation of America	LH	$132.35	$201.05	$11,258.80	3.03%
	97	Medtronic PLC	MDT	$101.87	$78.36	$7,600.92	2.05%
	123	Merck & Co.	MRK	$81.63	$102.95	$12,662.85	3.41%
	31	Vertex Pharmaceuticals	VRTX	$210.72	$347.74	$10,779.94	2.90%
						$53,351.48	**14.37%**
Industrials							
	97	AGCO Corporation	AGCO	$130.75	$118.28	$11,473.16	3.09%
	67	Huntington Ingalls Industries	HII	$166.62	$204.58	$13,706.86	3.69%
	22	Lockheed Martin Corporation	LMT	$359.78	$408.96	$8,997.12	2.42%
						$34,177.14	**9.20%**
Information Technology							
	46	Accenture, PLC.	ACN	$316.90	$307.11	$14,127.06	3.80%
	49	Microsoft Corporation	MSFT	$223.57	$315.75	$15,471.75	3.33%
	61	Salesforce.com, Inc.	CRM	$211.60	$202.78	$12,369.58	4.16%
						$41,968.39	**11.29%**
Materials							
	35	Albemarle Corporation	ALB	$179.95	$170.04	$5,951.40	1.60%
						$5,951.40	**1.60%**
Real Estate							
	189	First American Financial Corp.	FAF	$57.20	$56.49	$10,676.61	2.87%
	120	Innovative Industrial Properties	IIPR	$69.58	$75.66	$9,079.20	2.44%
	140	Realty Income Corporation	O	$60.58	$49.94	$6,991.60	1.88%
						$26,747.41	**7.19%**
Utilities							
	92	NextEra Energy, Inc.	NEE	$64.71	$57.29	$5,270.68	1.42%
						$5,270.68	**1.42%**
Common Stock Total						$343,136.39	92.38%
Cash and Equivalents							
		Fidelity Govt. Money Market	SPAXX			$28,314.09	7.62%
Total Portfolio						**$371,450.11**	**100.00%**

Fund Managers

Jackson DeFrancesco joined the McClain Torch Fund in August of 2023. He is from Nashville, Tennessee, and is a senior majoring in finance with a minor in entrepreneurship and a collateral in international business. Jackson covers the consumer discretionary sector for the McClain Torch Fund, which includes the holdings AMZN, GNTX, MBUU, STLA, SWBI, and ULTA. He has been a part of the Dean's List during each of his semesters as a full-time student at the University of Tennessee. Jackson has previously interned at AllianceBernstein, where he plans to return upon graduation in June 2024 as a Private Client Portfolio Implementation Associate.

Alonso Garcia Maldonado joined the McClain Torch Fund in August of 2023. He is from Morristown, Tennessee, and is a senior majoring in finance with a collateral in business analytics. Alonso covers the industrials and energy sectors for the McClain Torch Fund, which includes the holdings AGCO, HHI, and LMT. In the past, Alonso has interned with multiple companies, including the Federal Home Loan Bank of Chicago, the Tennessee Valley Authority in their Economic Forecasting team, and most recently at Mizuho, in their Investment Banking division in New York City. Alonso has accepted a full-time offer with Mizuho and plans to return to New York after graduation.

Ashley Long joined the McClain Torch Fund in August of 2023. She is from Nashville, Tennessee, and is a senior majoring in finance with a collateral in accounting. Ashley covers the information technology sector for the McClain Torch Fund, which includes the holdings ACN, CRM, and MSFT. She is a senior advisor for UTK Women in Finance and Vice President of Chapter Programming and Development for Delta Delta Delta sorority. Last summer, she interned at Travelers Insurance in their Commercial Accounts Underwriting department. After graduation, Ashley plans to pursue a career in Commercial Banking or Financial Advising.

Benjamin Lebovitz joined the McClain Torch Fund in August of 2023. He is from Maryville, Tennessee, and is a senior majoring in finance with a collateral in economics. Ben covers the consumer staples sector for the McClain Torch Fund, which includes the holdings CLX, MO, KMB, and KO. Previously, Ben has chaired a committee in VolMUN, a conference dedicated to teaching high school students about international diplomacy. Last summer, he worked as a Regulatory Reporting Analyst for Macquarie Financial Services. After graduation from the University of Tennessee, Ben plans to pursue a career in Asset Management.

Hannah Patrignani joined the McClain Torch Fund in August of 2023. She is from Franklinville, New Jersey, and is a senior majoring in finance with a marketing collateral. Hannah covers the materials and real estate sectors for the McClain Torch Fund, which includes the holdings ALB, IIPR, and O. Outside of the Torch Funds, Hannah is the Vice President of Marketing for Women in Finance, a member of Alpha Delta Pi, and a member of the Dean's List in each semester she has attended at the University of Tennessee. After graduation, Hannah plans on returning to the Northeast and pursuing a career in Wealth or Asset

Kyle Siegel joined the McClain Torch Fund in January of 2023. He is from Monroe, New Jersey, and is a senior majoring in finance with a minor in business analytics and a concentration in the Heath Integrated Business and Engineering Program. Kyle covers the healthcare sector for the McClain Torch Fund, which includes the holdings CVS, ICUI, LH, MDT, MRK, and VRTX. He is on the Club Baseball Team and is the President of the Sports Analytics Club. He has been part of the Dean's List each semester at the University of Tennessee. Upon graduation in May 2024, he plans to pursue a career in Corporate Finance.

Jacqueline Tenney joined the McClain Torch Fund in January of 2023. She is from Ashburn, Virginia, and is a senior majoring in finance with a collateral in economics. Jackie covers the financials sector for the McClain Torch Fund, which includes the holdings CBOE, ECPG, FAF, PYPL, and V. She is a Senior Analyst in the Masters Investment Learning Center, Co-Founder of UTK Women in Finance, an Officer of UT Investment Group, and President of Delta Zeta sorority. In the past, she has interned at Cape Cod 5 Bank and Wealth Enhancement Group. After graduation, Jackie will be joining AllianceBernstein's Nashville, Tennessee office in their Fixed Income Rotational Associate program.

Lane Widerkehr joined the McClain Torch Fund in Fall of 2023. He is from Chattanooga, Tennessee, and is a senior majoring in finance with a collateral in international business and a minor in entrepreneurship. Lane covers the communications and utilities sectors for the McClain Torch Fund, which include the holdings EA, GOOGL, MTCH, NEE, and VZ. Lane currently works in the Physicians Executive MBA Program in Haslam College of Business. In the past, he has interned at Apex Bank, and most recently interned as a Capital FP&A Intern with Comcast NBCUniversal. After graduation, he plans to pursue a career in Consulting, Asset Management, or Corporate Finance.

Accenture PLC (ACN)

Coverage: Ashley Long

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$307.11	$332.92	$193,939.0M	$12.06	25.47	21.58%

Description:
Accenture PLC (ACN) is a leading global professional services company that provides specialized digital solutions aimed at enhancing operational efficiency and business growth. Its revenue model is centered around offering outsourced technology services, data infrastructure, and artificial intelligence solutions to provide strategic consulting services assisting in effective management.

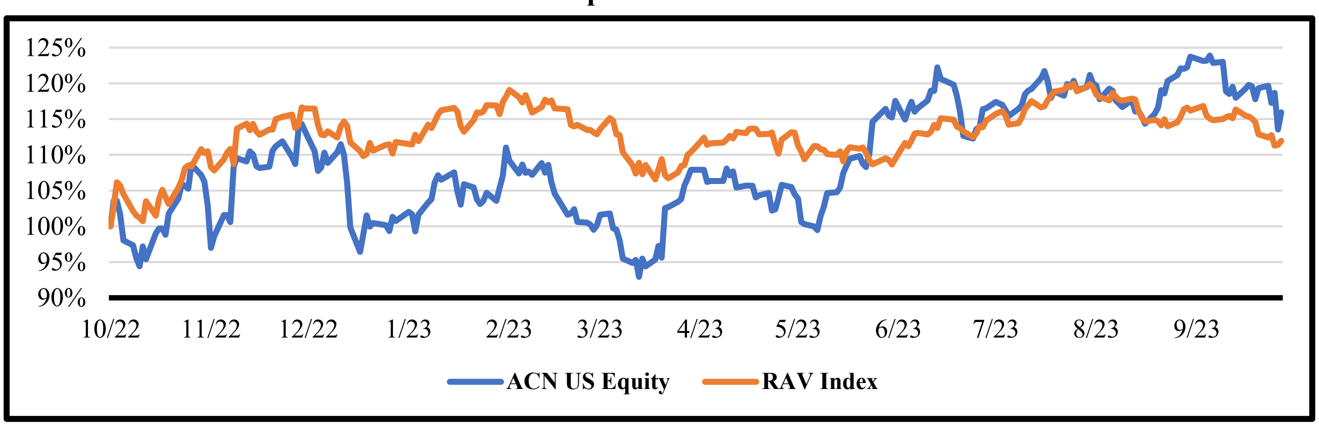
Investment Thesis:
The McClain Fund's investment in ACN was grounded in its ability to consistently increase revenue through generating new contracts with clients, reporting $72.2 billion in new bookings for FY23. Moreover, the company exhibits a strong track record of generating free cash flow, coupled with consistent YoY revenue growth. Additionally, a key competitive advantage lies in ACN's possession of over 1,000 patents in the technology sector, enabling the delivery of unique and innovative solutions across industries. Accenture continually exhibits strong financial performance, reporting $9 billion in free cash flow for the 2023 fiscal year.[1] Additionally, Accenture's ability to capture new contracts and attract customers drives increases in revenue.[1] In the 2023 fiscal year, it earned $64 billion in revenue, driven by new bookings in generative AI.[2] ACN's innovative business model widens its economic moat, enabling it to retain over 300 high profile clients through its continuous research and development.[2]

Positive Drivers & Risk Factors:
The market demand for technology products, including cloud infrastructure, modern ERP, and generative AI, has significantly increased. Recently, ACN allocated $3 billion towards AI innovation, setting a new industry standard and positioning itself at the forefront of AI implementation.[2] With its 2023 acquisition of ConcentricLife (a healthcare marketing agency), Accenture can increase its exposure to the healthcare industry, creating a competitive advantage in producing technological solutions for patients and healthcare professionals.[3]

Integrating AI is a large expense for Accenture that has caused volatility in its share price. Additionally, ACN could experience heightened risk during economic downturns, as IT spending decreases. This would limit revenues with existing relationships and threaten new client acquisition.

Fiscal Year Actions:
Added 6 shares to the position for $1,505.34 on 03/14/2023. Dividend yield of 1.78% returned $179.20 in dividend payments this fiscal year.

Returns Compared to Relative Indices



AGCO Corporation (AGCO)

Coverage: Alonso Garcia

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$118.28	$154.31	$8,856.8M	$15.85	7.46	29.29%

Description:

AGCO Corporation (AGCO) is a global leader in the agricultural equipment industry, manufacturing and distributing a wide range of farming equipment. Additionally, it provides precision agriculture solutions to optimize performance and improve crop yields.[1] With a presence in 140 countries and a network of independent dealers and distributors, AGCO has a strong global reach.

Investment Thesis:

The McClain Fund's investment in AGCO revolves around its business model and customer relationships. Fendt, an AGCO brand, leads the way in innovative solutions such as CVT and LiquidLogic technology, which enhances efficiency and reduces waste. AGCO's GenuineCare program and Fuse Smart Farming platform also demonstrate a data-driven strategy that increases yield and equipment efficiency, offering a significant cost-saving for farmers. The company's forward-thinking approach to hydraulic technology, intelligent farming solutions, and solid customer base underscores its economic moat.

Positive Drivers & Risk Factors:

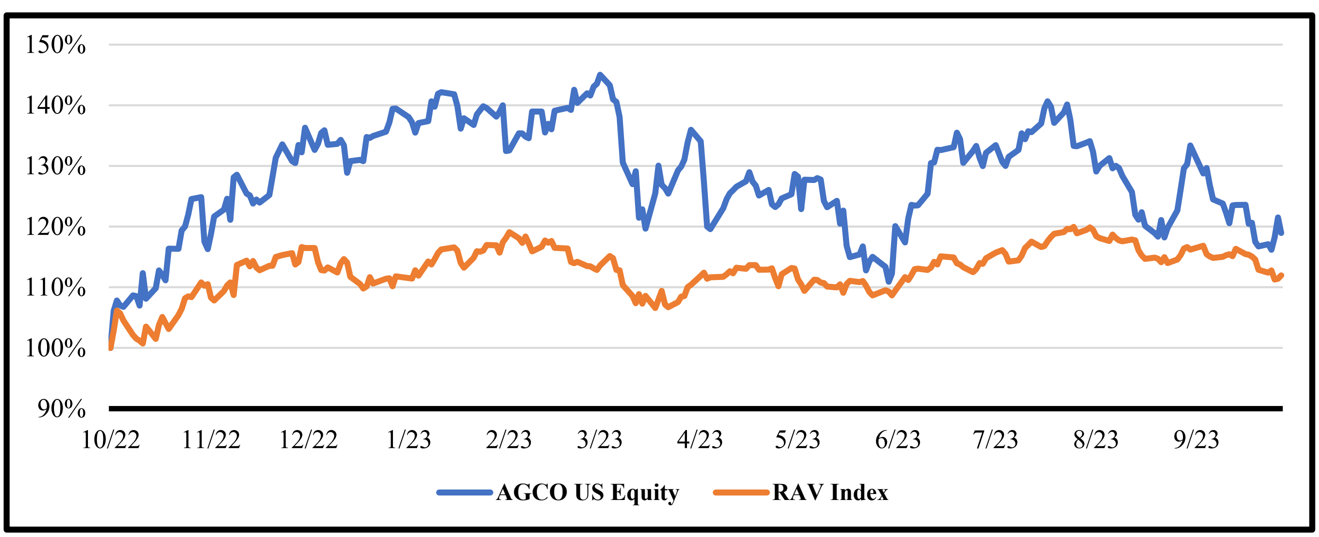
AGCO Corporation (AGCO) thrives on multiple growth drivers, specifically its alignment with the bustling demand in the agricultural machinery sector. This demand is bolstered by buoyant wheat, dairy, and livestock prices, as well as European Union subsidies, specifically within the Common Agricultural Policy (CAP) 2023-2027 framework.[3]

However, AGCO grapples with inherent risks due to its pronounced reliance on the unpredictable agricultural sector. Factors like erratic farm incomes, varying input costs, unpredictable weather shifts, and commodity price fluctuations have profound impacts on AGCO's bottom line. Additionally, a hiccup in financing avenues could dent product sales and timely collections, jeopardizing the firm's comprehensive business health.

Fiscal Year Actions:

Held 97 shares for the fiscal year. Dividend yield of 5.26% returned $587.82 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Albemarle Corporation (ALB)

Coverage: Hannah Patrignani

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$170.04	$264.62	$19,953.6M	$32.69	5.20	-5.28%

Description:
Albemarle Corporation (ALB) is a materials processing company that specializes in energy markets through its competencies in organic chemistry. Its primary chemical segments are Lithium and Bromine. ALB generates revenue by transforming natural resources into useable materials for consumer goods and energy innovation.[1] Its business model focuses on a global consumer base of approximately 1,900 customers in over 70 countries to fulfill needs in energy storage, petroleum refining, consumer electronics, construction, automotive, lubricants, pharmaceuticals, and crop protection.

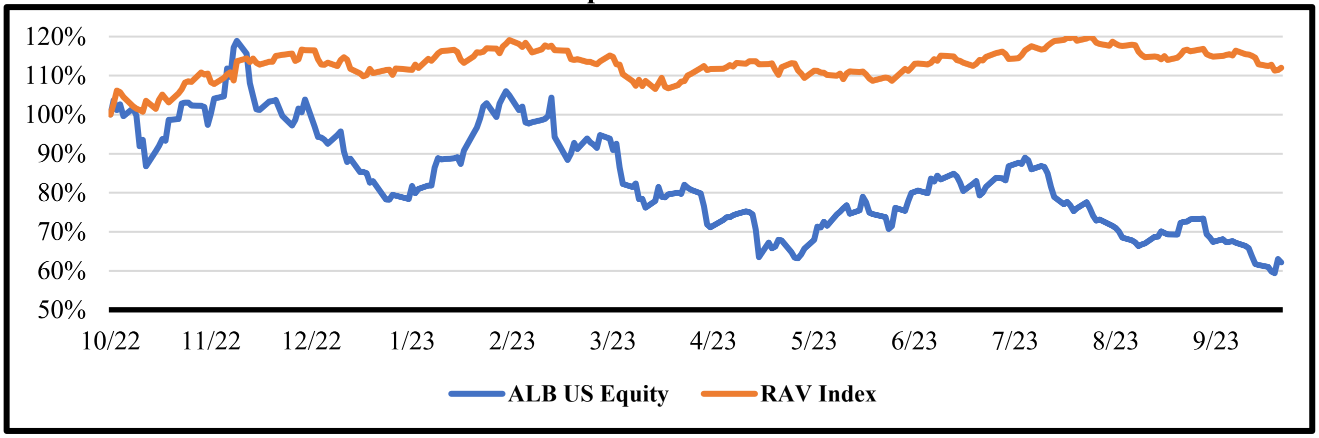
Investment Thesis:
ALB possesses a diversified portfolio of business functions which aids in hedging the volatility present in lithium pricing and contributes to its sustainable competitive advantage in the specialty chemicals industry, leading us to enter this position during this fiscal year. ALB boasts an economic moat in the lithium mining industry, as the firm owns multiple lithium mines. Most notably, its mine in Salar de Atacama, Chile, possesses the highest lithium content and largest output in the world. ALB also boasts a low P/E ratio of 4.17, strong executive leadership, wide cost advantage, and a commitment to capital investment and expansion into global markets.

Positive Drivers & Risk Factors:
ALB recently received a $90M grant from the Department of Defense to reopen a natural lithium mine in North Carolina which has been closed since the 1980s.[2] The firm announced a partnership with Caterpillar in which ALB will receive battery-powered machinery, and in return will provide Caterpillar with lithium for use in electric vehicle (EV) batteries. The lithium mining industry is predicted to have consistent growth as consumers become increasingly focused on sustainability and legislation continues support clean energy.

ALB's risk factors stem from volatility surrounding lithium prices, the limited nature of lithium and bromine, and underperformance of the EV market, especially with the EV industry slowing in China.[3] Increasing government legislation surrounding mining and natural resource extraction also threaten ALB's business model and future profitability.

Fiscal Year Actions:
Purchased 35 shares of ALB for $6,298.25 on 04/25/2023. Dividend yield of 1.28% returned $14.00 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Amazon.com, Inc. (AMZN)

Coverage: Jackson DeFrancesco

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$127.12	$173.58	$1,311.6B	$1.46	87.04	12.50%

Description:

Amazon.com, Inc. (AMZN) is a multinational technology company that focuses on e-commerce, digital streaming, and cloud services. As the world's largest online retailer, Amazon's core business model revolves around its online store platform. Amazon's diversified revenue stream is also fueled by its rapidly expanding advertising services, third-party seller services, Prime membership, and Amazon Web Services.

Investment Thesis:

Amazon is guided by its long-term strategy of customer obsession and passion for invention. Amazon seeks to be Earth's most customer-centric company, and places emphasis on selection, price, and convenience when serving consumers in both physical and online retail stores.

The McClain Fund invests in Amazon because of its ongoing success in mergers and acquisitions, which positions the company as an industry disruptor. Additionally, it empowers Amazon to increase its market share by leveraging the power of artificial intelligence, a field in which Amazon appears to be at the forefront of. This strategic approach enhances its ability to reshape markets and provide a more personalized, efficient, and innovative experience to its customers.

