Fiscal Year 2024
Annual Report

June 30, 2024

Southern Illinois University – Carbondale

About the Saluki Student Investment Fund

The Saluki Student Investment Fund (SSIF) exists to provide SIUC undergraduate students with hands-on experience in portfolio management and investment research. As such, the SSIF is modeled after real investment management firms. SSIF students are focused on making the best investment decisions possible on behalf of their primary client, the SIU Foundation. The SSIF's investment philosophy is to capitalize on investment opportunities through focused fundamental research. The SSIF's competitive advantage is our students' unique and unbiased perspective and their ability to spot opportunities in the markets, especially those that are driven or favored by their generation.

SSIF members work in teams that focus their research on companies within specific sectors, such as information technology, financial services, and healthcare. The goal is to look for the best companies trading at discounts to fair value to outperform the mid-cap equity benchmark (S&P 400 Total Return Index SPTRMDCP). This allows students to put their classroom lessons to work in a professional environment. Moreover, students learn to collaborate and to take responsibility for their analysis and decisions as they must support their ideas with fundamental research.

The SSIF is open to all students from any major. In the past, most members have been from the College of Business, but students from other colleges within the university are welcomed. In recent years, SSIF has accepted students majoring in Finance, Business Analytics, Economics, Accounting, Marketing, Management, Mathematics, Physics, Engineering, Health Care Management, and Computer Science.

As of June 30, 2024, the SSIF manages a total of $4,040,620.

History of the SSIF

The SSIF was established in May 2000 through the generosity of Mr. Omar Winter and his wife Carol, both alumni of Southern Illinois University Carbondale. Mr. and Mrs. Winter provided $25,000 to start the student investment fund. Shortly thereafter, the SIU Foundation provided $200,000 for the students to manage on its behalf – in essence, the SIU Foundation hired the SSIF as one of its portfolio managers. The goal of Mr. and Mrs. Winter and the SIU Foundation was to provide SIUC undergraduate students with hands-on experience in portfolio management and investment research.

Dr. Mark Peterson, the Gordon & Sharon Teel Professor of Finance, was the inaugural faculty advisor to the SSIF and remained its advisor over its first decade. During that first decade, the SSIF's assets under management (AUM) grew to more than $325,000 with participation from more than 60 SIUC undergraduates. When Dr. Peterson stepped up as Chair of the Department of Finance in 2010, Dr. Jason Greene, Rehn Professor of Finance, became the SSIF faculty advisor.

In April 2011, the SSIF proposed to the SIU Foundation to increase its AUM from approximately $370,000 to $1,000,000. In recognition of the students' diligence, the SIU Foundation approved the increase and transferred the additional $630,000 to the SSIF's fund in May of 2011.

Dr. Xiaoxin Wang Beardsley, Associate Professor and Hamilton Family Faculty Fellow in Finance, joined and assisted Dr. Greene in advising the SSIF from the Fall semester of 2014. This took place after Dr. Greene stepped up to become the Interim Dean of the College of Business at SIU Carbondale.

Dr. Timothy Marlo, Clinical Associate Professor, took the reins as faculty advisor of the SSIF at the beginning of the Fall 2016 semester. On August 30, 2018, the SIU Foundation approved the merger of the Graduate Student Investment Fund with the SSIF, transferring $870,214 to the Fund. In 2024, the Fund hit a historic high as it surged over $4,000,000 in AUM with the participation of more than 400 undergraduate and graduate students since its inception.

Since 2000, the Foundation has graciously contributed $1,706,653 in principle to the Fund, and the Fund has returned $1,007,715 back to the Foundation. Thus, the net amount contributed by the Foundation to the Fund is $698,938. This amount is currently worth $4,040,620.

Table of Contents

Executive Summary

This Annual Report is made to the SIU Foundation by the Saluki Student Investment Fund (SSIF) and discusses the performance of the SSIF for the fiscal year (FY) ending June 30, 2024. The report begins with an annual review followed by a summary of portfolio rebalancing. A summary of investment policies and procedures is also provided. During FY 2024, the SSIF remained focused on managing the allocated capital in a manner that is consistent with its investment mandate. The mandate is to remain fully invested in mid-cap U.S. equities with the S&P 400 Midcap Index as a benchmark. A summary of the current organizational structure is included. The report concludes with the FY 2025 outlook of the Saluki Student Investment Fund followed by a list of resolutions, and a complete member roster for the SSIF during FY 2024.

Over the past fiscal year, the SSIF portfolio substantially outperformed by over 500 basis points compared to the benchmark. This performance can be evaluated in detail on the monthly returns chart. However, the SSIF does not focus on this short-term performance, but rather continues to focus on outperforming the benchmark over the long-term by operating on an active, fundamental, and value-focused strategy. Included is an attribution report of the returns by contributions from sector allocation and stock selection. The SSIF's investment process creates value through stock selection; therefore, the SSIF strives to remain sector neutral in the allocation of its assets by tracking the benchmark sector weightings as closely as possible. An individual stock's contribution to performance is noted, followed by a breakdown of how the teams' investment views guided the stock purchase/hold/sell activities in FY 2024.

Looking forward, the SSIF will continue to work diligently to adhere to the SSIF investment philosophy to generate sustainable returns while maintaining focus on long-term success in the future. The SSIF will also continue to improve the performance of the fund as well as the learning experience of the members in FY 2025.

Thank you for your continued support,

The Saluki Student Investment Fund

Overview

Annual Review

In the second half of calendar year 2023, the United States economy remained exceptionally resilient despite elevated interest rates of 5.25-5.50%, the highest level since 2001. During the year, there were several concerns which included the United Auto Workers union strike against Detroit automakers; higher gas prices; concern that the economic weakness of China would slow domestic growth; and the economic threat of a prolonged government shutdown. Fortunately, the strike was resolved, gas prices simmered, China prioritized stimulation of its industrial sector, and a government shutdown was averted. Fed policymakers held interest rates steady as more economic data showed positive inflation and economic growth. Furthermore, Fed policymakers began forecasting inflation to reach the 2% target level accompanied by moderate economic growth and a slight increase in unemployment, a much more optimistic view from its initial recession projections. Essentially, they were projecting a "soft landing" with many market commentators skeptical because of risk imposed by inflation and a growing budget deficit. To add to their skepticism, many brands catering to the upper middle-class demographic reported a slowdown in sales as wealthier Americans changed their spending habits. However, as 2023 concluded, US retail sales exceeded expectations as consumer spending held strong, further confusing the market as to the direction of the economy and interest rates.

Entering the first half of 2024, the economy continued to power forward at a real rate of 2.80%, while the PCE price index continued its downward trajectory to 2.63%, and the unemployment rate began to increase. Although the inflation rate nears the target range, Fed policymakers remain reluctant to cut interest rates until they are more confident about inflation continuing its fall. Adding to the uncertainty, signs of a cooling labor market began to appear, increasing the likelihood of potential rate cuts despite the inflation rate remaining above the 2% target. The unemployment rate grew to 4%, the US Quits and Job Openings rates both reached their lowest point at 2.10% and 4.90%, respectively. Furthermore, the ratio of job openings to unemployed workers trended downward from the beginning of last year to 1.20 (this metric peaked at 2.00 during the pandemic). At the latest FOMC meeting, Fed Chair Jerome Powell acknowledged the softening labor market and stated that the decision to cut rates would be based less on inflation and more on a normalizing labor market. Although worried about unemployment rising too quickly, Jerome Powell mentioned that the risks of a "hard landing" remain low. As we enter the second half of 2024, the key themes will be less about inflation and more about labor market dynamics and its implications on monetary policy; and whether the FOMC can balance the risks on both sides of its dual mandate.

Overall, the SSIF's FY 2024 performance was very strong, beating the S&P 400 benchmark by 5.19% at year end. The outperformance was the result of beating the benchmark for three quarters and only slightly underperforming in Q1. The Fund's Q4 FY 2024 attribution report made it clear that most of the outperformance from this quarter was due to the Health Care, Communication Services, and Consumer Discretionary sectors.

The SSIF still holds to the belief that there is attainable long-term value in mid-cap stocks represented in the S&P 400 Index. Over the course of the year, the SSIF continued developing a well-documented, repeatable process for future members to continue outperforming the benchmark over the long term.

Portfolio Rebalancing

Table 1 shows the SSIF portfolio sector weights over the calendar year. One of the goals of the SSIF, as instructed by the sector neutral policy, is to remain within a +/- 2% margin compared to the benchmark, S&P Midcap 400 Index, in each sector's weight. All sectors remained within this parameter.

As shown in Table 1, the Industrials and Consumer Discretionary sectors are the two largest sectors, and Communication Services and Utilities are the two smallest sectors. The Table compares each sector to the S&P Midcap 400, and displays the difference between the Fund's weightings and that of the benchmark. For reference, the sector weights for the past fiscal year ending June 30, 2023, have been included.

Table 1: Average Sector Weights in SSIF Compared to Those in the S&P 400

FY2024				FY2023			
Sector	SSIF	Benchmark	Diff.	Sector	SSIF	Benchmark	Diff.
Communication Services	1.67%	1.66%	0.01%	Communication Services	1.87%	1.87%	0.00%
Consumer Discretionary	15.28%	15.29%	-0.01%	Consumer Discretionary	14.49%	14.48%	0.00%
Consumer Staples	4.55%	4.46%	0.08%	Consumer Staples	4.19%	4.12%	0.07%
Energy	5.13%	5.21%	-0.08%	Energy	4.01%	3.98%	0.03%
Financials	15.20%	15.35%	-0.15%	Financials	14.76%	15.03%	-0.26%
Health Care	8.40%	8.22%	0.18%	Health Care	9.91%	9.91%	0.00%
Industrials	21.90%	21.98%	-0.08%	Industrials	20.08%	20.50%	-0.42%
Information Technology	10.08%	10.20%	-0.12%	Information Technology	11.62%	11.35%	0.27%
Materials	7.05%	7.07%	-0.03%	Materials	6.87%	6.83%	0.04%
Real Estate	7.24%	7.31%	-0.07%	Real Estate	8.08%	8.05%	0.02%
Utilities	3.24%	3.26%	-0.02%	Utilities	3.87%	3.89%	-0.02%

Table 2: Number of Stocks in SSIF and the S&P 400

	As of 6/30/2024	As of 6/30/2023
Stocks in the SSIF	37	39
Holdings in the S&P 400	37	36

