



The **William C. Dunkelberg Owl Fund-**
2019 Annual Report

MISSION

The William C. Dunkelberg Owl Fund strives to provide Temple University students with an active learning environment to put investment principles into practice to help them achieve their investment-management-oriented goals. Along with managing the portfolio and seeking to maximize capital appreciation, the Owl Fund aims to accelerate the professional and personal development of undergraduate students and position its members for success throughout their careers.

HISTORY

The Temple University Investment Association (TUIA) started with ~25 members and has grown to 200+ members today. Beginning in January 2009, with the opening of Alter Hall, TUIA members were able to use the Capital Markets Room (CMR), a computer lab with cutting-edge financial analytics tools such as Bloomberg Professional, FactSet, and Capital IQ.

In 2007, founding members Ryan Alberts, Carolyn Bachman, Joseph Hess, and Dana Visco joined with Dr. Scott, Dean Porat, and Temple University CFO, Tony Wagner, to develop the foundation for the William C. Dunkelberg Owl Fund. The Fund was named after William C. Dunkelberg, the Fox School dean from 1987 to 1994.

On April 12th, 2012, the Owl Fund received approval from the Board of Trustees to become a separate, fully student-managed advisor to the Temple University endowment. Beginning in the fall of 2012, the Owl Fund began to populate its investment portfolio. More than a decade after its initial founding, and some eight years since the official portfolio was established, the Owl Fund student analysts now manage roughly \$530,000 for the University's endowment.

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NOTE FROM THE OUTGOING CIO

I always wanted to move to a city for college—I had a suburban childhood, and I envied the grit and determination that I imagined filled the spirit of the city dweller. I didn't know what I wanted from my career, but I recognized the importance of enhancing my understanding of the world among other hardworking, intellectually curious people. At Temple, I found what I needed and so much more with the Owl Fund.

From my very first meeting freshman year, TUIA and the Owl Fund have been the driving force behind my admiration for the Fox School. With no experience under my belt, I needed a lot of guidance when I walked out of my first "Careers in Finance" module. The Owl Fund Analysts and Executives I grew close with supported me more than I could have ever hoped. From introducing me to the idea of networking over squash and cocktails to coaching me through my elevator pitch in the wee hours of the night, Owl Fund Analysts became some of my best mentors and dearest friends.

I cannot overstate the magnitude of the personal development that the Owl Fund spurs in its Analysts. Attracting the most motivated and interested students in the business school, the Fund refines our talent through extensive discussion, cross-examination, and collaboration with equally ambitious and hardworking peers. In the two semesters I've led the Fund, I have enjoyed nothing more than the knowledge—from international politics to semiconductor components to healthcare distribution models and so much more—that I've witnessed our students develop. I cherish the unparalleled hunger for success in the students who are, have been, and will become Owl Fund Analysts.

While we place a heavy focus on the personal and professional development of our Analysts, the Fund's primary objective is to achieve strong relative investment returns. In 2019, we posted a total return of 29.1% relative to the S&P 500's 31.5% all-in return. This 235 bp underperformance still reflects the best absolute performance in the Fund's history. 2019 saw major indices surge to all-time-highs, the bull market reach the 10-year mark, and the equity market return the most in a single market cycle since World War II. Despite starting the year with fears of an economic slowdown, investors' concerns never came to fruition. The strength of the consumer held steady despite dismal manufacturing data, and the biggest pain points last year, the Fed and the Trade War, each slowly resolved in the market's favor throughout 2019.

The Fed, which issued four rate hikes last year, changed its tune over the summer. The central bank cut rates three times into autumn, which Jerome Powell described as "insurance cuts." Easy money policy, including the Fed's repo activities, alongside feeble fixed income yields drove investment dollars into equities. As demonstrated in *Exhibit II* of the Appendix, the S&P 500's trailing P/E expanded 27.7% from 16.6x in January to 21.2x at year-end 2019. The Fed's actions drove the bulk of the re-rating in the market multiple throughout 2019 as the risk-free rate and the cost of equity fall in tandem.

U.S. trade tensions with China resolved themselves in the back half of the year as well. After abandoning negotiations in May, President Trump resumed talks in the fall as threats to expand tariffs to consumer goods, alongside mounting domestic pressure for both sides to reach an agreement, brought China back to the negotiating table. The subsequent expectation of a Phase 1 trade deal helped the market fly high through the fall and into the winter months; the S&P 500 rose at a remarkably steady clip in 4Q'19, adding 204 bps, 340 bps, and 286 bps in the final three months of the year, respectively.

While technically returning >30% in 2019, the SPX closed out the year only ~10% above 2018's September highs. The year's record-setting gains came primarily in the fourth quarter, and the peak-to-peak return is more in-line with historical equity performance than initially apparent. Technology (XLK +49%) and Communications (XLC +30%) performed best, as we would expect in the later stages of the market cycle, while Energy again lagged the most despite finishing positively (XLE +5%). Oil performed much better than Energy equities, with WTI and Brent surging 34.5% and 22.7% respectively. The record-breaking year for markets stirred up an uneasy feeling in the Executives, and we attempted to position the portfolio defensively headed into 2020. We still didn't expect what was coming next.

COVID-19 has taken the world by storm in 2020. After a strong first two weeks of the year, COVID-related headlines dragged the SPX to a slight (99 bps) decline in January, setting the tone for the remainder of the year. Losses accelerated to (8.4%) and (12.5%) in February and March, respectively, before investors sharply reversed course and turned bullish. After bottoming on March 23rd, equities have posted the fastest turnaround from a bear market ever, rising 28.5% through market close on Friday, April 17th.

The Fed has taken drastic action to combat the virus's impact on consumers, businesses, and—in my opinion, primarily—equity valuations. On March 12th, the Fed cut its benchmark rate by a full percentage point to a target range of 0 bps to 25 bps. This rate cut, which represents the seventh emergency cut of the 21st century, was also the largest emergency cut in the Fed's history. Chairman Powell issued complementary forward guidance that rates will remain low moving forward.

In the same and subsequent announcements, the Fed has reinstated quantitative easing—purchasing unlimited USTs and MBSs—drastically expanded its repo operations—now offering \$2tn+ in daily repo funding—and both expanded direct lending to securities firms and reinstated direct lending to major corporations. While this summary highlights the most significant points of the Fed's actions on COVID-19, the details are extensive and continuously expand. Unfortunately, these actions fail to address the Fed's mandates and instead serve to prop up a stock market that has been fully abandoned by fundamental economic strength in any sector.

Rate cuts aim to spur investment and inflation through reduced rates on things like mortgages and auto loans for consumers and businesses alike. While the cuts do cheapen borrowing for consumers, the dire nature of this lockdown prevents people from taking on the risk of borrowing aside from emergencies. While businesses must borrow in earnest to maintain adequate liquidity, meet payrolls, pay rent, etc., this market's volatility levels prevent CEOs from significant capital investment also. In other words, the Fed's emergency cut did little to increase consumer or commercial investment. While consensus opinion says Fed intervention in the money markets was necessary, QE and repo operations can't offset the economic impact of the lockdown that, in the nation's most productive states, shows little signs of easing.