Positive Drivers & Risk Factors:

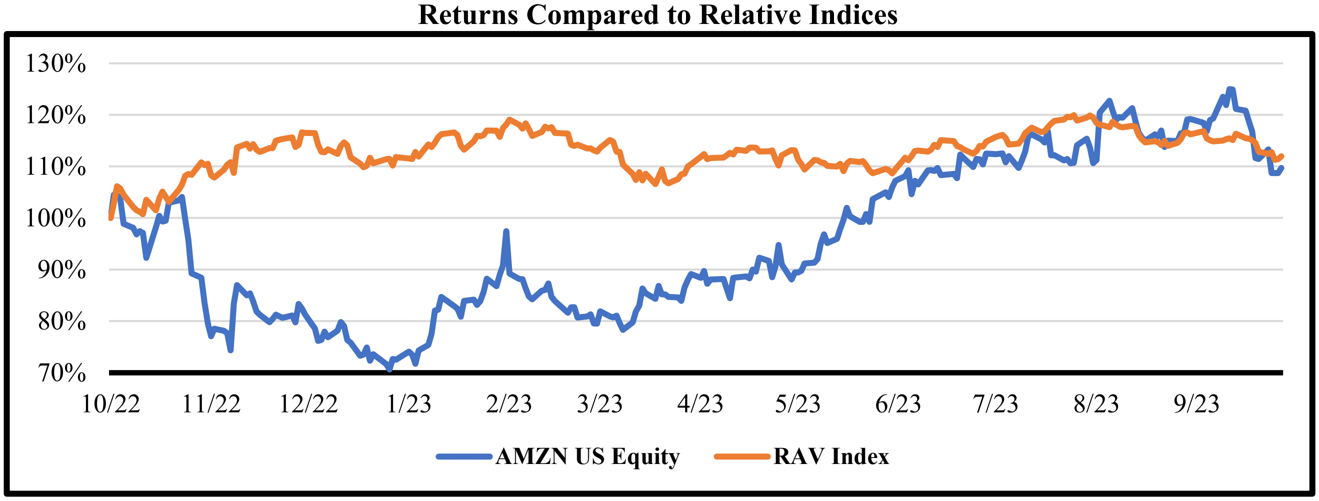
The rising demand for Amazon Web Services, a highly profitable cloud computing service, is a significant growth driver for Amazon. Startups, enterprises, and governments use AWS to build applications and tech infrastructure, especially in a market obsessed with the possibilities of machine learning. Amazon's large cash flow also provides it with opportunities to obtain new intellectual property, physical property, and consumers through acquisitions, as previously done with Whole Foods, Zappos, and iRobot.[1]

Increased competition in online and physical retail presents a potential risk to Amazon. Competitors like eBay, Alibaba, and Walmart can steer consumers away from Amazon with their product offerings and subscription services, such as Walmart+.[2] A highly saturated digital streaming industry also presents challenges to the future of Amazon's Prime streaming service.

Fiscal Year Actions:

Held 100 shares for the fiscal year. Dividends were not received from AMZN this fiscal year.

Returns Compared to Relative Indices



Cboe Global Markets (CBOE)

Coverage: Jacqueline Tenney

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$156.21	$159.25	$16,482.8M	$6.19	25.26	27.45%

Description:
Cboe Global Markets (CBOE) provides tradable products in a diverse array of asset classes and exchanges to market participants globally. Through its subsidiaries, it operates the largest United States options exchange, the Chicago Board Options Exchange.[1] CBOE generates profits predominantly through transaction fees collected when products are traded on its global exchanges. Additionally, it collects market data fees and proximity hosing fees.

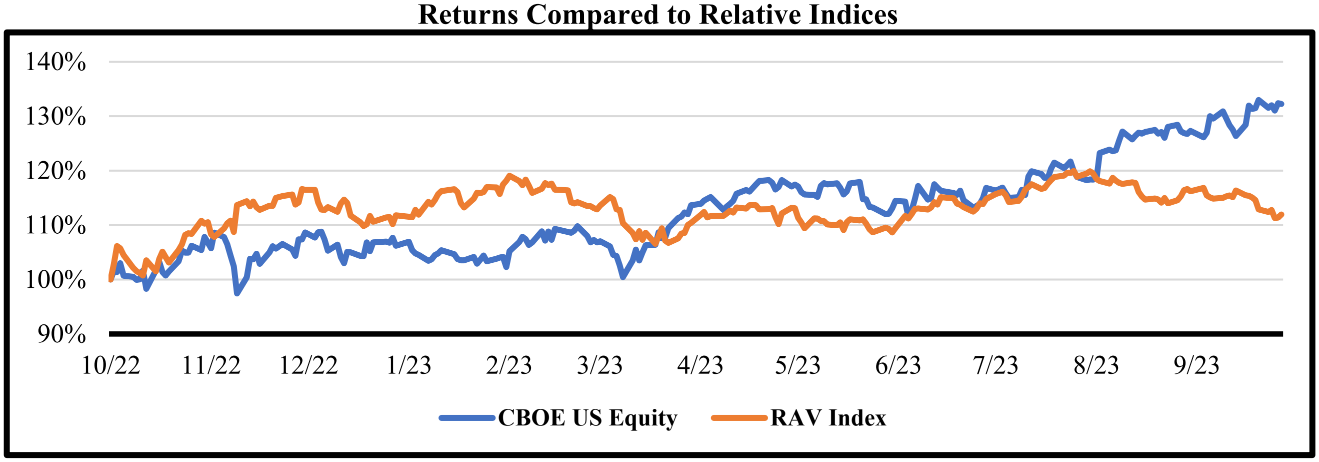
Investment Thesis:
The McClain Fund holds Cboe Global Markets due to its economic moat as an options exchange provider, among various other products. CBOE is a strong investment because it is able to generate transaction revenue independent from the overall performance of the market, further supported by its adjusted beta of 0.599, notably lower than our other financials sector holdings.[1] During times of high economic volatility, CBOE has outperformed other investments, as these conditions are beneficial to its business model. Rising volatility drives up option premiums, leading to an increased volume of contracts written, and consequently enabling CBOE to generate greater transaction fees. Through this framework, CBOE serves as a hedge to the broader financial sector.

Positive Drivers & Risk Factors:
CBOE’s main tailwinds stem from technological developments. Since trading floors have moved almost completely online, CBOE can use its technologies to provide 24-hour trading access to its consumers. As it continues to leverage new technologies, it can offer new trading solutions and products, as well as integrate its ecosystems to increase its market share and customer base.[2]

However, since CBOE’s exchanges are now almost entirely online, system failures and other computer issues pose a threat to the company’s reputation, due to slower response times and interruption of services. In addition, CBOE has many licensing agreements with derivatives providers, allowing it to be the sole provider of some of the most actively traded products on its exchanges. If these agreements were to be harmed, CBOE could quickly lose market share to competitors.

Fiscal Year Actions:
Trimmed 35 shares from the position for $4,463.58 on 12/01/2022. Dividend yield of 1.26% returned $195.85 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Clorox Company (CLX)

Coverage: Ben Lebovitz

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$131.06	$153.75	$16,228.6M	$4.78	27.40	5.77%

Description:
The Clorox Company (CLX) is an international producer and marketer of consumer and professional goods, such as its Clorox wipes, Burt's Bees, and Pine-Sol product lines. Clorox sells these products through integrated supply chains that target mass retailers, grocery outlets, warehouse clubs, dollar stores, e-commerce channels, and distributors as clients.

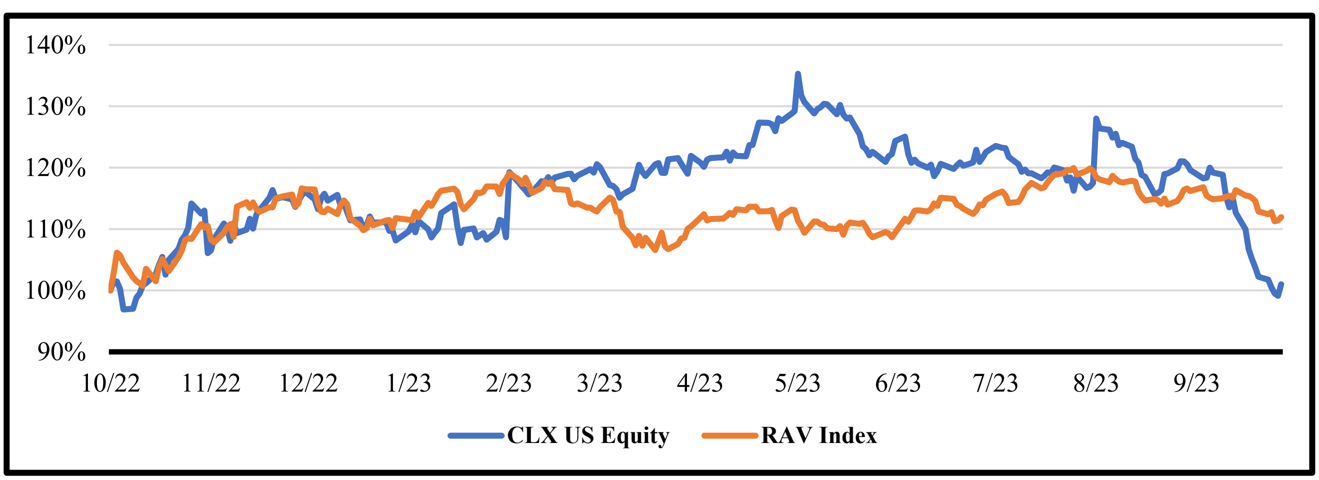
Investment Thesis:
The McClain Fund invested in Clorox, as its staple brands and brand perceptions tend to be valuable, rare, inimitable, and organized to maintain a competitive edge in the consumer goods industry. This competitive advantage is evident as about 80% of the company's sales are generated from brands that hold the dominant market share positions in their respective categories.[1] The company also experienced abnormal growth due to pandemic induced sales from Covid-19. Capitalizing on this growth, Clorox began to reduce its debt position significantly. In 2022, the company reported a $1.4 billion dollar debt payment. This debt reduction may free up cash flow to be distributed to investors or profitable projects in the future.

Positive Drivers & Risk Factors:
Clorox's large market share within its product lines may act as a positive driver for the company as it expands geographically, particularly as the company capitalizes on economies of scale already developed in its supply chain.

Clorox's revenue stream is slightly under diversified, as its largest customer, Walmart Stores, Inc., accounts for over 25% of net sales, yielding increased customer bargaining power and potential loss in profitability.[2] Furthermore, in Q1 of 2023, Clorox reported a cyber-attack that temporarily disrupted its operations. Operations have resumed, yet the cyber-attack is projected to translate to a loss of revenue between 23% and 28% for the quarter.[3] Additionally, in periods of recession, consumers may substitute certain Clorox staple brands for less expensive private label brands offered by wholesalers, potentially syphoning Clorox's market share in certain product categories.

Fiscal Year Actions:
Held 92 shares for the period. Dividend yield of 4.07% returned $436.08 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Salesforce Inc.
(CRM)
Coverage: Ashley Long

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$202.78	$258.61	$197,304.9M	$3.33	60.95	40.98%

Description:
Salesforce Inc. (CRM) is a cloud-based software operating company that has become a global leader in customer relationship management (CRM) technology. Using artificial intelligence, CRM helps its clients with business operations by collecting consumer data and connecting operations teams. It produces revenue through the sale of subscriptions for its products and support services.

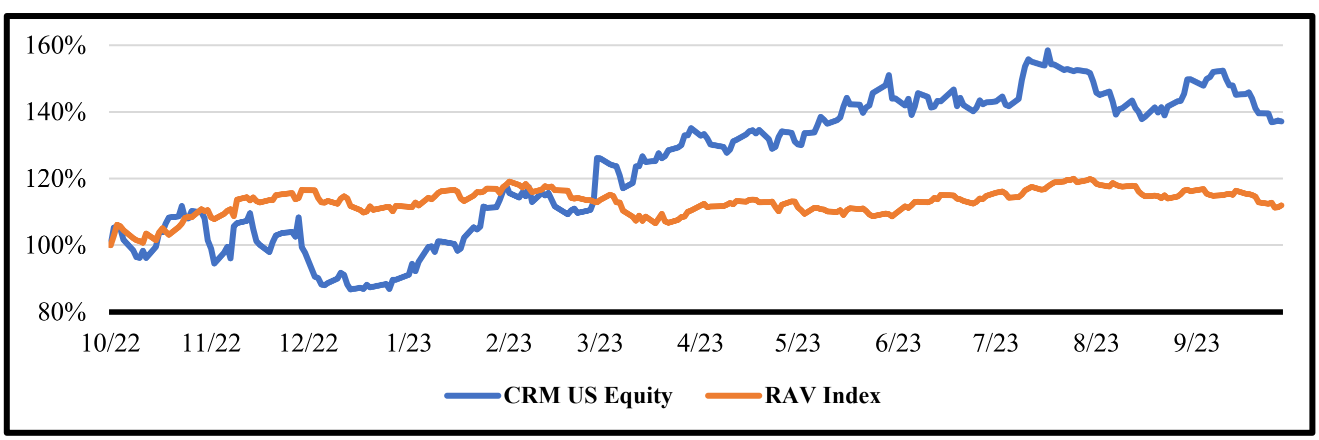
Investment Thesis:
The McClain Fund invested in Salesforce for its most notable product, Customer 360 Solutions, which boasts a 23% market share. This leading CRM software has demonstrated consistent innovation in AI, further driven by its most recent acquisition of airkia.ai, a creator of AI integrated customer services.[1] Ongoing research into AI to develop its customer relationship software has contributed to its position as the leader in its industry. During this fiscal year, CRM released many new products designed to assist its customers with generative AI. Its data cloud was redesigned with generative AI to connect customer data in a more accurate and real-time manner to enhance business processes. It has continually improved its product through the development of its data cloud to provide its AI model with more accurate and updated information.[3]

Positive Drivers & Risk Factors:
Recent acquisitions and partnerships will allow Salesforce to expand its abilities across the financial and healthcare sectors.[3] These partnerships will further build CRM's competitive advantage by allowing the firm to work across industries to implement innovative solutions using AI. Additionally, the demand for cloud services is continually increasing, which presents Salesforce with ample opportunities to capture new contracts.

While AI is a positive driver for the firm, it also represents a risk due competition from platforms such as ChatGPT. This tool has high demand and expensive chips that CRM wants to include in its software. The high expense associated with this addition also presents a risk that could potentially affect CRM's profit going forward. Additionally, on January 31st, Salesforce's co-CEO, Bret Taylor, stepped down, yielding potential concerns for future leadership during this shift.[4]

Fiscal Year Actions:
Held 61 shares for the period. Dividends were not received from CRM this fiscal year.

Returns Compared to Relative Indices



Cisco Systems Inc.
(CSCO)

Coverage: Ashley Long

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$53.76	$39.86	$217,989.2M	$3.22	16.67	8.07%

Description:
Cisco Systems, Inc., (CSCO) is a global technology communications company that designs, manufactures, and sells internet protocol-based networking products and services. Through its offerings, CSCO serves firms across industries in the information technology and communication sectors. Cisco generates a large portion of its revenue from its computer networking products.

Investment Thesis:
Initially, the fund's investment thesis was based on Cisco's strategy to leverage relationships with hardware customers to pivot towards services to generate contracted recurring revenue streams. This initial thesis was reassessed due to declines in datacenter switch and router revenue, alongside a failure for services segments to gain traction.

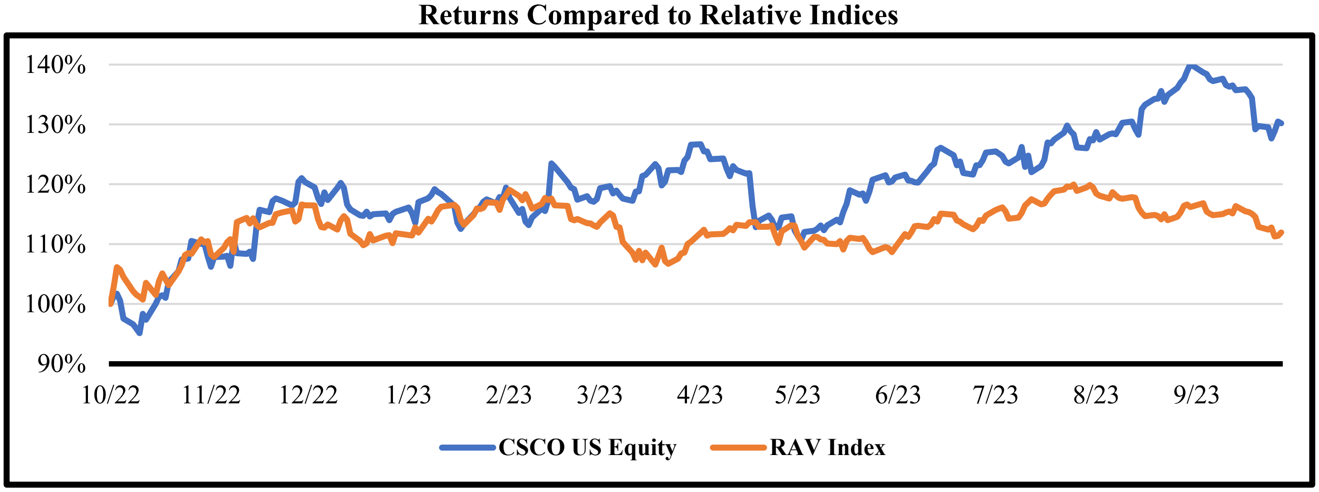
On October 21, 2022, the McClain Fund liquidated all 155 shares of Cisco with an exit price of $42.85, resulting in capital gains of $6,641 over the holding period. The fund believed that Cisco's economic moat was deteriorating due to the entry of new competitors and saw threats from its inability to transform to a Software as a service (SaaS) model. Following our liquidation, our beliefs of potential issues with maintaining its economic moat were proven when Cisco's competitor Arista captured market share due to its competencies in secure networks and data centers.

Positive Drivers & Risk Factors:
Cisco has announced the potential acquisition of Splunk, representing an opportunity to expand its capabilities.[1] Additionally, with AI changing the structure of technology, Cisco has the competencies necessary to serve clients with cybersecurity, communication, and effective methods to process AI.[2]

Cisco still faces ongoing risk with cybersecurity, as continued issues may pose a threat to the company's reputation. Moreover, its plans to expand market share may face disruptions from competitors adopting generative AI, potentially altering the dynamics of its operational framework.[2]

Fiscal Year Actions:
Liquidated 155 shares for $6,641.59 on 10/21/2022. Dividend yield of 2.93% returned $58.90 in dividend payments this fiscal year.

Returns Compared to Relative Indices



CVS Health Corporation (CVS)
Coverage: Kyle Siegel

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$69.82	$91.04	$89,676.7M	$7.48	9.34	-24.32%

Description:
CVS Health Corporation (CVS) is a healthcare solutions company that is broken into three business segments: Healthcare Benefits, Pharmacy and Consumer Wellness, and Health Services. CVS offers products and services that range from prescription drugs to cosmetics and vaccine administration.

Investment Thesis:
CVS Health Corporation provides accessible healthcare services and products for customers in its 9,500 retail stores across the US. CVS continues to lead the industry in providing pharmaceutical services to customers. The McClain Fund holds CVS due to its market share in the industry, and superior services in prescription drugs and everyday home products.

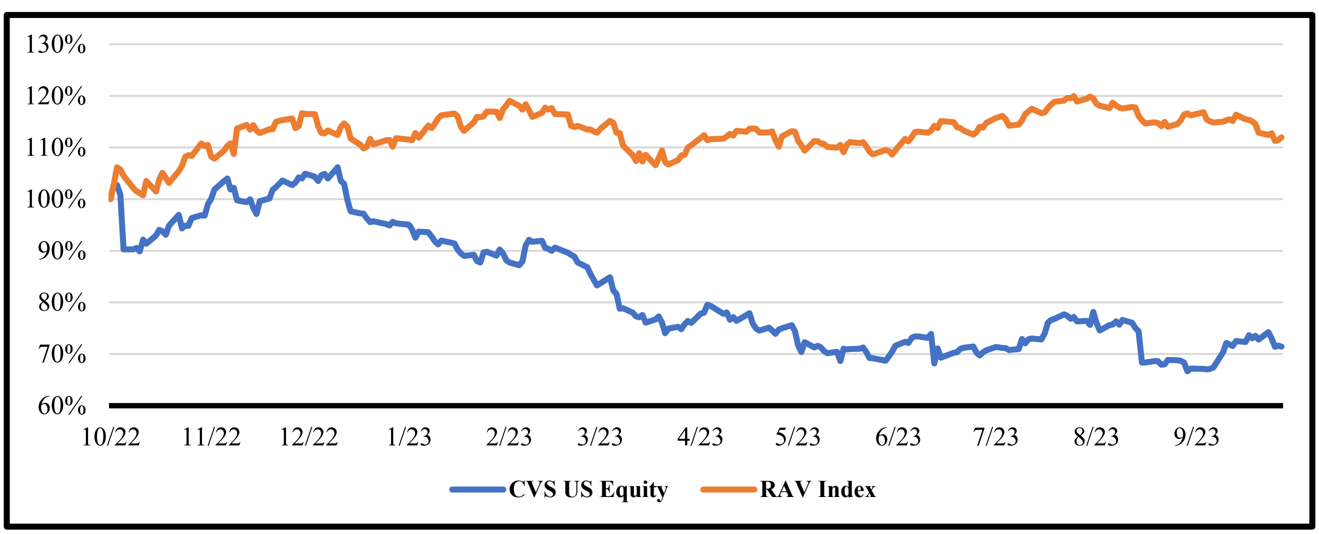
CVS's economic moat lies in its ability to capture market share through vertical integration. CVS recently acquired Signify Health, which has a a of increasing the presence of medical assistance in the patient's home. In addition, CVS acquired Oak Street Health, which has increased CVS' footprint in direct care delivery.

Positive Drivers & Risk Factors:
CVS is beginning to provide more flexible, health-at-home options for its patients. CVS's "MinuteClinic" allows for more accessible care, such as walk-in appointments and online health options. CVS continues to expand its customer base in CVS Extra Care, its membership program, including this year's total of about $74 million.[1]

A drop in Covid-19 spending can lead to lower profits in CVS's pharmacy and wellness segment. CVS is also subject to supply chain slowdowns, like those of 2020, which negatively affected its ability to produce prescriptions in a reasonable timeframe.