Investment Philosophy and Process

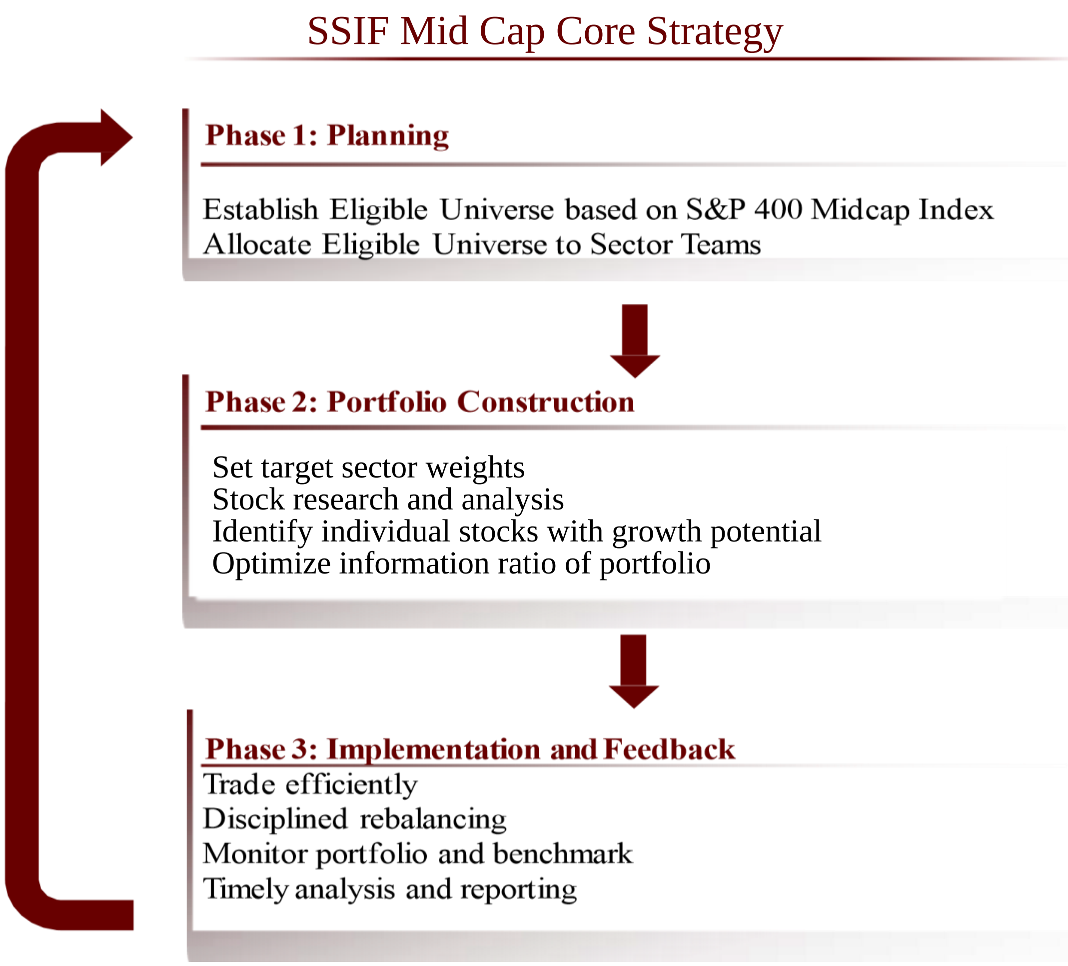
Investment Philosophy

• SSIF believes markets are generally efficient; however, opportunities exist for a fundamental active strategy to outperform a passive benchmark.

• SSIF aims to capitalize on these opportunities by focusing on mid-cap stocks that are potentially less researched than large-cap stocks; yet have sufficient liquidity and available value-relevant information.

• SSIF's competitive advantage originates from focused research and an unbiased student perspective of the market, operating outside of potential distractions of large investment management firms.

Investment Process



Eligible Universe

The eligible universe resolution states that the SSIF will have a minimum of 75% of the total portfolio value invested in stocks that are constituents of the benchmark S&P 400 Midcap Index. Also, the SSIF may not hold any stock that is a constituent of the S&P 500 or S&P 600 Index. So, to avoid imposing on the diversification efforts of the overall university endowment, the SSIF will sell any holdings that move into these indices. The SSIF portfolio may be invested in stocks outside the S&P 400 only if the market capitalizations of those stocks are within 10% to 90% market capitalization of the constituents in the S&P 400 Index. No more than 25% of the total portfolio can be invested in stocks outside the S&P 400 Index.

Sector Weights

The sector weight resolution states that the SSIF will normally maintain a sector weight of +/- 2% of the benchmark sector weights. Deviations outside of this range will be remediated in an orderly manner with the consideration of transaction fees. If it is the decision of the SSIF members to allow for an over- or under- weighting of a certain sector, a strong thesis should be presented to the group and the thesis must pass with a majority vote.

Equity Weights

The equity weight resolution states that SSIF will not hold any stock in a weight above 5%. This is to protect the portfolio from excessive risk from overexposure to one stock. Any equity exceeding the 5% weight will be sold off in a disciplined manner. The team will perform quantitative optimization to rebalance individual equity weights and sector weights according to their targets. The Fund has determined that all equities should have a minimum exposure of 1% of the Fund's total portfolio.

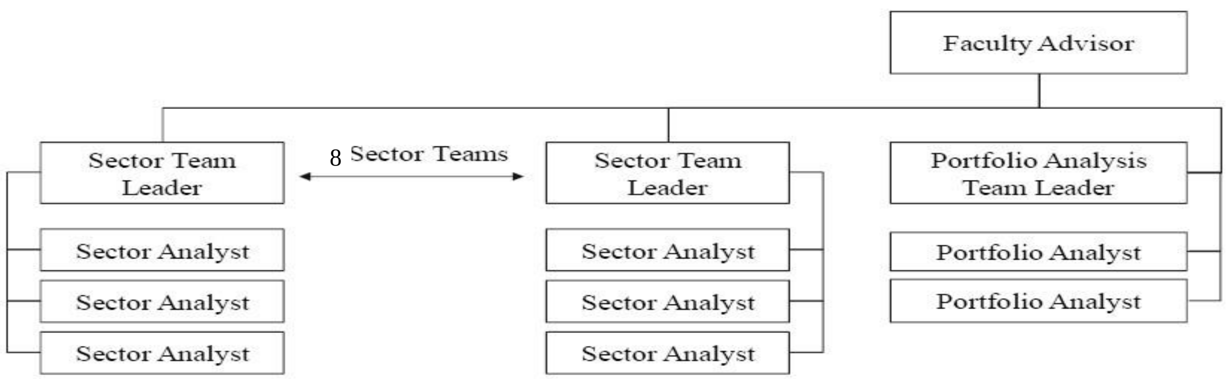
Cash Balance

The cash balance resolution reflects the mandate given to the SSIF by the SIU Foundation to be fully invested. The SSIF cash balance policy states that the SSIF will hold no more than 1% cash (with an ideal target zone of 25 bps to 75 bps) in the portfolio at any time unless there is a proposed trade within two weeks' time. This recognizes the potential need for the SIU Foundation to withdraw cash periodically. If the cash balance exceeds 1% when no trade is anticipated in the near future, purchasing a S&P 400 Exchange Traded Fund (ETF) will equitize the excess of 75 bps. Finally, if the cash in the portfolio falls below 25bps, appropriate actions will be taken to raise the cash back to the 75 bps target.

Organizational Structure

The Saluki Student Investment Fund is an investment group in which students can apply classroom lessons as professionals within an organization that operates as a real investment management firm. Students have full responsibility for researching companies and making buy/sell decisions. The responsibilities of the SSIF are divided into different categories and are assigned based on experience and general interest in a specific duty. Those duties include, but are not limited to:

Portfolio Analyst: Monitors equity positions and sector weights, performs quantitative optimization of the portfolio for trading and rebalancing, and does quarterly performance attribution of stocks and sectors for internal analysis.
Team Leader: Has the responsibility of mentoring sector analysts, as well as providing guidance for buy/sell decisions.
Sector Analyst: Provides information for the sector team on companies either in the portfolio or those that are potential purchase targets.
Faculty Advisor: Advises the SSIF in all activities.



The teams are broken down into Global Industry Classification Standards (GICS) and are as follows:

Consumers & Communication
Energy & Utilities
Financials
Health Care

Industrials
Information Technology
Materials
Real Estate

Performance Analysis

Table 3 below shows the SSIF performance against the S&P 400 Benchmark for various holding periods. The SSIF posted an impressive gain of 18.77% over the past fiscal year. The S&P 400 benchmark posted a gain of 13.57% resulting in the SSIF's relative outperformance of 5.19% for FY 2024. To attempt to outperform the benchmark over the long-term, the SSIF remains committed to fundamental research, analysis, and valuations to select stocks with the potential to provide growth and outperformance over extended future periods. The goal of the SSIF is to continue to outperform the S&P 400 Benchmark over the 10-, 15-, and 20- year periods while controlling risk relative to the benchmark. By tirelessly working toward this goal, the SSIF adds value to the SIU Foundation's portfolio over time while limiting the risk of significant short-term underperformance of the S&P 400 Midcap core benchmark.

Table 3: Performance Summary

As of June 30, 2024

	Quarter	Calendar YTD	1-Year	3-Year	5-Year	10-Year	15-Year	20-Year	Since Inception
SSIF	**-1.46%**	**9.75%**	**18.77%**	**7.16%**	**12.71%**	**10.80%**	**14.78%**	**11.55%**	**9.22%**
S&P 400 Benchmark*	-3.45%	6.17%	13.57%	4.47%	10.27%	9.14%	13.16%	9.82%	9.40%
Difference	*1.98%*	*3.58%*	*5.19%*	*2.69%*	*2.44%*	*1.67%*	*1.61%*	*1.73%*	*-0.19%*
Tracking Error**			3.06%	4.86%	4.54%	4.15%	3.86%	4.25%	5.08%
Information Ratio***			1.70	0.55	0.54	0.40	0.42	0.41	-0.04
Months > Benchmark			58%	56%	53%	53%	53%	52%	50%

Periods greater than one year are annualized.
Inception: June 30, 2000
** Tracking error is annualized and based on monthly return differences relative to the benchmark.
*** Information ratio is the ratio of the annualized relative return divided by the tracking error

Figure 1: Annualized Average Return (Fiscal Year)

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
SSIF	**-2.62%**	**-13.03%**	**-4.01%**	**18.75%**	**19.31%**	**12.95%**	**24.99%**	**-5.28%**	**-29.40%**	**24.67%**	**48.10%**	**-1.34%**
S&P 400 Benchmark*	8.87%	-4.72%	-0.71%	27.99%	14.03%	12.98%	18.51%	-7.34%	-28.02%	24.93%	39.38%	-2.33%
Difference	*-11.50%*	*-8.31%*	*-3.29%*	*-9.23%*	*5.29%*	*-0.03%*	*6.49%*	*2.05%*	*-1.38%*	*-0.26%*	*8.72%*	*0.99%*
Fiscal Year	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
SSIF	**25.31%**	**24.12%**	**8.69%**	**4.59%**	**17.40%**	**10.10%**	**4.38%**	**-4.75%**	**55.20%**	**-11.58%**	**17.18%**	**18.77%**
S&P 400 Benchmark*	25.18%	25.24%	6.40%	1.33%	18.57%	13.50%	1.36%	-6.70%	53.24%	-14.64%	17.61%	13.57%
Difference	*0.12%*	*-1.11%*	*2.29%*	*3.26%*	*-1.16%*	*-3.40%*	*3.01%*	*1.95%*	*1.96%*	*3.06%*	*-0.43%*	*5.19%*

Figure 2: Annualized Average Return (Calendar Year)

Calendar Year	2000**	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
SSIF	**-2.88%**	**-10.12%**	**-19.13%**	**34.14%**	**13.69%**	**13.97%**	**13.64%**	**9.93%**	**-34.43%**	**30.84%**	**32.59%**	**3.40%**	**16.25%**	**38.16%**
S&P 400 Benchmark*	9.41%	-0.60%	-14.51%	35.62%	16.48%	12.56%	10.32%	7.98%	-36.23%	37.38%	26.64%	-1.73%	17.88%	33.50%
Difference	*-12.30%*	*-9.52%*	*-4.62%*	*-1.48%*	*-2.79%*	*1.42%*	*3.32%*	*1.95%*	*1.80%*	*-6.54%*	*5.94%*	*5.13%*	*-1.63%*	*4.66%*

