

2023 NEWSLETTER



SALUKI STUDENT INVESTMENT FUND

2023 Fund Activity

As of December 31st, 2023, the Saluki Student Investment Fund (SSIF) boasted an impressive portfolio valued at \$3,710,782. Over its 20-year history, the Fund has consistently demonstrated strong relative performance, surpassing the benchmark S&P 400 Total Return Index by 1.17%. However, the year-end results showed a slight underperformance of 3.90%. Despite this, the SSIF has maintained its track record of outperforming the benchmark over the past 3, 5, 10, and 15-year periods, reaffirming its commitment to long-term success.

Throughout the Spring and Fall Semesters of 2023, the SSIF experienced growth, expanding its membership from 39 to 42 members. Technological advancements in the Rehn 326 Trading Room, including upgraded cameras and microphones for virtual meetings, enhanced the Fund's operational efficiency. Emphasizing portfolio optimization, the SSIF actively rebalanced its holdings to ensure sector neutrality and adherence to individual holding constraints, with a focus on maximizing the information ratio.

Despite facing challenges, the SSIF maintained a diverse range of programs, including participation in prominent events such as the Morningstar Investor Conference in Chicago and the CFA Society Research Challenge in St. Louis, MO. The Fund also hosted numerous guest speakers, providing valuable networking opportunities for members with accomplished Saluki alumni and professionals from various organizations.

In addition to academic competitions and networking events, the SSIF organized the Bertrand COBA Challenge, a competitive event aimed at enhancing students' finance and Bloomberg skills. Furthermore, a team-building exercise at Touch of Nature in the Fall strengthened member relationships and leadership skills.

Looking ahead to 2024, the SSIF has exciting events planned, including continued participation in the CFA Research Institute Challenge, where SIU will compete against other regional universities in analyzing Ameren (AEE) and presenting recommendations to industry experts. The Bertrand COBA Challenge tradition will continue, with the presentations occurring on March 25. Finally, the Fund continues to remain vigilant in its fundamental analysis of mid cap equities to try to continue achieving long-term outperformance.

2023 Market Recap

The U.S. economy and stock market performed well in 2023, marking a significant improvement over the challenging year of 2022, despite intermittent turbulence and heightened uncertainty. Investors welcomed the recovery in the performance of stock and bond markets, signalling a turnaround from the previous year's conditions.

While there were periods of remarkable resilience, the overall economic conditions remained favourable, albeit with challenges due to rising interest rates. The stock market exhibited narrow leadership this year, with some sectors strongly outperforming others, namely Industrials and Information Technology. The S&P 400 mid-cap index recorded strong gains in the face of ongoing interest rate volatility, experiencing a 14.4% rise in 2023, nearly reversing the 14.5% decrease from the previous year.

Although 2023 showed overall strength, bond performance faced difficulties due to persistent rate volatility. High interest rates continued to influence economic dynamics significantly. However, the U.S. economy and stock market demonstrated resilience in their overall trajectory, suggesting strong momentum and a rebound from the uncertainties of the prior year.

2024 Market Forecast

Compared to 2023, the market and economic performance in 2024 are expected to mirror last year's closely. Early in 2024, the S&P 500 has reached an all-time high. The Federal Reserve has decided to maintain the inflation rates at 5.25-5.5% for the time being with the goal of lowering them by the end of 2024. The Fed is confident that the inflation rate is moving toward the central bank's target of 2%. Although this appears to be positive for future market prospects, J.P. Morgan and Charles Schwab have reported an anticipated slowdown in the United States' economic growth for 2024. This prediction is attributed to decreased consumer spending and the sluggish real GDP growth recently observed. However, this does not necessarily imply that stocks will struggle throughout the year, particularly if the "rolling recessions" that have characterized the recent economy persist. Federal Reserve policymakers expect the federal funds rate to remain below its long-term maximum, or "terminal," rate. They are signaling potential rate cuts, specifically three quarter-point reductions by the end of 2024, which would lower the benchmark rate to 4.6%.