Despite brutal initial economic readings—22mm job losses over four weeks, 8.7% reduction in March retail sales, etc.—the market is now more expensive on a forward P/E basis than it was to start the year (see *Exhibit III*). The SPX's forward P/E of 21.3x represents a ~9% premium to peak 2020 valuation prior to the COVID selloff. In fact, the market's current forward P/E of 21.3x represents a >15-year high—as shown in *Exhibit IV*—that the SPX has not breached since the tech bubble burst. All that said, while the S&P 500 has not recovered to its peak of ~3.4k, *that does not mean the market is cheap*. I remain wary as I recommend the Owl Fund slowly deploy its cash position into attractive investments.

Like all organizations across the globe, the Fund adjusted its operations to soldier on through the COVID-driven lockdown. We transitioned to virtual meetings throughout the week, and we briefly suspended the semester's second round of pitches to commence an emergency round of mid-semester Sector Updates to reassess each of our holdings' investment theses and price targets in this environment. We exited our most exposed names and built up a large cash position throughout these discussions, and we hope to continue to deploy that capital into well-positioned names moving into the summer.

Despite its center-stage position in all our minds today, COVID-19 did not drive the only changes to the Owl Fund's operations this year. Internally, we continued to build out initiatives that our predecessors established, such as the Major-Minor coverage structure and the Owl-Fund-to-Fox-Fund mentorship program. We expanded the Minor coverage dynamic to include full new teams, meaning that each Lead Analyst works with two different Associate Analysts for Minor coverage work than for Major coverage work. These secondary teams help deepen the collaboration between Analysts and better reflects the diverse array of teams and deliverables that students will manage in the workforce. We also continued to build out and formalize the Owl Fund's mentorship program, which now serves as a central pillar of the Fox Fund learning experience. Fox Fund teams have specific deadlines to submit screening shortlists, final pitch selections, specific ICR sections, etc. to their Owl Fund team for review. These requirements ensure each Fox Fund team follows the best practices we've identified over the years.

Specifically related to the Owl Fund's core competencies of pitching stocks and monitoring the investment portfolio, we've expanded the roles of both the Executives and the Analysts. We expanded the reporting requirements of the Executive positions beyond weekly internal performance reports and this annual report to include monthly performance updates for the broad group of Owl Fund stakeholders, which I've had a ton of fun writing with Luke Brennan, the Owl Fund's current Portfolio Manager, this year. We also added a Sector Outlook Report at the end of the semester, which mirrors the Sector Update Report at the beginning of the semester, with the goal of increasing collaboration and consistency of any given sector's coverage teams between semesters.

We also made several changes to the pitch process this year; we added a Pre-Pitch Memo requirement due 48 hours before the ICR to increase collaboration between teams and ensure

sufficient time to complete outside research and develop differentiated opinions, we expanded the Risks section of the ICR to a full page and added a Bear vs. Bull Case Analysis section to sharpen our focus on downside mitigation, and we migrated to a quarterly operating model for our DCF valuations. This quarterly DCF allows the Owl Fund to generate its own quarterly estimates for key line items of upcoming earnings releases, and it prepares Analysts to create best-in-class valuation work when they enter the workforce. Special thanks also go to Jared Swansen, incoming Director of Market Strategy, for spearheading the creation of a new, much more modern ICR format.

Beyond the Fund's operations, we emphasized engagement and diversity in our efforts to improve the Owl Fund this year. On engagement, we channeled our efforts both internally to the Fox School of Business as well as externally to alumni and other stakeholders. Within Fox, we collaborated with the Office of Undergraduate Admissions to add talking points about the Owl Fund to the Alter Hall stop on every accepted students tour. Moving forward, every new Temple student will have heard of the Owl Fund upon starting classes Freshman year.

Additionally, we built upon the modeling education program we started last year to roll out the first ever Wall Street Boot Camp (WSBC) at Temple University, which TUIA now hosts every Monday. We hope that removing some of the more intense, capital-markets-oriented educational material from the Wednesday meetings will allow TUIA to serve as a more welcoming, more approachable organization for all individuals. At the same time, we hope that doubling down on modeling education and technical interview prep in the WSBC will expand access to top-class finance roles for students beyond just those in the Fox Fund and Owl Fund. We hope that the WSBC will also provide a helpful steppingstone for students from SPO membership to the more intensive Fox Fund/Owl Fund experience. Finally, TUIA will merge with FMA following this academic year to create one cohesive Finance SPO, the Temple Finance Association (TFA).

While I believe many of these initiatives—spanning the creation of the WSBC to the expansion of the Owl-Fund-to-Fox-Fund mentorship program—will help improve the diversity of the Owl Fund, we must prioritize diversity as a foundational mandate rather than an ideal outcome. In order to do so, we've attempted to build in diversity throughout every step of our recruitment pipeline, and we partnered with three diversity-

oriented Student Professional Organizations—the National Association of Black Accountants (NABA), Ascend (an Asian-focused accounting organization), and Women in Finance (WiFi)—who were instrumental to our progress this year.

We invited each organization to our networking events at the beginning of each semester, and we drove increased Fox Fund applications from women and people of color by distributing the application through these partner organizations as well as our own traditional distribution methods. These efforts resulted in terrific progress in the Spring 2020 Fox Fund class, which boasts ~27% women compared to the broader Finance program's ~22%. While we're also making progress on racial diversity, it's more difficult to track/report given the University's more stringent policies on data availability.

I'm incredibly proud to announce that the first ever President of the Temple Finance Association will be Lilianna Ruby, current Associate Analyst in the Owl Fund. I have the utmost confidence in the Owl Fund, Fox Fund, and TFA's incoming leadership to continue to refine the Fund's processes, expand the organization's scope, and improve outcomes for Fox Finance students.

While I've been impressed with our Analysts' ability to maintain the fantastic level of work ethic and productivity the Owl Fund demands while working from home, I must admit that I miss the benefits of seeing the Fund in-person. The robust collaboration that defines the culture of the Owl Fund normally transcends the classroom through many hours of discussions in the Capital Markets Room, overlapping classes and group projects, coffee chats, and so much more. The quarantine has made clear the value of constant collaboration in the Owl Fund's success.

I want to thank the many incredible people, from our fantastic faculty advisors to the alumni I've connected with and more, who have guided me throughout my Temple journey. You all supported the biggest learning experience of my life thus far, both deepening its challenges and defining its successes. I am far more confident, knowledgeable, articulate, and well-prepared for the next chapter in my life than I could have been without this organization. I am deeply thankful for my friends and mentors for pushing me forward and sharing in my successes. I will carry you all with me wherever I go.