Calendar Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
SSIF	**6.90%**	**2.50%**	**18.68%**	**16.72%**	**-9.50%**	**29.62%**	**10.15%**	**30.77%**	**-8.88%**	**12.53%**
S&P 400 Benchmark*	9.77%	-2.18%	20.74%	16.24%	-11.08%	26.20%	13.66%	24.76%	-13.06%	16.44%
Difference	*-2.87%*	*4.67%*	*-2.05%*	*0.47%*	*1.59%*	*3.42%*	*-3.51%*	*6.01%*	*4.18%*	*-3.90%*

Figure 3: Monthly Returns during Fiscal Year 2024

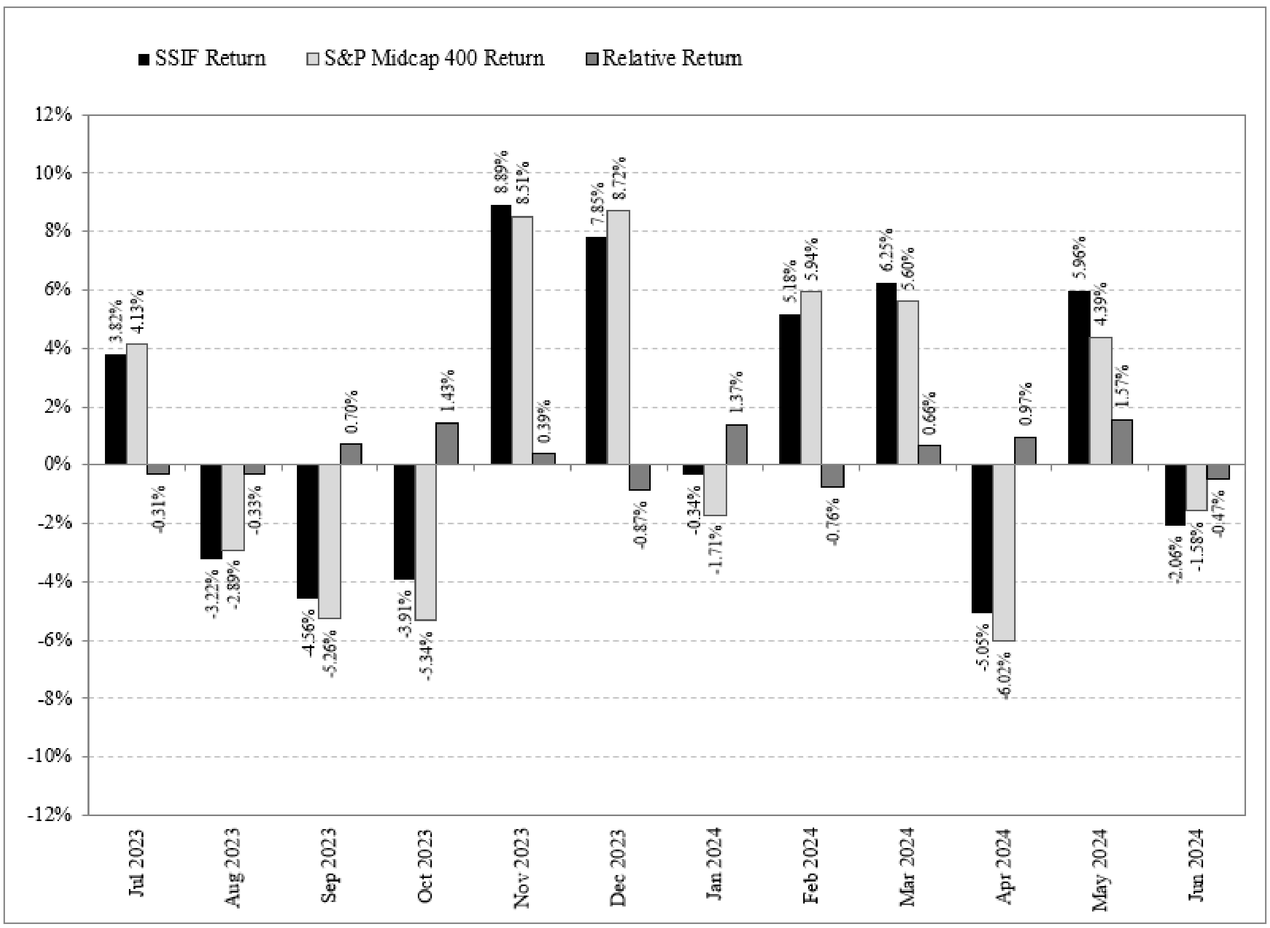
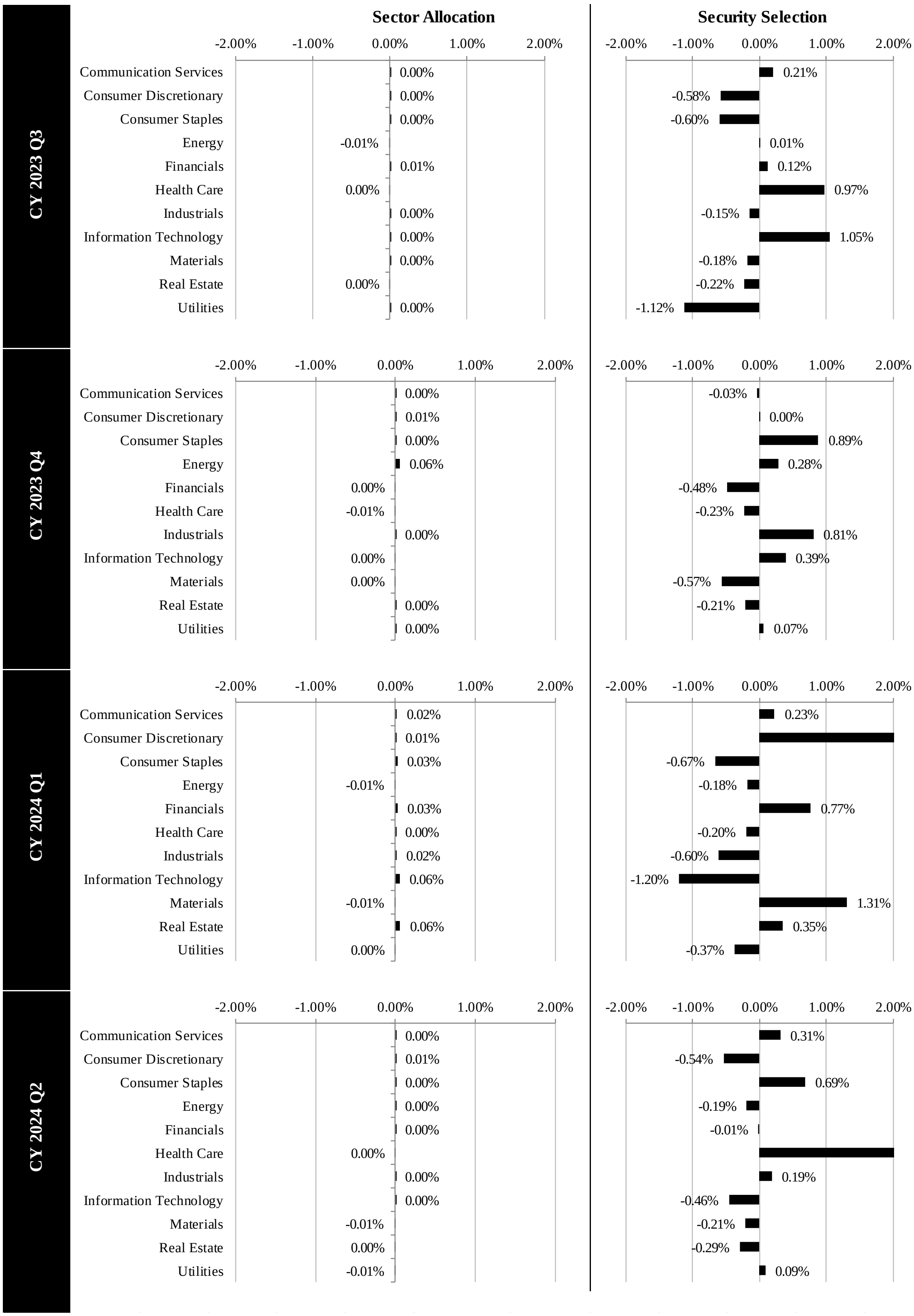


Figure 4: FY 2024 Quarterly Relative Return Performance



Attribution

Figure 4, on the previous page, shows the quarterly performance attribution by sector allocation and stock selection, demonstrating how the SSIF applies its investment philosophy and process to generate abnormal returns over the benchmark. The left panel of the figure shows how much of the relative return is generated from sector allocation. The right panel of the figure shows how much of the relative return is generated from stock selection. The SSIF maintains a sector neutral policy. Therefore, a very low contribution from sector allocation is to be expected. Stock selection contributes mostly to the portfolio's relative return from the benchmark while sector allocation has virtually no role in this. This indicates a thorough execution of the sector neutral policy.

Figure 5: Relative Return Contributions and Performance Attribution for Fiscal Year 2024