Fiscal Year Actions:
Held 102 shares for the period. Dividend yield of 3.56% returned $241.23 in dividend payments this fiscal year.

Returns Compared to Relative Indices



D.R. Horton, Inc.
(DHI)

Coverage: Jackson DeFrancesco

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$107.47	$91.38	$36,356.7M	$14.29	7.52	29.20%

Description:
D.R. Horton, Inc. (DHI) is the largest homebuilding company in the United States as measured by number of homes closed. DHI's business operations consist of homebuilding, financial services, rental, and residential lot development, with single-family homebuilding operations accounting for 95% of consolidated revenues in fiscal year 2022.[1]

Investment Thesis:
The McClain Fund invested in DHI because of its geographic diversification surrounding its homebuilding business, which operates in 106 markets across 33 states. This geographic diversification lowers DHI's operational risks by mitigating the effects of regional economic cycles and enhances the earnings potential by providing more diverse opportunities to invest.

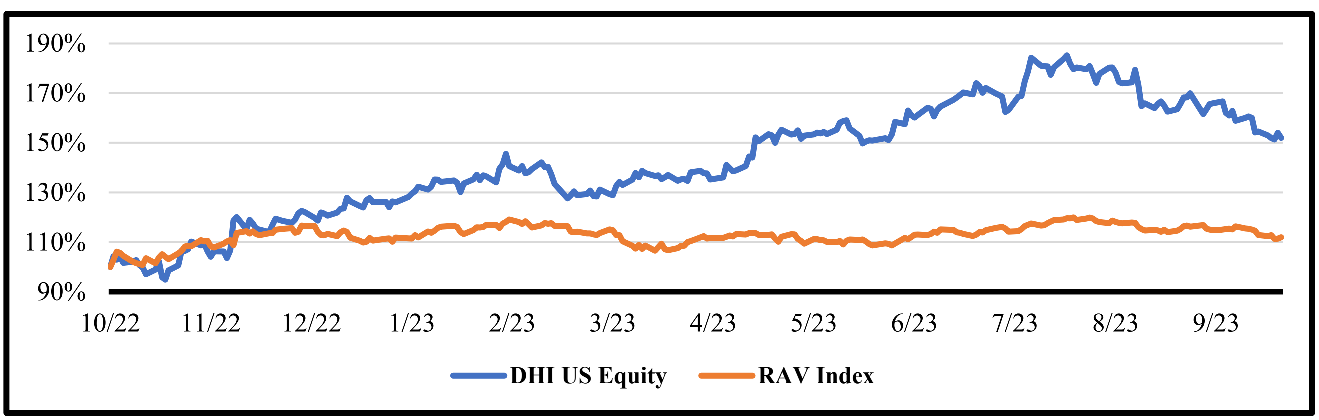
The McClain Fund liquidated its DHI position in December of 2022 due to the heightened presence of macroeconomic risks, including continuous interest rate hikes from the Federal Reserve, steadily declining home sales in H2 2022, and rising input costs.[2]

Positive Drivers & Risk Factors:
DHI's diverse product offerings under the four brands of D.R. Horton, Express Homes, Freedom Homes, and Emerald Homes, have and will continue to assist the company to cater to different lifestyles as an established and credible homebuilder, especially in an environment with a housing supply shortage. Furthermore, DHI's wide geographical footprint enables it to diversify sources of revenue, reducing exposure to economic cycles specific to particular regions.

One risk facing DHI is its vulnerability to economic downturns, as a weakened economy can reduce consumer confidence and homebuying activities. From a macroeconomic perspective, rising interest rates and a slowdown in demand for single-family homes have the potential to negatively impact DHI's earnings. Additionally, supply chain disruptions, such as the shortage of materials, can delay construction schedules and increase input costs.

Fiscal Year Actions:
Liquidated 131 shares for $11,363.98 on 12/1/2022. Dividend yield of 0.94% returned $32.75 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Electronic Arts (EA)

Coverage: Lane Widerkehr

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$120.40	$130.03	$32,617.8M	$4.40	27.34	12.25%

Description:
Electronic Arts Inc. (EA) is a global developer and provider of games, content, and online services for internet-connected consoles, mobile devices, and computers. It is most known for its impressive portfolio of video games, consisting of nearly 600 million active players on titles such as FIFA, The Sims, and Madden NFL.[1] It also generates revenue from subscription services and in game purchases.

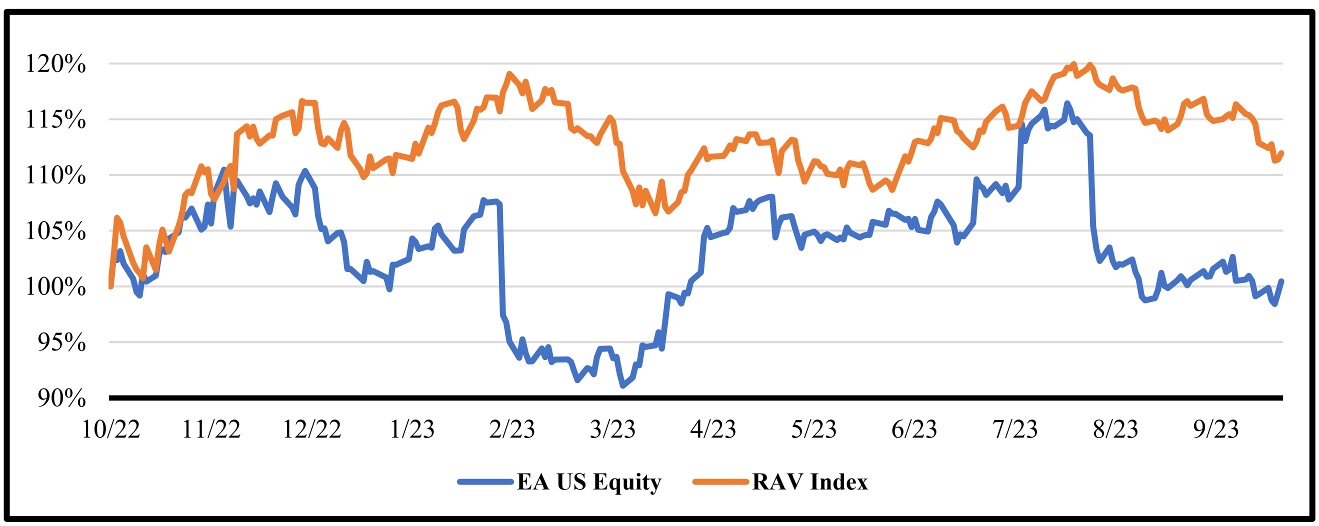
Investment Thesis:
The McClain Fund originally invested in EA because it maintained a large economic moat as a video game provider. Its acquisitions of franchises and development studios left little room for competitors to gain market share. However, we reassessed this thesis in Spring of 2023, as Electronic Arts began losing market share to competitors like Activision Blizzard and Take-Two Interactive. Additionally, a contract extension with the NFL cost EA nearly $1.5 billion for the years 2021-2026, and an agreement with FIFA was never met, which was EA's best-selling franchise.[2] These factors led to a full liquidation of the position in April of 2023.

Positive Drivers & Risk Factors:
Electronic Arts will continually benefit from long-term partnerships with strong franchises, as many of its contracts span 3-5 years. The recent expansion into mobile gaming, following the acquisitions of Playdemic and Glu Mobile, will emerge as a large source of revenue for the company, as the industry continues to gain popularity.[3]

If employee populations within EA were to unionize, as has been seen in many industries recently, there would be operational changes that would materially impact the business.[4] Electronic Arts also lost its rights to FIFA, posing a risk as a key aspect of its business strategy is being the sole provider of well-known franchise games.

Fiscal Year Actions:
Liquidated 80 shares for $10360.70 on 04/25/2023. Dividend yield of 0.61% returned $30.40 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Encore Capital Group (ECPG)

Coverage: Jacqueline Tenney

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$47.76	$63.25	$1,121.7M	$0.33	144.73	5.01%

Description:
Encore Capital Group (ECPG) specializes in debt recovery solutions through the acquisition of consumers' unpaid financial commitments. ECPG aids debtors in their path to financial recovery by efficiently managing these defaulted loans, utilizing a strategy that both assists clients financially and generates profit for the company. The purchased portfolios generally include defaulted loans to banks, credit unions, consumer finance companies, and commercial retailers. Utilizing this business model, ECPG produces collections revenue from debtors, who are obliged to repay their debt to the company, while also generating portfolio servicing revenue.

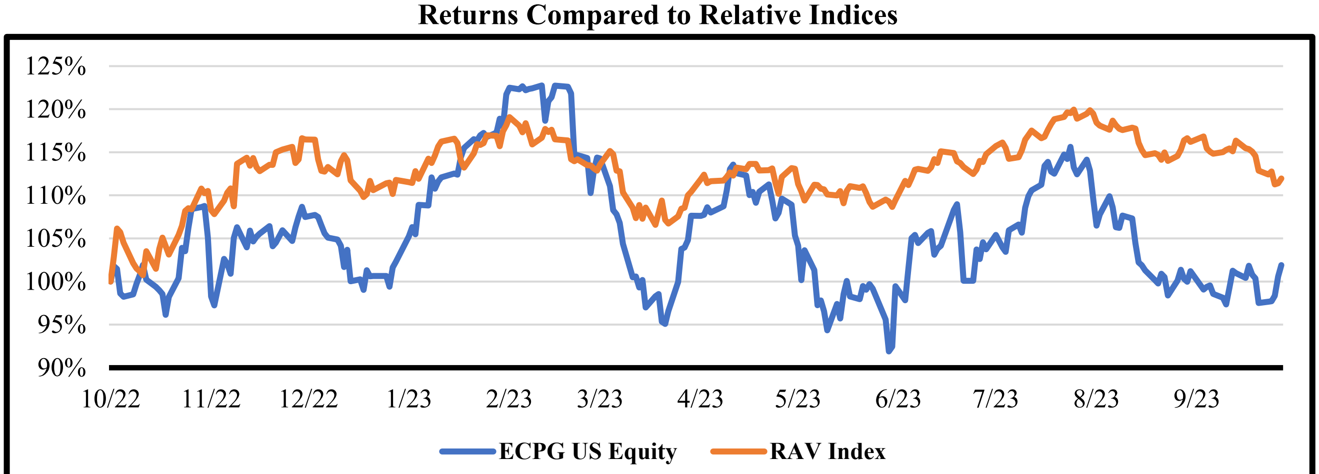
Investment Thesis:
The McClain Fund holds Encore Capital Group due to its economic moat in debt recovery solutions. Its subsidiary Midland Credit Management is one of the largest debt recovery providers in the US, and its subsidiary Cabot Credit Management is the largest credit provider in the UK.[1] Further, ECPG is stringent in its requirements for portfolio purchase, with preference to those that are discounted and more profitable for the company. Through this method, it is able to decrease risk, choosing only optimal portfolios that it believes will generate significant collections revenue with minimized risk of default.

Positive Drivers & Risk Factors:
Increased lending is a tailwind for ECPG, as it sets the stage for ECPG to have a healthy supply of defaulted debt available for purchase.[2] Further, when interest rates are elevated, consumers are more likely to default on debt. The combination of these conditions in the current market is favorable for ECPG, as it recognizes an increase in supply of defaulted debt portfolios, creating the potential for elevated forward-looking revenue growth.

However, high interest rates and recessionary environments can significantly increase risk, as they reduce debtors' ability to repay debt to ECPG, rendering some of its non-performing loan portfolio to fail to generate revenue. Escalated consumer default for elongated periods can harm ECPG's business model and profitability. Any FOMC announcements and economic indicators pertaining to interest rate moves should be closely monitored regarding this risk factor.

Fiscal Year Actions:
Held 134 shares for the fiscal year. Dividends were not received from ECPG this fiscal year.

Returns Compared to Relative Indices



First American Financial (FAF)

Coverage: Jacqueline Tenney

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$56.49	$71.00	$5,823.4M	$4.96	11.39	27.07%

Description:
First American Financial (FAF) is an insurance provider, offering title, lenders, and property and casualty insurances to individuals and businesses in the United States and abroad. It is primarily focused in insurance and risk solutions for real estate transactions.[1] First American Financial generates revenue through the sale of insurance and other products related to the closing of real estate transactions. It captures premiums on insurance policies and invests them, generating additional revenue if equity and bond markets are healthy and posing a potential loss if they are not. When more real estate transactions are active, FAF can capture additional revenue due to increased demand for title insurance.

Investment Thesis:
The McClain Fund holds First American Financial for its economic moat as the largest title insurance provider in the US, with 25.1% market share. It has also shown the ability to produce a steady, growing dividend, as its dividends per share has grown from $1.60 in 2018 to $2.12 in 2023.

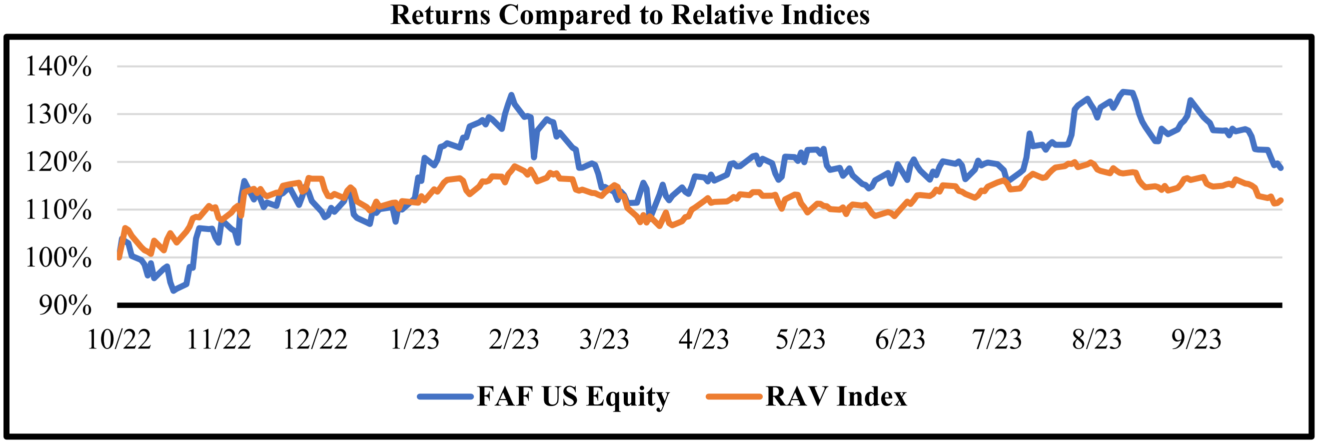
FAF has shown capability to leverage technological innovation and strategic acquisitions to increase its market share. It has made venture investments in financial technology companies that offer innovative technologies supporting insurance processes, driving efficiency and revenue generation.[2]

Positive Drivers & Risk Factors:
Increased insurance premiums and escrow fees through increased residential home purchasing are tailwinds for FAF, as they expand profitability in the title insurance segment. In addition, FAF's investment income has been an important component of top-line growth.[3] By making strategic investment choices based on the fixed income and equity markets, FAF will be able to generate additional revenue.

However, FAF's business model is dependent on housing market activity, which is highly cyclical. Therefore, FAF's performance can be quite cyclical and is heavily affected by macroeconomic factors such as the current rate-hike cycle. Any macroeconomic releases and information pertaining to these items will be crucial to monitor in the coming months.

Fiscal Year Actions:
Held 189 shares for the fiscal year. Dividend yield of 4.11% returned $395.01 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Fortrea Holdings Inc. (FTRE)

Coverage: Kyle Siegel

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$28.59	$29.81	$2,538.8M	$1.17	23.49	-29.43%

Description:
Fortrea Holdings Inc. (FTRE) is a holding company that conducts Phase I-IV clinical trials. FTRE is a recently spun-off (on 6/30/2023) subsidiary of its parent company, LabCorp. FTRE was known as LabCorp Drug Development prior to the spin-off. It operates in two main business segments: clinical services and enabling services. Its customers range from the healthcare industries of pharmaceutical, biotechnology, and medical technology.

Liquidation Thesis:
Fortrea was added into the portfolio due to the spin-off from its parent company, LabCorp. FTRE is a global contract research company that is known for its clinical trial management. The McClain Fund decided to liquidate FTRE due to the lower expected growth reported in its 8/14/2023 earnings report. It has been part of LabCorp in the past and does not have expected growth following the spin-off.

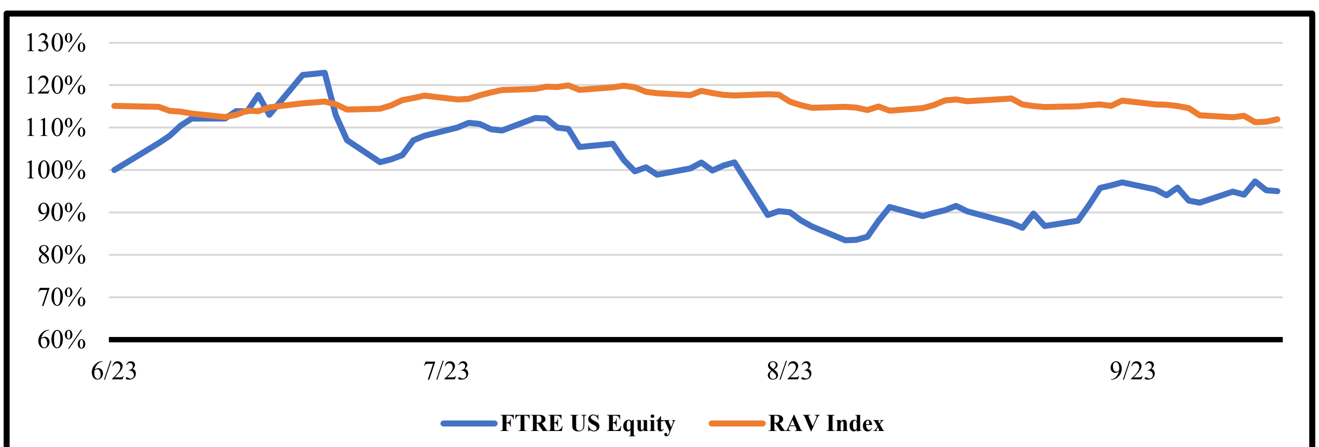
FTRE does not have an economic moat in the clinical services industry due to competition from leading competitors including AmplifyBio, Biofortuna, and Wuxi Biologics. Fortrea is not implementing innovative technologies or new methods to establish a sustainable competitive advantage in this industry. As a value-investing fund, it is important to find companies that are undervalued and have an economic moat, which Fortrea does not have, leading us to liquidate on 9/12/2023.

Positive Drivers & Risk Factors:
Fortrea is spending financial resources on research and development, trying to expand its drug and device segment. The youth of Foretrea indicates that there are opportunities for upcoming expansion; however, the latest earnings report indicated few signs of growth in the coming fiscal year.

The FDA poses the largest threat to Fortrea resulting from the threat of denied approval of conducting trials. Getting FDA approval is a long and complex process that requires extreme investment of both time and financial resources. Since FTRE is a recent spin-off company, it may be difficult for it to obtain FDA approval in a timely manner.

Fiscal Year Actions:
Liquidated 56 shares for $1,455.98 on 9/11/2023. Dividends were not received from FTRE this fiscal year.

Returns Compared to Relative Indices



Gentex Corporation (GNTX)

Coverage: Jackson DeFrancesco

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$32.54	$36.67	$7,596.0M	$1.58	20.65	21.20%

Description:
Gentex Corporation (GNTX) is a world leading technology supplier of dimmable devices and advanced electronic products for the global automotive, aerospace, and fire protection industries. Gentex Corporation is most known for its automotive rearview mirrors and electronics, which accounted for 97% of its total sales in 2022.[1] Gentex Corporation is dedicated to maintaining a position of technological leadership, with emphasis on both innovation and building customer relationships with large clients such as Toyota, Volkswagen, and General Motors.

