

MBA Student Investment Management Fund

Final Presentation

April 2023

MBA SIM Fund Team



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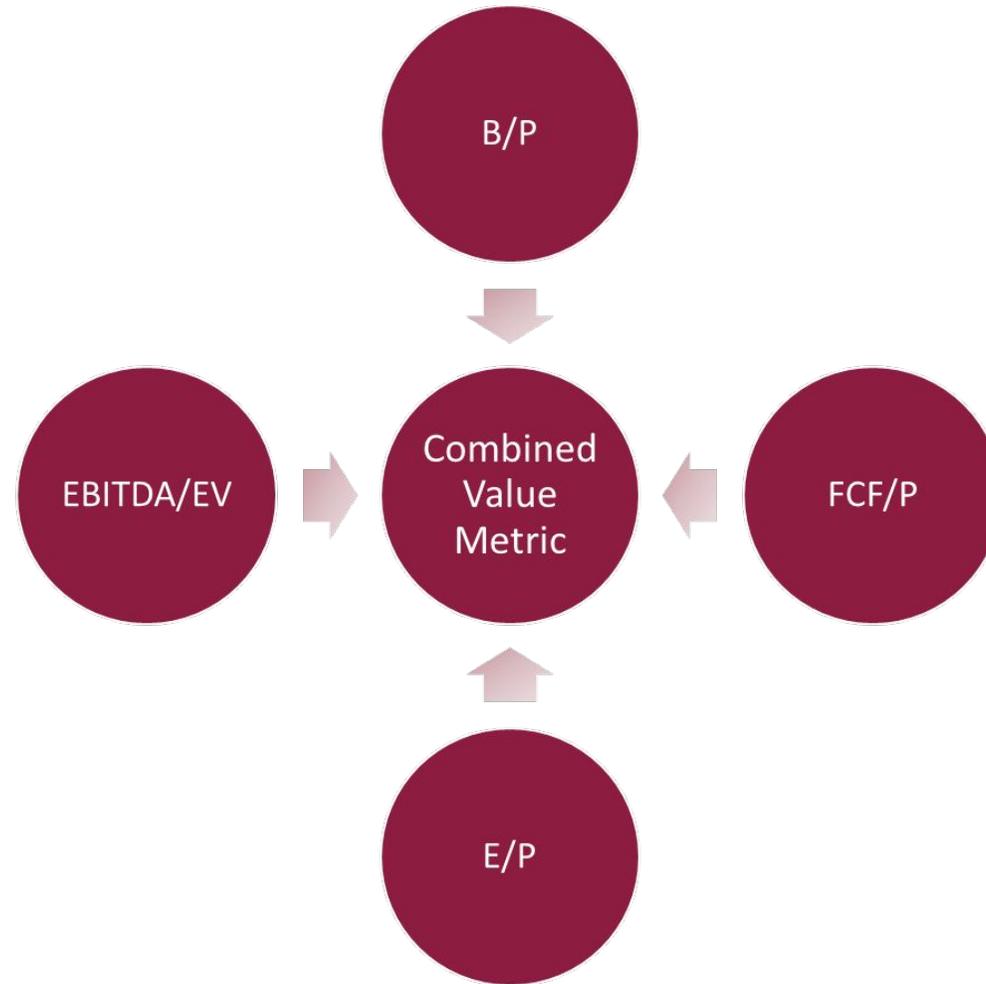
I. Investment Thesis

II. Key Moments & Portfolio Results

III. Lessons Learned

Investment Thesis

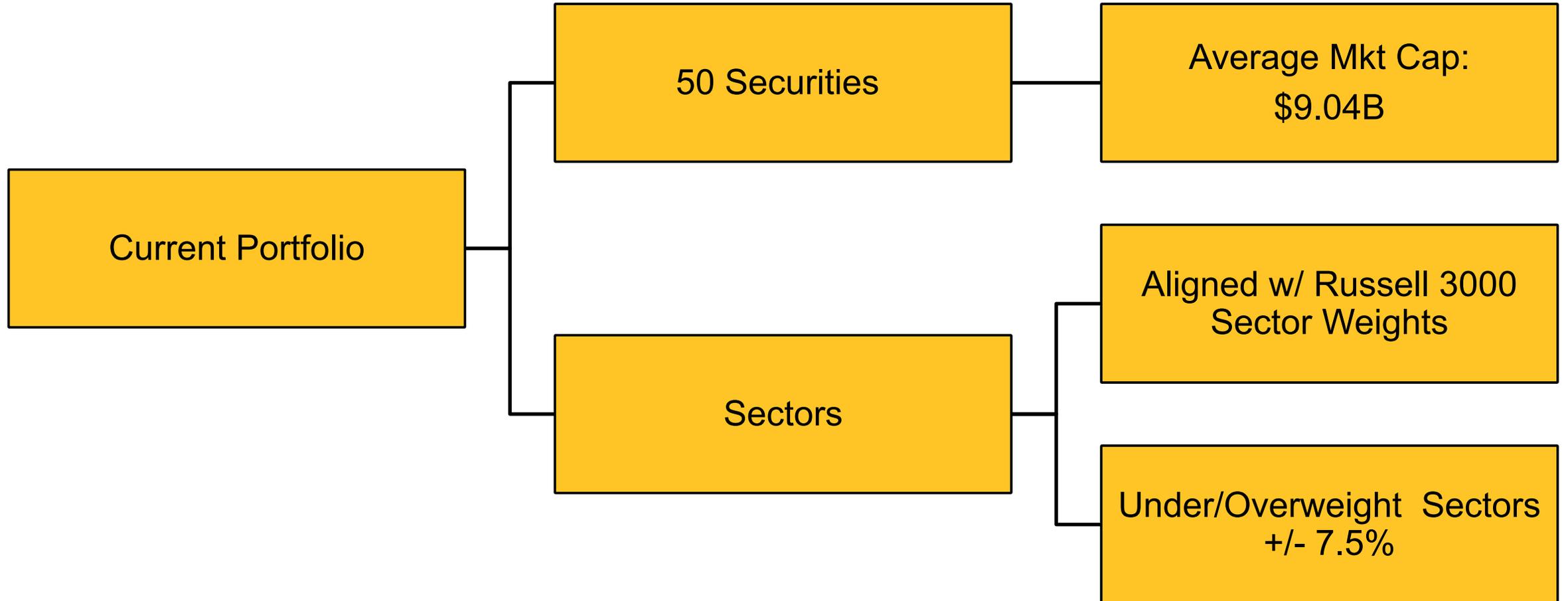
Our Strategy - Combined Value Metric Portfolio