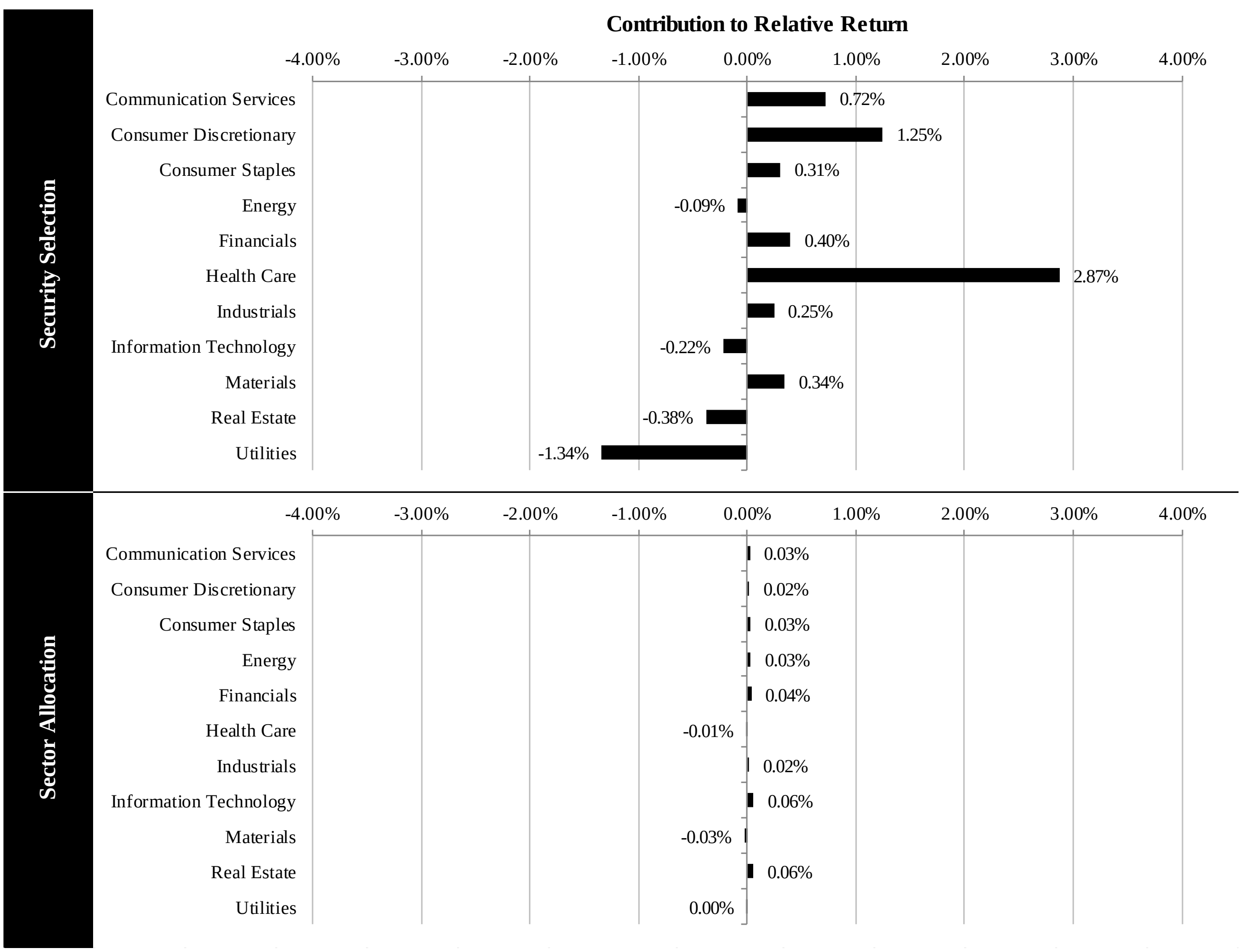
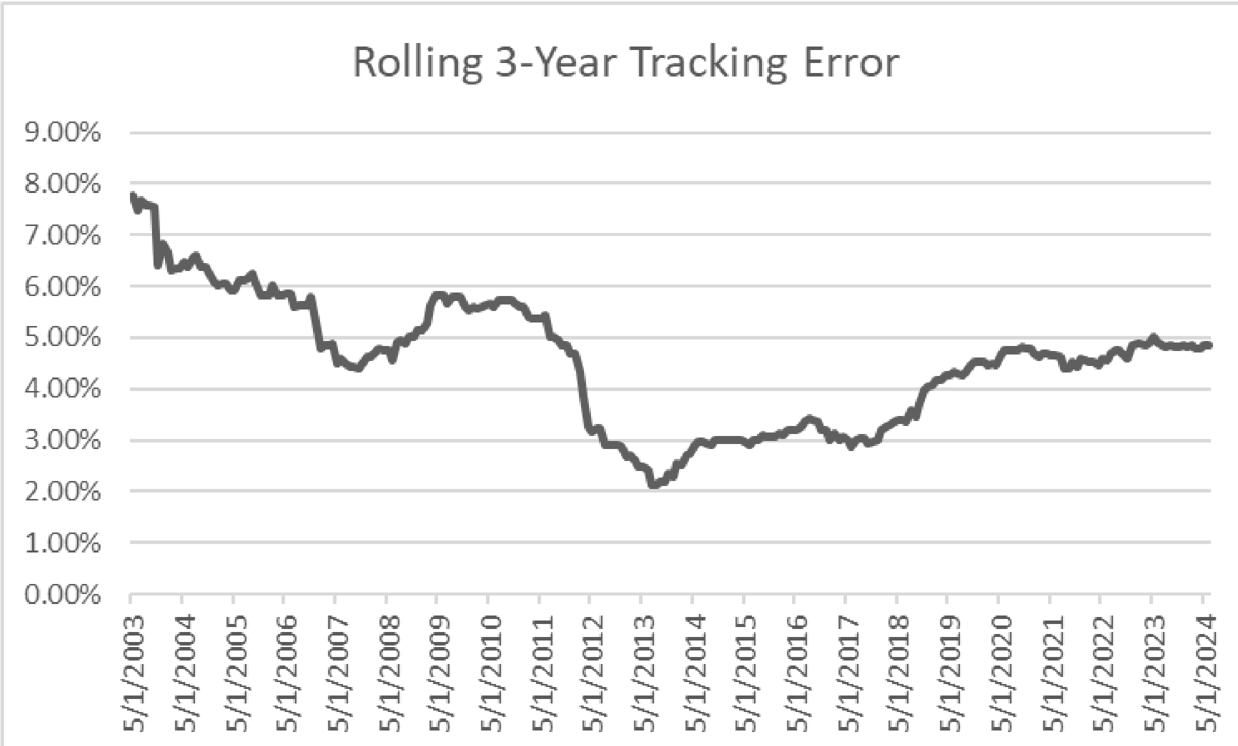


Figure 5 and Table 4 show the relative return attribution into sector allocation and stock selection for the Fiscal Year 2024. As demonstrated by Figure 4, the SSIF maintains a sector neutral policy so the extremely low contribution from sector allocation is to be expected. The small returns from sector allocation are due to minor differences between the SSIF portfolio and S&P 400 midcap benchmark due to the sector neutral level of tolerance. Also shown is the relative performance attributed to stock selection by each sector. The SSIF draws its competitive advantage from the students' unbiased perspective of markets and stock selection. Therefore, stock selection is the key contributor to the performance of the SSIF. The Consumer Discretionary sector was the top contributing sector in contrast to Information Technology.

Table 4: Full Year Relative Return Contributions by Sectors

	Full Year		
Sector	Sector Allocation	Security Selection	Total
Cash	-0.03%	0.00%	-0.03%
Communication Services	0.03%	0.72%	0.75%
Consumer Discretionary	0.02%	1.25%	1.27%
Consumer Staples	0.03%	0.31%	0.34%
Energy	0.03%	-0.09%	-0.05%
Financials	0.04%	0.40%	0.43%
Health Care	-0.01%	2.87%	2.86%
Industrials	0.02%	0.25%	0.26%
Information Technology	0.06%	-0.22%	-0.16%
Materials	-0.03%	0.34%	0.32%
Real Estate	0.06%	-0.38%	-0.32%
Utilities	0.00%	-1.34%	-1.34%
Total	0.22%	4.11%	4.33%
Actual Relative Return			5.19%
Unexplained by Attribution Model			0.86%

Rolling 3-year Tracking Error



Since 2003, the SSIF has significantly decreased tracking error relative to the benchmark to around the 4% to 5% level in accordance with its implemented sector neutral policy and enhanced tracking error controls through a portfolio optimization procedure. After September 26, 2018, the SSIF modified the optimizing procedure to a different method that no longer optimizes based on minimizing tracking error but focuses on maximizing the Information Ratio (Appraisal Ratio). This ratio measures outperformance while penalizing risk and is calculated by determining the CAPM alpha and dividing it by the standard error of the model.

Individual Stock Contributions

Table 5: Individual Stock Contributions During Fiscal Year 2024

Rank	Top Ten Contributors	Contribution (%)
1	DICK'S SPORTING GOODS INC	2.19
2	CROCS INC	1.96
3	CARLISLE COS INC	1.90
4	COCA-COLA CONSOLIDATED INC	1.66
5	OWENS CORNING	1.40
6	HALOZYME THERAPEUTICS INC	1.25
7	EAST WEST BANCORP INC	1.17
8	QUALYS INC	1.17
9	BUILDERS FIRST SOURCE INC	1.05
10	UNITED THERAPEUTICS CORP	1.03
Rank	**Bottom Ten Contributors**	**Contribution (%)**
1	HAWAIIAN ELECTRIC INDS	-1.56
2	FIVE BELOW	-1.08
3	AGCO CORP	-1.03
4	SCIENCE APPLICATIONS INTE	-0.59
5	LANCASTER COLONY CORP	-0.54
6	ENVISTA HOLDINGS CORP	-0.42
7	SILGAN HOLDINGS INC	-0.39
8	HUBBELL INC	-0.29
9	FIRST INDUSTRIAL REALTY TR	-0.29
10	HIGHWOODS PROPERTIES INC	-0.27

*Individual stock contribution is calculated by taking the stock's return in a period, multiplied by the stock's weight for that period.

The Industrials and Consumers sectors both contributed three of the top ten holdings. However, these sectors are continuing to evaluate all holdings, including our top performing companies, regardless of recent outperformance. The Industrials sector also had three of the bottom ten contributors. Please note that regardless of past one-year performance, the Fund remains sector neutral and focused on its investment philosophy of long-term performance. The SSIF focuses on quality holdings with intrinsic values that are greater than their market price. Additionally, maintaining integrity to the target prices we assign to each of our holdings is a top priority. Careful analysis and judgment will be given before deciding on whether to sell a company or just adjust a target price. Learning the importance of selling is an important skill that is being emphasized with the Fund. For example, the Fund acted quickly with careful and precise analysis in evaluating the need to sell Hawaiian Electric after recognizing its connection with the sudden development of the Maui wildfire tragedy which allowed the Fund to minimize the monetary loss from the security. It is important to mention that the SSIF remains convicted to have a long-term perspective but also be constantly monitoring any short-term and emergency developments regarding our holdings. While short-term underperformance can be concerning, it does not necessarily reflect the ultimate success or failure of a holding. It is essential to make decisions based on a comprehensive understanding of the situation and assessing the long-term outlook of each holding.

Individual Stock Theses

Below is the value thesis for each stock that was held by the SSIF as of June 30, 2024. Data sources include Bloomberg Professional Service, Morningstar, Yahoo Finance, Google Finance, as well as the companies' websites. Detailed portfolio holdings are provided in the section of Portfolio Holdings.

Communications

TKO Group Holdings Inc. (TKO)

TKO Group Holdings is the parent company of Ultimate Fighting Championship (UFC) and World Wrestling Entertainment (WWE). Both segments are continuing to experience significant growth in ticket sales, site fees, sponsorship revenues, and viewership. During Q1 Netflix entered a ten-year $5B deal with WWE to become the exclusive broadcaster of Monday Night Raw starting in January 2025. Also, during Q1, UFC 300 was one of the highest-grossing events in UFC history generating $16.5M in revenue and an attendance of 20,000. TKO will remain the most valuable within its industry because no other competitor comes close to the size, popularity, and brand loyalty of UFC or WWE.

Consumer Discretionary

Crocs, Inc (CROX)

Crocs, Inc retails, markets, and sells its Crocs and HEYDUDE branded shoes in more than 85 countries through wholesale and direct-to-consumer channels. Although CROX generates higher earnings per share at industry leading profitability margins its stock still trades at a 50% discount to its peers. The SSIF anticipates this gap to close as management succeeds in executing its HEYDUDE growth strategy over the long term. Additionally, the Crocs brand is continuing its growth trajectory in the North America and Asia markets. The SSIF believes that CEO Andrew Reese can succeed in continuing to grow both brands while generating shareholder value through operating income growth at an attractive ROIC.

Dick's Sporting Goods (DKS)

Dick's Sporting Goods is a United States based sporting goods retailer achieving exceptional growth relative to its industry peers. Dicks operates within the $67.2B sporting goods industry and holds an impressive 14.2% market share, making it the largest player in the industry. The SSIF believes Dick's can continue to take market share under the leadership of CEO Lauren Hobart (strong marketing background) and with guidance from executive chairman Edward W. Stack (40+ year tenure). Plans for future growth include the expansion of its other store concepts including the opening of 75+ House of Sports stores over the next five years. These store locations are 100,000+ sq.-ft and feature indoor attractions and services that have been proven to drive foot traffic, time spent in store, and generate $35M in sales with 20% EBITDA margins. Furthermore, the vast merchandising space will provide valuable real estate to global brands like Nike.