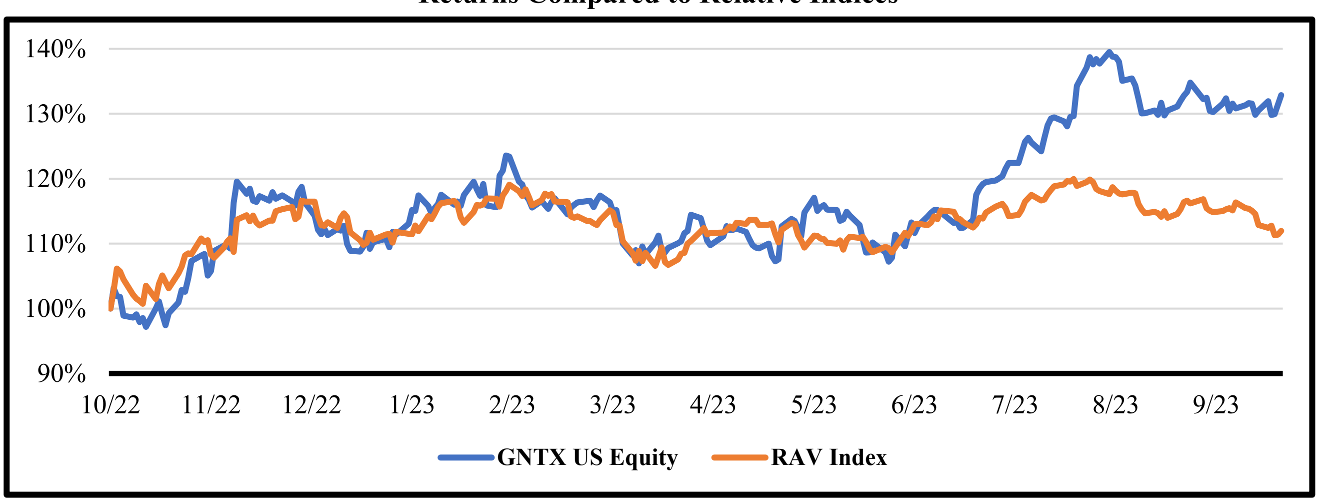
Investment Thesis:
The McClain Fund invested in Gentex due to its commanding 89% market share of the electrochromic industry, with its products present in 35% of all vehicles produced in 2022.[2] The McClain Fund is confident that GNTX will maintain its market dominance as it looks to implement auto-dimmable mirrors in emerging markets such as China. Gentex Corporation's existing supply relationships with EV car makers Tesla and Rivian also protect it from potential competition in the expanding EV sector.

Positive Drivers & Risk Factors:
Increased automotive demand, specifically within the battery-electric vehicle industry, is a growth driver for Gentex. Growth in the air travel industry coupled with rising consumer interest in recreational space exploration can provide growth for GNTX, which manufactures dimmable aircraft windows.

Gentex Corporation's dependence on the well-being of the automotive industry present a risk for the technology supplier. 97% of GNTX's 2022 net sales comprised from consumers within the auto industry, a cyclical industry. A contracting economic environment can put pressures on GNTX. Recent United Auto Worker strikes against General Motors, Stellantis, and Ford, have the potential to negatively affect Gentex Corporation. Halted production lines result in less demand for automotive rearview mirrors. The last UAW strike against GM in 2019 cost the supplier $7-8 million a week.[3]

Fiscal Year Actions:
Purchased 266 shares for $7,191.92 on 3/22/2023. Dividend yield of 1.49% returned $63.84 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Alphabet Inc. (GOOGL)

Coverage: Lane Widerkehr

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$130.86	$152.27	$1,656.2B	$4.92	26.61	36.86%

Description:
Alphabet Inc. (GOOGL) is a holding group that dominates the communications sector consisting of several subsidiaries. The most notable being Google alongside many cloud services groups leading to a market cap of around 1.6 trillion.[1] Alphabet's primary source of revenue comes from advertisements through the search engine Google. GOOGL also offers a variety of other popular services such as YouTube, Waze, and Fitbit. Cloud services, as well as the Android operating system, contribute to a portion of the company's revenues as well.

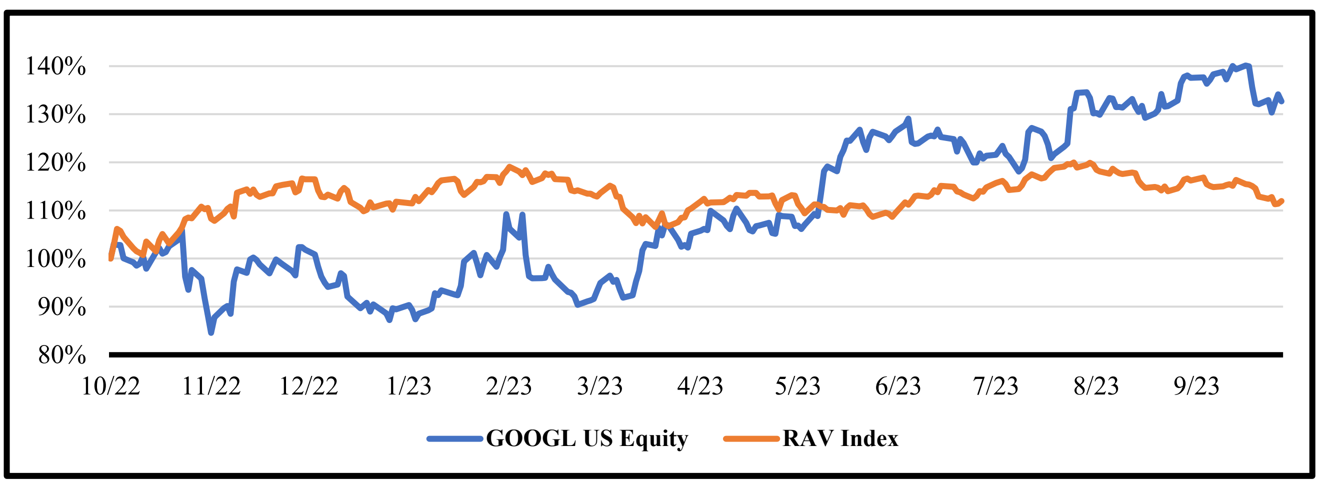
Investment Thesis:
The McClain Torch Fund invested in Alphabet due to its position as a global leader in a wide range of technologies. The Android operating system holds the largest market share in the mobile operating systems industry by a significant margin of 71% globally.[2] YouTube and the Google search engine have also achieved dominant positions within their respective industries. This is exemplified by the popularization of the phrase 'Google it' which has become synonymous with making an internet search, even if a user is not directly utilizing the Google search engine.

Positive Drivers & Risk Factors:
It is essential the company continues to excel in acquisitions and innovation. If this persists, Alphabet will continue to experience growth and break into new market segments. The continued investment in cloud software, AI, and new ventures leaves Alphabet several opportunities to continue to experience positive returns. Its recent expansion into autonomous driving vehicles continues to display GOOGL's focus on this.

The United States Justice Department has brought Alphabet to trial due to claims that GOOGL unlawfully abused its dominant search engine to maintain a monopoly power due to Google's 90% market share in the search engine industry.[3] This situation will need to be monitored as it could have negative implications on its business model.

Fiscal Year Actions:
Added 40 shares to the position for $3,820.40 on 12/07/2022. Dividends were not received from GOOGL this fiscal year.

Returns Compared to Relative Indices



Goldman Sachs Group (GS)

Coverage: Jacqueline Tenney

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$323.57	$288.84	$110,410.5M	$24.44	13.24	15.00%

Description:
Goldman Sachs Group (GS) is a global financial institution that specializes in investment banking, trading, principal investments, asset management, and securities services. It manages over $2 trillion USD across various asset classes through its three segments: Global Banking & Markets, Asset & Wealth Management, and Platform Solutions.[1] GS generates profits through fees associates with its various financial services. A few main revenue sources are investment banking fees, asset management fees, and brokerage fees. It also engages in the trading of financial instruments, generating revenue through price differentiation, trading volumes and market-making activities.[2]

Investment Thesis:
The McClain Fund held GS due to its strength in acquiring top talent while maintaining relatively low compensation compared to other large investment banks, as well as its ability to hedge against other financial institutions in its sector. We believed that GS boasted a moat as a leading global investment bank.

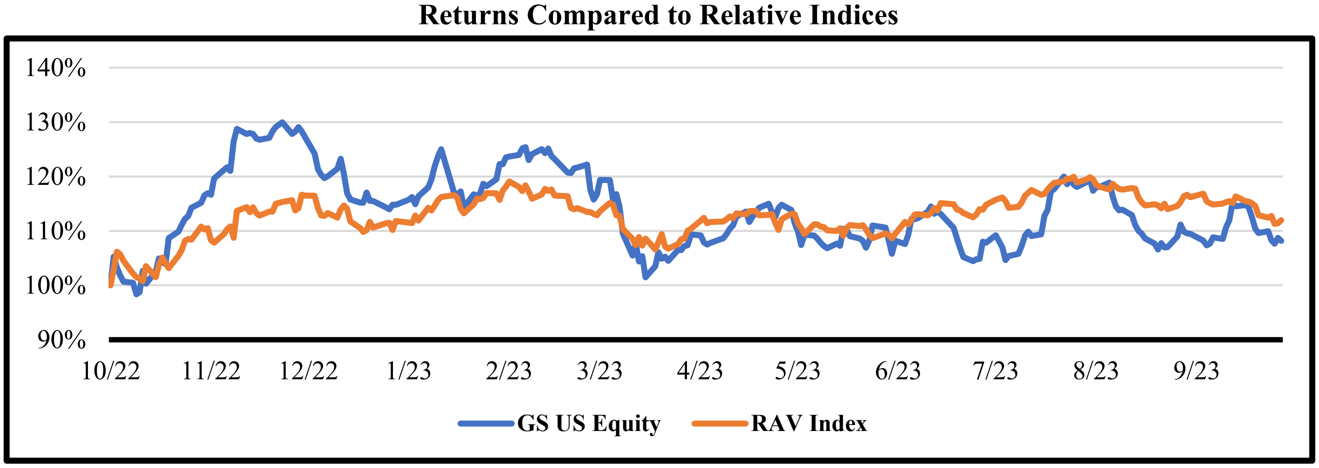
The fund decided to sell out of our position in Goldman Sachs in April of 2023 due to changes in its business model and the broader environment that threatened our investment thesis. We believed that GS's investment banking revenue was threatened by economic conditions, as merger activity slowed and IPO underwriting almost entirely paused during this time period. We also saw a significant price drop in GS during the March banking crisis, which led us to question its ability to serve as a hedge against the rest of the financials sector.

Positive Drivers & Risk Factors:
At the time of sale, we believed GS's main tailwind was centered in the chance that IPO volume would increase following its slowdown in 2022, which would increase GS's investment banking revenue. We also believed that GS could see an inflow in deposits from distressed banks following the March banking crisis.

Headwinds such as interest rates depreciating held assets, concentration in underwriting, and liquidity issues affecting the broad financials sector ultimately led us to liquidate the position.

Fiscal Year Actions:
Liquidated 28 shares of GS for $9,295.92 on 4/17/23. Dividend yield of 3.41% returned $140.00 of dividends for the fiscal year.

Returns Compared to Relative Indices



Huntington Ingalls Industries (HII)

Coverage: Alonso Garcia

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$204.58	$248.75	$8,156.1M	$11.48	17.82	-5.00%

Description:
Huntington Ingalls Industries (HII) is a designer, manufacturer, and provider of military ships and professional services, specializing in naval shipbuilding. With divisions in Virginia and Mississippi, HII has constructed a vast array of ships across multiple classes for the United States Navy and other governmental partners.[1]

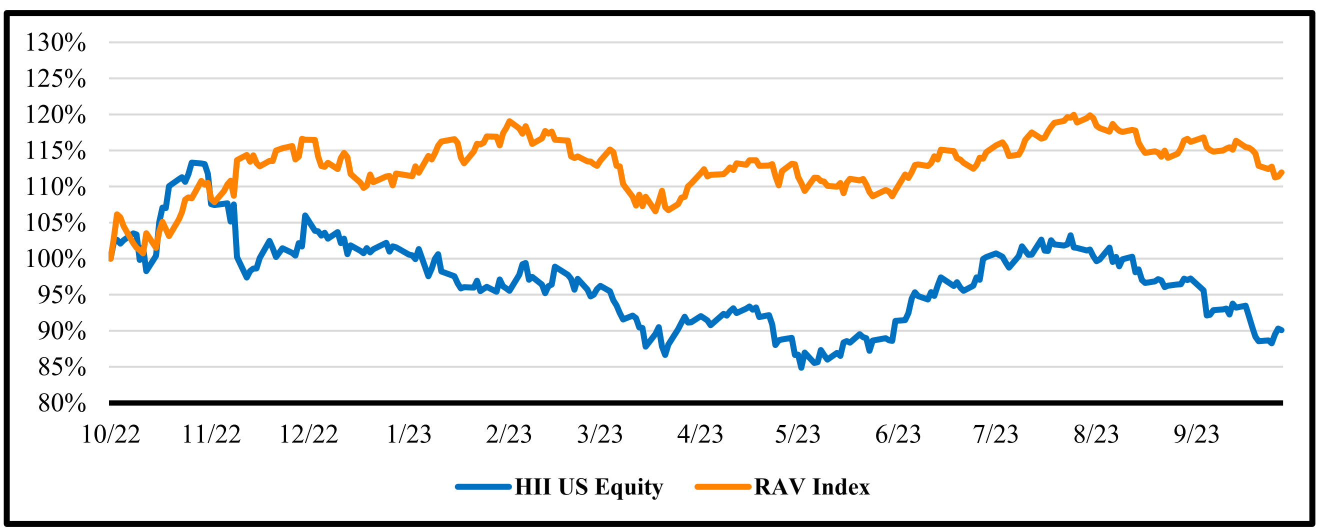
Investment Thesis:
The McClain Fund's investment thesis for Huntington Ingalls Industries (HII) is predicated on its unique status as the exclusive builder of key United States naval vessels and its entrenched relationships with the United States defense industry, ensuring a durable economic moat and reliable long-term revenue within a sector where peace and budget fluctuations are risks. An example of this prowess in shipbuilding is showcased in the construction of the Gerald R. Ford, the vanguard of next-generation aircraft carriers. Designed as a successor to the Nimitz-class carriers, the Ford encompasses innovative advancements, from its nuclear power plant to its electromagnetic catapults and an enhanced flight deck.[2]

Positive Drivers & Risk Factors:
By the close of 2022, HII reported a backlog of roughly $47 billion. The company anticipates converting about 22% of this backlog into sales for the year 2023. This substantial backlog indicates that the firm is poised for consistent revenue growth in the upcoming years. Moreover, as more of the United States Navy's Nimitz-class ships near the end of their service life, new contracts for replacements will be tendered. HII stands to benefit significantly given its exclusive rights to construct nuclear-powered vessels.[1]

Nevertheless, persistent supply chain challenges could hamper the delivery of these ships and the realization of the backlog's full value. It's crucial to keep a close watch on this, especially considering that the Gerald R. Ford ship necessitated the collaboration of over 5,000 shipbuilders and a multitude of suppliers for its construction.

Fiscal Year Actions:
Held 67 shares for the fiscal year. Dividend yield of 2.11% returned $405.24 in dividend payments this fiscal year.

Returns Compared to Relative Indices



ICU Medical Inc. (ICUI)

Coverage: Kyle Siegel

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$119.01	$188.50	$2,872.4M	-$0.40	15.12	-20.98%

Description:
ICU Medical Inc. (ICUI) is a global company that sells disposable medical connection systems for IV therapy to clinics, hospitals, and doctor's offices. ICUI's products are designed to help prevent the spread of infectious diseases between health workers and patients. ICUI has four different business segments: Consumables, IV Systems, Infusion Systems, and Vital Care. Consumables products include IV connector devices and disinfecting caps, both of which are created to keep the patients and workers safe.

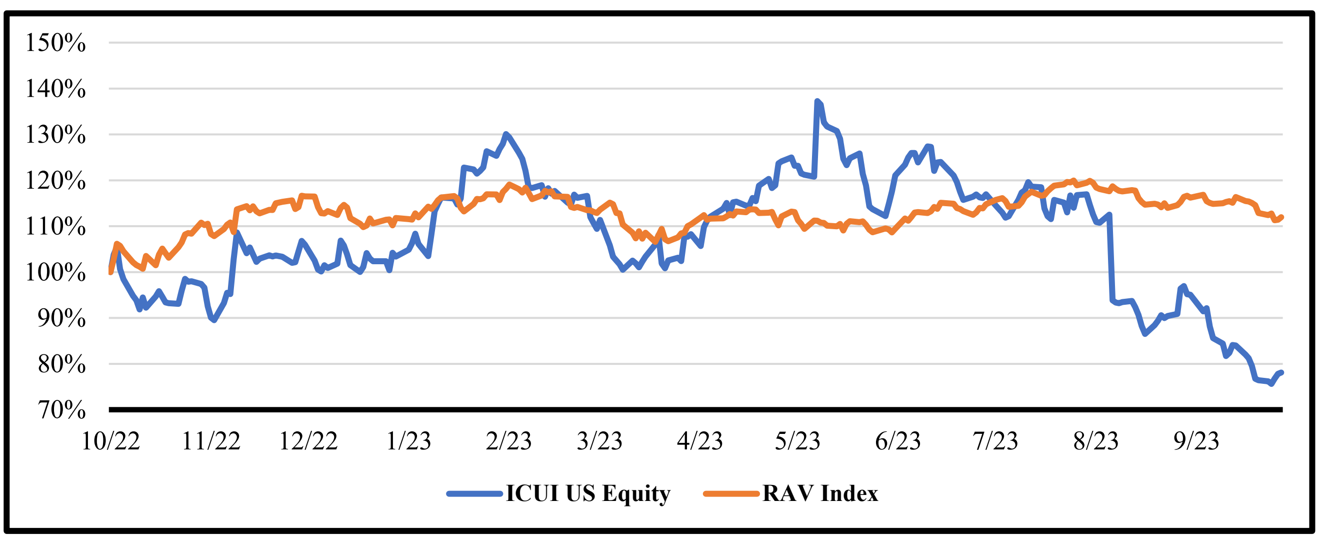
Investment Thesis:
The McClain Fund is invested in ICUI due to its strong market share and ability to sell products to assist in vital care. The ability for ICU Medical to capture about 13% of market share by revenue has provided a stronghold on the market. ICUI sustains a competitive advantage due to the elevated transition costs of IV products. Having high switching costs allows ICUI to retain customers and focus marketing efforts on potential clients. In addition, ICUI has proven to be strong in the mergers and acquisitions field, as it acquired Smith's Medical and was vying to acquire two portions of Medtronic's business.

Positive Drivers & Risk Factors:
ICUI benefits from a highly diversified set of suppliers. This allows ICUI to not be affected significantly by supply chain slowdowns like what occurred in 2020. Creating contracts with large hospitals and clinics takes time, and ICUI already has these contracts. It will be difficult for competitors to win contracts over ICU Medical.

The FDA poses the biggest risk to ICUI because it can recall medical devices at any point in time. ICUI is continually inventing new products that require FDA approval. This is a lengthy process which can negatively affect ICUI's cash flows, posing potential risks to profitability.

Fiscal Year Actions:
Held 33 shares for the fiscal year. Dividends were not received from ICUI this fiscal year.

Returns Compared to Relative Indices



Innovative Industrial Properties, Inc. (IIPR)
Coverage: Hannah Patrignani

Market Price	Target Price	Market Cap	EPS (TTM)	P/FFO (TTM)	FY Return
$75.66	$108.80	$2,121.5M	$5.65	7.89	11.33%

Description:
Innovative Industrial Properties (IIPR) is a real estate investment trust (REIT) for the regulated cannabis industry. IIPR purchases discounted or under-construction industrial buildings, specifically greenhouse facilities, to maximize expansion and profit potential. It also purchases assets from medical cannabis companies and leases them back to companies that are capital constrained.[1] IIPR focuses on purchasing properties from state-legal cannabis companies, readying them for cannabis production efforts, and leasing them back to the companies in long-term triple-net leases, where the tenant pays certain property expenses in addition to rent.[2]

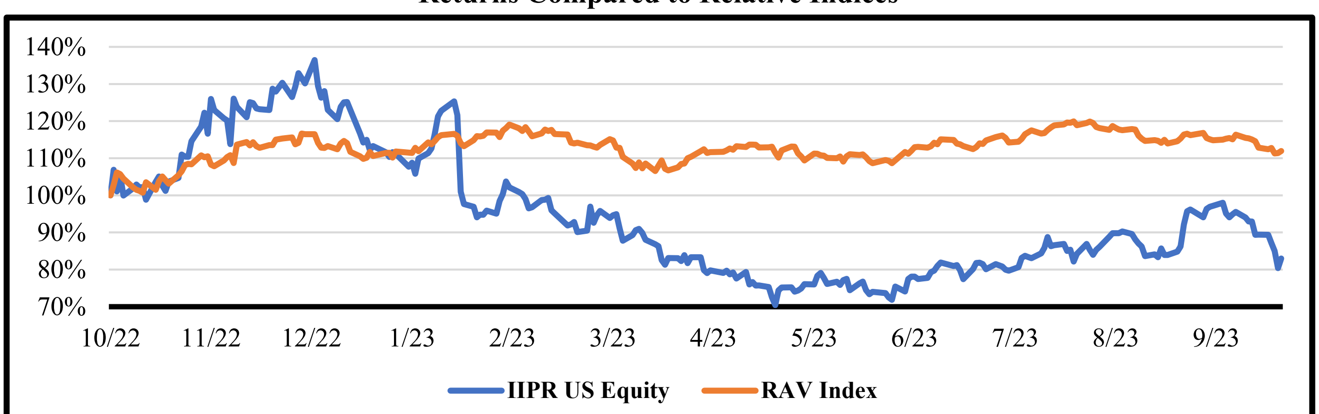
Investment Thesis:
IIPR was purchased for its low P/FFO ratio and its high dividend yield, which is currently at 10%. The firm conducts business in a relatively underserved market, as it is GICS classified as an "Industrial REIT" but is one of few publicly traded REITs that lease to cannabis producers. In the cannabis cultivation REIT industry, IIPR boasts a large economic moat through its capital structure and captures considerable market share, seamlessly fitting into our investment thesis.