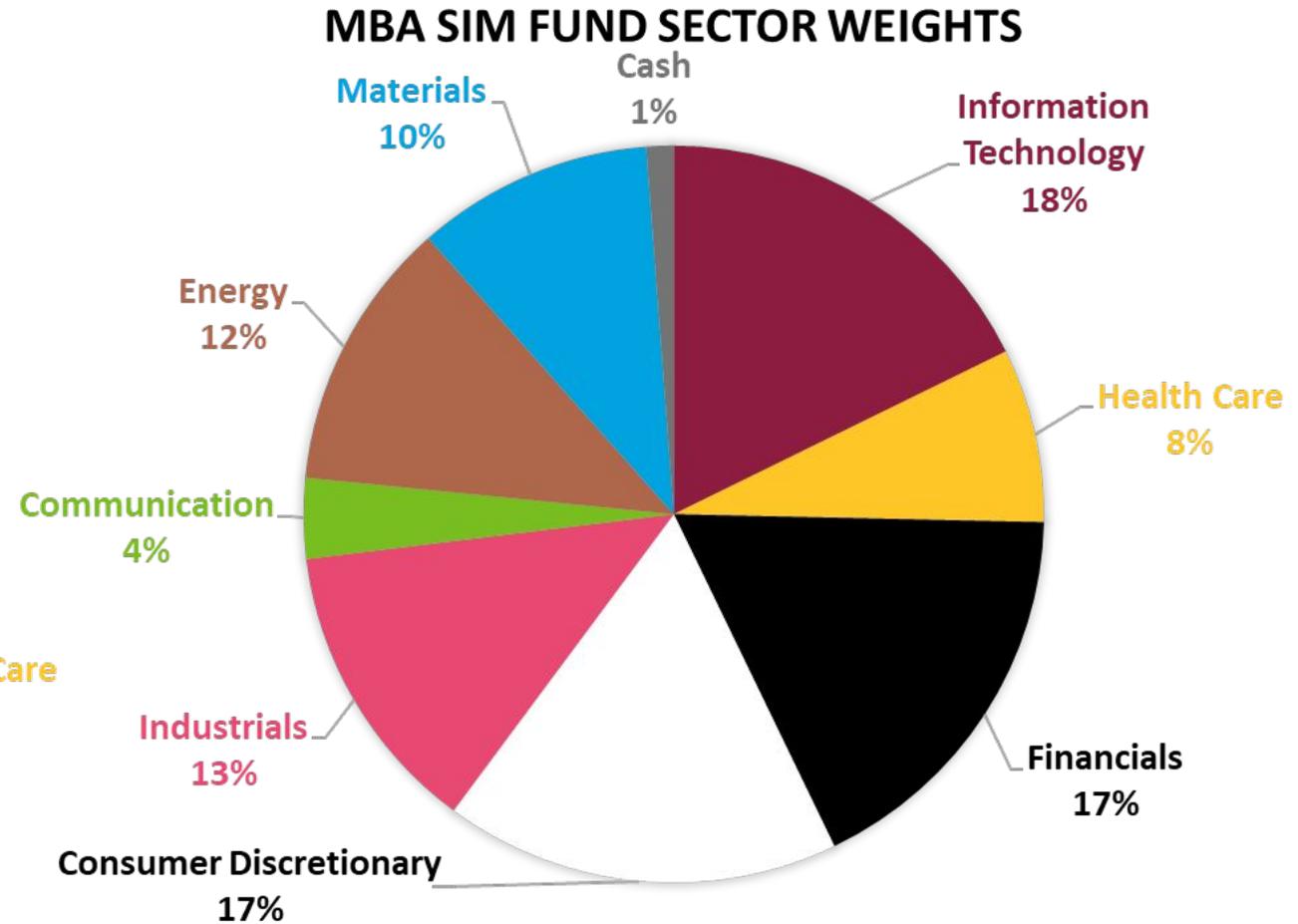
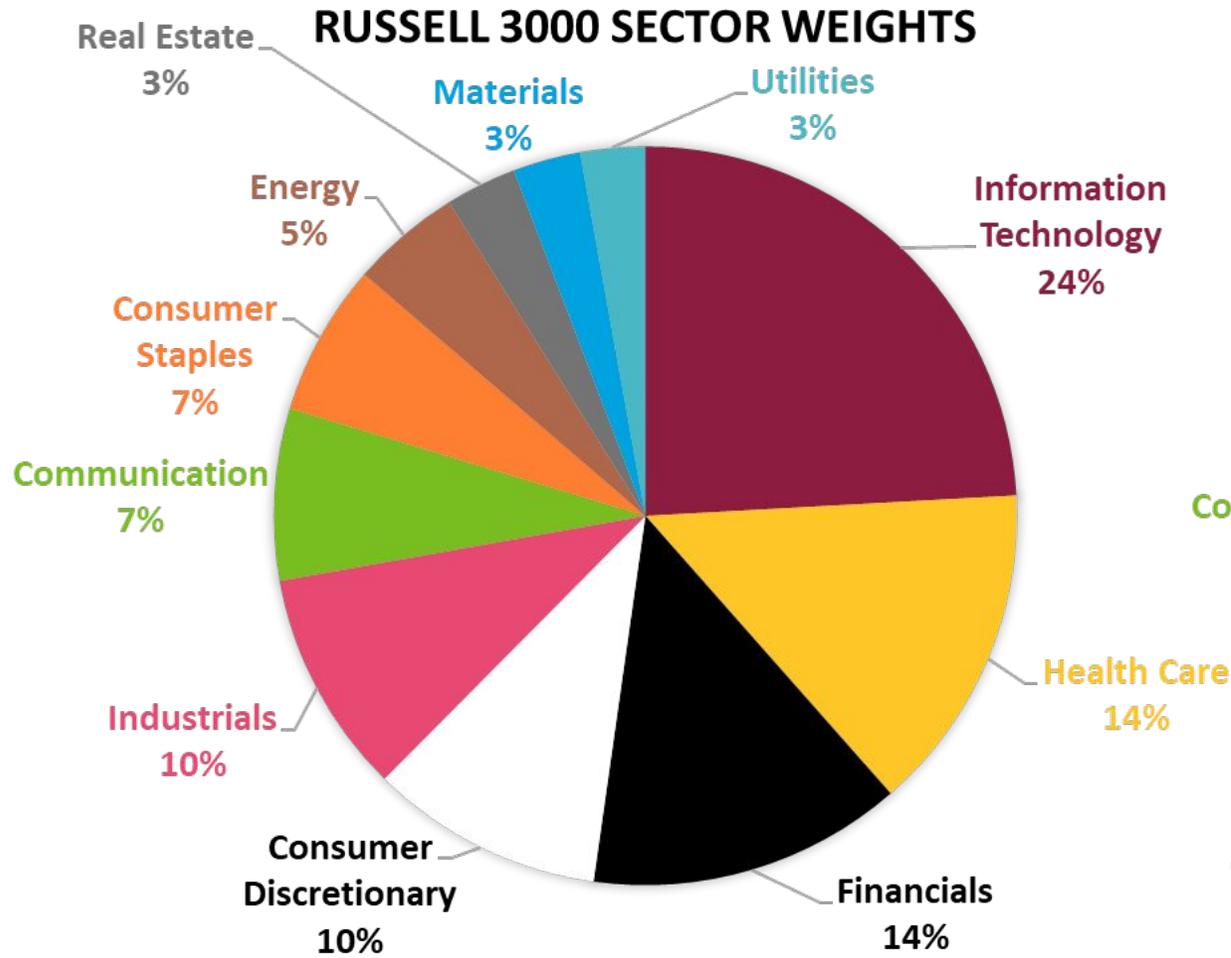
Our Strategy - Combined Value Metric Portfolio