Five Below (FIVE)

On July 17th, the SSIF issued a sell recommendation because of events causing the Fund to reevaluate Five Below's business model and growth strategy. On July 16th, 2024, CEO Joel Anderson stepped down for unclear reasons to "pursue different interests" according to an article released by Reuters. Sudden CEO resignations have too many negative implications to maintain even a HOLD recommendation. Additionally, it will take time for the board of directors to look for another qualified candidate to take the helm and establish a new strategy for growth and improvement. Unfortunately, SSIF analysis of Five Below remained biased towards the upside in the face of what the Fund believes to be short-term macro headwinds affecting the entire industry. Instead, it revealed a flaw in FIVE's business model. FIVE's business model is centered around predicting and capitalizing on consumer product trends (in the past they have had success with Frozen and Squishmallows). Its core demographic being teens and particularly low-income consumers that find value in high quality, cheaply priced, and trendy merchandise. This business model has shown itself to be extremely sensitive to the macro backdrop relative to its peers because of its non-essential merchandise that must be sourced at a low enough cost to maintain its price point. Furthermore, the value proposition has weakened as prolonged inflationary pressures have emptied the pockets of its core demographic. Consumers now find more value in going to Dollar Tree and Dollar General to buy essential items at a cheap price as opposed to buying trendy products from FIVE. For these reasons, Five Below was sold.

Floor and Décor (FND)

Floor and Decor is a United States specialty retailer that operates in the highly fragmented Floor Covering Stores industry generating sales of $34.1B. Adjusting this figure for carpet and rug sales implies that FND holds a notable 20% market share. Over the past three years FND has grown its market share by nearly 5% while its comparable peers, The Tile Shop and Lumber Liquidators, have lost a combined 3% of market share. Its strong 3-year cumulative market share gain and comparable sales growth is the result of its industry leading business model that is highly valued by residential and professional remodelers. However, the current macro environment is not conducive of growth and is hampering short-to-medium term growth prospects. This is evident by declining comp store sales growth and management's narrowing guidance towards the low end of its initial guide. A leading indicator of FND revenue growth is existing home sales (EHS) which hit a decade low in Q2. The last time the EHS index hit these levels was during the 2008 financial crisis and took two years to recover. Currently, FND is a HOLD with limited upside as we review the market for any opportunities offering a higher expected return.

Gentex Corporation (GNTX)

Gentex Corporation is the largest manufacturer of auto-dimming rearview mirrors and boasts a 93% share of the automatic-dimmable rear view mirror market. The Company also manufactures and markets commercial smoke alarms and signaling devices for the fire protection industry. The combination of a low debt-to-equity ratio, an above average return on invested capital, along with an average retention ratio of 70% exemplifies management's focus and expertise on operational efficiency, financial conservativeness, and capital allocation. Because of these fundamental traits, we believe that Gentex is the best positioned company within the auto component manufacturer industry. Additionally, we believe that investors are undervaluing the revenue and profit potential of the Fire Protection Product segment. The global smoke detector market size was 2.5B in 2023 and expected to grow 8% through 2032. This implies a less than 1% market share, but as the value of R&D expenditure is realized, through innovation and product specialization, we expect shareholder value to increase from the development of a cash generative segment.

Consumer Staples

Coca-Cola Consolidated, Inc (COKE)

Coca-Cola Consolidated, Inc is the largest Coca-Cola bottler in the United States that serves 60 million consumers across 14 states. Over the past year, COKE has produced a massive 100% return, doubling our initial investment. Now trading at a 25x price/earnings multiple we believe it to be fairly valued as many of our initial reasons for buying-in have played out. Our initial reasons for buying COKE were because we believed that the market was mispricing its pricing power, low beta profile, and geographical concentration. Over the course of the year, the economy has shown signs of a slowdown leading many investors to pour funds into companies that have shown financial resilience through this tough backdrop. As anticipated, COKE was a major beneficiary of investor inflows as the economy began to show signs of weaknesses and investors sought to find companies that have a durable competitive advantage (pricing power), low risk profile (low beta), and United States based earnings (low country risk). COKE remains a high-quality business and will continue to perform well in this environment.

Lancaster Colony Corporation (LANC)

Lancaster Colony Corporation is a manufacturer and marketer of salad dressings, sauces, dips, frozen, and organic bread to the retail and foodservice channels. We believe that LANC is a quality business within the food manufacturing industry because of its exceptional management team that has proven its capability to create shareholder value. Over the past three years, revenues have grown 11% per year (+3% from last year), driven by management's strategy to expand its core business with its retail licensing program. So far, they have entered into brand license agreements to manufacture and sell Olive Garden dressings, Buffalo Wild Wings sauces, Chick-fil-A sauces, and more recently Texas Roadhouse sauces.

Additionally, its 3-year average ROIC of 13.36% outpaces its industry peers and is indicative of a competitive advantage. With its exceptional management, steady revenue growth, and strong licensing program with renowned brands, Lancaster Colony Corporation remains a promising investment within the Food Manufacturing industry.

Energy

Chesapeake Energy (CHK)

Chesapeake Energy is an independent E&P company that explores, develops, produces, and acquires natural gas, and natural gas liquid assets within the United States, with a large footprint within the Haynesville and Marcellus basins, giving them strategic positioning to capitalize on the growing export LNG industry. Their strong balance sheet is unique among S&P 400 E&P companies benefiting Chesapeake Energy relative to other natural gas E&P companies, with recent regulatory and diminished demand-related headwinds associated with natural gas. This makes them a secure option for capitalizing on the potential of a natural gas rally in the upcoming season. Their potential acquisition of Southwestern Energy is also an attractive prospect for increased production capabilities and operational efficiencies with the merger enabling Chesapeake to take a more significant stake in the profitable LNG export industry.

Murphy Oil Corporation (MUR)

Murphy Oil Corporation is an independent energy company that explores, develops, produces, and acquires oil, natural gas, and natural gas liquid resources in the United States and globally. They possess a diverse portfolio of onshore & offshore assets within the Eagle Ford region, the Gulf of Mexico, and various international plays. Their offshore presence in the Gulf of Mexico is unique among S&P 400 E&P companies. This, along with their high margin plays and efficiency, makes them an attractive stock especially when commodity prices are tumultuous. Their continued focus on improving balance sheet health within favorable commodity price environments makes them valuable in volatile periods.

Financial Services

American Financial Group (AFG)

American Financial Group is a holding company headquartered in Cincinnati, Ohio that, through the operations of the Great American Insurance Group, is primarily engaged in property and casualty insurance. AFG is focused on capitalizing on niche markets with their specialty coverage, which lessens the amount of competition that they face and diversifies the scope of their coverage – thus reducing some of their risk. Common concerns for insurance companies moving forward are high-catastrophe years, especially amidst higher amounts of natural disasters across the United States each year. We believe that AFG is mitigating the risks these disasters pose by specifically writing business that is expected to produce profits and keeping a moderate amount in reserves. For these reasons, we foresee AFG to safely navigate these disaster years while keeping a steady growth.

East West Bancorp (EWBC)

East West Bancorp is a bank holding company located in Pasadena, California. It operates in the United States and greater China area, focusing on serving the needs of both businesses and individuals. Many of their clients have an overlapping relationship with China and the United States, making EWBC a national provider for the financial service needs of the demographic. In the past couple of years, US relations with China have been deteriorating, but only a small portion of EWBC's loan portfolio is directly affected by trade. Rather, we expect the fundamentals of the company to outlast any China-US disputes and grow as a profitable investment for the Fund. Our analysis of EWBC in relation to their peers indicates that they have a healthy loan portfolio which is reflected by their low net charge off ratio in recent years. Their unique position in international operations is another indicator of growth that is being realized over time and will continue to grow them into a strong holding for the Fund in the long term.

Federated Hermes, Inc. (FHI)

Federated Hermes is one of the largest asset managers in the United States. Most of their assets under management are in money market funds. FHI has proven to be a steady performing company even though most of their assets under management are in money market funds. Especially during times of uncertainty in the market, these money market funds are typically great performers as people shift to risk-off investing. We believe that FHI will continue to grow slowly and remain profitable in the future due to its position as a leading provider of money market funds and its increasing offerings of ESG funds that are becoming more popular in the market.

Reinsurance Group of America (RGA)

Reinsurance Group of America is one of the largest life and health reinsurance companies in the world. RGA's management team works to capitalize on current industry trends and mitigate the company's risk. The demand for life insurance and retirement products has increased due to the aging population. This then drives demand for primary insurance writers to mitigate some risk using reinsurance. We believe that RGA is well positioned to take advantage of opportunities in the life and health reinsurance segment. RGA also monitors its risk exposure through the several risk-focused committees with overlapping membership that they have in place within the company. These committees influenced RGA's recovery from the toll that the pandemic took on them due to casualties far beyond their anticipation. We expect these risk-management measures to continue pushing RGA forward as a leader in this market and a great name for us to keep in the portfolio.

Voya Financial Inc (VOYA)

Voya Financial Inc is a financial services company leading in health, and investment solution technologies that helps over 15 million people and is growing to become well planned, well invested, and well protected. VOYA is in the top 50 Financial Services companies with the most assets under management globally. Their continued innovation and market research aid in their growth. Voya Financials' higher investment income, lower fee-based margin, favorable change in deferred acquisition costs, and value of business acquired make it worth retaining in one's portfolio. VOYA also has the second highest return on its assets in the entire S&P 400 Financials Sector over the last 5 years, which indicates that they manage their assets well and are a profitable company and are expected to stay that way. One risk that Voya has faced recently is its recent underperformance in its health solutions unit. This should not be too concerning as other segments of their business are growing at a healthy pace and we foresee their business continuing to do well.

Healthcare

Doximity (DOCS)

Doximity, Inc. operates a cloud based digital platform for medical professionals in the United States. The online platform provides its members with digital tools built for medicine that enable easy communication between colleagues and access to the latest medical news and research. DOCS also allows members to manage their careers and on-call schedules, conduct virtual patient visits and streamline documentation. Doximity was incorporated in 2012 and is headquartered in San Francisco, California. In two years, IPO revenues have doubled, and DOCS has expanded paid enterprise subscriptions to over 40% of all U.S. physicians. Doximity plans to continue to expand their network of physicians to better accommodate their patients. DOCS utilizes AI to increase productivity and reach within the network of physicians and connectivity of referrals or specific labs.

Encompass Health Corporation (EHC)

Encompass Health provides inpatient rehabilitation services to patients with a wide variety of injuries, wounds, birth defects, and diseases. EHC does this through a wide network of hospitals, outpatient offices, satellite facilities, home health agencies, and partnerships with other providers in 160 locations throughout the US and Puerto Rico. EHC offers these services through the Medicare program to the federal government along with private insurers, state governments and other patients. Encompass Health Corporation is currently undervalued amid favorable trends in outpatient centered care and growing rehabilitation demand driven by an aging population. EHC is looking forward to developing further in San Antonio, adding to their 27 hospitals in Texas. We think these trends will support EHC as they expand operations into new states and invest in current and future facilities.