Forbes reports that forecasters are optimistic about inflation dropping below 2.5% by the end of 2024, with core PCE inflation projected to fall to 2.4% by December. This outlook is supported by a recent CPI announcement from J.P. Morgan, which stated that year-over-year inflation rose marginally by 0.3% in January on a seasonally adjusted basis—a slight acceleration from the 0.2% increase seen in December. The food index grew by 0.4% in January and is expected to continue its upward trend for both dining out and home meals. Energy prices fell by 0.9% during the month, primarily due to a decrease in the gasoline index. Encouragingly, airline ticket prices have dropped, and the rate of price increases for new cars has slowed year-over-year, while used car prices have declined over the year. It is hopeful that the same tailwinds that fueled the stock market's rally in 2023 will drive the S&P 500 to new all-time highs in 2024, as has already been witnessed. The economy is anticipated to decelerate sufficiently for the annual inflation rate to reduce to approximately 3.5%–4.0%, which remains above the Federal Reserve's target range of 2.0% to 2.5%.

2024 Market Forecast Continued

Looking ahead, a more favorable year for international investors may be approaching, although market volatility is expected to remain high in the first quarter of 2024. Despite the synchronized monetary tightening by central banks globally in 2023, which exceeded growth expectations, economists anticipate avoiding a near-term global recession in 2024 and foresee a continuation of global expansion until mid-2025.

As of December 29, 2023, Large-cap S&P 500 stocks outperformed Mid-cap S&P 400 companies by nearly 10%, with the S&P 400 up 14.45% year-to-date (YTD) and the S&P 500 up 24.23% YTD. Given the unpredictable nature of markets, mid-cap corporations can offer investors a sense of security akin to that of large-cap equities. In bull markets, mid-cap companies typically outperform large-cap companies. Conversely, in bear markets, mid-caps tend to either match the performance of large-caps or slightly underperform. Looking ahead at projections for Mid-cap stocks in 2024, if economic growth slows, then mid-cap stocks are expected to be less vulnerable to losses than large-cap stocks due to their reduced international exposure. Should market predictions align with the consensus of economists and analysts, the S&P 400 is anticipated to experience relatively substantial positive returns.