Name	E/P	FCF/P	EBITDA/EV	B/P	Sum	Rank
UNITED STATES STEEL CORP	9	20	3	16	48	1
EAGLE BULK SHIPPING INC	18	37	22	154	231	2
MR COOPER GROUP INC	37	2	184	8	231	3
LUMEN TECHNOLOGIES INC	44	42	124	28	238	4
RESOLUTE FOREST PRODUCTS	72	54	31	86	243	5
TAYLOR MORRISON HOME CORP	45	58	83	63	249	6
GENCO SHIPPING & TRADING LTD	38	139	27	54	258	7
FULGENT GENETICS INC	78	77	1	128	284	8
LAREDO PETROLEUM INC	7	50	13	229	299	9
BERRY CORP	67	78	24	144	313	10

Current Portfolio Breakdown

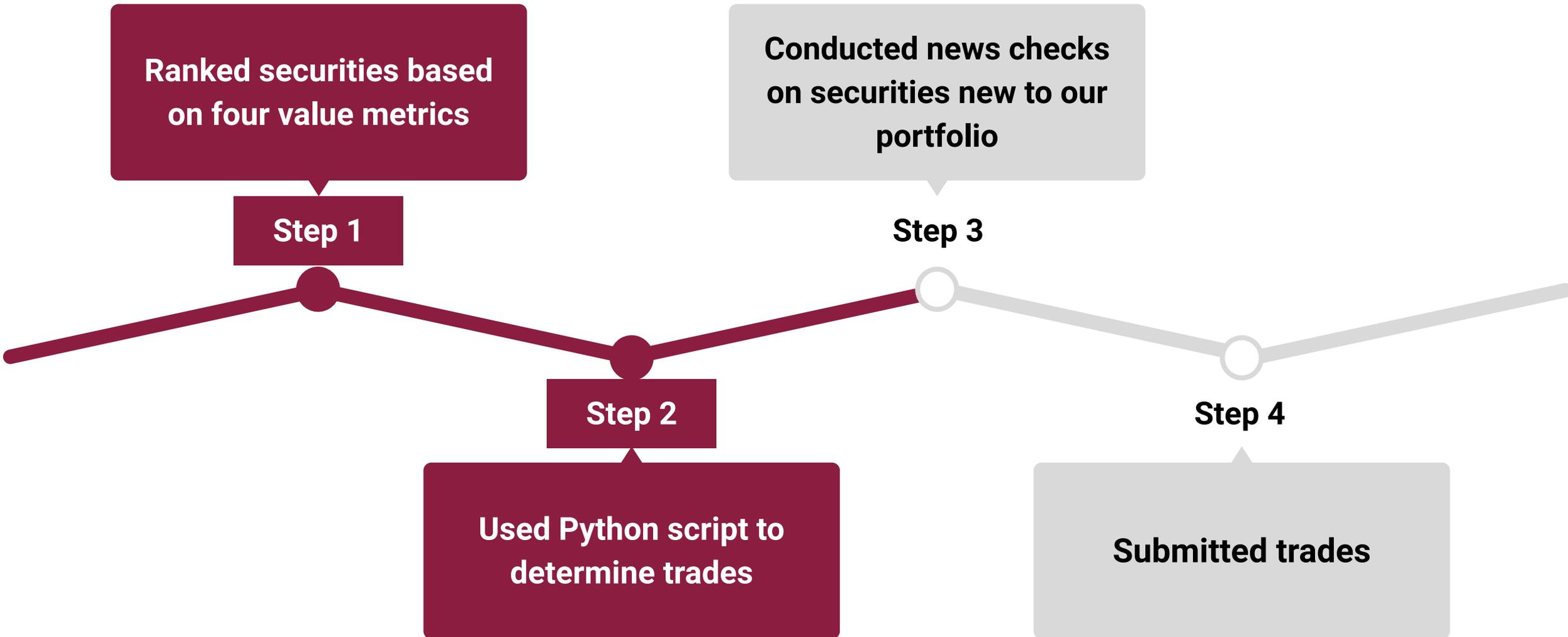


Current Portfolio Breakdown



Weights as of 4/24

Rebalancing Process



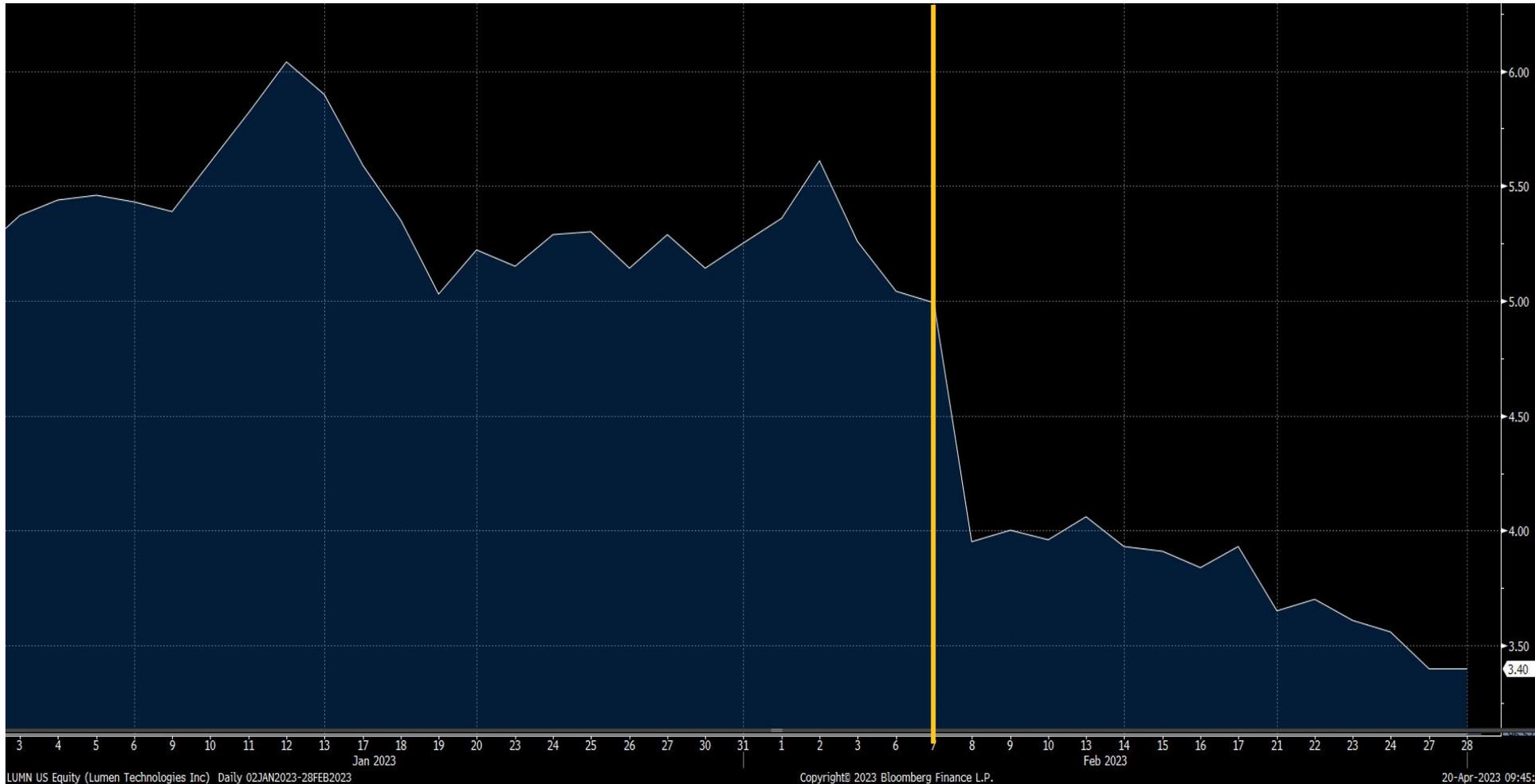
Turnover Overview

“If the new ranks are within 50 points of the prior rank, then leave alone and keep old security in our new portfolio. If the ranks are outside of a 50 point difference, then swap the security.”