Brendan Biles

Chief Investment Officer | 19/20 Academic Year

ORGANIZATIONAL STRUCTURE

Overview

The Fund consists of ~25 students who are responsible for managing the whole investable portfolio. Students specialize in a specific coverage sector within the S&P 500, and each sector team uses fundamental analysis to identify stocks that are undervalued. Fund Managers (both Lead & Associate Analysts) present investment recommendations that require a two-thirds majority vote for any new stock purchases. In conjunction with its Faculty Advisors, the Owl Fund is led by Executives in their Senior year who previously served as Owl Fund Lead Analysts. The Fund trains and recruits its Lead & Associate Analysts from the Fox Fund, the virtual value-oriented equity portfolio that serves as a developmental program for aspiring Owl Fund members. The Temple University Investment Association (TUIA) supports both the Owl Fund and the Fox Fund.

Directors & Officers

The 2019/2020 Owl Fund Executive roles consist of the Chief Investment Officer (CIO), Director of Portfolio Management (PM), Director of Compliance, who coordinate the daily operations of the Fund in conjunction with the Faculty Advisors: Dr. Jonathan Scott and Cynthia Axelrod, CFA. The Executives ensure that the Owl Fund, the Fox Fund, and TUIA run smoothly and consistently, including ensuring proper mentorship and support for members across the organization. The CIO and PM serve one-year terms based on the academic calendar rather than the normal calendar year with which we evaluate performance.

As we continue to expand and refine the Fund's investment and portfolio management processes, we've found an opportunity to expand the Executive roles moving forward. For the 2020/2021 academic year, we will split the Portfolio Manager role into two positions: Director of Security Analysis and Director of Market & Economic Analysis.

Owl Fund | Lead Analysts

The Owl Fund Lead Analysts specialize in a sector of the economy and are responsible for monitoring major trends and identifying new holdings for the portfolio. Lead Analysts are also tasked with mentoring Associate Analysts within their groups, in addition to assisting Fox Fund students. In the past few years, we've established a formal, robust Owl-Fund-to-Fox-Fund mentorship program, and the Lead Analyst in each

Owl Fund team spearheads said mentorship. The connectivity between the Owl Fund and the Fox Fund is a critical component of our culture and an essential part of the development process for our students. The Owl Fund Executive Team selects incoming Lead Analysts at the end of each semester.

Owl Fund | Associate Analysts

The Associate Analysts must assist their respective sector's Lead Analyst in their recommendations regarding portfolio holdings. Associates focus on enhancing their skills and breadth of industry knowledge to provide quality support to their Lead Analyst and to cross-examine other groups' recommendations.

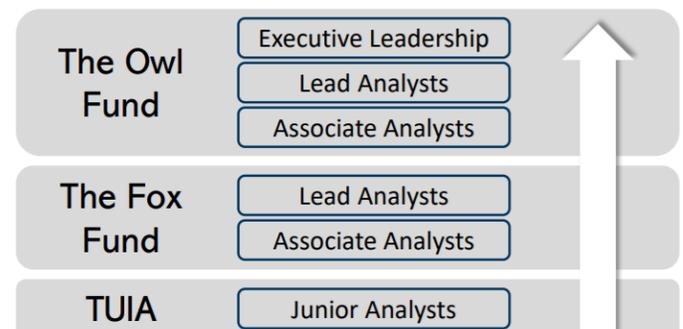
Fox Fund Analysts

Members of TUIA may apply to the Fox Fund—a virtual investment portfolio that mirrors the Owl Fund's investment process—at the beginning of each semester. The Fox Fund includes an educational portion, making up roughly one third of the course, on the basics of accounting and investing. Joining and actively participating in the Fox Fund is essential to success in the Owl Fund and fuels TUIA members' enthusiasm for the markets and investing. Fox Fund Analysts conduct their own stock research, develop initiating coverage reports, and present stock recommendations to their peers. Owl Fund members mentor Fox Fund students and assist in their professional development.

TUIA

TUIA functions as our platform to introduce potentially interested Temple students with digestible, accessible finance concepts. TUIA hopes to bolster students' professional development, improve job placement for the Finance program, and refine future Fox Fund/Owl Fund talent.

Owl Fund Hierarchy



THE INVESTMENT PROCESS

The Owl Fund uses a value-driven strategy focused on leveraging bottom-up research to source quality long-term investments. The process begins with the Sector Update Report at the beginning of each semester, in which each coverage team outlays updated investment thesis for each holding in their area(s) of coverage—alongside updated price targets if needed. Each team includes three potential buy recommendations in the Sector Update, and the Fund discusses the benefits and risks of each idea.

Each coverage team then begins screening for undervalued equities within their respective sector(s) with a focus on narrowing the range of potential stocks to a select few. At this stage, Analysts usually circulate their shortlist informally among the Fund; our structure provides a number of people for Analysts to reach out to for further insights, including the Executives, the coverage team from the prior semester, the Minor coverage team, and more. After holding these discussions and selecting a stock, the sector team now distributes a Pre-Pitch Memo to the Fund notifying the class of their selection so other Analysts may begin their independent research. The Lead and Associate Analysts conduct thorough and in-depth fundamental analysis to develop a target intrinsic value for the company. Each sector team must ultimately present their findings to the Fund Managers to determine the credibility of the analysis.

Upon submitting a comprehensive initiating coverage report, the sector teams conduct presentations about the selected stock in the classroom, fielding numerous detailed questions about their analysis and recommendation. The presenting team then recoups to track down any additional details requested by the Fund, and the following class features another robust Q&A discussion concerning the risk-reward tradeoff for the stock that was presented. Upon completion of the discussion, the Director of Compliance conducts a vote to determine if the Owl Fund will invest in the selected company. The Fund requires a two-thirds vote in favor to purchase any stock.

While the pitch process commands the most attention from the casual observer, the Fund's most important responsibility is managing the existing holdings. Lead Analysts are responsible for tracking any news, reporting, or disclosures about their respective holdings, and all Fund Managers are responsible for distributing analytical reports to the Fund upon any holding's earnings release or major update to ensure continued conviction in the Fund's investment theses. At the end of the semester, each team must now collect their thoughts on the semester and issue a Sector Outlook Report to the Fund and the following semester's coverage team, with the goal of increasing continuity of thought in the organization.

EDUCATION

The William C. Dunkelberg Owl Fund strives to provide its students with robust, real-world investment experience. Students conduct comprehensive due diligence, build valuation models, and partake in the process of investing in publicly traded companies. The Owl Fund's Lead and Associate Analysts enroll in a three-credit course led by Cynthia Axelrod, CFA. The class meets for one hour three times a week throughout the semester (every Monday, Wednesday, and Friday). Each semester's coursework includes industry speakers and live market and economic updates alongside the investment process detailed above.