Saluki Student Investment Fund Fall 2023 Membership Pictured

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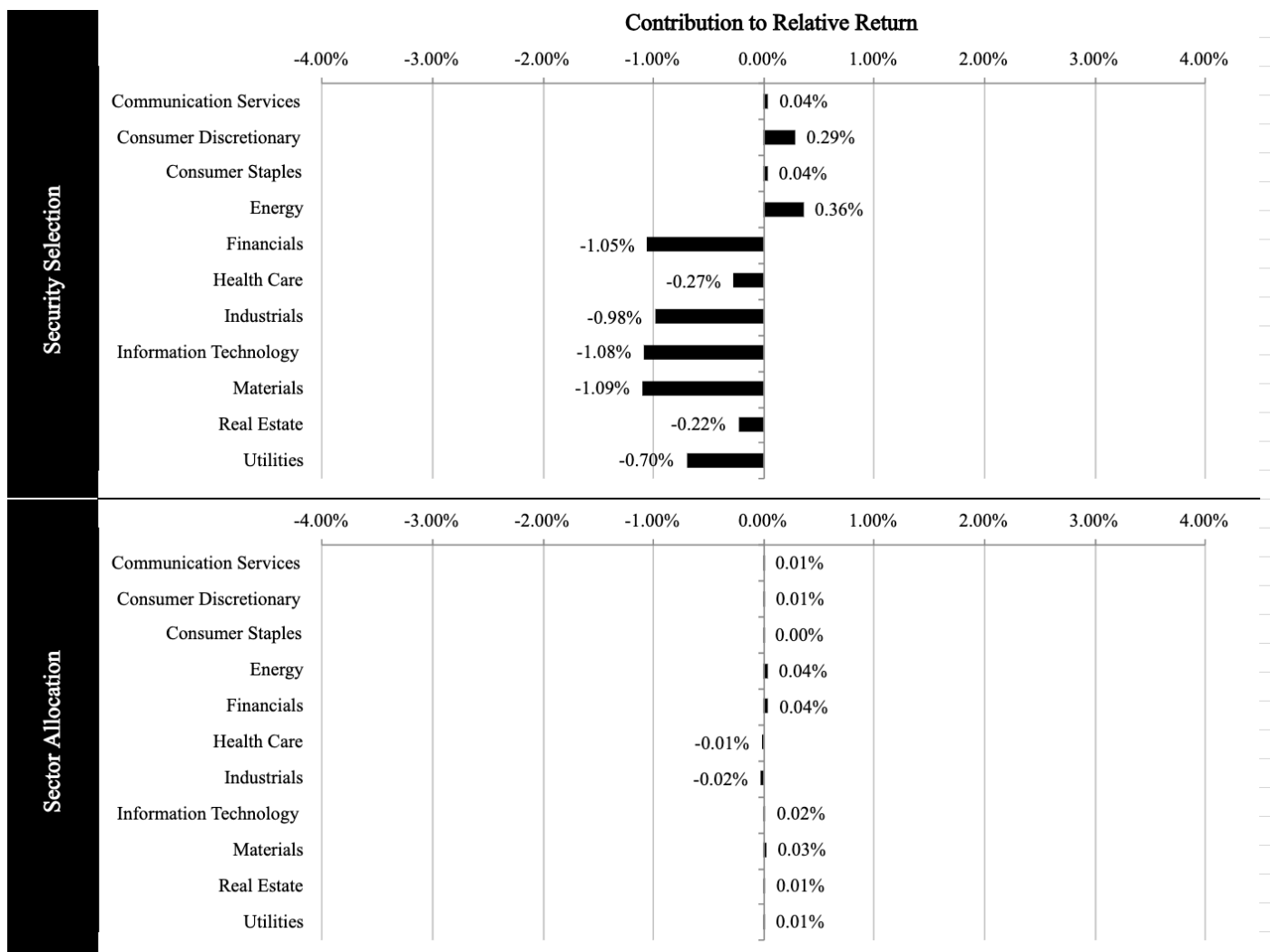
SIU Foundation Portfolio Performance Summary

As of December 31, 2023

	Quarter	Fiscal YTD	1-Year	3-Year	5-Year	10-Year	15-Year	20-Year	Since Inception
SSIF	12.85%	8.22%	12.53%	10.27%	13.87%	10.15%	14.45%	10.99%	8.99%
S&P 400 Benchmark*	11.67%	6.98%	16.44%	8.09%	12.62%	9.27%	13.33%	9.81%	9.33%
<i>Difference</i>	<i>1.18%</i>	<i>1.24%</i>	<i>-3.90%</i>	<i>2.18%</i>	<i>1.25%</i>	<i>0.88%</i>	<i>1.13%</i>	<i>1.17%</i>	<i>-0.34%</i>
Tracking Error**			4.29%	4.84%	4.69%	4.23%	4.12%	4.37%	5.11%
Information Ratio***			-0.91	0.45	0.27	0.21	0.27	0.27	-0.07
Months > Benchmark			42%	53%	50%	50%	52%	51%	49%

Periods greater than one year are annualized. Inception: June 30, 2000. * Performance of the benchmark is reported for the S&P Midcap 400 Total Return Index (Source: Bloomberg SPTRMDCP Index) ** 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.