Positive Drivers & Risk Factors:
IIPR has benefitted from the continuing legalization of marijuana across the United States, as demand for leasable cultivation space increases. As of 2023, 40 states and the District of Columbia have legalized medical marijuana.[3] Additionally, cannabis companies typically don't possess the capital to house their business activities on their own. Leasing space will always be in demand if the cannabis industry maintains its financial health and stability, contributing to IIPR's increasing number of properties under management, and therefore revenue generation. IIPR has also benefitted from rising interest rates, as the firm's triple net lease structure passes increased expenses onto tenants.

IIPR faces default risk from tenants since the cannabis industry features low profit margins. It also encounters risk from the strict government regulation on cannabis cultivation and distribution, as well as the uncertainty of when the next state will legalize marijuana.

Fiscal Year Actions:
Purchased 120 shares of IIPR for $8,349.60 on 05/08/2023. Dividend yield of 9.27% returned $216.00 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Kimberly-Clark Corporation (KMB)
Coverage: Ben Lebovitz

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$120.85	$136.07	$40,869.7M	$7.81	15.48	11.54%

Description:
Kimberly-Clark Corporation (KMB), headquartered in Dallas, Texas, is a global health and hygiene company that produces and offers household consumer products, such as its Huggies and Kleenex brand product lines. The company hosts its manufacturing operations in 34 countries and sells its products in more than 175 countries.[1] Kimberly-Clark distributes its merchandise via an omni-channel, however, the supply-chain focuses on retailers and wholesalers rather than direct-to-consumer.

Investment Thesis:
The McClain Fund holds its position in Kimberly-Clark for its competitive advantage. This competitive advantage stems from a wide assortment of well-integrated health brands that consumers trust and demand. Kimberly-Clark fulfills these demands through a diverse supply chain that is well-suited to navigate the regulatory landscape.

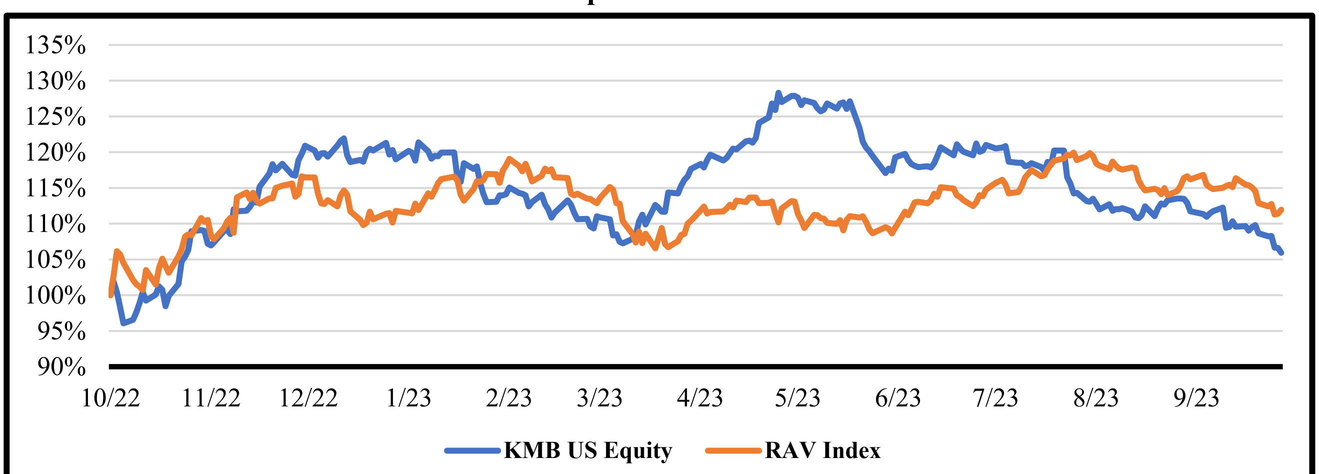
The company also utilizes investments, both in production and distribution, to boost profits. Marketing efforts in Latin America have been the intense focus of Kimberly-Clark. The McClain Fund believes that these efforts are likely to translate to a geographic competitive advantage for the company in the future.

Positive Drivers & Risk Factors:
Kimberly-Clark's FORCE (Focused On Reducing Costs Everywhere) program has achieved $290 million in 2022 and is expected to continue to improve cost efficiencies throughout company operations in the near future.

Cellulose fiber, in the form of kraft pulp, is used extensively in Kimberly-Clark's tissue products and is subject to and has experienced significant price changes. Increases in pulp prices or decreases in the availability of kraft pulp may adversely affect the company's earnings if selling prices for Kimberly-Clark's products are not adjusted to trail the increases in pulp prices in the future.

Fiscal Year Actions:
Held 83 shares for the fiscal year. Dividend yield of 4.04% returned $388.44 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Coca-Cola Company (KO)

Coverage: Ben Lebovitz

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$55.98	$69.66	$242,076.80M	$2.66	21.06	3.14%

Description:
The Coca-Cola Company (KO) is a leading producer of both alcoholic and nonalcoholic beverages in several regions around the globe. The Company splits its operations between its geographic segments (EMEA, North America, Latin America, and Asia Pacific) and its bottling and global segments. Coca-Cola sells its products in more than 200 countries through a robust supply chain network, focusing on distributors, wholesalers, and retailers as clients.

Investment Thesis:
The competitive landscape of the global beverage sector is characterized as an oligopoly where few firms are suppliers. This over consolidated landscape implies that Coca-Cola's business strategy should be aimed at innovative and diversified product lines, as well as total market share. Coca-Cola's command of 46% market share for the $201 billion global carbonated soft-drink market has been identified by the McClain Fund as an attractive economic moat for the company.[1]

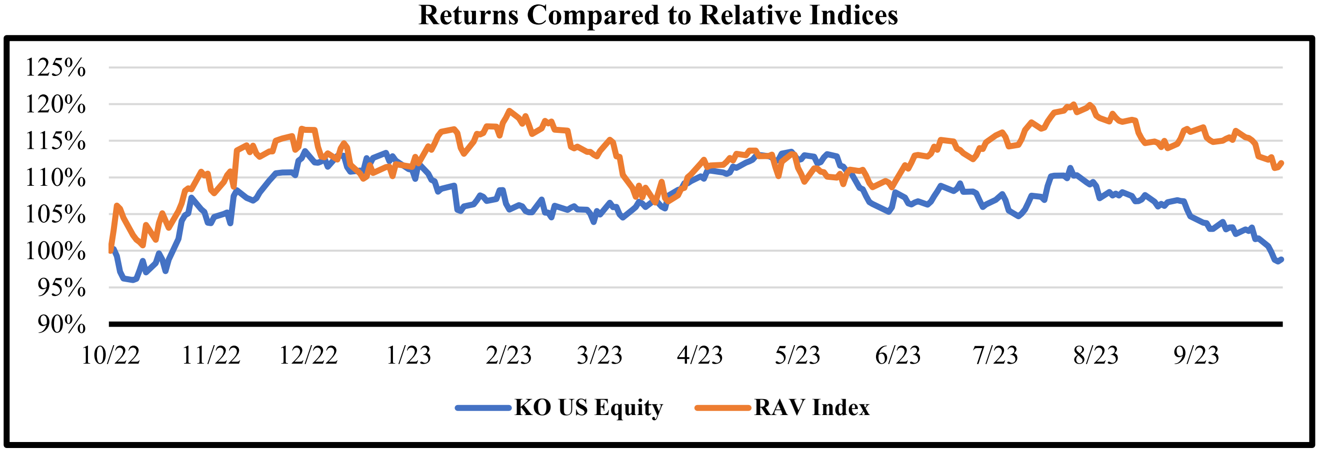
The McClain Fund also holds Coca-Cola for its comparatively high 3.37% dividend yield. Coca-Cola's dividend yield has had 61 uninterrupted years of payouts and growth, and its current dividend yield also remains around 50 basis points higher than its competitors' dividend yields.

Positive Drivers & Risk Factors:
Coca-Cola's recent introduction into the energy drink and alcoholic beverage markets remains a strong growth driver for the company. Using Coca-Cola's reputation and superior advertising, the introduction of these product lines may synergize well for the company.

A major risk factor for Coca-Cola is the current trend away from globalization, as a substantial part of the firm's growth strategy has been placed in introducing operations and products in emerging markets. The company also faces scientific uncertainty and potential regulatory action caused by recent research labeling aspartame, a commonly used sugar substitute found in Diet Coke and Coke Zero, as a carcinogen.[2] Consumer's concern for adverse health effects may damage both demand and reputation for the company and its products.

Fiscal Year Actions:
Held 217 shares for the fiscal year. Dividend yield of 3.33% returned $390.60 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Laboratory Corporation of America Holdings (LH)
Coverage: Kyle Siegel

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$201.05	$239.41	$17,813.0M	$15.20	13.22	17.56%

Description:
Laboratory Corporation of America Holdings (LH) is a leading global and life sciences company that assists in the decisions that patients, doctors, and families make. LabCorp runs many different medical tests ranging from oncology, HIV genotyping, and drug tests. LH's business is divided into two segments: Diagnostics and Biopharma Laboratory Services. These segments create revenue through conducting diagnostic tests and processing results.

Investment Thesis:
The McClain Fund holds LH because it operates in an industry with limited competition and sustains a 13% market share within diagnostics. Before the spin-off of Fortrea, the drug and development segment accounted for about 35% of the revenue.

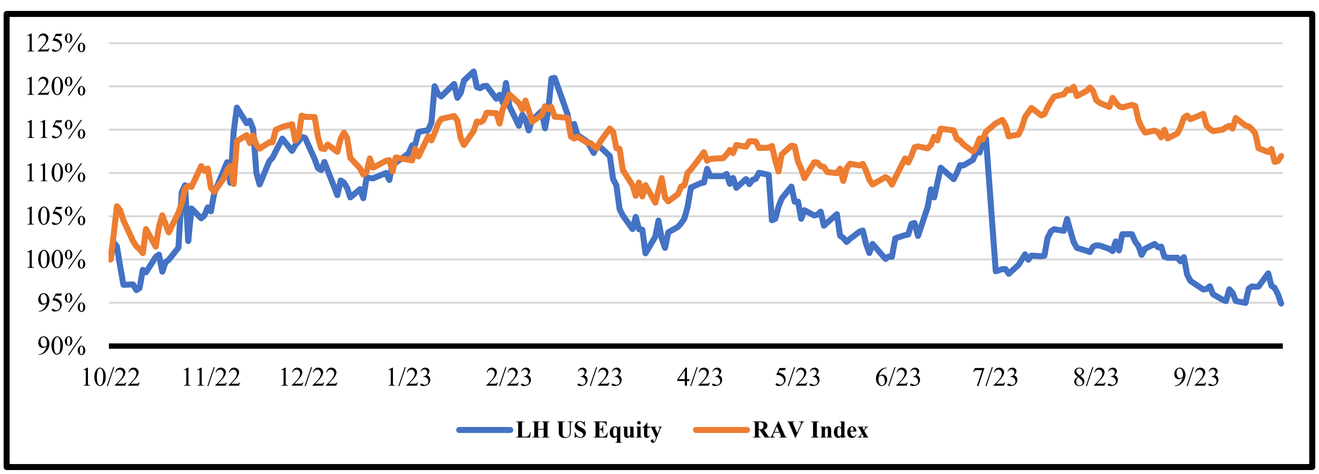
LabCorp's economic moat lies in its seamless vertical integration of M&A targets. Recently, it acquired Personal Genome Diagnostics (PGDx), a company that uses biopsy and tissue-based products to aid in cancer research. In addition to its acquisitions, LabCorp's Venture Fund is investing in companies that are helping the overall health of the world. LH has invested around $180 million over the last ten years to continue to improve the healthcare sector.

Positive Drivers & Risk Factors:
LH can enter strategic partnerships with local and regional health services to be able to deliver services to patients everywhere, providing potential tailwinds. Recently, it agreed to terms with RWJ Barnabas Health which has proved to be a strong partnership to allow for testing within hospitals and clinics. LabCorp's closest competitor is Quest Diagnostics, but LH has a competitive advantage due to its large-scale testing capabilities.

The FDA poses the biggest risk to LH due to its ability to stop the production or performance of any service due to not passing regulatory rules. Additionally, since LabCorp has cash flows throughout the entire world, it is subject to currency inflation as well as rapidly changing exchange rates.

Fiscal Year Actions:
Held 56 shares for the period. Dividend yield of 1.45% returned $161.28 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Lockheed Martin Corporation (LMT)

Coverage: Alonso Garcia

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$408.96	$500.32	$102,989.0M	$30.47	13.42	9.00%

Description:
Lockheed Martin Corporation (LMT) is a global aerospace, defense, and security company that designs, manufactures, and delivers advanced systems, products, and solutions. These include aircraft, satellites, missile defense systems, command and control systems, radars, and cybersecurity solutions, among others. Lockheed Martin caters to both United States and international customers, playing a pivotal role in strengthening global defense and advancing technological innovations.[1]

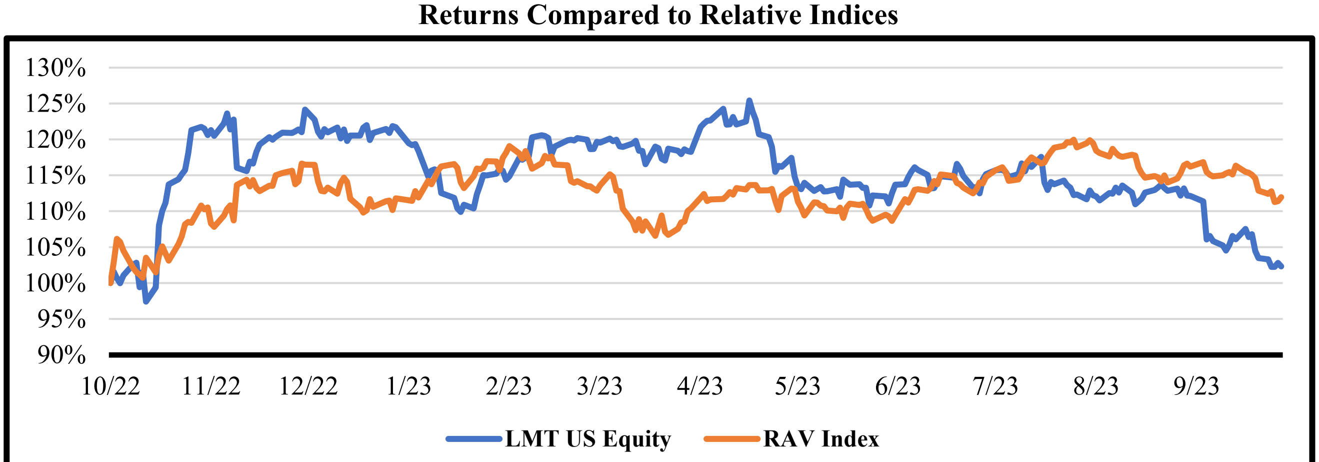
Investment Thesis:
The McClain Fund's investment thesis for Lockheed Martin is anchored in its robust economic moat within the defense and aerospace sectors and its diversified portfolio resilience. Additionally, its stable, long-term revenue prospects are underscored by the F-35 program, coupled with a geopolitical climate likely to sustain high defense spending. As nations intensify their focus on defense, Lockheed Martin's capacity to secure substantial contracts comes to the forefront. The recent United States Army's IFPC-HEL program, with capabilities surpassing those of Israel's Iron Dome, currently manufactured by Raytheon, emphasizes the firm's ability to capitalize on the growing demand in this sector. [2]

Positive Drivers & Risk Factors:
As geopolitical tensions escalate in Ukraine and Taiwan, the support directed to these nations will likely increase, either through tangible assets like jets and missile systems or via financial assistance. As these countries bolster their military stance, Lockheed Martin, a leading supplier of advanced defense systems such as the F-35, stands poised to benefit, potentially boosting its earnings.[3]

Conversely, the very factors positioning the company for growth might also pose a risk. If geopolitical tensions subside and global peace ensues, there could be a significant drop in demand for Lockheed Martin's products. Although history suggests this is improbable, the risk remains present. Furthermore, while the demand for Lockheed's offerings might rise, continued supply chain disruptions leading to delivery delays could hinder the company from fully capitalizing on its potential.

Fiscal Year Actions:
Held 22 shares for the fiscal year. Dividend yield of 2.69% returned $264 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Southwest Airlines (LUV)

Coverage: Jackson DeFrancesco

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$27.07	$34.04	$16,123.8M	$0.96	28.11	8.50%

Description:
Southwest Airlines (LUV) is a major American passenger airline that provides scheduled air transportation in the United States and near-international markets. Southwest Airlines positions itself as a low-cost carrier in a highly concentrated airline industry.

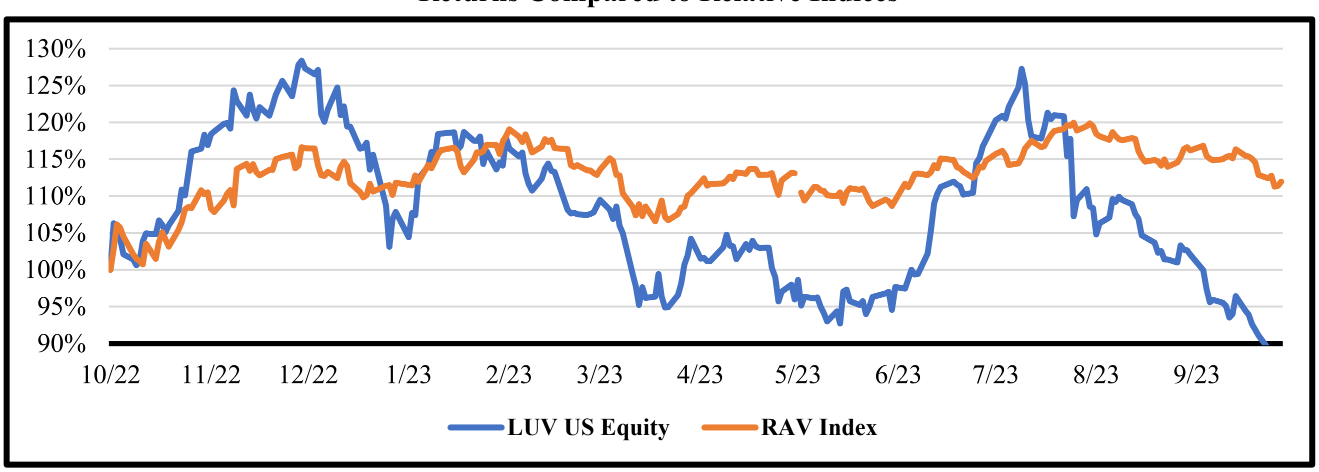
Investment Thesis:
The McClain Fund fully liquidated its position in Southwest Airlines due to the heightened presence of business-specific risks, including rising labor and fuel costs, and a slowdown in domestic travel demand. In its Q2 2023 earnings release, LUV projected revenue available per seat mile (RASM) for the next quarter to be down 3-7%, translating to lower revenues captured per airline passenger. Additionally, LUV did not cut costs as well as its peers, ultimately reducing profit margins. As a low-cost carrier, it is hard for LUV to raise ticket prices to increase revenue, because consumers would rather pay higher fares for a more luxurious airline. These risks, combined with an uncertain macroeconomic outlook, played into the full liquidation of LUV.

Positive Drivers & Risk Factors:
As a low-cost carrier, Southwest Airlines is strategically positioned to meet the increasing demand for affordable air travel by providing a cost-effective and convenient option for travelers while maintaining a strong focus on consumer satisfaction through its Rapid Rewards Loyalty Program.[1] LUV's flexible airfare structures create a simple and efficient ticket-buying experience through its website and mobile application.

Volatile operating costs, specifically fuel and oil expenses, pose significant risk to Southwest Airlines. In 2022, fuel and oil expenses were Southwest's second largest operating costs, translating to 26% of all its operating expenses. Even a small change in market fuel prices can significantly affect profitability, which is why Southwest engages in fuel option strategies to hedge this risk. Another risk facing Southwest Airlines is its dependency on Boeing as the sole manufacturer of its aircraft fleet. Prolonged FAA inspection delays to ensure safety standards are met can adversely affect the results of Southwest's operations.[2]

Fiscal Year Actions:
Purchased 300 shares for $9,059.42 on 5/2/2023. Liquidated 300 shares for $9,776.92 on 8/3/2023. Dividend yield of 2.65% returned $54.00 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Malibu Boats, Inc. (MBUU)

Coverage: Jackson DeFrancesco

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$49.02	$63.38	$1,006.8M	$8.97	5.47	-12.00%

Description:
Malibu Boats, Inc. (MBUU) is a leading designer and manufacturer of recreational powerboats, including sterndrive, outboard, and performance sports boats. It sells its products to consumers interested in recreational sports boats, including fisherman.