The Temple University Investment Association (TUIA) provides hands-on investment management experience to accelerate classroom learning and personal development for all student members. TUIA offers modules each semester that assist members in obtaining the foundation necessary to excel in Finance coursework and develop rudimentary professional skills. Following this academic year, TUIA will merge with the University's other Finance-oriented Student Professional Organization (SPO), the Financial Management Organization (FMA). The new entity, the Temple Finance Association (TFA), will become the sole Finance SPO within the Fox School of Business.

TUIA—and TFA moving forward—also holds claim to the Fox Fund and the Wall Street Boot Camp (WSBC). The Fox Fund represents the training ground for the Owl Fund: a not-for-credit three days a week class that mirrors the Owl Fund's structure with a virtual equity portfolio and three student Directors. The Fox Fund Directors are generally former Owl Fund Lead Analysts, and they provide extensive financial education and mentorship for Fox Fund Analysts. The WSBC is a one day a week program new to TUIA this year focused on developing tangible modeling and technical interviewing skills in TUIA's members. Providing a once weekly modeling course allows TUIA & TFA to further the professional development of students who may not have the time in their schedule or the commitment to capital markets to dedicate the time necessary to join the Fox Fund and Owl Fund.

FULL-TIME & INTERNSHIP PLACEMENT | 2019 - 2020

The Owl Fund takes great pride in its ability to adequately prepare its members for full-time employment at some of the most prestigious firms in the world. The Owl Fund boasts a very sophisticated, motivated, and resourceful group of students; we are immensely proud of the progress that we've made with each passing year, as our members continue to obtain some of the most highly-coveted internship and full-time positions that the industry has to offer.

Full-Time Placement

This year, Owl Fund Analysts and Executives continued the Fund's longstanding record of 100% job placement. We earned some of the most coveted full-time roles across nearly every vertical of finance: Investment Banking, Equity Research, Credit Research, Consulting, Private Equity, Corporate Finance, and more. We also saw an unusually large group of graduates choosing to pursue further postgraduate education, which may prove to become a larger trend as the organization improves its appeal to a more diverse group of students.

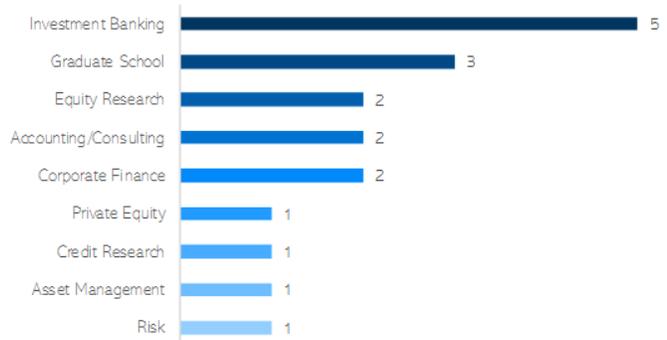
While more Owl Fund students will matriculate to Investment Banking positions than any other specific industry, most Owl Fund graduates pursue other things. The Owl Fund's increased access to prestigious positions has not hindered our diversity of interests and perspectives. Roughly 39% of newly minted Alumni are headed to New York City after graduation, while 33% will stay in Philadelphia and 28% will head elsewhere. See *Exhibit V* for additional full-time job placement information.

Internship Placement

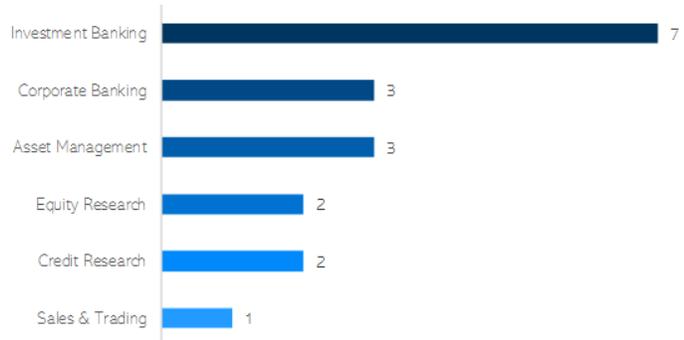
This year, Owl Fund Analysts again earned many of the most coveted internship roles in finance; however, these roles were much more concentrated in industry profile. While the spread of interest across industries remains quite diverse, the contrast demonstrates the Fund's constantly improving educational process and exposure across Wall Street. Put simply, each year more students earn offers for ideal roles from their more preferred firms.

While graduating seniors were more likely to have roles in New York City than Philadelphia, that's not true of Owl Fund undergrads: while 39% of Owl Fund internships are in New York also, only 17% will head somewhere new and 44% will stay in Philadelphia. For the most part, we are more likely to stay in Philadelphia because it's the easiest place to establish initial professional connections and build out preliminary experience on a resume. The statistics show that Owl Fund sophomores tend to stay in Philly (60%) rather than working in NYC (40%), while Owl Fund juniors have more options and are equally likely to stay in Philly (38%) or move to NYC (38%). Juniors are also much more likely to go somewhere new. See *Exhibit VI* in the Appendix for additional internship placement information.