	Portfolio Turnover Ratio	# of Securities Replaced	Trading Costs Incurred
Rebalance 1	1.4%	0	\$125
Rebalance 2	2.5%	1	\$260
Rebalance 3	18.7%	9	\$509
Rebalance 4	11.6%	4	\$573

Key Moments

Key Moment - Lumen Technologies

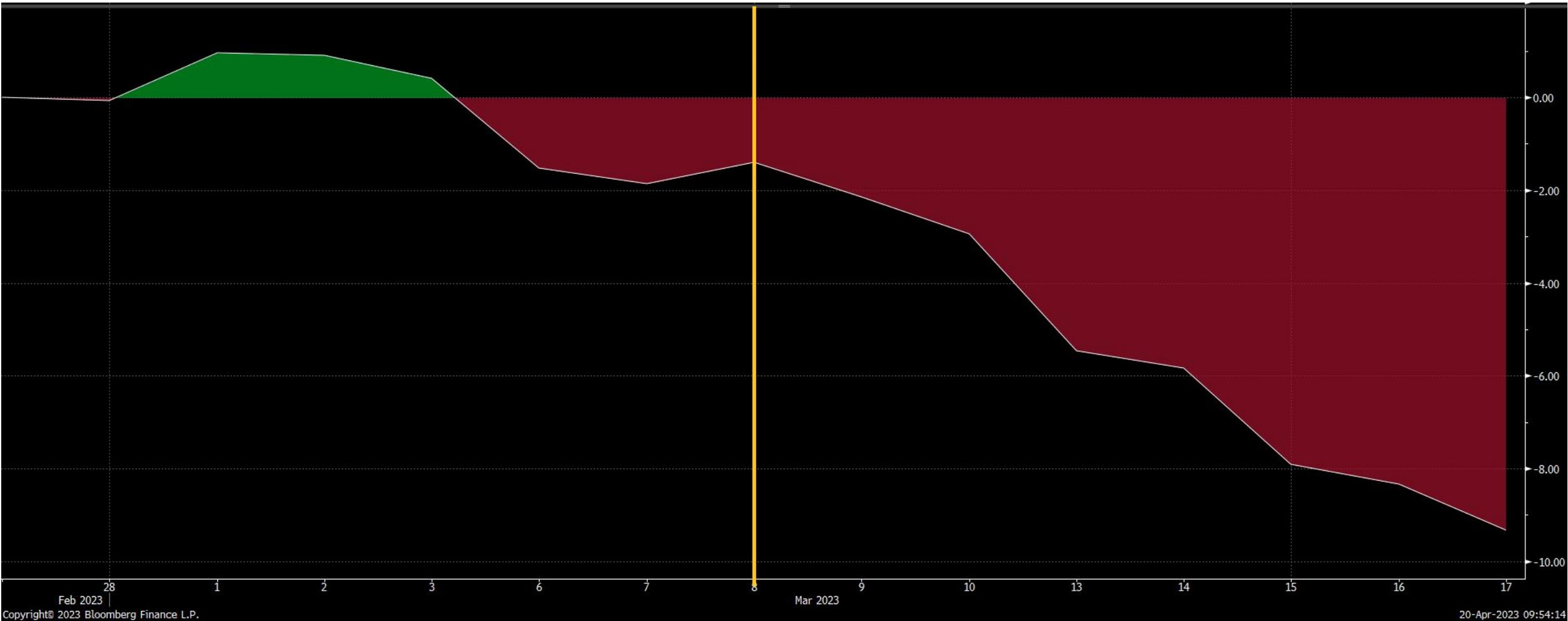


Week 13 (2/6-2/10)

On Feb 7th, Lumen Technologies reports 4th quarter earnings and sinks over 20% after offering disappointing guidance.

Despite the drop, due to diversification constraints contributed loss is only 4 BPS.

Key Moment - March 2023 Banking Failures



Portfolio Results

Benchmark Selection

1. iShares Russell 3000 ETF
2. iShares Focused Value ETF
3. Fidelity Value Factor ETF
4. Shadow Portfolio

Benchmark Characteristics

	iShares Russell 3000	iShares Focused Value	Fidelity Value Factor
# of securities	2,628	41	131
Assets under Management	\$10.6B	\$20.3M	\$462.4M
Expense Ratio	0.20%	0.25%	0.29%