Investment Thesis:
The McClain Fund invested in MBUU due to its leading role in designing and manufacturing high-performance power boats in the United States. The company's valuable intellectual property safeguards its surf and wake systems from competitors, giving it a significant advantage in the boat industry.

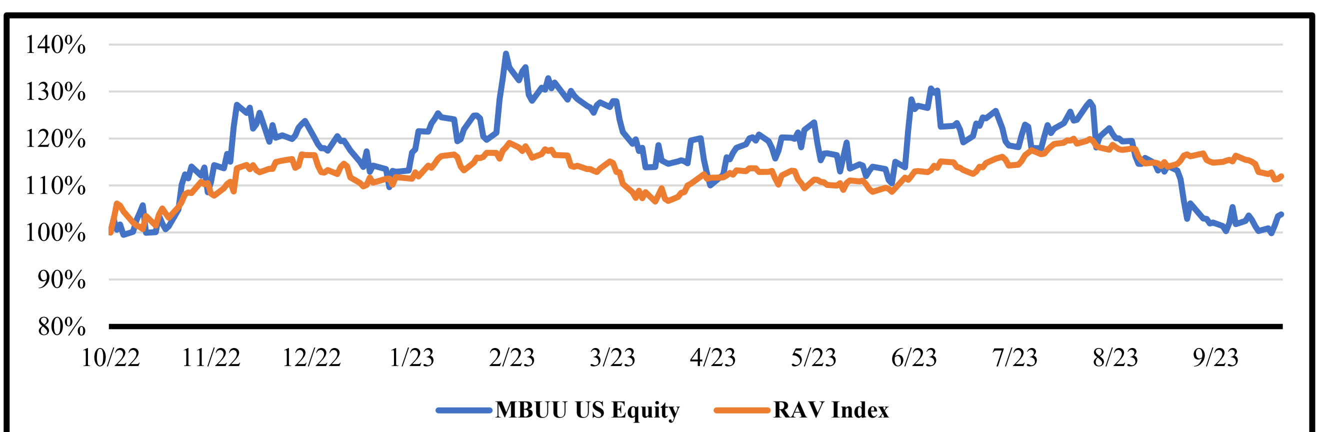
Additionally, through successful acquisitions, MBUU has expanded its market share in various boat segments, including flat fishing, dual-console, center-console, and sterndrive boats. As of Q2 2023, MBUU commanded a 56% market share within the ship and boat building industry, surpassing competitors by more than double.[1] Currently, it holds the #1 market share position in the United States' performance sport boat category and is projected to achieve the #1 market share position in the sterndrive boat category by 2024.[2]

Positive Drivers & Risk Factors:
Malibu Boats' intellectual property and diversified product portfolio assists in attracting new consumer segments, maintaining a competitive advantage, and fueling sales growth. Additionally, MBUU's rapid expansion into boat trailers and aftermarket boat accessories, thanks to its industry leading R&D department, aids in the creation of new revenue streams.

As a discretionary item, boats and boat accessories manufactured and sold by MBUU are cyclical and depend on the well-being of the economy. Additionally, retail demand for Malibu boats are seasonal, and unfavorable weather conditions can have a negative effect on revenue. From a macroeconomic standpoint, the possibility of rising interest rates heavily impacts the cost of borrowing for boat loans, swaying potential consumers away.

Fiscal Year Actions:
Purchased 180 shares for $10,026 on 4/25/2023. Dividends were not received from MBUU this fiscal year.

Returns Compared to Relative Indices



Medtronic

Medtronic, PLC (MDT)

Coverage: Kyle Siegel

HASLAM COLLEGE OF BUSINESS
THE UNIVERSITY OF TENNESSEE, KNOXVILLE

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$78.36	$94.46	$104,260.6M	$4.24	18.50	0.42%

Description:
Medtronic, PLC (MDT) develops therapeutic and diagnostic medical products for customers all over the world. MDT is primarily focused on creating medical devices for people with cardiovascular diseases. MDT operates in four business segments: Cardiovascular, Medical Surgical, Neuroscience, and Diabetes. Cardiovascular creates about 37% of revenue for Medtronic while Neuroscience brings in about 29%, Medical Surgical makes 27%, and Diabetes makes up about 7% in annual revenue.

Investment Thesis:
MDT controls about 30% of the cardiology medical device industry. Medtronic continues to improve its product line by expanding its markets in the US, European Union, and Japan. Medtronic is continuing to acquire companies with emerging technologies. This includes the recent acquisition of EOFlow, which is a company that produces wearable insulin patches for patients with diabetes. It consists of pacemakers, insulin pumps and much more.

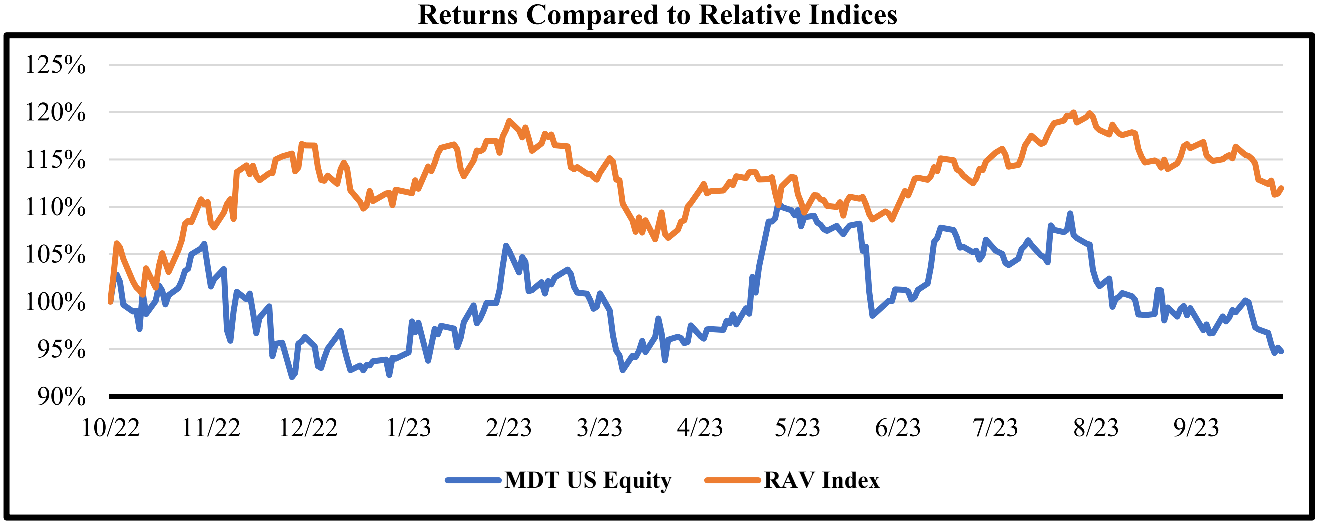
Medtronic's economic moat lies in its capability to continue to improve its product development. MDT can expand its product line to meet the needs of all its customers. It operates in the offices of doctors where high switching costs aid in preserving its economic moat. This gives MDT a competitive advantage over its competitors, where it can rely on the relationships it has with doctors' offices.

Positive Drivers & Risk Factors:
Medtronic is strong in its capacity to acquire new companies and can place a stronghold in the cardiovascular device industry. MDT is also investing heavily into itself by expanding the neuroscience segment by adding global access to the benefits of robot-assisted surgery. The products in this segment will be used in assistance with neurostimulation and pre- and post-surgery drugs.

The FDA poses the biggest risk to Medtronic because it can stop the production and sale of any drug. Due to Medtronic operating in over 150 countries, it can suffer risk from currency exchange.

Fiscal Year Actions:
Held 97 shares for the fiscal year. Dividend yield of 3.98% returned $265.78 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Magellan Midstream Partners (MMP)

Coverage: Alonso Garcia

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$69.00	$65.50	$13,944.6M	$4.87	14.16	32.00%

Description:
Magellan Midstream Partners, L.P. (MMP) is a leading midstream energy infrastructure company based in the United States. It specializes in the transportation, storage, and distribution of refined petroleum products and crude oil. With an extensive pipeline network spanning multiple states, Magellan ensures the safe and efficient delivery of vital energy resources to various markets.[1]

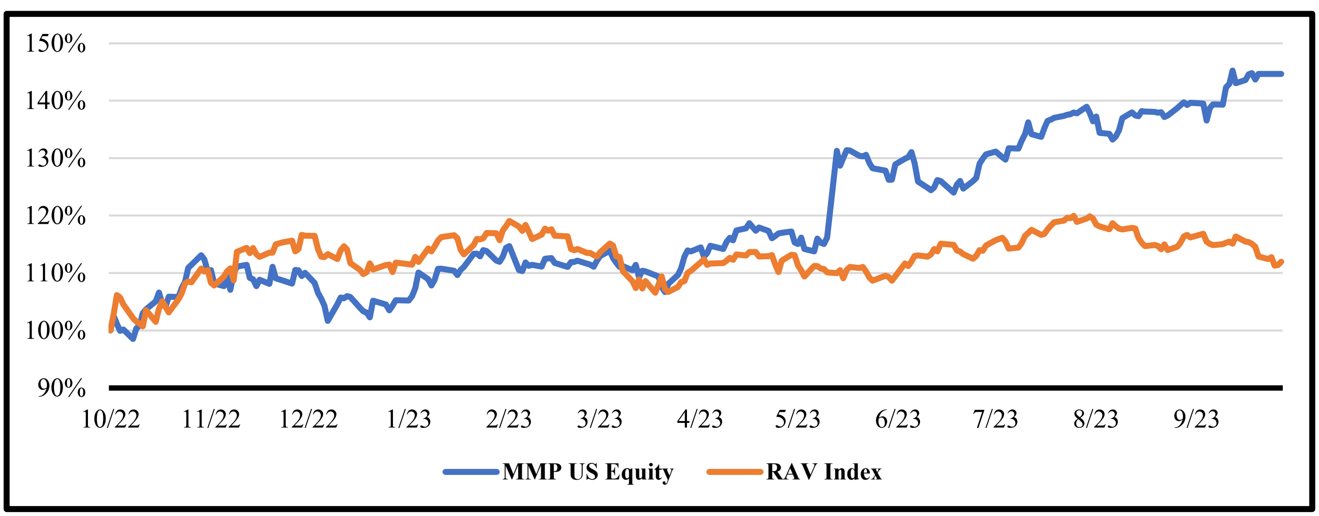
Investment Thesis:
The McClain Fund's investment thesis for MMP was originally predicated on its entrenched midstream infrastructure, essential for energy distribution, and its robust dividend yield, which offered resilience against the backdrop of shifting energy paradigms and long-term global oil demand prospects. However, escalating negative shareholder sentiment concerning the tax implications of ONEOK's acquisition of MMP, resulting in an increased deal spread, prompted a reassessment of the likelihood of the deal's successful completion. This perceived risk ultimately led us to strategically liquidate our position, capturing the deal's upside that was available to us at the time.

Positive Drivers & Risk Factors:
Midstream energy firms like MMP are pivotal in the energy landscape with their extensive pipeline networks and storage terminals, facilitating the vital flow of energy commodities. Geopolitical tensions, particularly in oil-rich regions, often bolster oil prices, benefiting midstream operations like MMP's through increased transport and storage of these high-value resources.

However, the shift toward renewable energy and reduced oil dependency, driven by environmental imperatives and the growth of electric vehicles, poses potential long-term risks to the demand for MMP's services.

Fiscal Year Actions:
Liquidated 147 shares for $8,746.43 on 06/21/23. Dividend yield of 6.43% returned $958.54 in dividend payments this fiscal year. MMP was acquired by ONEOK Inc. for $18.8 billion in September of 2023 and is no longer listed publicly.[3]

Returns Compared to Relative Indices



Altria Group, Inc. (MO)
Coverage: Ben Lebovitz

Market Price	Target Price	Market Cap	EPS (TM)	P/E (TTM)	FY Return
$42.05	$49.27	$74,662.4M	$5.07	8.29	13.45%

Description:
Altria Group, Inc., (MO) is a cigarette manufacturer that operates exclusively in the North American markets. Altria sells its products through its subsidiaries to domestic manufacturers and retailers. Altria Group, Inc. has a broad product line of both smokeable and non-smokeable products; however, it should be noted that its Marlboro brand of cigarettes account for about 89% of its smokeable products revenue.

Investment Thesis:
The McClain Fund maintains a position in Altria due to its relatively high dividend yield that is just under 9%, as well as its growing margins and diversified investments. Altria focuses on cost reduction due to its mature and competitive environment, has recently been placed in logistics and production, as the company believes it can reduce expenses in those categories. Altria has been improving its performance in this category by widening its gross profit margin from 62% in 2016 to 69% in 2022.[1]

Altria Group's long-term goal is to lead transitioning smokers towards a smoke-free future that may aid in diversifying Altria's product line and revenue stream. The strategy is to own profitable M&As and equity investments targeted at smoke-free alternatives. These investments include Altria's $9 billion-dollar investment in Anheuser-Busch and its $341-million-dollar investment in Kronos.[2] These investments allow for a diversified hedge against decreasing demand in the North American cigarette market.
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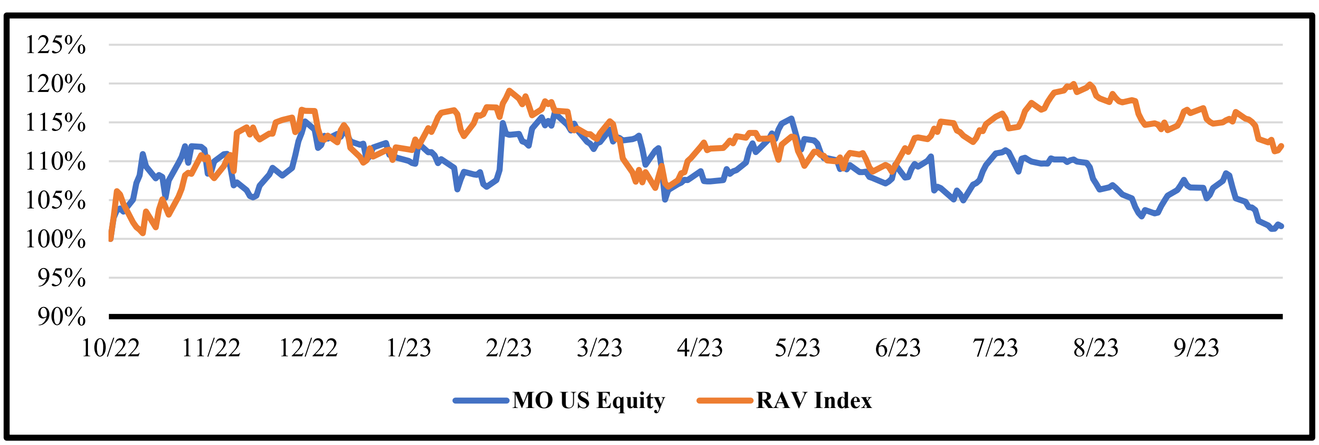
Positive Drivers & Risk Factors:
Altria Group's successful implementation of cost-cutting initiatives will likely help grow earnings in the future. Also, Altria Group's investments into smoking alternatives may yield competitive returns if the company successfully transitions consumers to its substitutes.

The continued persistence of a high inflationary environment may cause consumers to substitute Altria's premium Marlboro brand for less expensive cigarette brands from other competitors. Also, consumer health advocacy efforts against tobacco consumption and the regulatory environment remain risk factors that are continuously being monitored and updated.

Fiscal Year Actions:
Held 208 shares for the period. Dividend yield of 9.97% returned $782.08 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Merck & Co Inc. (MRK)

Coverage: Kyle Siegel

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$102.95	$123.53	$261,237.8M	$2.13	48.38	22.89%

Description:
Merck & Co Inc. (MRK) is a multinational pharmaceutical company that uses innovative technologies to develop vaccines, prescription drugs, and animal health products. Merck operates between two segments: Pharmaceuticals, which constitutes most of its business, and Animal Health. The largest revenue products include Keytruda, Gardasil, diabetes drugs, and animal drugs.

Investment Thesis:
The McClain Fund is invested in MRK because it is a global pharmaceutical company that is known for its cancer drug, Keytruda. This drug is used to treat Triple Negative Breast Cancer which is used as immunotherapy in addition to chemotherapy. Keytruda is Merck's number one product and accounts for about 45% of Merck's revenue. The fund is confident in Keytruda because of the market share it possess, and the expected growth of the capability of expected treatments.

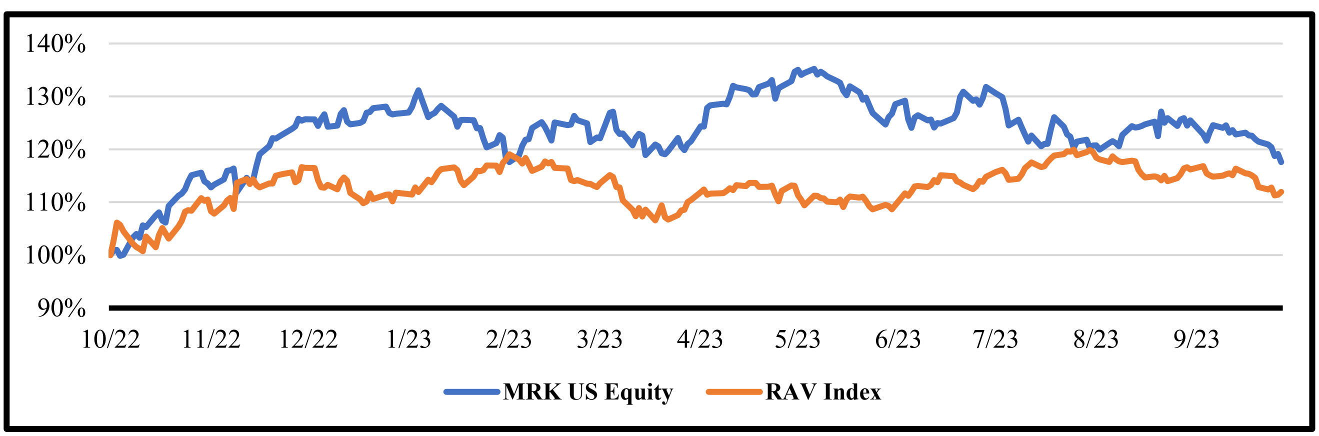
Merck's economic moat lies behind its competencies in research and development, while also leaning into mergers and acquisitions. Merck acquired Prometheus Biosciences during this fiscal year and is still looking to acquire more to expand its moat. In addition to Keytruda, Merck creates other products in addition to Keytruda, including an HPV vaccine called Gardasil. Merck also creates animal health products for horses, cattle, and house pets. Its ability to continuously improve the product portfolio has proven to be a strong investment for the McClain Fund.

Positive Drivers & Risk Factors:
Merck is working with Moderna to create a vaccine for cancer that is based off mRNA strands. In addition to using mRNA in cancer vaccines, Merck has plans to incorporate it in its cancer drug, Keytruda. Both the vaccine and drug have had positive results in clinical trials thus far. Merck has many drugs awaiting FDA approval, including Keytruda, to be used in non-small cell lung cancer. The latest trial showed a 42% decrease in risk of recurrence, progression, or death.[1]

The FDA poses the biggest risk to Merck because it can recall a drug at any point in time. Since Merck has cash flows throughout the entire world, it is subject to currency inflation as well as exchange rates.

Fiscal Year Actions:
Held 123 shares for the fiscal year. Dividend yield of 2.77% returned $359.16 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Microsoft Corporation (MSFT)

Coverage: Ashley Long

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$315.75	$396.17	$2,345.9B	$9.79	32.25	36.74%

Description:
Microsoft Corporation (MSFT) is a global leading technology software company that provides a wide variety of services such as cloud computing, hardware, digital media, gaming systems and social networking. It generates revenue through providing enhanced experiences for end users, business processes and intelligent cloud.

Investment Thesis:
Microsoft's strong reputation allows for a wide economic moat by being a leading information technology company that is able to innovate efficiently with the changing technological landscape and diversifying its capabilities. Its software serves a wide range of consumers such as household consumers, companies, sectors, and governments allowing for a diverse investment compared to its competitors.