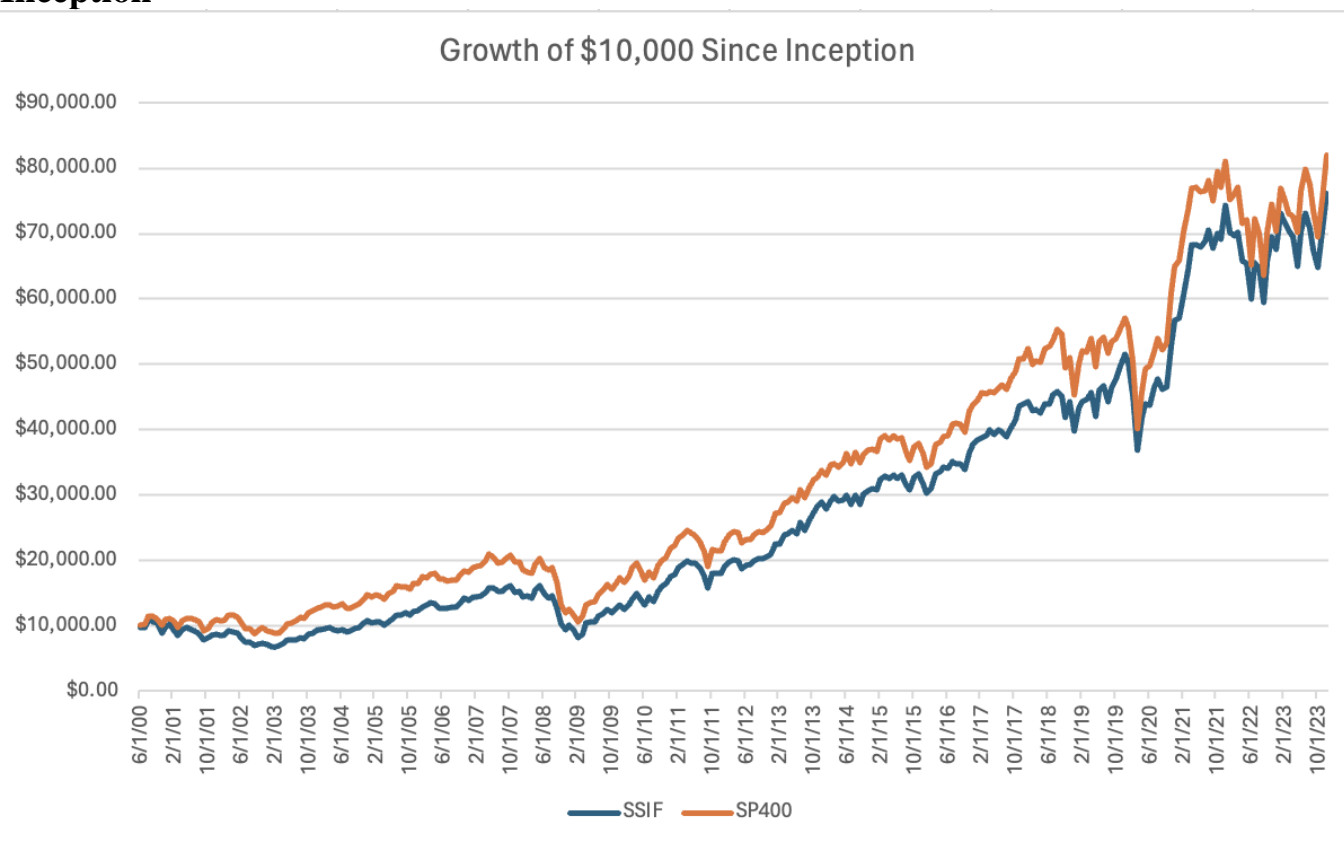
SSIF Relative Performance Attribution for the Calendar Year Ended December 31, 2023



Rank	Top 5 Contributors to 2023 Return	Contribution (%)
1	FLOOR & DECOR HOLDINGS INC-A	1.90
2	QUALYS INC	1.66
3	CARLISLE COS INC	1.29
4	HUBBELL INC	1.17
5	COCA-COLA CONSOLIDATED INC	1.02
Rank	Bottom 5 Contributors to 2023 Return	Contribution (%)
1	HAWAIIAN ELECTRIC INDS	-1.53
2	UNITED THERAPEUTICS CORP	-0.70
3	SILGAN HOLDINGS INC	-0.58
4	CATHAY GENERAL BANCORP	-0.50
5	LUMENTUM HOLDINGS INC	-0.47

The table highlights the principal influences on our portfolio's performance for 2023, delineating the five most impactful and least impactful companies. It's evident that the sectors influencing our returns are varied, with the Utilities sector's Hawaiian Electric Industries at the forefront, detracting -1.53% from our returns. In contrast, the most positive contribution came from Floor & Decor Holdings Inc. in the Consumer Discretionary sector, adding 1.90%. These results underscore our commitment to a sector-neutral investment strategy and reinforce our confidence in the potential of our holdings over the next one to three years.