Shadow Portfolio

Portfolio Breakdown

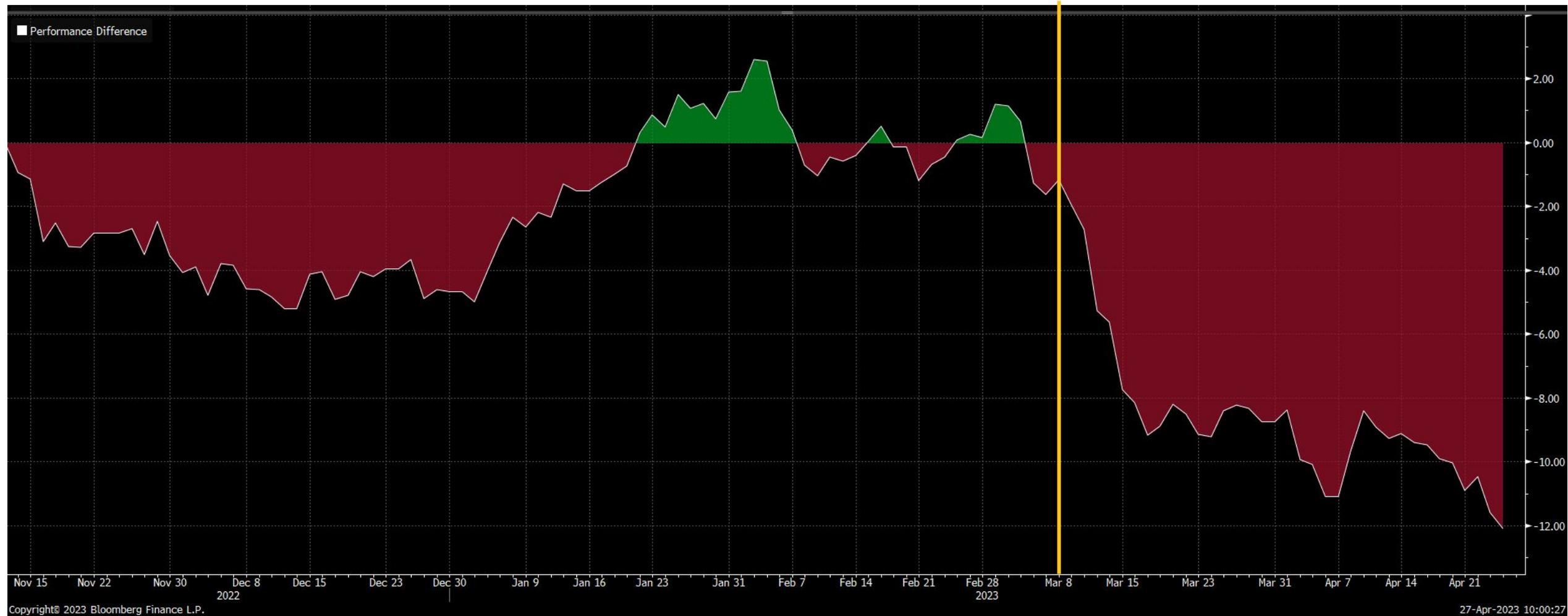
1. Same Universe (Mkt Cap > \$600M)
2. Top 50 Ranked Securities
3. No Cash Holdings

Portfolio v. Shadow Portfolio	
Same	80%
Different	20%

Benchmark Factor Characteristics

	B/P	E/P	FCF/P	EBITDA/EV
Sim Fund Portfolio	1.09	0.23	0.41	0.26
Russell 3000	0.27	0.05	0.07	0.04
iShares Value	0.76	0.15	0.22	0.15
Fidelity Value	0.40	0.08	0.11	0.08
Shadow Portfolio	1.08	0.26	0.47	0.33