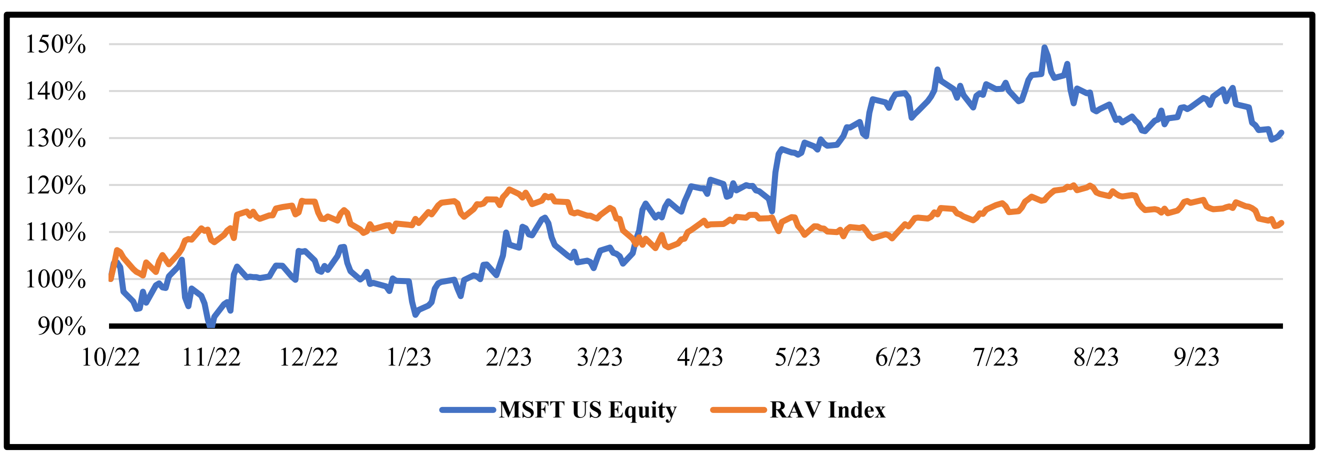
Microsoft produces a considerably higher average ROE than its competitors. Additionally, it recently reported a 7% increase in revenue for 2023, driven by intelligent cloud revenue from Azure and other cloud services[1]. Microsoft continuously innovates its capabilities, such as with its most recent announcement of Copilot that will serve as an everyday AI tool for consumers[2].

Positive Drivers & Risk Factors:
The new era of artificial intelligence provides opportunities for Microsoft to work across industries and develop AI-driven cloud services for its clients. AI will bring opportunities to expand MSFT's capabilities in infrastructure, digital app innovation, business applications and security. Most notable are its opportunities in business with its ongoing creation of Dynamic 365 Copilot which will be implemented across Microsoft Office products to improve efficiency[2].

However, Microsoft competes with large corporations in integrating AI putting it at risk of being outperformed by its competitors. Additionally, cybersecurity continues to threaten its abilities, as there have been previous instances of China being able to hack its cloud and gather information from customer's emails[3]. The breach threatens MSFT's reputation for providing security for its high-profile clients.

Fiscal Year Actions:
Held 49 shares for the period. Dividend yield of 0.91% yielded $133.28 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Match Group Inc. (MTCH)

Coverage: Lane Widerkehr

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$39.18	$56.31	$10,894.1M	$1.95	20.06	-17.96%

Description:
Match Group, Inc. (MTCH) is a company that provides online dating services to nearly all customer segments. It was the first company to introduce the online dating concept. MTCH owns over 45 popular dating services, some of the most popular being Tinder, Match.com, Hinge, and Meetic. Revenue is primarily generated from subscription fees and in app purchases, as well as small amounts of advertising.

Investment Thesis:
The McClain Torch Fund invested in Match Group because it leads the dating service industry by offering a variety of different services that accommodate nearly all possible preferences and locations. The portfolio of services consists of 45 different brands in 38 different languages across 190 countries.[1] The dating app industry is extremely competitive and MTCH can outperform most competitors by offering the most popular service for potential customers.

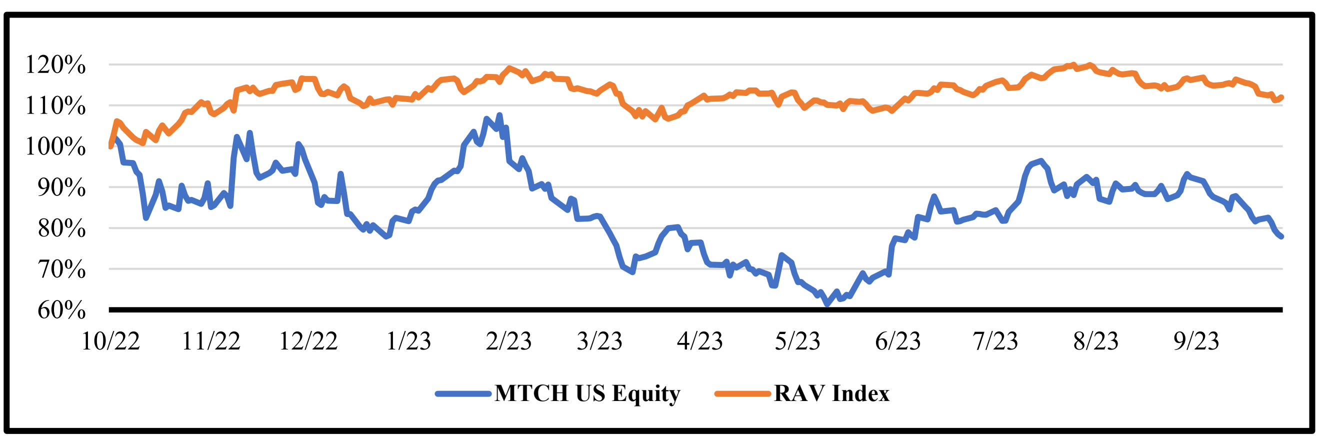
As dating apps continue to be increasingly accepted and popular in society, Match is in position to capitalize on the continued growth of this market. Match Group captures nearly 65% of the market and continues to innovate, exploring AI technology to provide better potential matches to its users. Most of its apps offer a free version that can be upgraded to a paid monthly subscription with access to expanded features and it has roughly 16.5 million active subscription users.[2]

Positive Drivers & Risk Factors:
Match is poised for natural growth in users as dating apps become mainstream and a growing audience shifts to finding relationships with the use of dating services. MTCH benefits from a phenomenon known as the network effect. As more users join apps, the more valuable the service becomes. This leads to exponential growth in user bases and has been seen in other social media apps like Facebook or Instagram.

Although MTCH has experienced success in reducing its competition, the online dating industry is still extremely competitive with new services on the market every day. The strongest competition it currently faces is Bumble. Customer retention presents MTCH with risk, as the ultimate objective for users is to eventually transition away from relying on the app.

Fiscal Year Actions:
Held 75 shares for the fiscal year. Dividends were not received from MTCH this fiscal year.

Returns Compared to Relative Indices



NextEra Energy Inc. (NEE)

Coverage: Lane Widerkehr

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$57.29	$82.34	$115,938.6M	$2.96	19.34	-24.60%

Description:
NextEra Energy Inc. (NEE) generates, transmits, distributes, and sells electric power to retail and wholesale customers in the United States. It manages long-term contracted assets consisting of clean energy solutions such as renewable generation facilities and battery storage projects. NEE serves as one of the largest providers of electricity in the United States, servicing approximately 12 million customers through the east and lower west coast of Florida.[1]

Investment Thesis:
The McClain Fund is invested in NextEra Energy because it possesses strong fundamentals, large scale, and the ability to provide customers with energy at low prices while consistently growing profits. NEE operates in a heavily regulated industry which provides stable cash flows regardless of the current market situation along with its commitment to several long-term contracts.

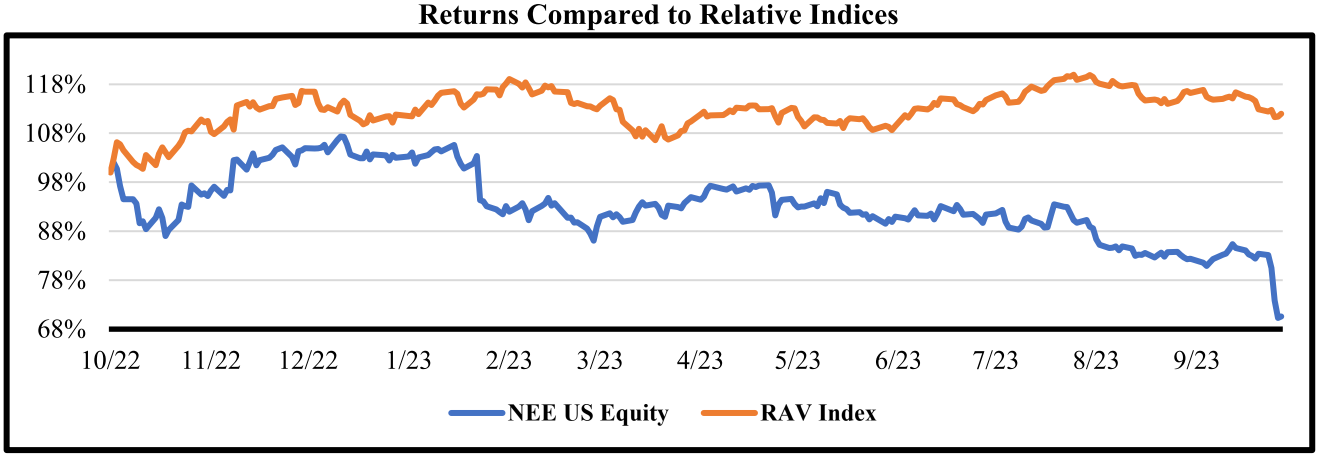
Alongside NEE's goal to provide cost efficient and reliable services to its customers, it has also invested heavily into clean energy. NextEra has established its position to expand its economic moat as the push for clean energy continues.

Positive Drivers & Risk Factors:
It is likely the government will continue to offer benefits for clean energy, further incentivizing its use and providing a tailwind for NEE's business model. With so many countries, businesses, and individuals looking to move to clean energy, NextEra Energy's standing will be further enhanced, as approximately 42% of its revenues originate from the clean energy segment of the company.[2] NEE is also well-positioned to continue to naturally benefit from the influx of people moving to the state of Florida, with nearly 445,000 people moving into the state from 2021-2022.[3]

The utilities sector is an extremely capital-intensive sector, and NextEra is heavily leveraged with a 130% debt to equity ratio.[4] If interest rates continue to rise, NEE could face significant headwinds, as the increased price of debt cannot be passed onto the customer through price increases due to the regulation in the industry.

Fiscal Year Actions:
Held 92 shares for the fiscal year. Dividend yield of 3.33% returned $168.13 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Realty Income Corporation (O)

Coverage: Hannah Patrignani

Market Price	Target Price	Market Cap	EPS (TTM)	P/FFO (TTM)	FY Return
$49.94	$67.67	$35,396.9M	$1.33	4.07	-8.55%

Description:
Realty Income Corporation (O) is a real estate investment trust (REIT) that focuses on the management and leasing of single-tenant retail locations. It specifically caters to regional and national chains, such as Walgreens, 7 Eleven, and Dollar General. It owns over 12,000 properties spanning almost 250 million sq ft. of leasable space and generates revenue through its tenants[1] The company functions by participating in high-quality real estate, maintaining a conservative capital structure, assuming a prudent growth strategy, and priding itself on its culture of corporate responsibility.[2]

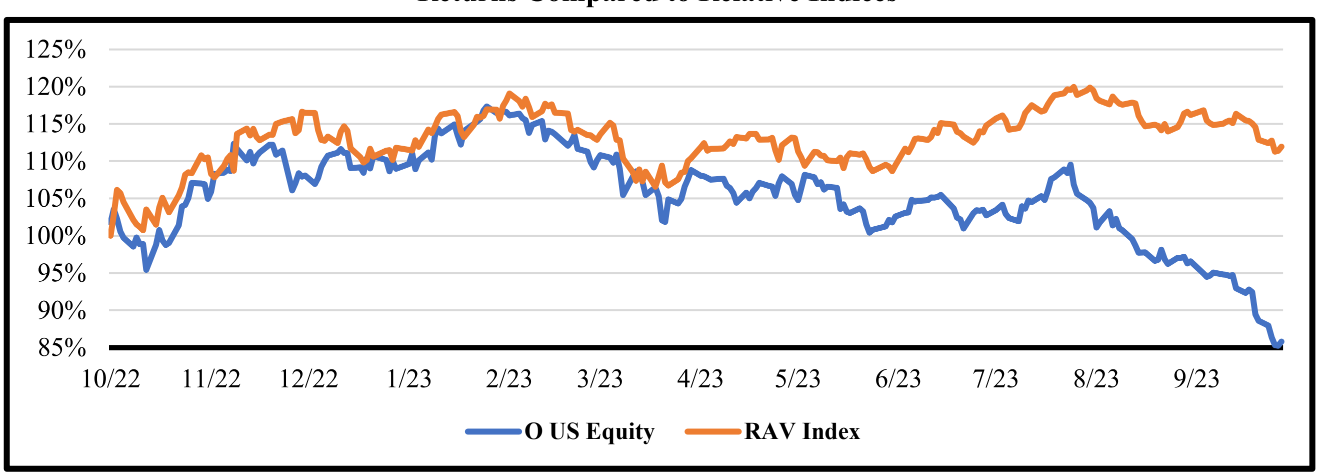
Investment Thesis:
The McClain Fund purchased O in the spring of 2020 when managers recognized O's use of triple-net long-term leases to reduce risk and its diversified tenant portfolio of many investment-grade companies. Today, the fund recognizes the importance of the monthly dividends Realty distributes as a large factor in our continued position in the security. The firm also benefits from its reputable and diverse client base, the low default risk of its tenants, and its considerable market share, which add to its strength as an investment for the McClain Fund.

Positive Drivers & Risk Factors:
O boasts an investment grade credit rating that allows for lower borrowing rates and provides opportunities for more capital acquisition. Additionally, as the United States middle class grows, O can expand into apartment buildings and shopping centers, to increase its market share.[3] Furthermore, rising interest rates in the United States economy provide O with the opportunity to increase tenancy rates since corporations may be less willing to buy and more likely to rent in a high-interest rate and inflationary environment.

Due to high interest rates enacted by the FOMC to curb surging inflation, O faces the threat of tenant relocation due to the economic downturn. The firm also experiences intense competition from other REITs and private investors, though it is currently the leader in the retail REIT industry. O also faces geopolitical risk as these worldwide conflicts can cause the firm's tenants to experience low revenue and vacate spaces in the US.

Fiscal Year Actions:
Held 140 shares for the fiscal year. Dividend yield of 6.08% returned $459.48 in dividend payments this fiscal year.

Returns Compared to Relative Indices



PayPal Holdings Inc (PYPL)

Coverage: Jacqueline Tenney

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$58.46	$85.82	$64,191.27M	$3.35	17.47	-32.08%

Description:
PayPal Holdings (PYPL) provides technology that allows users to make digital payments that are electronically transferred from their bank account, credit card, or other financial institution.[1] This technology allows users to make payments anywhere, using any device, and acts as a secure platform to send and receive funds electronically. The majority of PayPal's revenue is received through transaction fees from its 400 million active accounts, processing 22.3 billion transactions per year. When users make or receive digital payments, fees are charged based on the transaction amount.

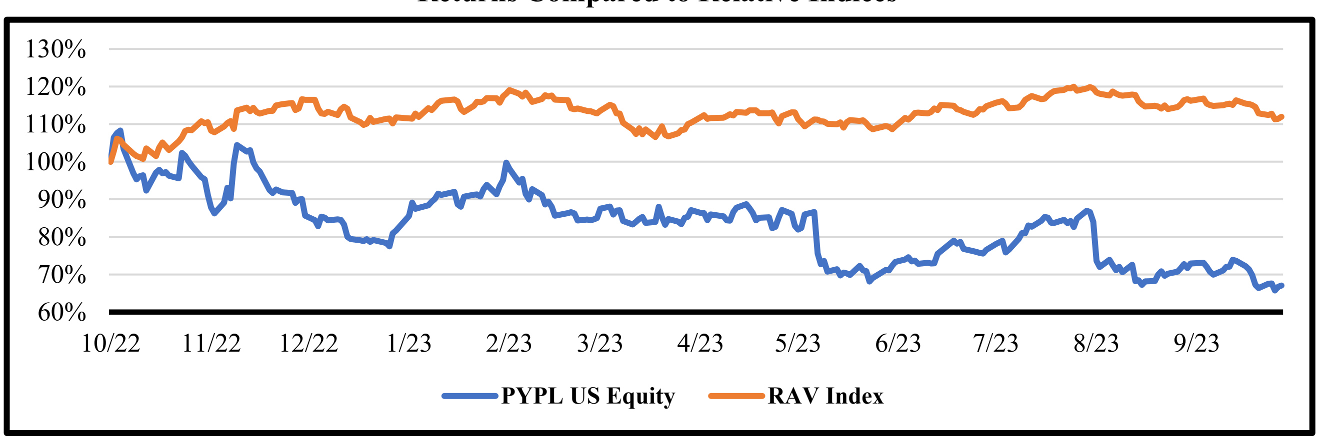
Investment Thesis:
The McClain Fund believes that several factors contribute to PayPal's intrinsic value, leading us to continue holding it although it was our bottom performer through this period. PayPal boasts a wide economic moat in the digital payments market, where it holds around 40% market share.[2] PayPal's revenue model is attractive, as it can generate revenue through transactions with minimal effort. PayPal's many subsidiaries in the digital payments' industry allow it to leverage many different markets of consumers, both on the merchant and individual customer side of its business. It offers a variety of products that appeal to virtually any consumer type, diversifying its revenue streams.

Positive Drivers & Risk Factors:
PayPal's main positive drivers derive from growth of the digital payment industry. The industry is expect to grow to a market size of $505.3 billion USD by 2032, with a compounded annual growth rate of 19.7%.[3] Non-cash transactions will continue to grow, largely due to the popularity and convenience they provide in this age of technology. It is unlikely that demand for these products will fade, as only 19% of Americans prefer to use cash over some form of credit or debit card.[4]

Headwinds for PayPal include new competitors, including JP Morgan Chase, entering the digital payroll segment. If competitors are able to produce technology that more efficiently and quickly processes payments, PayPal's market share could be threatened. In addition, PayPal has seen growth in its unbranded processors segment that generally yields lower margins. The improvement of these margins will be closely watched going forward.

Fiscal Year Actions:
Held 79 shares for the fiscal year. Dividends were not received from PYPL this fiscal year.

Returns Compared to Relative Indices



Stellantis NV (STLA)

Coverage: Jackson DeFrancesco

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$19.13	$25.26	$60,462.0M	$6.67	2.71	16.30%

Description:
Stellantis NV (STLA) is a global automaker and mobility service provider established in 2021, resulting from a merger between Peugeot S.A. and Fiat Chrysler Automobiles. Stellantis NV is engaged in the design, production, distribution, and sale of vehicles across its diversified portfolio of European and American car brands.

Investment Thesis:
The McClain Fund invested in STLA due to its diversified portfolio of product offerings. Its presence in Luxury Vehicles (Maserati), Premium Vehicles (Alfa Romeo, DS, and Lancia), Global Sport Utility Vehicles (Jeep), American Brands (Dodge, Ram, Chrysler), and European Brands (Citroen, Fiat, Peugeot), allows Stellantis NV to cater to different customer segments all around the world.

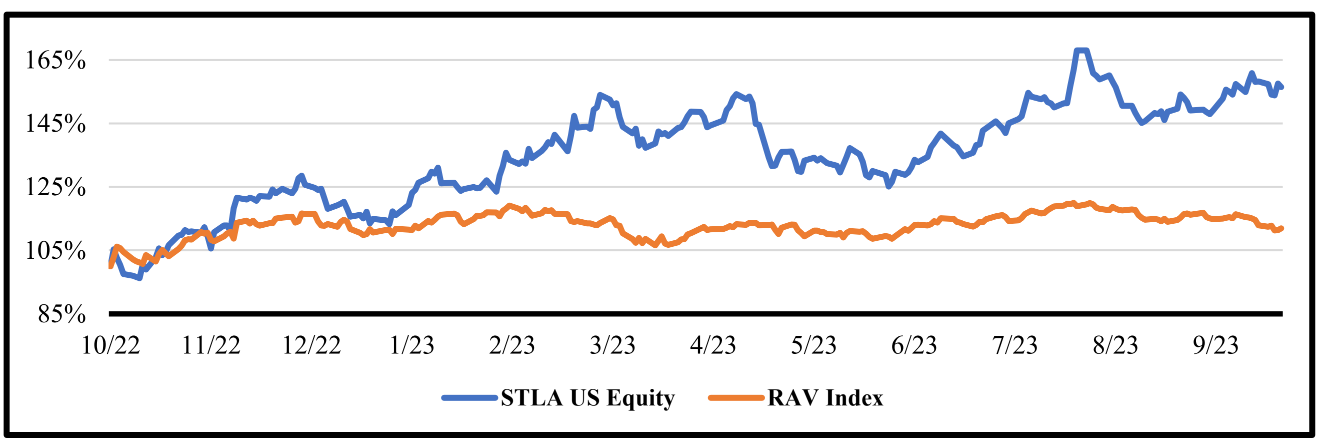
Additionally, STLA is a company that is focused on both innovation and growing its global presence with its array of products. Its market share in both the United States and Europe, 11% and 20% respectively, allow Stellantis NV to leverage economies of scale and enhance R&D efforts within the battery-electric vehicle space.[1]

Positive Drivers & Risk Factors:
Stellantis NV is strategically positioned to meet the evolving needs of consumers in a red-hot automotive market driven by an abundance of demand. EU car sales rose 9.2% in September, largely boosted by a spike in hybrid and EV sales.[2] In the United States, Q3 2023 light vehicle sales topped nearly 4 million units, up 17% year over year.[3] With a widespread global footprint, Stellantis NV is able to capitalize from increased demand.