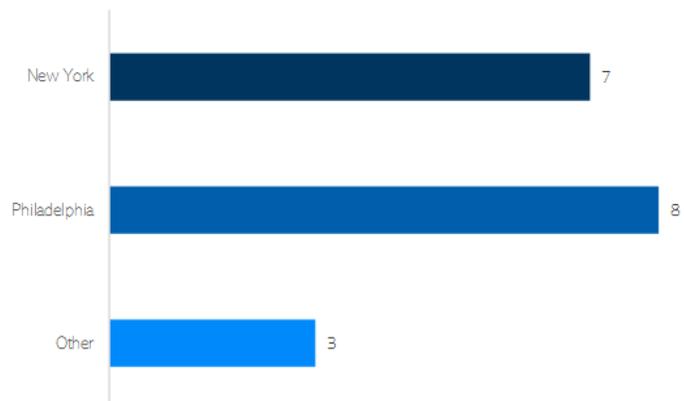
Full-Time Placement by Industry



Internship Placement by Industry



Internship Placement by City

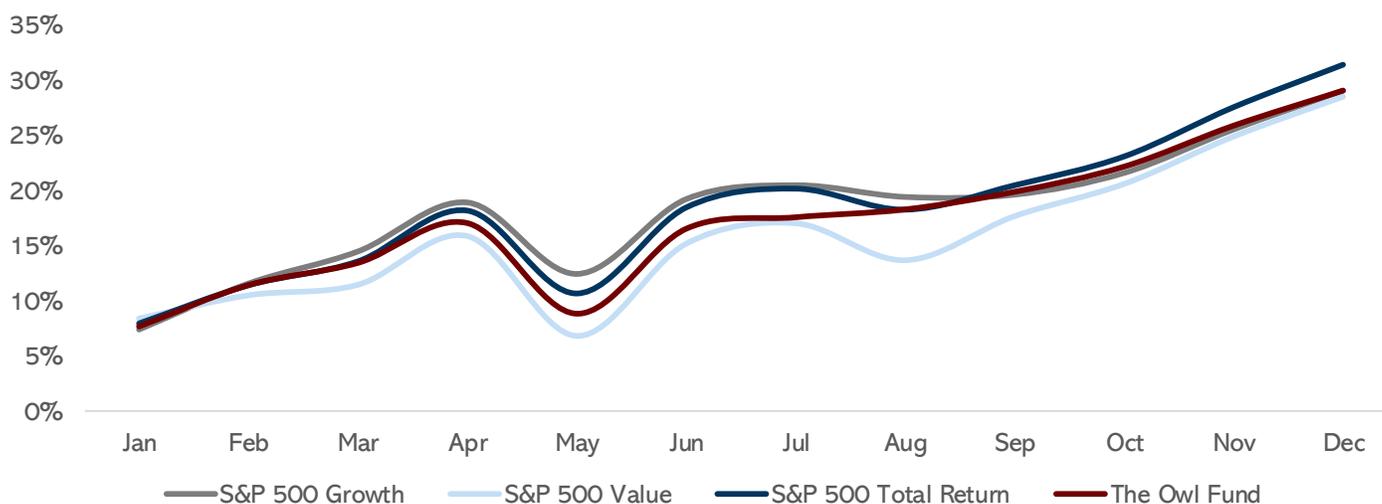


2019 PERFORMANCE & PORTFOLIO ANALYSIS

Annual Performance

The Owl Fund returned 29.14% nominally this year, underperforming the benchmark S&P 500 Total Return Index (SPXTR) by 235 bps on the year but beating the S&P 500 and the S&P 500 Value Indices by 26 bps and 52 bps, respectively. This represents the best relative performance for a full year since before the graduating seniors arrived at Temple. After remaining in-line with the benchmark through March, poor 1Q19 prints from a small group of holdings, including ALB, ALXN, BSX, CNC and INTC, drove the Fund below the SPXTR's YTD numbers by the end of April. Upon taking over in May, the Summer Portfolio Management Team repositioned our holdings to reflect our more cautious outlook. They sold or trimmed some of our more exposed names like C and XRT and those with stretched valuations like ABT, BSX, STZ and VMW and then put that capital to work in some of our steadier names like CONE, LMT, PNC and RTN. This proved fruitful as the fund made up 97 bps of performance by mid-August. Then more trade war turmoil coupled with a monster 2Q print from TGT at the end of August pushed the Owl Fund to come directly in-line with SPXTR's YTD performance. The Fall semester brought more setbacks as the U.S. and China called a truce in early October that gave the market new legs and made us pay for our more cautious stance. Additionally, we saw some specific headwinds for a few names. CNC lost ~14% from late August through early October of its value as Senator Warren's campaign made progress and investors feared what her administration would mean for managed care providers. UGI was introduced to the fund in October and struggled early and often. The markets bullish turn around that time did not bode well for utilities in general, whose valuations had been propped up as defensive plays were attractive in the previously volatile market. Additionally, natural gas prices fell another ~14% from when we purchased UGI through the end of the year.

Historically, much of the Fund's underperformance has been attributed to its value investing strategy as the SGX outperformed the SVX in six of the eight years preceding the most recent. In 2019, the fault lies mainly with our stock selection and partially with our allocation strategy. The 4Q rally that separated us from the SPXTR was on the backs of those names who had been most threatened by the trade war, mainly agriculture and manufacturing companies which fall firmly within our value scope. Our aversion to these names because of the risks associated limited our upside. In addition, we remained underweight the Industrials sector that holds many of these names which limited the contribution of our best performing sector for 2019.



2019 Performance	Jan	Feb	Mar	1Q	Apr	May	Jun	2Q	Jul	Aug	Sep	3Q	Oct	Nov	Dec	4Q
The Owl Fund	7.67%	3.50%	1.82%	13.46%	3.19%	(7.04%)	7.10%	2.74%	0.90%	0.61%	1.36%	2.88%	1.91%	3.05%	2.53%	7.68%
S&P 500 Total Return	8.01%	3.21%	1.94%	13.65%	4.05%	(6.35%)	7.05%	4.30%	1.44%	(1.58%)	1.87%	1.70%	2.17%	3.63%	3.02%	9.07%
S&P 500	7.87%	2.97%	1.79%	13.07%	3.93%	(6.58%)	6.89%	3.79%	1.31%	(1.81%)	1.72%	1.19%	2.04%	3.40%	2.86%	8.53%
S&P 500 Growth	7.39%	3.90%	2.62%	14.50%	3.89%	(5.46%)	6.06%	4.16%	1.06%	(0.89%)	0.17%	0.34%	1.65%	3.25%	2.82%	7.91%
S&P 500 Value	8.40%	1.95%	0.87%	11.47%	3.98%	(7.85%)	7.88%	3.36%	1.61%	(2.87%)	3.54%	2.18%	2.49%	3.58%	2.91%	9.25%
Relative - S&P 500 Total Return	(0.34%)	0.29%	(0.13%)	(0.18%)	(0.86%)	(0.68%)	0.06%	(1.57%)	(0.54%)	2.19%	(0.52%)	1.18%	(0.26%)	(0.58%)	(0.49%)	(1.39%)
Relative - S&P 500 Value	(0.72%)	1.54%	0.95%	1.99%	(0.79%)	0.81%	(0.77%)	(0.62%)	(0.71%)	3.48%	(2.18%)	0.71%	(0.59%)	(0.53%)	(0.37%)	(1.57%)

Asset Allocation

As of year-end 2019, the Fund held 3.2% cash, 69.2% equities, and 27.6% sector ETFs, totaling ~\$672K. As a Fund, we primarily utilize ETFs for two main reasons. If a sector contains the maximum number of holdings allowed per our Investment Policy, we use sector ETFs to allocate the portfolio weight we feel appropriate for that sector. We also use ETFs to remain within our relative weighting restrictions set by the IPS when we feel a sector lacks sufficiently attractive value investments for us to own an individual name. These investment vehicles are also utilized between semesters. As is common, the summer team built up ETF exposure after liquidating some positions because they cannot pitch and enter new names without the full team in place. This also provides capital that remains invested but is easy to pull from for new pitches in the fall. We treated our cash position similarly at the end of summer, building it slightly after realizing gains in TGT so that we could pounce on opportunities following the August slide. Similar to the summer, it is customary to see the Fund's ETF allocation rise at the end of the fall semester when names are exited but we have no new pitches to replace them. While this occurred in Communications (sold VZ) and Healthcare (sold ABT) because not all the capital could be allocated to other individual names, our team did work hard to find holdings in the portfolio we felt deserved more weight and were successful in keeping the ETF exposure limited heading into year end.