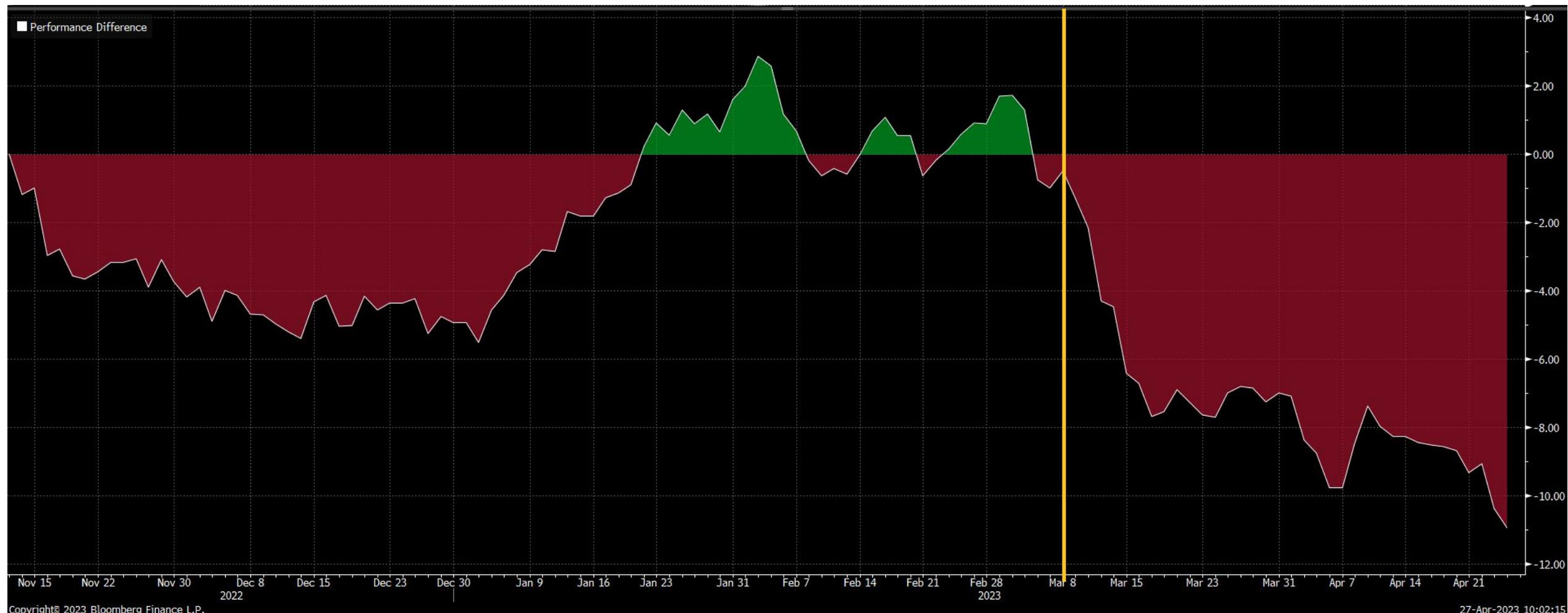
Portfolio Vs. Russell 3000



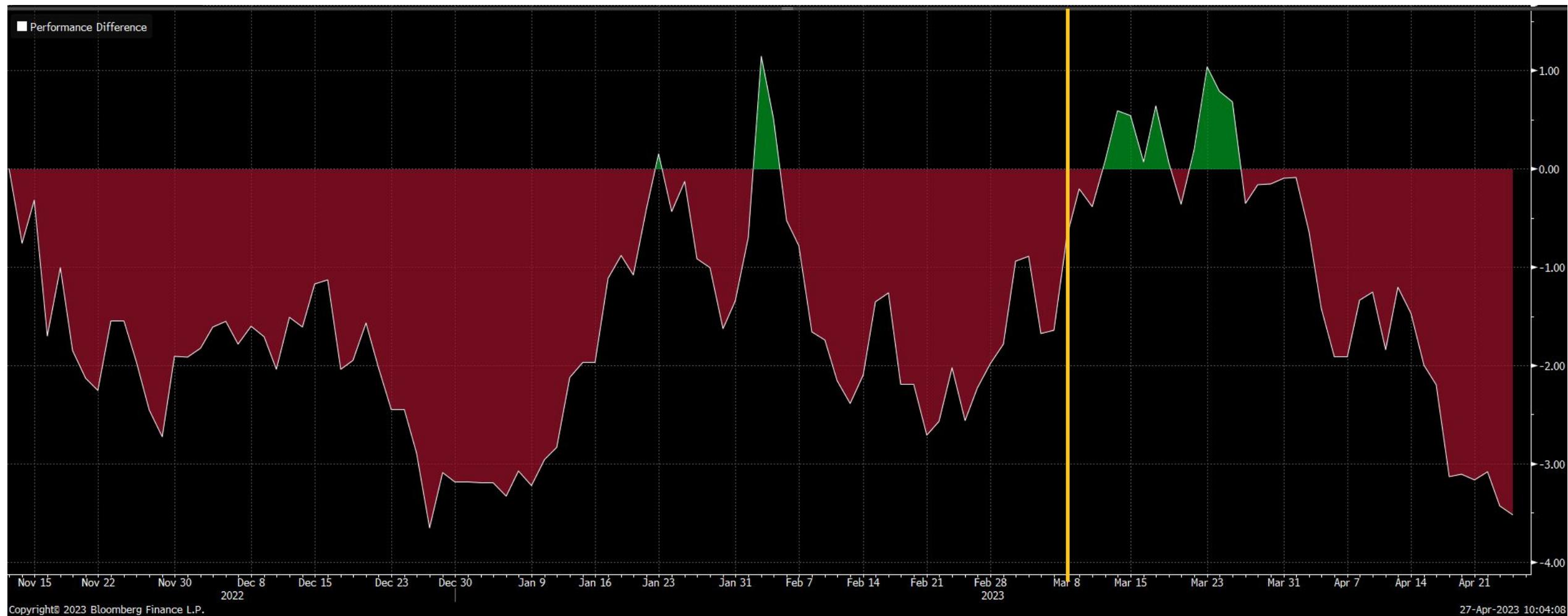
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Portfolio Vs. Fidelity Value Factor ETF