Growth of \$10,000 Since Inception



Displayed above is a comparison of the growth of a \$10,000 investment made in May 2000 in the SSIF and the S&P Midcap 400 Index. As of December 31st, 2023, the SSIF's value has increased to \$76,152, while the S&P Midcap 400 Index has grown to \$82,014.7.

SSIF Portfolio Holdings as of 12/31/2023

Sector	Ticker	Name	Shares	Market Value	%TNA
CASH				\$14,008	0.4%
Consumer	COKE	COCA-COLA CONSOLIDATED, INC.	130	\$120,692	3.3%
Consumer	CROX	CROCS, INC.	1,230	\$114,894	3.1%
Consumer	DKS	DICK'S SPORTING GOODS, INC.	980	\$144,011	3.9%
Consumer	FIVE	FIVE BELOW, INC.	320	\$68,211	1.8%
Consumer	FND	FLOOR & DECOR HOLDINGS, INC.	1,290	\$143,912	3.9%
Consumer	GNTX	GENTEX CORPORATION	3,850	\$125,741	3.4%
Consumer	LANC	LANCASTER COLONY CORPORATION	320	\$53,245	1.4%
Communications	TKO	TKO GROUP HOLDINGS, INC.	720	\$58,738	1.6%
Energy and Utilities	DTM	DT MIDSTREAM, INC.	2,080	\$113,984	3.1%
Energy and Utilities	MUR	MURPHY OIL CORPORATION	1,600	\$68,256	1.8%
Energy and Utilities	NJR	NEW JERSEY RESOURCES CORPORATION	1,870	\$83,365	2.2%

Energy and Utilities	OGS	ONE GAS, INC.	520	\$33,134	0.9%
Financials	AFG	AMERICAN FINANCIAL GROUP, INC.	1,040	\$123,646	3.3%
Financials	EWBC	EAST WEST BANCORP, INC.	1,930	\$138,864	3.7%
Financials	FHI	FEDERATED HERMES, INC.	2,750	\$93,115	2.5%
Financials	RGA	REINSURANCE GROUP OF AMERICA, INCORPORATED	210	\$33,974	0.9%
Financials	VOYA	VOYA FINANCIAL, INC.	680	\$49,613	1.3%
Financials	RNR	RENAISSANCERE HOLDINGS	480	\$94,080	2.5%
Healthcare	DOCS	DOXIMITY, INC.	1,430	\$40,097	1.1%
Healthcare	EHC	ENCOMPASS HEALTH CORPORATION	520	\$34,694	0.9%
Healthcare	EXEL	EXELIXIS, INC.	4,590	\$110,114	3.0%
Healthcare	UTHR	UNITED THERAPEUTICS CORPORATION	460	\$101,149	2.7%
Industrials	ACM	AECOM	1,340	\$123,856	3.3%
Industrials	AGCO	AGCO CORPORATION	1,030	\$125,052	3.4%
Industrials	BLDR	BUILDERS FIRSTSOURCE, INC.	880	\$146,907	4.0%
Industrials	CSL	CARLISLE COMPANIES INCORPORATED	440	\$137,469	3.7%
Industrials	KNX	KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.	650	\$37,473	1.0%
Industrials	MSM	MSC INDUSTRIAL DIRECT CO., INC.	1,130	\$114,424	3.1%
Industrials	OC	OWENS CORNING	890	\$131,925	3.6%
Info-Tech	BDC	BELDEN INC.	1,240	\$95,790	2.6%
Info-Tech	MKSI	MKS INSTRUMENTS, INC.	420	\$43,205	1.2%
Info-Tech	QLYS	QUALYS, INC.	660	\$129,545	3.5%
Info-Tech	SYNA	SYNAPTICS INCORPORATED	1,020	\$116,362	3.1%
Materials	EXP	EAGLE MATERIALS INC.	630	\$127,789	3.4%
Financials	RNR	RENAISSANCERE HOLDINGS	480	\$94,080	2.5%
Materials	SLGN	SILGAN HOLDINGS INC.	810	\$36,653	1.0%
Materials	CMC	COMMERCIAL METALS COMPANY	2,070	\$103,583	2.8%
Real Estate	FR	FIRST INDUSTRIAL REALTY TRUST, INC.	2,610	\$137,469	3.7%
Real Estate	GLPI	GAMING & LEISURE PROPERTIES	2,140	\$105,609	2.8%
Real Estate	LAMR	LAMAR ADVERTISING COMPANY	340	\$36,135	1.0%