Interest rate hikes implemented by both the ECB and The Federal Reserve will increase the financing costs for Stellantis NV's automobiles in its biggest markets, Europe, and the United States. Higher auto loan costs may sway consumers away from purchasing a Stellantis NV produced vehicle for the near future. Ongoing negotiation conflicts with the United Auto Workers have the potential to negatively affect Stellantis NV's sales, industry-leading operating margins, and ultimately earnings.

Fiscal Year Actions:
Bought 630 shares for $11,040.62 on 3/21/2023. Dividend yield of 7.74% yielded $783.73 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Smith & Wesson Brands, Inc. (SWBI)

Coverage: Jackson DeFrancesco

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$12.91	$15.17	$595.8M	$0.96	13.45	28.50%

Description:
Smith & Wesson Brands, Inc. (SWBI) is a firearms manufacturer headquartered in Maryville, Tennessee. SWBI manufactures and sells a wide array of handguns, long guns, handcuffs, suppressors, and other firearm related products to hunters, collectors, competitive shooters, law enforcement, and military agencies across the globe.

Investment Thesis:
The McClain Fund invests in SWBI because of its commitment to becoming the undisputed market leader in the firearm industry. Its corporate strategy, which places emphasis on designing innovative, high-quality products that drive customer satisfaction and maximize return on invested capital for its shareholders, aligns with our investment objectives.[1]

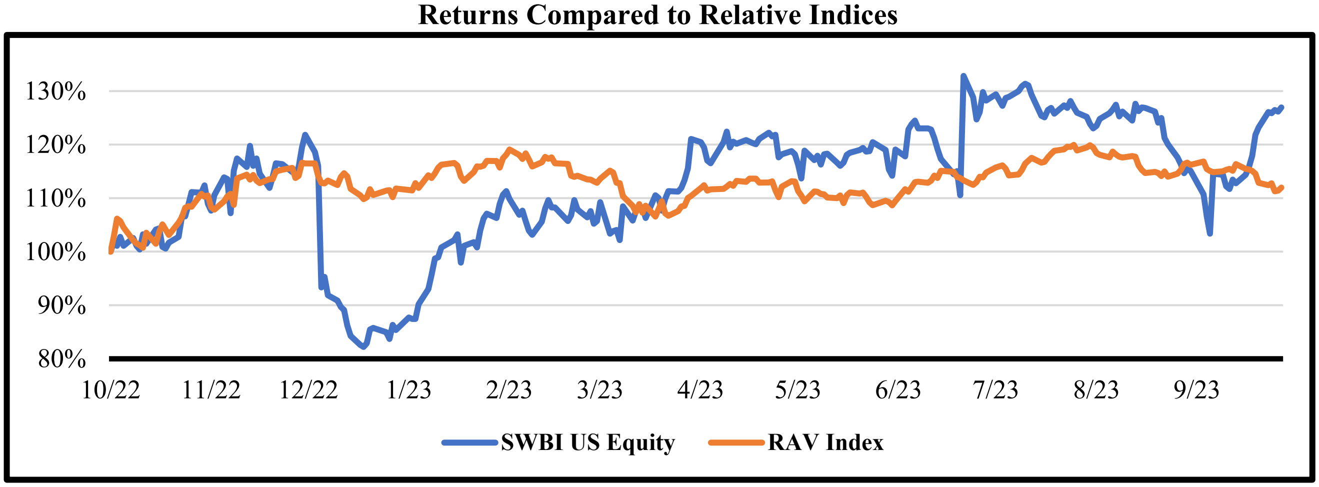
In recent years, the firearms sector has witnessed robust demand, primarily fueled by growing concerns regarding personal safety. This heightened demand has translated into impressive sales growth for Smith & Wesson. SWBI has strengthened internal controls, relocated its headquarters and distribution operations, and allocated more resources to R&D to progress towards its objective.

Positive Drivers & Risk Factors:
Increased firearm demand, specifically through contracts with government agencies, allow Smith & Wesson to spread brand awareness while capturing a growing source of revenue. An emphasis on product quality and innovation is also a growth driver for Smith & Wesson. Per its 2023 10-K, new products accounted for 25% of overall sales for SWBI.[2]

Regulations and new legislation that implement stricter gun control laws at state or federal levels can decrease overall sales and increase the cost of production for Smith & Wesson's firearms and accessory products. A rise in headline stories that shed a negative light on firearms, including cases of gun violence, may also pose as a risk factor to Smith & Wesson.

Fiscal Year Actions:
Held 860 shares for the fiscal year. Dividend yield of 3.65% returned $361.20 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Ulta Beauty, Inc.
(ULTA)
Coverage: Jackson DeFrancesco

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$399.45	$520.34	$19,664.4M	$25.04	15.95	1.10%

Description:
Ulta Beauty, Inc. (ULTA) is America's leading beauty retailer, offering a wide range of beauty products, from fragrances and skincare to haircare, makeup, and bath and body products, accessible through both its physical stores and online platform. Ulta primarily generates revenue through retail sales in its physical stores, online e-commerce, and additional income streams from salon services and its loyalty program.

Investment Thesis:
The McClain Fund invests in Ulta because it places a strong emphasis on a shopping experience that combines convenience with added value. Ulta's offering of 25,000+ differentiated products from more than 600 established brands help make beauty accessible to everyone. As a cosmetic provider, Ulta boasts consistently high profit margins (39% gross margin in Q2 2023), and an industry leading turnover ratio of just under 4.[1] A rapidly growing e-commerce and brick-and-mortar presence has helped grow Ulta's net sales by more than 10% from Q2 2022 to Q2 2023.

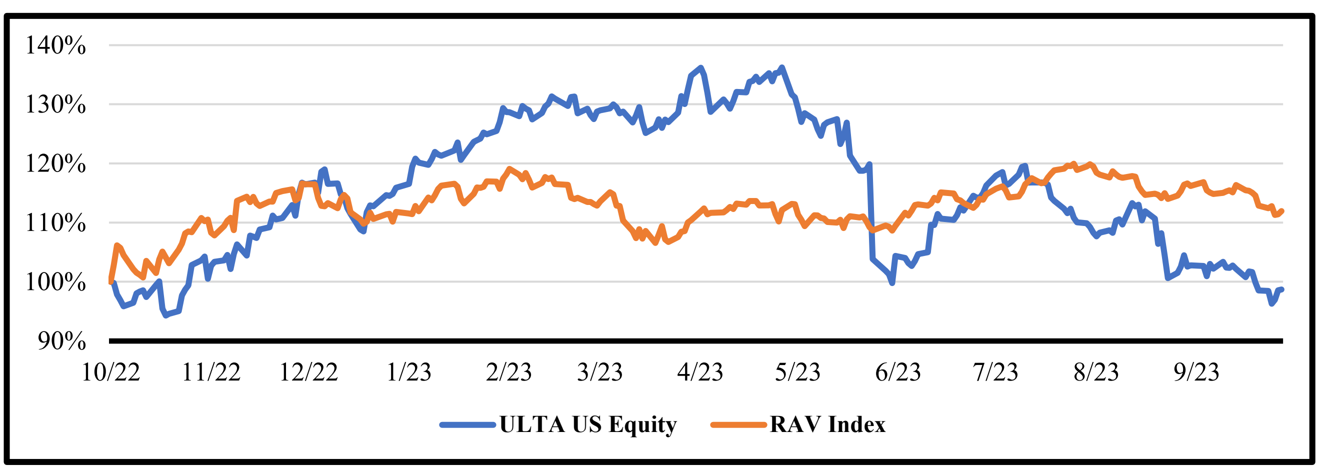
Within the beauty industry, Ulta faces fierce competition from Mary Kay, Sally Beauty, and Sephora (part of luxury conglomerate LVMH). Ulta is able to stay one step ahead of the competition with its Beauty Rewards Program, which has over 40 million members that account for 95% of its sales.[2]

Positive Drivers & Risk Factors:
Membership growth within Ulta's Beauty Rewards Program proves to be a positive driver for Ulta, as e-commerce and in-store sales are directly correlated to the promotions the program offers. Additionally, heightened partnerships with new brands, exemplified by successful collaborations such as Bubble Skincare, have the potential to broaden Ulta's consumer reach.

One risk Ulta faces is the potential of rising input costs or supply chain disruptions, which could negatively impact its high profit margins and earnings. As a desirable, non-essential good, beauty products are positively correlated to the well-being of the economy and consumer spending trends. A decline in consumer confidence and discretionary spending will negatively impact Ulta's overall sales.

Fiscal Year Actions:
Trimmed 12 shares from the position for $4,992.00 on 10/31/2022. Dividends were not received from ULTA this fiscal year.

Returns Compared to Relative Indices



Visa Inc
(V)
Coverage: Jacqueline Tenney

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$230.01	$279.22	$480,203.3M	$7.41	31.06	30.49%

Description:
Visa (V) is a world leader in digital payments and financial services, facilitating money movement among consumers, businesses, and financial institutions.[1] It links businesses and banks, acting as a single connection point for nearly 4 million payment cards and other payment services. Visa generates revenue mainly through transaction fees, deemed "interchange reimbursement fees." These fees are realized from the facilitation of financial transactions, processing of information for institutions, and client usage of Visa payment products. The issuer, acquirer, and merchant all pay Visa a percentage of the funds being processed.[2]

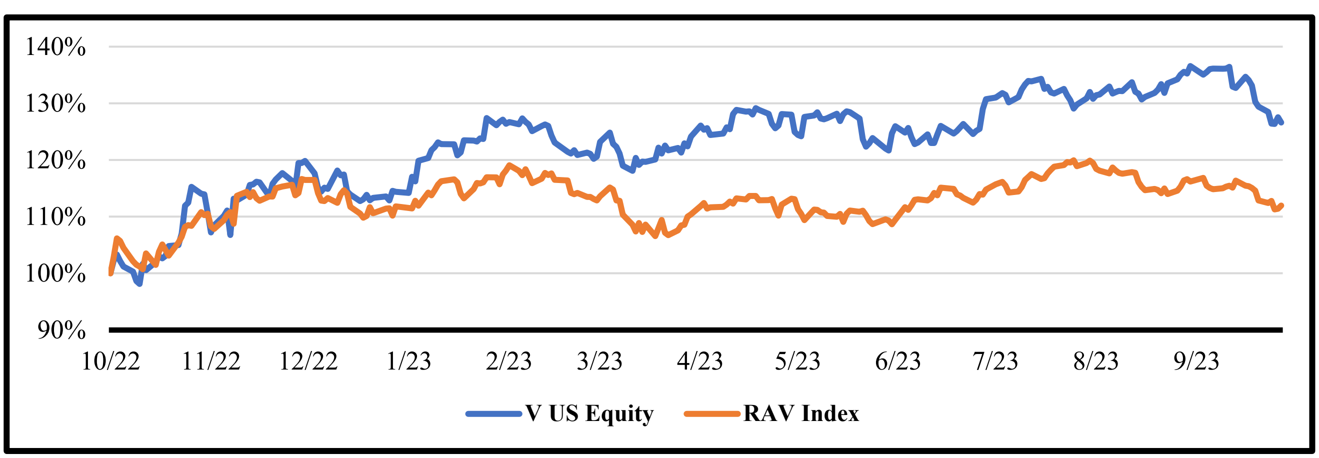
Investment Thesis:
The McClain Fund holds Visa due to its strong economic moat in digital payments, as it has maintained around 60% market share in the United States over the past few years. It continues to expand globally, boasting a global market share of around 40%. Visa's compelling brand recognition and extensive network of consumers further contribute to its moat. The world's enduring reliance on card payments and growth in online payments over the past decade position Visa as a compelling investment opportunity, contributing to its intrinsic value going forward.

Positive Drivers & Risk Factors:
Visa's presence in over 200 countries around the globe position it to efficiently implement its strategies in emerging economies that may be transitioning to electronic payments. The ongoing digitization of e-commerce and increase in cashless transactions offer a promising future for Visa's market share and growth. Forbes anticipates a 10.4% increase in e-commerce sales in 2023 and even higher growth rates further out into the future, offering favorable tailwinds for Visa moving forward.[3]

As for headwinds, the macroeconomic environment should be closely watched, as decreases in consumer spending could negatively impact Visa's total payment volume, decreasing transaction fees and therefore, revenue. In addition, if emerging financial technologies such as payment apps gain market share, Visa's economic moat could be impacted.

Fiscal Year Actions:
Held 72 shares for the fiscal year. Dividend yield of 0.77% returned $129.60 in dividend payments this fiscal year.

Returns Compared to Relative Indices



Vertex Pharmaceuticals, Inc. (VRTX)

Coverage: Kyle Siegel

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$347.74	$383.66	$89,749.9M	$14.56	23.88	14.96%

Description:
Vertex Pharmaceuticals, Inc (VRTX) is a global healthcare company that is primarily focused on cystic fibrosis treatments. Its cystic fibrosis drug, Trikafta, accounts for about 90% of the market share. Vertex makes its revenue in four different segments: Trikafta, Orkambi, Kalydeco, and Symdeko. Trikafta makes up about 65% of its revenue, while the other three drugs make up the remaining 35%. The main customers include cystic fibrosis patients.

Investment Thesis:
The McClain Fund is invested in VRTX because of its production of Trikafta. Trikafta is a successful drug and continues to hold most of the market share of cystic fibrosis treatments which proves to have a sustainable competitive advantage. In addition, Vertex has a strong pipeline of drugs as aforementioned.

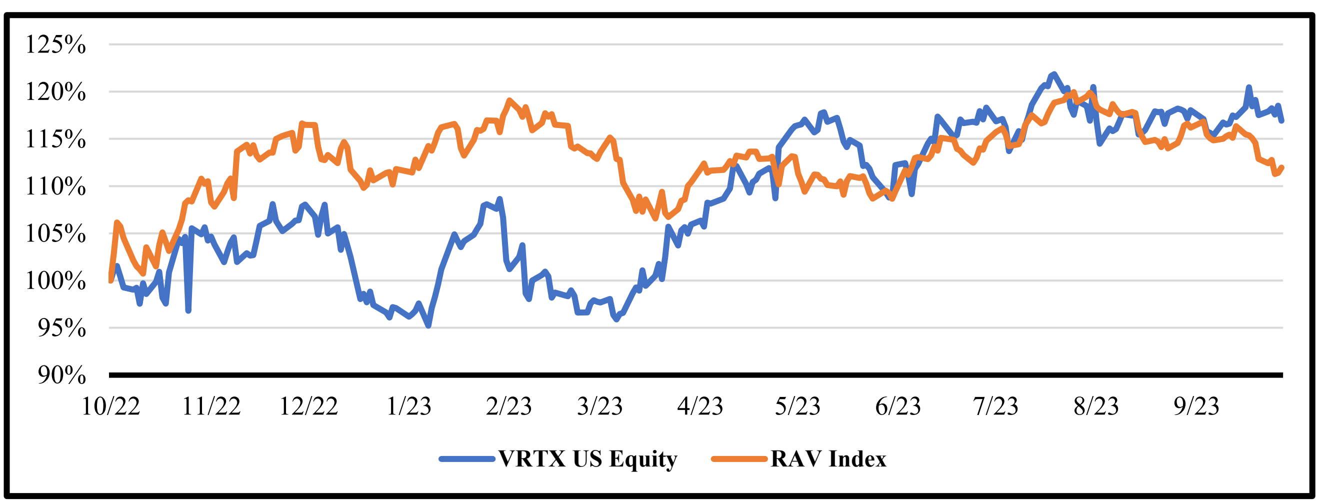
Vertex's strengths lie in its cystic fibrosis market share, as well as its ability to acquire up and coming pharmaceutical companies Recently, VRTX acquired Septerna, a biotechnology company developing technologies for G Protein-couple receptors (GCPRs). Vertex can acquire companies that are developing new technologies which expand VRTXs product line.

Positive Drivers & Risk Factors:
VRTX continues to grow and acquire companies with innovative technologies. In addition to Septerna, Vertex acquired ViaCyte earlier this year. ViaCyte is a company that produces a stem-cell replacement for people with Type 1 Diabetes. Vertex also reaps benefits from the orphan drug designation that encourages pharmaceutical companies to develop drugs to treat rare diseases like Cystic Fibrosis.

The FDA poses the biggest risk to VRTX because it can recall a drug at any point in time. Since Vertex has 90% of the cystic fibrosis market share, there is no immediate threat from competitors.

Fiscal Year Actions:
Trimmed 31 shares from the position on 11/22/2022 for $9,857.77. Dividends were not received from VRTX this fiscal year.

Returns Compared to Relative Indices



Verizon Communications Inc. (VZ)

Coverage: Lane Widerkehr

Market Price	Target Price	Market Cap	EPS (TTM)	P/E (TTM)	FY Return
$32.41	$39.12	$136,252.9M	$4.79	6.77	-12.75%

Description:
Verizon Communications Inc. (VZ) operates as one of the leading telecommunications companies in the United States. It primarily focuses on communications, technology, data centers, cloud services, and entertainment services for both consumers and businesses through monthly service plans. The company consists of two segments: Verizon Consumer Group, which accounts for 75% of sales, and Verizon Business Group, which accounts for 25% of sales.

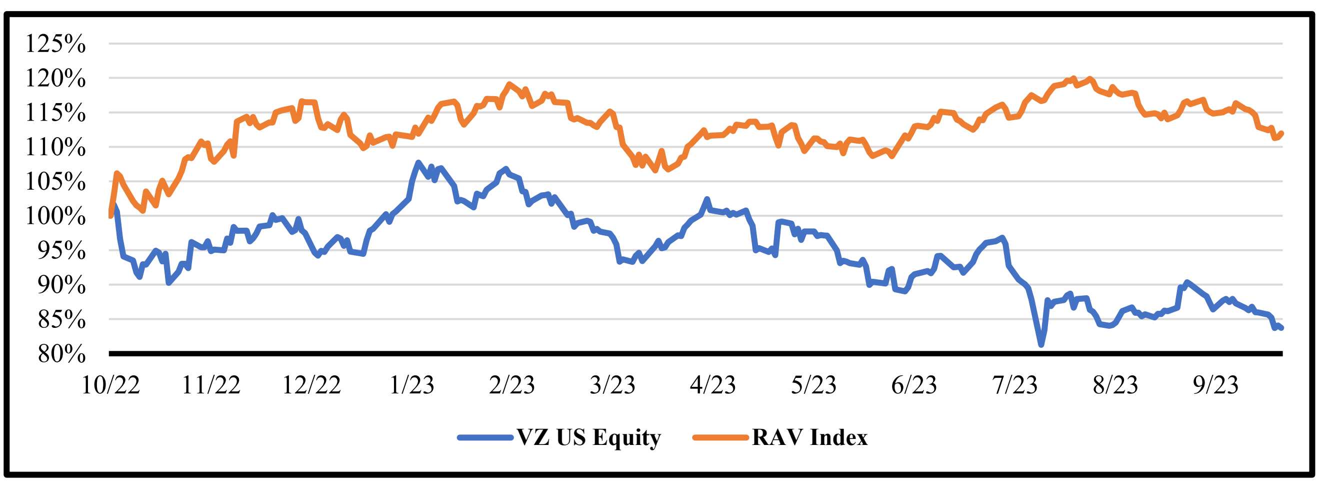
Investment Thesis:
Verizon enjoys a loyal customer base from superior network reliability. It focuses on delivering a satisfying customer experience and leading its industry in new 5G technology, investing over an estimated $45 billion into its expansion of 5G.[1] VZ has expanded outside of its cellular service offering into broadband, and business services. It is exploring other ventures such as 'Bluejeans,' a video conferencing service expected to compete with Zoom and Microsoft Teams.

Positive Drivers & Risk Factors:
Continued investment into 5G and servicing a larger broadband customer base could provide growth for VZ over the coming months and years. C-band access, which allows for stronger transmission of service, was released ahead of schedule and competitors' efforts to help supply customers in rural areas with access to 5G. The capabilities of its network are expected to grow at a compound annual growth rate of 28% from 2023 to 2030.[2]

Maintaining and upgrading network infrastructure is extremely expensive, but essential to being able to stay ahead of competitors. Rising interest rates have presented companies with a barrier to the reliance on debt to fund growth, a substantial risk to the company. The telecommunications sector also consists of large competitors; Verizon is behind AT&T in subscribers and revenue alongside the recent popularity and growth T-Mobile has experienced.

Fiscal Year Actions:
Bought 235 shares for $8905.00 on 05/02/2023. Dividend yield of 7.95% yielded $153.34 in dividend payments this fiscal year.

Returns Compared to Relative Indices



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