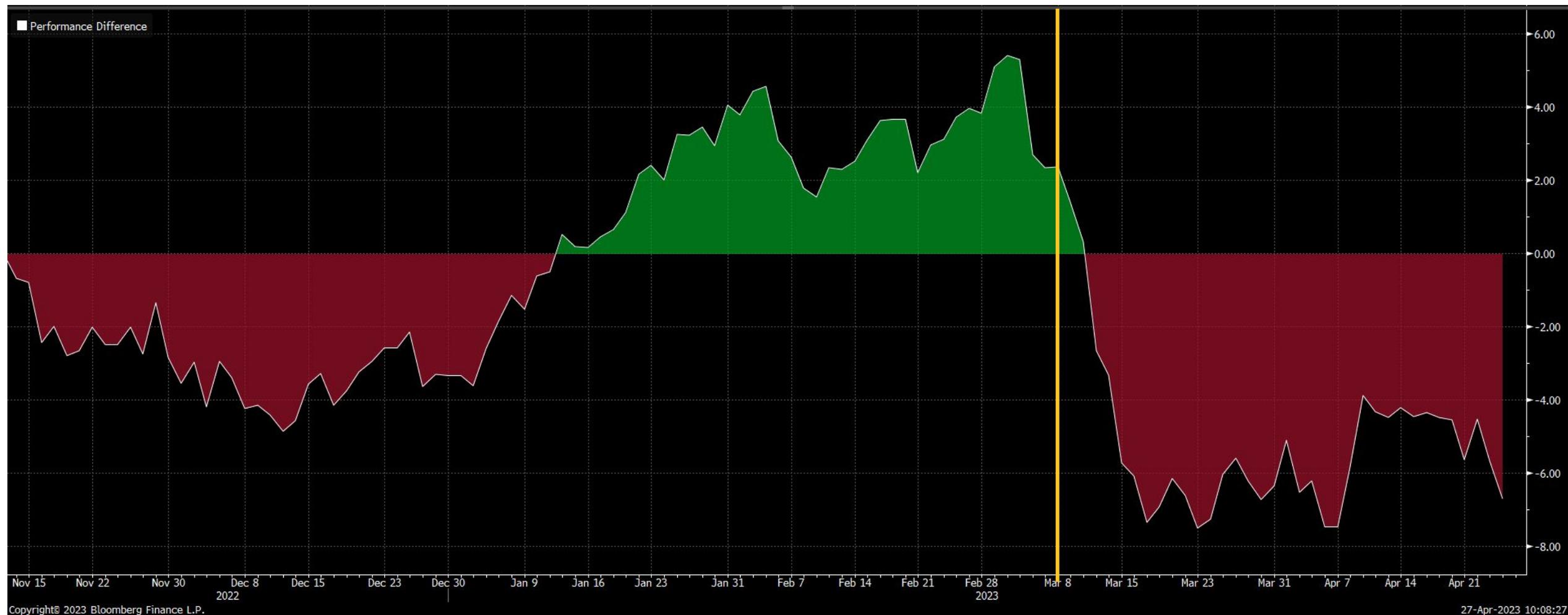
Portfolio Vs. iShares Focused Value ETF



Portfolio Vs. Shadow Portfolio



Shadow Portfolio Vs. Russell 3000



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Lessons Learned

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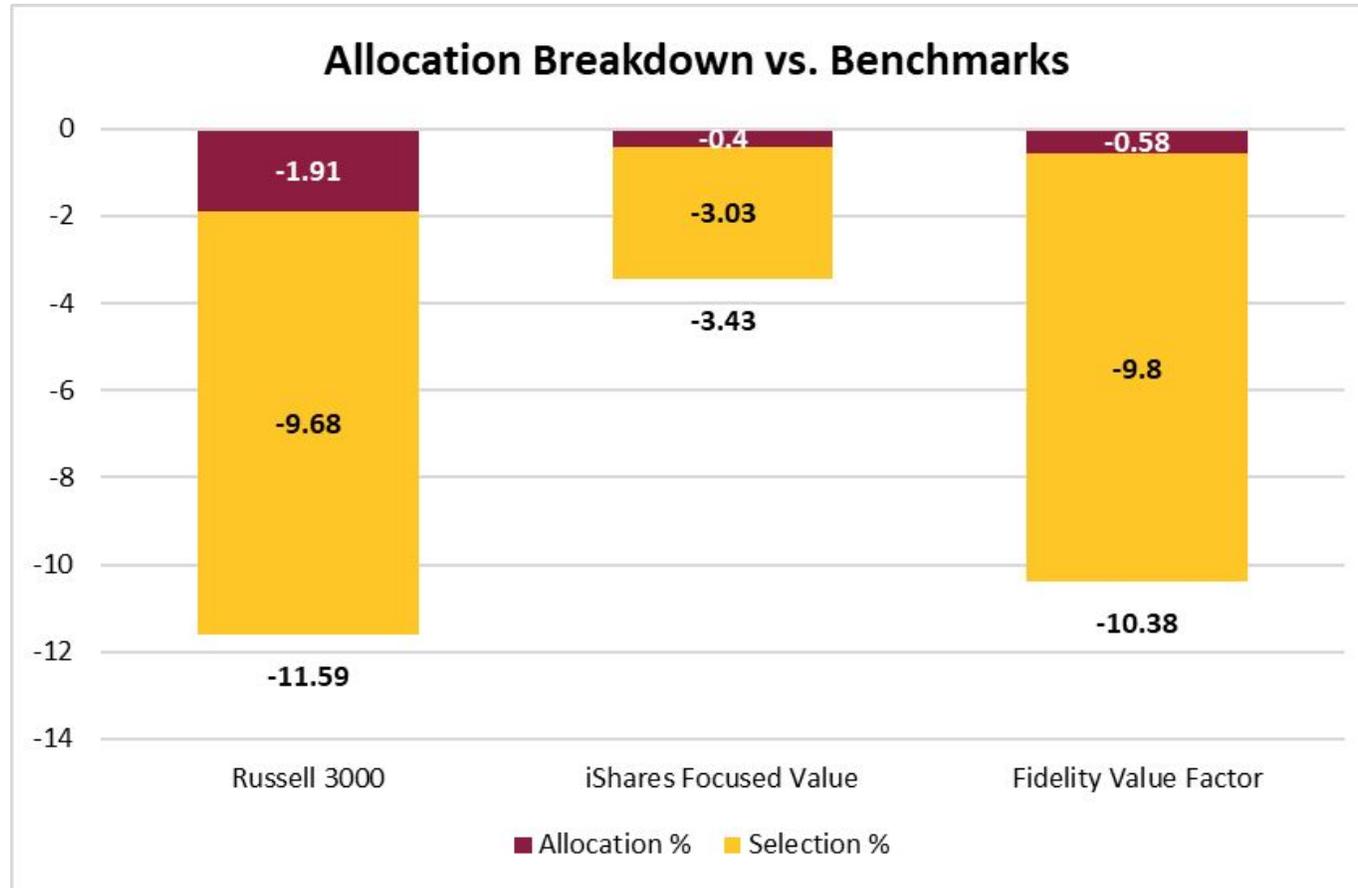


Jenna Zuberi

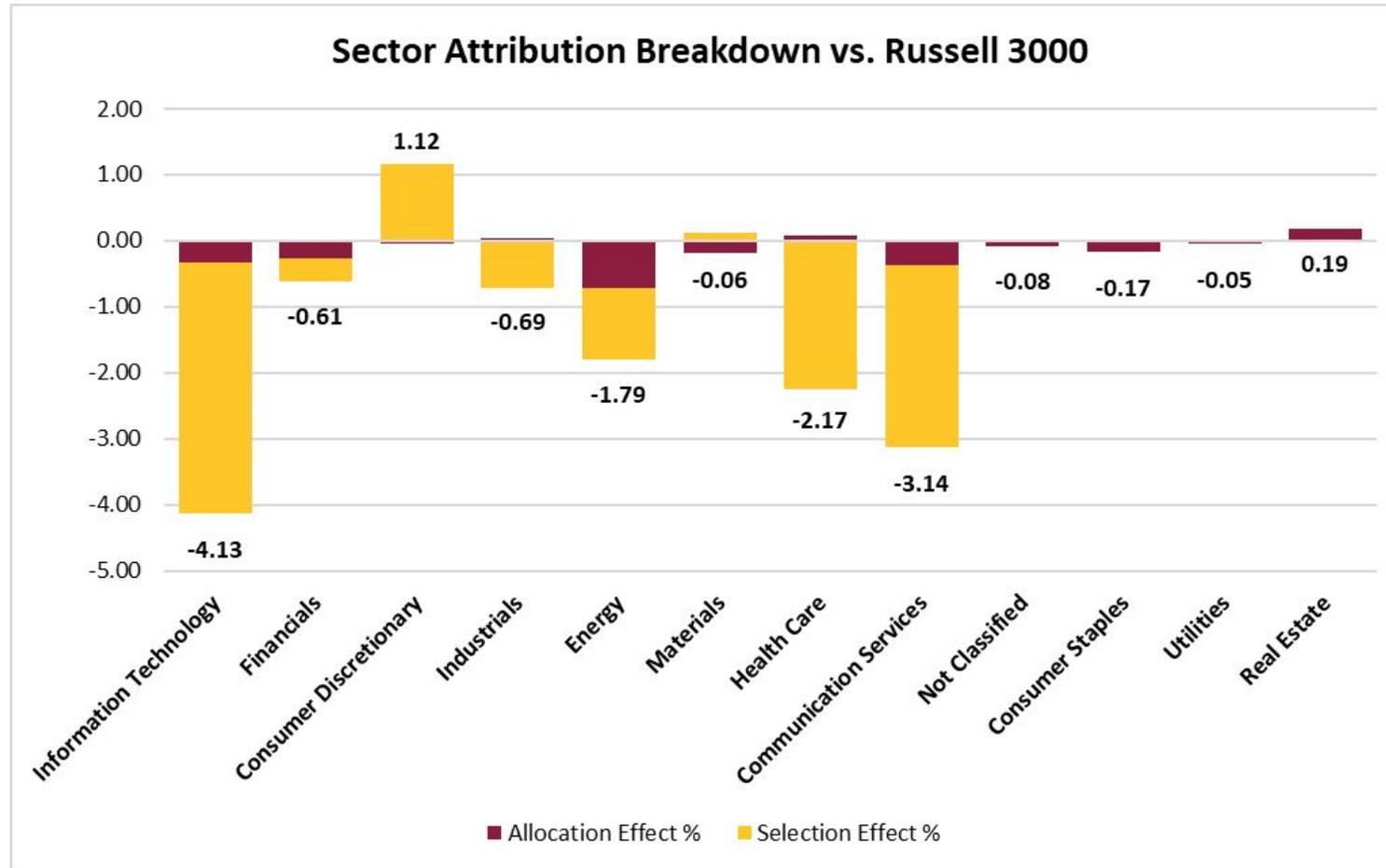
Thank You!

Questions?