Sector Weightings

The S&P 500 serves as both our performance benchmark and our guide for capital allocation by sector. Our IPS mandates that the Fund remain within 4% of the S&P's weight for each sector. While the responsibility for how far over- or underweight we position ourselves in each sector ultimately falls on the Portfolio Manager, we try to cultivate a true democratic meritocracy that allows all analysts to voice their opinions in the hope that the best idea will prevail. That is why we continuously hold conversations revolving around allocation and how to position our fund to maximize performance. We entered 2019 with our largest overweight position in Consumer Discretionary because we saw consumer spending continuing as the strongest driver of the overall economy, and this paid dividends for us as Discretionary was our third best performing sector for the year, including two of our top individual performers. We were also overweight Healthcare and Technology due to our conviction in the strength of the individual names there, based on both valuation and catalysts. Late in 2019, both of the latter sector positions were flipped after we sold out of stocks that had outrun reasonable valuations. The Fund entered 2019 underweight Industrials because of the volatility the trade war had brought to the sector in late 2018. Maintaining that healthy caution throughout 2019 had a negative impact, limiting exposure to our top performing sector. While Communications began 2019 as an underweight, the Summer Coverage Team changed that quickly as it saw the sector as being less afflicted by the trade war. Another sector that added significant weight throughout 2019 was Financials. The fall team was successful with three pitches that felt would give us an unorthodox approach to the sector as they were healthy skeptics in their overall outlook for the sector.

Year-End Metrics

As responsible managers with investors who have specific expectations for how their capital will be used, it is important for the Owl Fund to monitor characteristics of the portfolio that track our success in implementing a strategy, the health of the portfolio and our risk level. As a value investment fund, much of that has to do with our valuations vs. the general market. Our fund's staggering 28.1% discount to the S&P 500 on a forward P/E basis, along with the significantly

2019 Year End Characteristics			
Metric	S&P 500	Owl Fund	Relative (+/-)
NTM P/E	19.72x	14.18x	✓
Price/Cash Flow	13.89x	10.69x	✓
Price/Book	3.55x	2.79x	✓
Dividend Yield	1.82%	1.76%	✗
Beta	1.00	0.98	✓

lower P/CF and Price/Book ratios, demonstrates that we have adhered to our specified discipline. Cheaper than average holdings, while achieving near-market returns shows our analysts ability to identify positively skewed risk-return profiles in investments. Additionally, our below-market beta demonstrates the success of our attempt to avoid volatility. Our one shortcoming was in maintaining an above-average dividend yield. This can be attributed more to allocation (e.g. UW Industrials vs OW Comms) than to our analysts' stock selection and is something to keep in mind moving forward.

Year-End Holdings

Company	Ticker	Weight	% Return ⁽¹⁾
Communications			
Alphabet, Inc.	GOOG	3.74%	7.20%
Comcast Corp.	CMCSA	3.49%	15.49%
SPDR Communications Select Sector ETF	XLC	4.08%	11.84%
Consumer Discretionary			
Columbia Sportswear Co.	COLM	3.43%	9.73%
TJX Companies, Inc.	TJX	2.91%	36.83%
Ulta Beauty, Inc.	ULTA	3.74%	4.19%
Consumer Staples			
SPDR Staples Select Sector ETF	XLP	8.31%	16.57%
Energy			
EOG Resources, Inc.	EOG	1.72%	(7.47%)
Marathon Petroleum Corporation	MPC	2.03%	0.91%
Total S.A.	TOT	1.02%	2.80%
Financials			
FS KKR Capital Corp.	FSK	2.38%	1.16%
Houlihan Lokey, Inc.	HLI	2.35%	11.67%
Intercontinental Exchange, Inc.	ICE	2.90%	25.88%
MGIC Investment Corp.	MTG	2.20%	3.10%
Morgan Stanley	MS	2.66%	9.81%
Healthcare			
Alexion Pharmaceuticals, Inc.	ALXN	2.45%	5.64%
Encompass Health Corp.	EHC	3.96%	10.30%
Jazz Pharmaceuticals, Inc.	JAZZ	2.32%	12.00%
Thermo Fisher Scientific, Inc.	TMO	3.58%	45.50%
iShares U.S. Med Devices ETF	IHI	2.96%	3.62%
Industrials			
Chart Industries, Inc.	GTLS	2.94%	22.13%
Lockheed Martin Corp.	LMT	3.09%	31.36%
Raytheon Company	RTN	3.18%	22.77%
Information Technology			
Analog Devices, Inc.	ADI	3.08%	39.41%
Broadcom, Inc.	AVGO	4.42%	27.63%
Cisco Systems, Inc.	CSCO	3.21%	2.70%
Cognizant Technology Solutions Corp.	CTSH	3.18%	(2.69%)
iShares Expanded Tech-Software ETF	IGV	2.46%	12.35%
SPDR Technology Select Sector ETF	XLK	5.24%	24.46%
Materials			
Ingevity Corp.	NGVT	1.05%	(2.29%)
VanEck Goldminers ETF	GDX	1.09%	2.38%
Real Estate			
Pacer Data & Infrastructure Real Estate ETF	SRVR	1.48%	3.24%
SPDR Real Estate Select Sector ETF	XLRE	1.44%	1.23%
Utilities			
UGI Corp.	UGI	1.12%	(4.88%)
SPDR Utilities Select Sector ETF	XLU	1.76%	2.87%
Cash			
Cash		3.22%	

(1) All returns are representative of the Fund's holding period in 2019

Year-End Holdings:



Performance vs. S&P 500 Sector

Throughout 2019, the Owl Fund's Technology portfolio underperformed its S&P 500 benchmark, the Technology Select Sector SPDR (XLK), by (15.4%). Our Tech holdings posted a strong annual return of 32.5%, topping off the bottom half of our sector performance, versus the XLK's ridiculous 47.9% return on the year. As mentioned in the Note from the CIO, Apple's 85.5% 2019 annual return made up ~8% of the SPX's yearly performance, and other growth-oriented stocks helped the Technology sector lead the way. Growth-oriented semiconductors represented the bulk of the best performers, with top returners in 2019 including AMD at 159.2%, LRCX at 116.9%, and KLA at 101.4%.

2019 Technology Holdings & Returns			
Company Name	Ticker	2019 Return ⁽¹⁾	Current ⁽²⁾
VMware, Inc.	VMW	40.5%	✘
Analog Devices, Inc.	ADI	36.3%	✘
Broadcom, Inc.	AVGO	23.4%	✔
Cisco Systems, Inc.	CSCO	2.7%	✔
Intel Corp.	INTC	(2.4%)	✘
Cognizant Tech Solutions Corp.	CTSH	(12.3%)	✔

(1) Represents the WCD Owl Fund's annual return adjusted for all position changes.

(2) Reflects presence in the WCD Owl Fund's portfolio as of market close 4/17/20.