United Therapeutics (UTHR)

United Therapeutics Corporation, known by the ticker UTHR, was founded in 1996 by CEO and founder Martine Rothblatt in Maryland. They are a 14-billion-dollar biotech company specializing in the treatment of Pulmonary Arterial Hypertension. At their core, they develop solutions to combat lung diseases by finding different technologies and medicines. United Therapeutics has an established market located primarily in the United States and parts of Europe. UTHR is currently undervalued due to the revenue expectations of Tyvaso, one of the company's top treatments, whose revenues are up 80% over the last 3 years. Tyvaso is showing no sign of slowing down with recent approvals of new ways to administer it. The revenue expectations are listed by management as doubling in the next few years from where they already stand now. UTHRs healthy lineup of products proven in their respective markets paired with their continuance of garnering more market share each year also allows them other opportunities. They fund more research into the development of new drugs and are on the frontier of untapped markets, notably the market for growing organs. With major successes in the last few years such as performing the first human heart transplant with a genetically modified pig heart, followed by a second recipient with a successful heart transplant. UTHR is currently researching and working with UThymoKidney to begin transplanting genetically modified kidneys derived from pigs into humans successfully. UTHR is finding success in recent studies with the first living recipient recovering after a successful UThymoKidney transplant. The company plans to begin human xenotransplant clinical studies in 2025 which will increase overall value by addressing the issue of transplant shortages. We believe UTHR is a deep value hold offering stability while harboring huge potential in research and development, making it one of our best possible holds.

Industrials

AECOM (ACM)

AECOM is an industry leader in infrastructure design and engineering services. AECOM is well positioned to take advantage of the increase in infrastructure spending domestically and abroad. Its diverse range of services makes it a convenient one stop shop for design, engineering, and security services. A large portion of AECOM's revenue comes from the U.S and other foreign governments. AECOM is one of three companies that hold the majority of government contracts for infrastructure in the U.S. Increased infrastructure spending, increased backlog, and investing in digital transformation activities are all conditions that will drive growth for the company, alongside margin expansion post construction-service sale.

AGCO Corporation (AGCO)

AGCO Corporation manufactures and distributes agricultural equipment. The company sells a wide range of agricultural equipment and related replacement parts, including tractors, combines, hay tools, sprayers, and forage equipment. AGCO serves customers worldwide and continues to grow their company in different countries. AGCO has a high potential for growth in the future with new technology from their Precision Agriculture segment. This segment was a compelling reason for us to buy AGCO and continues to grow. They are looking into this type of technology to set themselves apart from their competitors. Additionally, AGCO has converted 40% of its operations to renewable energy sources, with a goal to reach 60% or more by 2025. Working to reduce emissions of AGCO products supports farmers' achievement of sustainability goals. Due to these factors, AGCO remains a strong holding.

CACI International (CACI)

CACI International Inc provides expertise and technology to enterprise and mission customers in support of national security missions and government modernization/transformation in the intelligence, defense, and federal civilian sectors. CACI's Domestic Operations segment offers information solutions and services to the U.S. federal government agencies and commercial enterprises. The International Operations segment provides a range of IT services, proprietary data, and software products to commercial and government customers internationally. The company designs, implements, protects, and manages secure enterprise IT solutions. It also offers software-defined, full-spectrum cyber, electronic warfare, counter-unmanned aircraft system solutions, system engineering, naval architecture, training and simulation, and logistics engineering. CACI serves over fifty different U.S. agencies and is currently growing its contract backlog. CACI is one of very few companies that the federal government works with for IT services.

Carlisle Companies Inc. (CSL)

Carlisle Companies Inc. is a provider of highly specialized and engineered manufactured products for the roofing, real estate, construction, trucking, food service, aircraft manufacturing, lawn and garden, and other industries. Carlisle's 2025 expansion project in niche high-growth and high-margin markets and the further expansion in other economies, such as Europe, focusing on the commercial construction and aerospace technology markets, are the main reasons for our hold recommendation. Moreover, following Carlisle's successful strategic acquisitions business model, will keep helping them to achieve the 2025 project.

MSC Industrial Direct (MSM)

MSC Industrial Direct is a leading distributor of metalworking and maintenance, repair and operations products. They are centered in North America, with headquarters in both New York and North Carolina. Currently, MSC has over 1 million different products that are available for purchase, which helps them serve customers in the U.S., Canada, and the United Kingdom. MSC also has one of the larger lines of products in the industry, and they keep accumulating new brands every year. This combined with a strong and highly trained sales force are the strengths that MSC will continue to capitalize on in the foreseeable future.

Owens Corning (OC)

Owens Corning manufactures and sells building and construction materials in the United States and internationally. It operates in three segments: Roofing, Insulation, and Composites. The Roofing segment manufactures and sells roofing shingles, oxidized asphalt materials, roofing components used in residential and commercial construction, and specialty applications. The Insulation segment manufactures and sells thermal and acoustical batts, seven different types of insulation, foam sheathing, accessories under the Owens Corning PINK, and FIBERGLAS brands, and energy efficient flexible duct media. The Composites segment manufactures, fabricates, and sells glass reinforcements in the form of fiber, and glass fiber products in the form of fabrics, non-wovens, and composite lumber. Owens Corning is North America’s largest producer of insulation and second largest producer of asphalt roofing shingles. This, as well as their entrance into international building, and the ownership of intellectual property such as PINK and FIBERGLAS are why Owens Corning continues to be a hold.

Science Applications International Corporation (SAIC)

Science Applications International Corporation provides technical, engineering, and enterprise IT services primarily in the U.S. The company's offerings include IT modernization, digital engineering, artificial intelligence, weapon systems support, and end-to-end services, such as design, development, integration, deployment, management, operations, sustainment, and security of its customers' IT infrastructure, as well as training and simulation and ground vehicles support which integrates, modify, upgrades, and sustains ground vehicles for a nation's armed forces. It serves the U.S. military, Department of Defense, other federal departments and governments, joint commands, federal civilian agencies, health services, and space industries. The company was formerly known as SAIC Gemini, Inc. and changed its name to Science Applications International Corporation in September 2013. This company has diversified contract types and longstanding relationships with U.S. agencies. These strengths and the organic growth of the company fueled by T-Cloud are what will lead to continued, sustainable growth for the future.

Information Technology

ACI Worldwide (ACIW)

ACI Worldwide provides software solutions for real-time digital payments and banking, enabling financial institutions, merchants, and intermediaries to process payments, manage fraud, and deliver seamless customer experiences. ACI Worldwide’ s extensive and varied customer base is a key strategic advantage, ensuring that no single industry can disproportionately affect its overall performance. By serving a wide range of sectors, from Grocery stores to Mortuaries, ACI Worldwide diversifies its revenue streams and reduces dependency on any single market. This broad customer base provides resilience against industry-specific downturns and economic fluctuations, enhancing the company's stability and growth potential. Furthermore, the diversified customer portfolio enables ACI Worldwide to identify and capitalize on emerging trends across different sectors, fostering innovation and sustained profitability. This coupled with their seamless acquisition and partnership strategy has resulted in this to be one of our stronger holdings from a fund’s perspective.

Belden (BDC)

Belden Inc. designs and manufactures signal transmission solutions for critical applications, offering a range of products including cables, connectivity, and networking systems for industries such as industrial automation, enterprise, and broadcast. They clearly are committed to advancing technology and focusing on product innovation. Recent product launches show a strong pipeline using the latest technology to meet market needs. Strategic acquisitions have boosted their technological capabilities and fit well with their operations, improving efficiency and competitiveness. By staying ahead of industry trends and continually evolving its products, Belden is poised to maintain and grow its market share. Belden has also been improving gross margins, furthering their earnings growth. This coupled with their strong organic revenue growth provides strong equity.

MKS Instruments Inc. (MKSI)

Massachusetts-based MKS Instruments, Inc. was established as a corporation in 1961. It is a leading global supplier of instruments, components, and process control solutions that monitor, deliver, analyze, power, and regulate key elements of sophisticated manufacturing processes to boost efficiency and productivity. We anticipate MKS Instruments to grow and believe in the fundamentals of this company because of their good financial health and the great depth of their product portfolio which allows for future growth. This is a solid stock in our portfolio due to their tactical acquisition of Atotech and advantageous laws. With the vast majority of MKS Instruments customers in the ever-expanding semiconductor market, we have optimistic expectations for the holding.

Synaptics (SYNA)

Synaptics' history of technological leadership, design innovation, product performance, cost effectiveness, and on-time deliveries, has made them a market leader in semiconductor product solutions for human interface technology, including touch ID, face ID, and other features. With its global business model, Synaptics takes satisfaction in producing sizable revenues from numerous markets both domestically and abroad. Synaptics recently announced that it is changing its product selection to concentrate on higher-end technology with the aim of generating industry-leading profit margins. According to this new approach, which we believe is working, they have sold off some of their less profitable business areas and bought some new ones. We believe this new strategy for the company puts them in excellent shape fundamentally now and in the future. They have an untapped market potential and an extremely favorable position to execute it.

Materials

Cabot Corp (CBT)

Cabot Corporation has businesses in chemicals, performance materials, and specialty fluids. The Company manufactures and sells carbon black, fumed silica, plastics, inkjet colorants, tantalum, niobium, and germanium. Cabot's specialty fluids business produces and markets cesium formate as a drilling and completion fluid for use in oil and gas well operations. The company is a leading maker of carbon black, a compound that strengthens tires, hoses, belts, and molded products. It also makes specialty carbons and metal oxides used in automotive, construction, infrastructure, and energy applications. Cabot operates in two reportable segments: Reinforcement Materials (~70% Revenue) and Performance Chemicals (~30% Revenue). Cabot's operations are organized into three regions: the Americas; Europe, Middle East and Africa; and Asia Pacific. China and the US are the largest single market, accounting for approximately 25% and 20%, respectively, of the revenue while the remaining accounts for the other countries. The company typically "makes and sells" in the region, which, among other advantages, provides its customers a regional supply chain and typically reduces transportation costs. Cabot Corporation's performance for the past five years has fluctuated year-over-year. The company's revenue for fiscal 2023 decreased by $390 million to $3.9 billion, as compared to 2022's revenue of $4.3 billion. Cabot's net income for fiscal year end 2023 on the other hand increased to $484 million, as compared to the prior year's net income of $243 million. The company's products are generally based on technical expertise and innovation in one or more of its four core competencies: making and handling very fine particles; modifying the surfaces of very fine particles to alter their functionality; designing particles to impart specific properties to a formulation; and combining particles with other ingredients to deliver a formulated performance intermediate or composite. Cabot will pay a dividend of $0.43 on the 13th of September. The payment will take the dividend yield to 1.8%, which is in line with the average for the industry. We are willing to sell Cabot if we find other more lucrative opportunities elsewhere.

Commercial Metals (CMC)

Commercial Metals manufactures, recycles, and fabricates steel and metal products, related materials, and services through a network of facilities that include seven electric arc furnace (EAF) mini mills, two EAF micro mills, two rerolling mills, steel fabrication and processing plants, construction-related product warehouses, and metal recycling facilities in the US and Poland. CMC operates through two reportable segments: North America and Europe. The US accounts for nearly 75% of revenue. The firm has rapidly increased revenues in recent years, something most materials stocks are unable to do. While increasing profitability heavily, management has also placed a focus on reducing both debt and the company’s operating cycle. CMC is an industry leader for sustainability in an industry/society that places increased emphasis on ESG, providing the company with a major competitive advantage. With Biden’s infrastructure bill, we project strong short-term demand. In addition, much of Commercial Metal’s business is focused in the “sun belt” of the United States, the area with above-average population growth and expansion of infrastructure.