COBA Portfolio Performance Summary As of December 31, 2023

	Quarter	Fiscal YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
COBA	12.87%	8.61%	22.37%	12.14%	14.69%	11.55%	10.41%
S&P 500 Index*	11.69%	8.04%	26.29%	10.00%	15.69%	12.03%	7.29%
<i>Difference</i>	<i>1.18%</i>	<i>0.57%</i>	<i>-3.92%</i>	<i>2.14%</i>	<i>-0.99%</i>	<i>-0.49%</i>	<i>3.12%</i>
Tracking Error**			4.59%	5.15%	4.47%	4.60%	11.96%
Months > Benchmark			42%	53%	42%	47%	51%

Periods greater than one year are annualized. Inception: June 30, 2000 * Performance of the S&P 500 Total Return Index (Source: Bloomberg SPTR Index) is used for comparison purposes only. The COBA Portfolio does not have a formal mandated benchmark against which it is managed.

COBA Portfolio Holdings as of 12/31/2023

SECTOR	TICKER	NAME	SHARES	MARKET VALUE	% OF TNA
INFO.TECH.	AAPL	APPLE INC	57	\$10,974.21	4.43%
REAL ESTATE	AMT	AMERICAN TOWER CORP	45	\$9,714.60	3.92%
CONS. DISCRETIONARY	AMZN	AMAZON.COM INC	92	\$13,978.48	5.64%
INDUSTRIALS	BA	BOEING CO/THE	42	\$10,947.72	4.42%
INDUSTRIALS	BLD	TOPBUILD CORP.	43	\$16,093.18	6.49%
FINANCIALS	BRK/B	BERKSHIRE HATHAWAY INC-CL B	28	\$9,986.48	4.03%
UTILITIES	CMS	CMS ENERGY CORP	144	\$8,362.08	3.37%
HEALTH CARE	CVS	CVS HEALTH CORP	111	\$8,764.56	3.53%
INDUSTRIALS	DAL	DELTA AIR LINES INC	223	\$8,971.29	3.62%
INDUSTRIALS	GD	GENERAL DYNAMICS CORP	38	\$9,867.46	3.98%
COMMUNICATION	GOOG	ALPHABET INC-CL C	92	\$12,965.56	5.23%
MATERIALS	IFF	INTL FLAVORS & FRAGRANCES	99	\$8,016.03	3.23%
HEALTH CARE	JNJ	JOHNSON & JOHNSON	56	\$8,777.44	3.54%
FINANCIALS	JPM	JPMORGAN CHASE & CO	65	\$11,056.50	4.46%
INDUSTRIALS	LHX	L3HARRIS TECHNOLOGIES INC	42	\$8,846.04	3.57%
HEALTH CARE	LLY	ELI LILLY & CO	27	\$15,738.84	6.35%
COMMUNICATION	META	META PLATFORMS INC-CLASS A	47	\$16,636.12	6.71%
CONS. STAPLES	MNST	MONSTER BEVERAGE CORP	84	\$4,839.24	1.95%
UTILITIES	NEE	NEXTERA ENERGY INC	116	\$7,045.84	2.84%
INFO.TECH.	ORCL	ORACLE CORP	100	\$10,543.00	4.25%
HEALTH CARE	TMO	THERMO FISHER SCIENTIFIC INC	15	\$7,961.85	3.21%
INFO.TECH.	V	VISA INC-CLASS A SHARES	39	\$10,153.65	4.09%
CONS. STAPLES	WMT	WALMART INC	62	\$9,774.30	3.94%
ENERGY	XOM	EXXON MOBIL CORP	78	\$7,798.44	3.15%