The Owl Fund's technology portfolio saw a range of outcomes, from best-performer VMware (VMW)'s 40.5% gain to Cognizant Technology Solutions (CTSH)'s (12.3%) decline. Some of our hardware names, specifically the well-diversified Broadcom (AVGO) and the semiconductor manufacturer Analog Devices (ADI), performed well—in-line with the semiconductor sub-sector's performance—but some of our hardware names struggled. Cisco (CSCO) and Intel (INTC) suffered primarily due to Trade-War-driven demand concerns.

A Macro View

The heightened scrutiny the Technology sector received at the close of 2018 evaporated in 2019 as the sector soared higher than ever before. The semiconductor industry experienced the bludgeoning in demand throughout the first half of the year that analysts broadly priced in during the 4Q'18 selloff. The SOXX underperformed the SPX by (110 bps) throughout that period, falling (15.8%) to close out 2018. 2Q'19 earnings season still looked choppy for semis—with INTC, an Owl Fund holding at the time, falling (10.4%) on the day of its 2Q'19 announcement—but the picture looked much brighter by the following quarter. The upswing in the demand cycle appeared to be on the horizon, just as the trade picture began to improve.

Trade tensions dissipated in 3Q'19, as the administration began to report progress in negotiations with China, and this progress accelerated into year-end. Just in time to close out 2019 on a high note, President Trump announced the signing date of a Phase 1 trade agreement via a tweet on December 31st. The deal included tariff reductions from 15% to 7.5% on \$112bn in goods alongside extensive purchasing promises, financial regulation reforms, and intellectual property law enforcement updates from China. It did not include any language surrounding Huawei or other top-of-mind technology issues, many of which the President hopes to address in coming negotiations. It remains to be seen whether China will follow through with the commitments outlined in the Phase 1 deal, which the country has repeatedly failed to do in the past, most notably regarding World Trade Organization membership requirements.

Top Fund Performer for 2019 – VMware, Inc. (VMW)

VMW returned 40.5% for the Owl Fund throughout 2019, representing a realized return upon exiting our position on May 29th. The company posted top- and bottom-line beats in February, driven by broad-based strength across its diverse product portfolio in all geographies. We exited the name on valuation concerns prior to its (~20%) drop over the summer.

Year-End Holdings:



Morgan Stanley



HOULIHAN LOKEY

MGIC



Performance vs. S&P 500 Sector

The Owl Fund's Financials portfolio outperformed its S&P 500 benchmark, the Financial Select Sector SPDR (XLF) by 7.6%. The Real Estate portfolio outperformed the Real Estate Select Sector SPDR (XLRE) significantly by 15.0%. Our Financials holdings returned 36.8% versus the XLF's return of 29.2% throughout 2020. Our Real Estate holdings returned 39.8% versus the XLRE's return of 24.7% throughout 2020.

Financials & Real Estate posted positive returns across the board in 2019. MTG and FSK returned the least because we entered the positions towards the end of the year, on November 4th and 22nd respectively. Our bank holdings broadly performed well despite net interest margin headwinds, and the longstanding bedrock of the Owl Fund Financials portfolio—Intercontinental Exchange—continued its hot streak. CONE acquisition rumors drove outperformance in Real Estate.

2019 Financials & Real Estate Holdings & Returns			
Company Name	Ticker	2019 Return ⁽¹⁾	Current ⁽²⁾
CyrusOne, Inc.	CONE	29.0%	✗
Citigroup, Inc.	C	26.7%	✗
Intercontinental Exchange, Inc.	ICE	25.9%	✓
PNC Fin. Services Group, Inc.	PNC	25.5%	✗
Houlihan Lokey, Inc.	HLI	11.7%	✓
Morgan Stanley	MS	10.1%	✗
MGIC Investment Corp.	MTG	3.1%	✗
FS KKR Capital Corp.	FSK	1.2%	✗

(1) Represents the WCD Owl Fund's annual return adjusted for all position changes.

(2) Reflects presence in the WCD Owl Fund's portfolio as of market close 4/17/20.

A Macro View

Financial services firms, and especially banks, were stuck between a monetary policy rock and an economic data hard place throughout 2019. The Fed returned to accommodative monetary policy with three interest rate cuts versus four hikes in the prior year; while these cuts should incentivize the capital distribution and economic activity that ultimately benefits banks, lending-oriented financial institutions see their profitability squeezed as floating-rate-denominated assets generate less revenue. For this reason, the Owl Fund exited its positions in C and PNC throughout 2019—two institutions with significant corporate and consumer lending activities—and shifted our bank exposure towards MS, a bank with significantly less interest income as a percentage of total cash flows.

As the Fund entered the back half of the year, we were forced to balance the competing prevalence of nearly universally negative economic data across the world with increasingly positive trade negotiation updates from the White House. The ISM Manufacturing PMI fell south of 50 in September and stayed put through to year-end, U.S. retail sales fell for the first time in seven months in September, and consumer confidence fell consistently MoM into the fall. Meanwhile, on November 26th, President Trump claimed that U.S. negotiators are in the “final throes” of a phase-one deal, and Chinese Commerce Ministry Liu He said that the countries reached a “consensus” on disagreement resolutions. Investors became more positive that we would see a trade resolution, and we had to get creative with security selection in this environment.

We selected the mortgage insurer MTG due to the interest rate tailwinds in the subsector, and we chose FSK to provide upside for the portfolio alongside a robust dividend. While its middle-market-oriented M&A franchise would lead the way in a bull market, we sought out HLI for the best-in-class restructuring business that could steady the ship in an economic downturn.

Top Fund Performer for 2019 – CyrusOne, Inc. (CONE)

CONE returned 29.0% for the Owl Fund in 2019. We purchased the stock in the spring, and rumors regarding CONE's possibility as an acquisition target surfaced in August. We exited the name on August 22nd after it appreciated 22.0% since the beginning of the month, and management squashed the acquisition rumors in the subsequent weeks thereafter.

Year-End Holdings:



Performance vs. S&P 500 Sector

Throughout 2019, the Fund's Consumer Discretionary and Consumer Staples portfolios outperformed their S&P 500 benchmarks, the Consumer Discretionary Select Sector SPDR (XLY) and the Consumer Staples Select Sector SPDR (XLP) respectively, while the Communications portfolio underperformed its benchmark, the Communication Services Select Sector SPDR (XLC). Our Consumer Discretionary holdings returned 38.7% versus the XLY's return of 26.7%, representing 12.1% alpha in 2019. The Staples portfolio posted 10.1% alpha as well, returning 34.1% versus the XLP's 24.0% annual return. Our Communications holdings returned a robust 19.9% but fell short of the XLC's return of 29.9% by 10.0%.