Appendix - Attribution vs Benchmarks



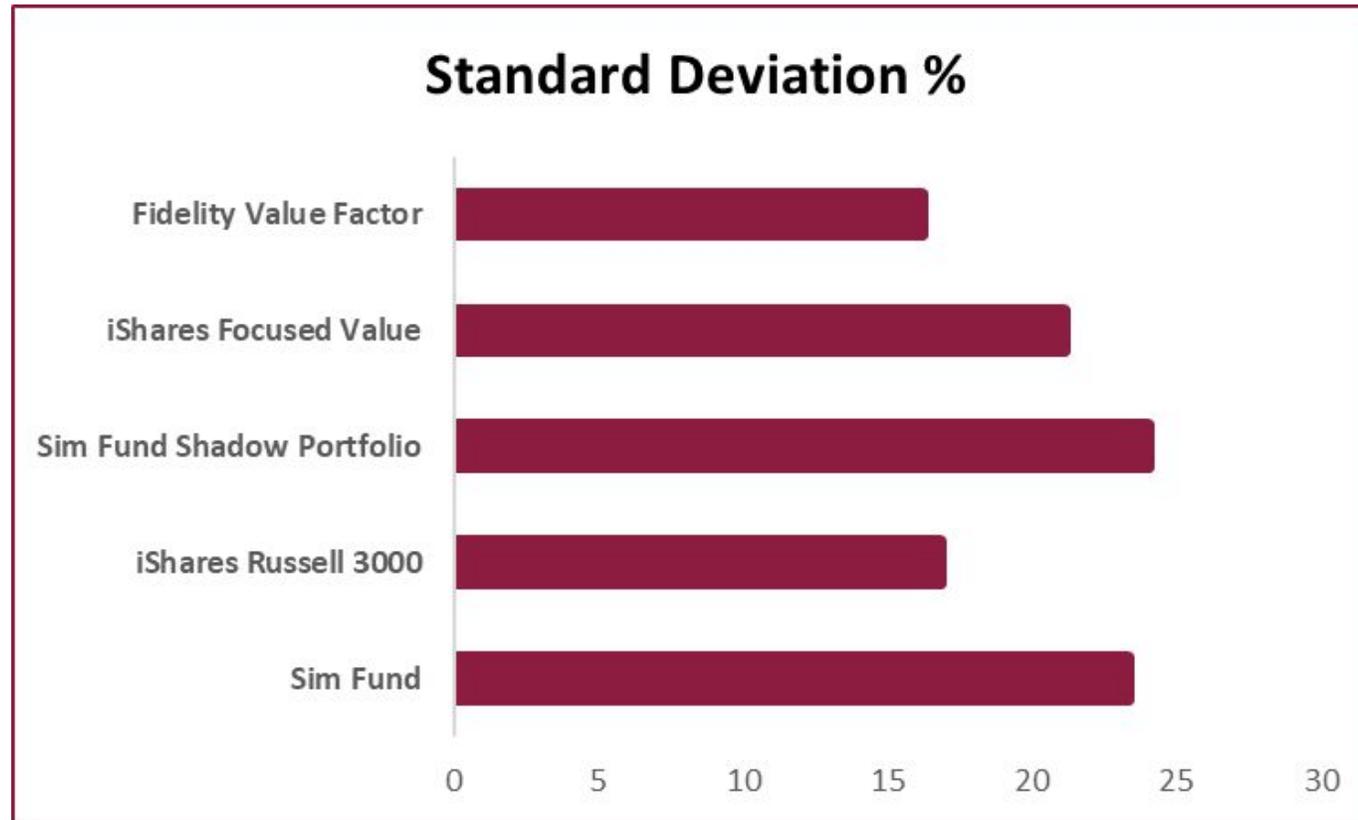
Appendix - Sector Attribution vs Russell 3000



Forward Looking Benchmark Characteristics

	P/B	P/E	P/FCF	EV/EBITDA
Sim Fund Portfolio	0.97	10.1	5.23	5.82
Russell 3000	12.78	24.06	149.21	12.35
iShares Focused Value	1.48	9.06	6.44	8.34
Fidelity Value Factor	10.06	16.04	363.37	11.56
Shadow Portfolio	0.95	8.31	4.19	5.10

Appendix - Standard Deviation



Appendix

Data Dictionary

- **CapEx**
 - Bloomberg Function: **TRAIL_12M_CAP_EXPEND** - Calculated by adding Capital Expenditures from the statement of cash flows for the last four quarters, two semi annuals, or annual.
- **OCF (in M)**
 - Bloomberg Function: **TRAIL_12M_CASH_FROM_OPER** - Calculated by adding cash from operations from the statement of cash flows for the last four quarters, two semi annuals, or annual.
- **Manual FCF**
 - Manually calculated as CapEx (in M) + OCF (in M)
- **BBG FCF**
 - Bloomberg Function: **TRAIL_12M_FREE_CASH_FLOW** - Calculated by adding Free Cash Flow for the last four quarters, two semi-annuals, or annual.

Appendix

Data Dictionary - Continued

- **Current Shares Outstanding**
 - Function in Bloomberg: BS_SH_OUT - All of the shares of a corporation that have been authorized, issued, purchased, and held by investors as of period end date.
- **Current Shares Price**
 - Bloomberg Function: PX_LAST - Last price for the security
- **True Current Cap**
 - Manually calculated as current shares outstanding X current share price
- **TTM_EPS**
 - Bloomberg Function: TRAIL_12M_EPS - Sum of the most recent 12 months, four quarters, two semi annuals, or annual earnings per share (EPS)
- **Manual P/E**
 - Manually calculated as current share price/TTM EPS
- **BBG P/E**
 - Bloomberg Function: PE_RATIO - Ratio of the price of a stock and the company's earnings per share.

Appendix

Data Dictionary - Continued

- **Manual FCF/P**
 - Manually calculated as $(\text{Manual FCF} * 1000000) / \text{True Current Cap}$
- **BBG FCF/P**
 - Bloomberg Function: PX_TO_FREE_CASH_FLOW - Valuation metric that compares a company's market price to its level of trailing 12 month free cash flow per share. Calculated as Last Price / Trailing 12 Month FCF Per Share
- **TTM EBITDA (In M)**
 - Bloomberg Function: TRAIL_12M_EBITDA - Calculated by adding EBITDA for the last four quarters, two semi annuals, or annual as determined by Primary Periodicity.
- **Current EV (in M)**
 - Bloomberg Function: CURR_ENTP_VAL - Calculated as Market Capitalization + EV Components
- **Manual EBITDA/EV**
 - Manually calculated as $\text{TTM EBITDA} / \text{Current EV}$

Appendix

Data Dictionary - Continued

- **BBG EBITDA/EV**
 - Bloomberg Function: CURRENT_EV_TO_T12M_EBITDA - Enterprise value as a percentage of trailing 12 month earnings before interest, taxes, depreciation, and amortization (EBITDA). Calculate as Current Enterprise Value / (Trailing 12 Month EBITDA+EBITDA Annualization Transition Adjustment for Operating Lease)
- **Book PS**
 - Bloomberg Function: BOOK_VAL_PER_SH - Measured used by owners of common shares in a firm to determine the level of safety associated with each individual share after all debts are paid accordingly. Units: Actual Calculated as Total Common Equity / Number of Shares Outstanding
- **Manual P/B**
 - Manually calculated as Current Share Price/Book PS
- **BBG P/B**
 - Bloomberg Function: MARKET_CAPITALIZATION_TO_BV - Measure of the relative value of a company compared to its market value. Unit: Actual. Calculated as Market Capitalization / Book Value