Eagle Materials Inc (EXP)

Eagle Materials is a leading manufacturer of heavy construction materials and light building materials in the US. The company produces Portland cement, gypsum wallboard, ready-mix concrete, aggregates, and recycled paperboard sold to residential, commercial, and industrial construction customers throughout the US. It also produces and markets other cementitious products, including slag cement and fly ash. The company manufactures and sells its products through a network of more than 70 facilities spanning 20 states. Heavy Materials comprises the Cement

(~50% of sales) and Concrete and Aggregates (some 10%) segments. About 50% of the total cement demand comes from public works infrastructure projects. The company's revenue has been rising in the last five years. It has an overall increase of 64% between 2019 and 2023. Revenue increased in fiscal 2024 by $111.2 million, or 5%, to $2.3 billion. This increase was due to higher gross sales prices of approximately $123.9 million. Net income in 2023 was $477.6 million, a 3% increase from the previous year's net income of $461.5 million. The company's strategic focuses are: continuously innovating to advance its low-cost producer position; maintaining a decentralized operating structure; operating in regionally diverse and attractive markets; achieving profitable growth through acquisition and organic development. With consistent growth and probable rate cuts in the future we see Eagle Materials continuing their trajectory into the future.

Real Estate

Lamar Advertising (LAMR)

Lamar advertising is an advertising real estate investment trust. They specialize in billboards and other media displays. They are spread out across America and their main competitors are Outfront Media and Clear Front Channel. Since the passing of the highway beautification act there are a lot larger restrictions on social media displays placed on highways and expressways. This gave Lamar a large competitive advantage due to not having competitors. However, recent movements in these laws have resulted in competitors being able to move in their territories. Lamar still is performing very well despite this recent introduction of competition.

First Industrial Realty Trust Inc (FR)

First Industrial Realities is an industrial real estate investment trust. They own, operate, and have under development millions of square feet of logistics properties, with a local presence in the top industrial markets across the United States. Almost 1,000 companies utilize first industrial realities services, many residing among the Fortune 500.

Gaming and Leisure Properties Inc (GLPI)

Gaming and Leisure Properties was the nation’s first gaming real estate investment trust. Formed in 2013, the Company’s industry experience and ingenuity have driven strong, consistent growth and total shareholder return. Their portfolio consists of 65 premier gaming and related facilities that are diversified throughout different areas of the United States. Gaming and Leisure Properties' main competitor is ICI. However, as ICI is more heavily concentrated on the Vegas strip and not throughout the US, we feel GLPI has the majority of regional advantages.

Utilities

One Gas (OGS)

One Gas (OGS) is a natural gas utility holding company comprising three main parts Kansas Gas Service, Oklahoma Natural Gas, and Texas Gas Service benefiting from the population growth and economic expansion of the Sun Belt states of Kansas, Oklahoma, and Texas. With a customer base of over 2.3 million, OGS is well positioned for moderate organic growth. The company's commitment to ESG principles is evident in its investments in clean energy initiatives, including RNG and hydrogen network partnerships. Operating within a favorable company centric regulatory environment, OGS maintains industry leadership through strategic collaborations while delivering reliable and affordable energy to its customers.

Ormat Technologies (ORA)

Ormat Technologies is a holding company that operates within the electricity, products, and energy storage industries. They are strategically positioned to benefit from the global green energy transition by being a leader in geothermal power and a key supplier to utility companies. Their market leadership in geothermal power, coupled with a proven historic commitment to sustainability and innovation, positions ORA for substantial growth. The company's strategic focus on geothermal energy and storage aligns with the increasing demand for renewable power generation. Geothermal power offers a stable baseload power source with minimal environmental impact creating unparalleled reliability within the green energy sphere and a compelling choice for utilities seeking to reduce their carbon footprint. ORA's role as a trusted utility supplier further strengthens its position, enabling the company to participate in the massive investments required to upgrade and modernize America's aging infrastructure.

Portfolio Holdings

Symbol/Sector	Shares (As of 6/30/2023)	Market Value (As of 6/30/2023)	Shares (As of 6/30/2024)	Market Value (As of 6/30/2024)	S&P Constituent
Consumer Discretionary					
FIVE	630	$123,820.20	510	$55,574.70	Yes
FND	1,230	$127,870.80	1,180	$117,303.80	No
GNTX	4,200	$122,892.00	4,170	$140,570.70	Yes
LEVI	3,140	$45,310.20	-	-	No
DKS	880	$116,327.20	630	$135,355.50	Yes
COKE	-	-	140	$151,900.00	Yes
CROX	-	-	900	$131,346.00	Yes
TKO	-	-	540	$58,314.60	Yes
Total		*$536,220.40*		*$790,365.30*	
Consumer Staples					
LANC	610	$122,664.90	280	$52,911.60	Yes
ENR	1,010	$33,915.80	-	-	Yes
Total		*$156,580.70*		*$52,911.60*	
Energy					
MUR	900	$34,470.00	2,010	$82,892.40	Yes
TRGP	1,330	$101,213.00	-	-	No
OGS	-	-	670	$42,779.50	Yes
ORA	-	-	870	$62,379.00	Yes
Total		*$135,683.00*		*$188,050.90*	
Financials					
CATY	1,000	$32,190.00	-	-	Yes
EWBC	630	$33,257.70	2,000	$146,460.00	Yes
FHI	3,120	$111,852.00	2,220	$72,993.60	Yes
RGA	430	$59,636.70	690	$141,636.30	Yes
RNR	640	$119,372.80	-	-	Yes
AFG	1,030	$122,312.50	1,130	$139,012.60	Yes
VOYA	-	-	1,970	$140,165.50	Yes
Total		*$478,621.70*		*$640,268.00*	
Real Estate					

FR	2,260	$118,966.40	2,370	$112,598.70	Yes
HIW	1,500	$35,865.00	-	-	Yes
LAMR	1,160	$115,130.00	1,240	$148,217.20	Yes
GPLI	-	-	920	$41,593.20	
Total		*$269,961.40*		*$302,409.10*	
Healthcare					
EHC	800	$54,168.00	1,660	$142,411.40	Yes
EXEL	2,180	$41,659.80	-	-	Yes
NVST	3,520	$119,116.80	-	-	Yes
UTHR	530	$116,997.50	470	$149,718.50	Yes
DOCS	-	-	1,600	$44,752.00	Yes
Total		*$331,942.10*		*$336,881.90*	
Industrials					
ACM	1,470	$124,494.30	1,600	$141,024.00	Yes
CSL	540	$138,526.20	340	$ 137,771.40	Yes
HUBB	410	$135,939.60	-	-	Yes
MSM	1,310	$124,816.80	1,790	$141,964.90	Yes
OSK	1,530	$132,482.70	-	-	Yes
AGCO	990	$130,105.80	1,350	$132,138.00	Yes
CACI	-	-	330	$141,942.90	Yes
SAIC	-	-	450	$52,89.50	Yes
OC	-	-	800	$138,976.00	Yes
Total		*$786,365.40*		*$ 748,943.30*	
Information Technology					
CIEN	2,110	$89,653.90	-	-	Yes
LITE	1,060	$60,133.80	-	-	Yes
MKSI	320	$34,592.00	1,040	$135,803.20	Yes
QLYS	610	$78,793.70	-	-	Yes
SYNA	980	$83,672.40	1,580	$139,356.00	Yes
ACIW	-	-	1,120	$44,340.80	No
BDC	-	-	950	$89,110.00	Yes
Total		*$346,845.80*		*$408,610.00*	
Materials					
CMC	1,360	$71,617.60	2,320	$ 127,576.80	Yes
SLGN	2,520	$118,162.80	-	-	Yes
CBT	-	-	410	$37,674.90	Yes
SON	560	$33,051.20	-	-	Yes
EXP	-	-	520	$113,079.20	Yes
Total		*$222,831.60*		*$278,330.90*	

Communications					
CABO	100	$65,708.00	-	-	Yes
Total		*$65,708.00*		-	
Utilities					
HE	2,060	$74,572.00	-	-	Yes
IDA	400	$41,040.00	-	-	Yes
CHK	-	-	1,690	$138,901.10	Yes
Total		*$115,612.00*		*$138,901.10*	
Cash		*$17,227.92*		*$17,176.16*	
SSIF PORT TOTAL		**$3,463,600.02**		**$4,040,619.66**	

The COBA Portfolio

The College of Business Portfolio (COBA Portfolio) was established due to the generosity of Mr. and Mrs. Omar and Carol Winter, who provided the initial $25,000 to start the Saluki Student Investment Fund. Managing the COBA portfolio provides the students of the SSIF with an additional responsibility and opportunity to expand valuation techniques and application to a wide variety of stocks.

The SSIF manages this portfolio in addition to the SIU Foundation portfolio. While the SSIF does not have a mandate to outperform a specific benchmark with the COBA Portfolio, the COBA portfolio performance is compared to the S&P 500 as an informal benchmark in the table below. As of June 30, 2024, the COBA equally weighted portfolio holds 24 stocks with a total market value of $287,879.95. Performance by calendar year is reported in Table 6.

Table 6: Performance of the COBA Portfolio as of June 30, 2024

As of June 30, 2024

	Quarter	Calendar YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
COBA	**1.50%**	**12.72%**	**22.42%**	**11.19%**	**14.21%**	**12.07%**	**10.73%**
S&P 500 Index*	4.28%	15.29%	24.56%	10.01%	15.05%	12.86%	7.77%
Difference	*-2.79%*	*-2.57%*	*-2.14%*	*1.18%*	*-0.84%*	*-0.78%*	*2.97%*
Tracking Error**			3.47%	5.27%	4.61%	4.64%	11.85%
Information Ratio***			-0.62	0.22	-0.18	-0.17	0.25
Months > Benchmark			50%	53%	45%	47%	51%

COBA portfolio value as of June 30, 2024: $287,879.95.
Inception: June 30, 2000
* Performance of the S&P 500 Total Return Index (Source: Bloomberg SPXT Index) is used for comparison purposes only. The COBA Portfolio does not have a formal mandated benchmark against which it is managed.
** Tracking error is annualized and based on monthly return differences relative to the S&P 500 Index. Due to incomplete monthly data for the portfolio during the period December 2001 through April 2004, S&P 500 Index returns were used in twelve separate months for the purposes of calculating tracking error. Therefore, tracking error is likely underestimated for periods that include the December 2001 through April 2004 period.
*** Information ratio is the ratio of the annualized relative return divided by the tracking error. See note regarding tracking error

The Bertrand COBA Challenge

In February 2014, SSIF started the COBA Challenge to determine which stocks should be bought and sold in the COBA portfolio. The CoBA Challenge was renamed to the Bertrand CoBA Challenge after Marsha and Gary Bertrand's generous donation to the SSIF of $100,000 in 2021. This intense competition is intended to be challenging. It takes place over the course of one week and consists of two teams of four members who must conduct all related research associated with proposing a buy and a sell recommendation. By design, every team will be at an equal playing field because a random sector, from the Russell 1000 Index, will be chosen, but will not be revealed until the start of the competition. The competition begins on a Monday evening following a general meeting of the SSIF.

At the beginning of the challenge, teams will be notified of the sectors they may select a buy recommendation from. Teams have until 5:00 PM on the following Sunday to submit presentation slides to the SSIF Faculty Advisor. The teams will then present their buy and sell recommendations in front of SSIF members, College of Business faculty, and guests, followed by a questions and answers session. The teams are then judged by a combination of two faculty judges, a guest judge, and their SSIF peers. Once the votes for both decisions are determined, the SSIF will appropriately add and remove the winning stocks from the COBA portfolio.

This competition forces its participants to understand the most important sources of value in an investment decision: the fundamental analysis and security valuation models. In a way, the Bertrand COBA Challenge's role could be linked to that of an examination. It is meant to push the boundaries of its participants and show all of what they have learned while encouraging a healthy competition that creates a better portfolio overall. While the Bertrand COBA Challenge benefits members of the SSIF, it also highlights the talent in our organization as the presentation is open to all College of Business students and faculty. We market this event by inviting faculty members and other students to attend and observe the knowledge and skills we have acquired through our efforts with the SSIF. We also use this event as a channel to give others a better understanding of what we do at the SSIF and potentially attract new members. The SSIF displays winning teams' names and stock picks instated on the wall of the Burnell D. Kraft Trading Floor.

The SSIF held the 16th Bertrand CoBA Challenge on March 25th, 2024. The winning team presented a BUY for Target (TGT) because of their potential to capitalize on increasing brick and mortar demand, and diversified product lines and a SELL for

Delta Airlines (DAL) due to their low earnings growth relative to peers and inadequate projected free cash flow. The winning team comprised Matthew Carrazco, Reagan Basso, Oscar Andrade, and Victor Gardner.

CFA Challenge

In 2024, SSIF submitted a team that participated in the CFA Institute Research Challenge, a worldwide contest where student teams perform financial analysis on a publicly traded company. The team consisted of SSIF members Ben Morgan, Dawson Boys, Ryan Rajak, and Noe Estrada.

The challenge provides students with hands-on mentoring from industry experts and intensive training in financial analysis and professional ethics. Teams are evaluated on their analytical, valuation, report-writing, and presentation skills. The SIU team began working on this challenge in October of 2023 after the kickoff of the challenge, which included an investor presentation from the CFO of Ameren, the chosen company. Ameren is an electric distributor and transmitter that operates as three segments, two for its IL and MO operations, and another for its transmission business. The team performed due diligence into its business model to understand the legal and financial intricacies of a regulated monopoly. After this, the team launched into extensive research and analysis, aided by their faculty mentor, Tim Marlo, alongside their industry mentor, Matt Arnold, an SIU alumnus and senior equity analyst with Edward Jones.

The results of the many hours of effort were compiled into an in-depth 10-page written report, just like one a professional financial analyst would prepare in the business world. The report includes the team’s opinion as to whether a person should buy, sell, or hold Ameren’s stock. The report was the first phase of the contest. The second phase was a verbal presentation and defense of the report before a panel of chartered financial analysts who are truly experts in their field. This year, the event was held live in St. Louis, where the team presented their findings and investment recommendations to the judging panel. Though the team did not place this year, they walked away with a higher understanding of the rigor that it can take to put together a cohesive report that financial analysts must do in actual practice.

Outlook for FY 2025

Looking forward to FY 2025, the SSIF team projects another year of economic growth with a degree of uncertainty. The analysis of the current macroeconomic backdrop shows strengths accompanied by some weaknesses. The economic outlook could quickly sour if those weaknesses develop into issues.

Firstly, looking at the most important economic health indicator, real GDP continues to show resilience despite decade high interest rates. The main drivers of GDP in the second quarter of 2024 by percentage contribution were consumer spending (1.57%), gross private domestic investment (1.46%), government spending (.53%), and net exports (-.72%). Overall, all four major components contributed more to GDP than the same period last year except for government spending.

Consumer spending increased 2.3%, a much higher reading compared to last year's measurement of .8%. Consumption of goods and services both tracked higher compared to the same period last year. The consumer confidence index trended lower to a reading of 100.4, with the present situation index ticking up slightly to 141.5, and the expectations index remaining below the 80-point threshold indicating a possible recession. Upon closer analysis of the survey and its responses, we foresee consumer spending to remain steady as inflation slows, credit conditions loosen, and wages grow (albeit at a slower but elevated rate). However, unemployment has begun to tick higher, and job hiring has shown signs of a slowdown. A continuation of these labor market trends at a rapid and unpredictable pace could have a negative effect on consumer spending. As a final note, many US consumers are becoming more cautious of their spending habits. From an everyday consumer perspective, this explains the return of $5 value meals as many fast-food chains drive foot traffic and sales by increasing the value proposition to more budget constrained consumers.

Gross private domestic investment increased 8.4% driven by its nonresidential and residential components which grew 5.2% and -1.4% respectively. Throughout the year, non-residential spending has been supported by expenditures on information processing equipment. This trend is expected to continue as companies expand their technological capabilities, especially with the continued development and implementation of AI technologies. Residential investment grew for three consecutive quarters, but fell in Q2, after experiencing ten consecutive quarters of negative growth. The uptick in home construction throughout the year was fueled by the lack of existing inventory of single-family units. However, 30-year mortgage rates peaked at 7% hampering demand and therefore lowering investment. Nevertheless, there remains a housing shortage that continues to grow especially as net immigration contributes more to US population growth. According to the Congressional Budget Office, population growth is expected to surge from 2024-2025 because of immigration into the United States. The immigration trend should continue to increase pent-up demand for home construction. For this reason, residential investment is expected to grow soon as credit conditions loosen.

Government spending increased 3.10% driven mostly by federal spending. It is unclear whether Trump or Harris will win the presidential election. Regardless of the winner, both administrations will need to address the swelling budget deficit by cutting discretionary spending. Looking forward, we anticipate federal spending to be directed more towards defense, driving categorical growth albeit a slower rate. Similarly, state and local spending are expected to grow as municipalities continue to invest in the public welfare of their communities.

Net exports are expected to continue to be a negative headwind to real GDP growth as the trade deficit grows through the remainder of the year. Currently, the USD remains stronger than most of its major trading partners, but this could change if interest rates are cut in the back half of 2024. An interest rate cut could result in weakening the USD, lowering demand for imports, and raising exports. Regardless, we anticipate the trade balance to remain negative. It should also be noted that the trade balance between the US and China is becoming a more sensitive topic in Washington. So far this year, President Biden extended Trump era tariffs on Chinese goods and even imposed more on electric vehicle, solar, and semiconductor technologies. Nevertheless, this does not impact our views of a growing trade deficit as the economy grows.

Overall, we look forward to another year of economic growth with a degree of uncertainty. The increasing selectivity of consumer spending is a concern for certain businesses and an opportunity for others. However, consumers remain resilient in their spending habits and will continue to drive economic growth so long as the softening labor market does not enter a downward spiral. For this reason, we anticipate Fed policymakers to cut interest rates in the second half of 2024 to prevent this from happening. Monetary policy easing and credit conditions loosening should spur demand in the real estate sector setting up another year for economic growth as a slowdown in government spending provides less of a contribution to real GDP growth. As always, we remain confident that through our strategy and our diligence we will be able to face all the challenges that might come our way.

Berkshire Hathaway Trip

On Saturday, May 4th, the SSIF attended the Berkshire Hathaway Annual Shareholders Meeting in Omaha, Nebraska. This event offered SSIF members an invaluable opportunity to gain insights from one of the most esteemed gatherings in the investment world.

This year's meeting was particularly notable as it was the first since the passing of Charlie Munger. Warren Buffett, accompanied by Vice Chairmen Greg Abel and Ajit Jain, addressed the shareholders. Buffett commenced the meeting with a review of Berkshire Hathaway's first-quarter earnings, revealing a remarkable 39% increase in operating earnings compared to the same quarter last year, signaling a strong start to the year.

Looking ahead, Buffett predicted that higher yields and cash levels would likely lead to increased investment income in 2024. He outlined a straightforward yet crucial blueprint for Berkshire's management objectives:

Increase Operating Earnings: This remains a primary goal for the company, focusing on growing profitability.

Decrease Shares Outstanding: This strategy aims to enhance operating earnings per share at an accelerated rate.

Seek Occasional Big Opportunities: The company hopes for significant investment opportunities that allow for the substantial deployment of cash at attractive expected returns.

Berkshire Hathaway currently holds $36 billion in cash and $153 billion in Treasuries, amounting to a total cash reserve of $189 billion. This is a notable increase from the previous year, when the company had $130 billion in its cash hoard. The SSIF members gained valuable experience and insights from the meeting, enriching their understanding of investment strategies and company management.

(SSIF) members gather outside the CHI Health Center Omaha, Nebraska, after attending the Berkshire Hathaway Annual Shareholders Meeting on May 4th.

Appendix I: Resolutions

Saluki Student Investment Fund
Mid-Cap Core Strategy

Resolution: *Investment Process (Cash Balance)*

The decision of the Saluki Student Investment Fund as of October 26, 2010 in regards to the investment process is as follows:

1. The cash balance of the SSIF portfolio will not exceed 1% of the overall portfolio value unless the following stipulations are true:
a. There will be a proposed trade by a sector team within 2 weeks' time
b. The sector team proposing the trade is underweight against the benchmark

2. If the above stipulations are false, then any percentage over 1% will be allocated into the benchmark ETF to correct the excessive cash balance. If a correction in cash is needed because of the above stipulations the ETF will be sold to obtain a cash balance as close to 75 basis points as possible.

3. The cash balance will not go below 25 basis points of the overall portfolio value. If the cash balance falls below the lower limit, the SSIF will immediately sell the proper amount of the benchmark ETF to maintain the target goal of 75 basis points.

4. If the SSIF portfolio does not hold the mid-cap ETF at the point where a cash balance adjustment is needed, the group will have one week to decide the proper Equity to be sold to achieve the cash balance goal.

Saluki Student Investment Fund
Mid-Cap Core Strategy

Resolution: *Investment Process (Eligible Investment Universe)*

The decision of the Saluki Student Investment Fund as of October 1, 2010 in regards to the investment process is as follows:

1. All equities in the S&P 400 are in the acceptable eligible investment universe.

2. A minimum of 75% of the portfolio value will be S&P 400 constituents.

3. All equities with a market capitalization in the 10% to 90% range of S&P 400 constituents' market capitalizations at the beginning of the semester will be in the eligible investment universe.

4. Stocks that are a constituent of the S&P 500 or 600 will not be held in the SSIF portfolio.

5. The eligible investment universe will be re-adjusted every semester to account for changes in the overall market.

6. Any holding outside the eligible investment universe for more than one semester will be removed from the portfolio in an orderly manner.

Saluki Student Investment Fund
Mid-Cap Core Strategy
Sector Weight Policy

Resolution: *Investment Process (Sector Weight)*

The decision of the Saluki Student Investment Fund as of October 26, 2010 in regards to Sector Weights is as follows:

1. With the absence of a strong thesis, sector weights will be maintained within +/- 2% of the S&P 400 Mid-Cap index.

2. Sectors that become organically under or overweight will be addressed and brought back to the proper sector weight in an orderly manner.

3. For sector teams that wish to over or underweight their sector, the sector team must present a thesis that supports their decision to the other sector teams. The SSIF as a whole will need to approve or deny the proposed sector weight before any weights can be changed.

4. In the event that no other sector wants to make an equal under or overweight bet to the new proposed weight, then all the sectors should be adjusted equally up or down compared to the new sector weight.

Appendix II: 2023-2024 SSIF Members

Oscar Andrade
Ethan Bahney
Reagan Basso
Daniel Boles
Dawson Boys
Matthew Carrazco
Jinyuan Chai
Santo Chiarelli
Johnathon Daly
Nick Dean
Kate DeGrazia
Luke Dierkes
Noe Estrada
Sarah Farris
Zachary Flannigan
Gabriel Francis
Garrett Franklin
Chris Golden
Jacob Hall
Jordan Jansco
Debbie Lewis
Jimmy Lin
Sarah Lynd
Matthew Messer
Christopher Meyer
Jobe Miller
Benjamin Morgan
Rajat Niroula
Eddie Pelak
Ryan Rajak
Lawson Ridgeway
Jacob Rothenberger
Jacob Seidel
Bidit Shakyra
Aaron Shelton
Louis Vicari
Emily White
Ahmad Zatar