2019 Consumer & Communications Holdings & Returns			
Company Name	Ticker	2019 Return ⁽¹⁾	Current ⁽²⁾
Target Corp.	TGT	41.1%	✗
Home Depot, Inc.	HD	40.4%	✗
TJX Companies, Inc.	TJX	35.0%	✓
Comcast Corp.	CMCSA	24.0%	✓
Constellation Brands, Inc.	STZ	13.0%	✗
Verizon Communications, Inc.	VZ	10.0%	✗
Columbia Sportswear Co.	COLM	9.7%	✓
Alphabet, Inc.	GOOG	7.2%	✓
Cinemark Holdings, Inc.	CNK	5.3%	✗
Ulta Beauty, Inc.	ULTA	4.2%	✓

(1) Represents the WCD Owl Fund's annual return adjusted for all position changes.

(2) Reflects presence in the WCD Owl Fund's portfolio as of market close 4/17/20.

The Owl Fund's Consumer and Communications portfolio held exclusively positive-returning names in 2019. Our Discretionary portfolio held three particular rock stars: TGT, HD, and TJX, all of which operate in defensible niches harbored from the Amazon effect. TGT and HD's returns for the Owl Fund both represent partial year holding periods, while TJX remained in the portfolio from January 1st through December 31st. In the Staples portfolio, STZ represented our only individual holding in 2019. The stock posted a robust return over the summer, and we moved the capital back into the XLP. CNK faced some headwinds, but GOOG and ULTA are new entrants to the portfolio.

A Macro View

The fundamental strength of the U.S. consumer headlined the paper for the Discretionary and Staples sectors in 2019. Strong consumer fundamentals supported the domestic economy when industrial output consistently disappointed. GDP results for 3Q'19 (+2.1% YoY) revealed sustained strength and resiliency from consumer-facing facets of the domestic economy, with consumer spending again extending economic expansion. Results were also supported by a recovery in residential and government investment. 4Q'19 GDP results exactly mirrored the prior quarter (+2.1% YoY), locking in full-year GDP growth of 2.3%. Personal income growth and PCE consistently outpaced CPI in the back half of the year.

Overall, Communications names depend on spending on all levels of the economy, including consumers, businesses, and the government. Valuations are wide ranging, including the likes of higher-growth cloud companies and slow-growth, dividend-dependent telecom companies. High-flying cloud and internet media names like FB (+56%) and NFLX (+29%) drove returns in 2019.

Top Fund Performer for 2019 – Target Corp. (TGT)

TGT returned 41.1% for the Fund, primarily through the summer of 2019. After TGT faced margin headwinds in the spring, we bought the stock with positive hopes for its online sales initiatives and back-to-school potential. TGT reported excellent 2Q'19 results as its in-store and digital investments aligned with a thriving consumer to deliver record high EPS. The fantastic +23.8% YoY drove a serious increase in investor attention and a ~20% daily return following the report. We exited our position shortly afterward.

Year-End Holdings:



Performance vs. S&P 500 Sector

Throughout 2019, the Owl Fund's Energy portfolio outperformed its S&P 500 benchmark, the Energy Select Sector SPDR (XLE), by a convincing 9.3%. The Utilities portfolio, however, underperformed its benchmark, the Utilities Select Sector SPDR (XLU), by (50 bps). Our Energy holdings returned 13.9% versus the XLE's return of 4.7% throughout 2020, while our Utilities holdings returned 21.6% versus the XLU's return of 22.1% throughout 2020.

2019 Energy & Utilities Holdings & Returns				
Company Name	Ticker	2019 Return ⁽¹⁾	Current ⁽²⁾	
Kinder Morgan, Inc.	KMI	35.6%		✘
Total S.A.	TOT	0.2%		✔
Marathon Petroleum Corp.	MPC	(1.2%)		✘
UGI Corp.	UGI	(7.5%)		✘
EOG Resources, Inc.	EOG	(8.3%)		✘

(1) Represents the WCD Owl Fund's annual return adjusted for all position changes.

(2) Reflects presence in the WCD Owl Fund's portfolio as of market close 4/17/20.

In the past 4 or 5 semesters, the Owl Fund's Energy coverage teams have become wary of oil-sensitive companies as true value investments as opposed to simple trading vehicles. Due to that, the mandate over the past couple years has been to construct a diverse portfolio containing the top operators from each industry. Through the majority of 2019, the Fund held a pipeline operator, a refiner, a large-cap E&P, and an international integrated player, all of which are at the top of their given industry in terms of production. TOT was a new addition in Spring 2019 while KMI was the only position exited within the year. MPC and EOG were held wire-to-wire, although both names have since been exited in 2020.

Utilities remain less popular as pitches in the Fund. Likely because of the lack of sex appeal, but also because there is naturally less mispricing in what is generally such a heavily regulated industry. The pressures from natural gas prices that originally depressed UGI's multiple to attractive levels proved to be too much as investors continued to show dissatisfaction with the leverage profile and its prospects for a turnaround given the growth the company was showing.

A Macro View

Returns across the Energy sector are especially dismal when one considers the ~31% rise in the WTI price during the year. For the first time ever, restraint was the name of the game in the space. Following the sharp rebound from the trials and tribulations of late 2018, investors made the sweeping declaration that they wanted E&Ps to reign in capital spending, even in boom environments, because they were sick of seeing production chasing prices right back down to where they came from. Cash became king, which is why dividend and cash flow monsters in the midstream space became the darlings of the industry and led the way in terms of returns. After peaking following 1Q19 reports in late April, the XOP and XES fell by (27.8%) and (35.5%), respectively, and both finished the full year down (~10%). CRAK rode investors' bullishness on IMO 2020 regulations to a 7.6% return on the year.

The XLU found returns more in-line with the broader market at 22.1%. Utilities were market favorites for an escape from the trade war fears that dominated headlines in the summer, which pushed their valuations to all-time highs. The main drivers within the space continued to be increased capital spending in an effort to push up rate bases.

Top Fund Performer for 2019 – Kinder Morgan, Inc. (KMI)

Kinder returned 35.6% in 2019. The stock originally entered the portfolio in November 2019 based on the belief that KMI's valuation did not fully reflect the strides the company had made to rebound from its dividend cut and leverage concerns in 2016. The Fund felt that upcoming pipeline completions would provide the additional cash flow necessary to support the DD dividend growth and continued debt paydown plan that had already proven successful. Upon hitting PT in October 2019, we exited our total position.

Year-End Holdings:



Performance vs. S&P 500 Sector

Throughout 2019, the Owl Fund's Healthcare portfolio underperformed its S&P 500 benchmark ETF, the Healthcare Select Sector SPDR (XLV), by (2.9%). Our Healthcare holdings returned 14.9% versus the XLV's 17.7% return.

TMO continued its hot streak for the Owl Fund, topping its strong 2018 annual return of 18.2% with a decisive 45.2% this year. Our medical devices names, BSX and ABT, also performed well, but fell short of the broader medical device sub-sector over the year, as measured by the iShares U.S. Medical Devices ETF (IHI).

2019 Healthcare Holdings & Returns			
Company Name	Ticker	2019 Return ⁽¹⁾	Current ⁽²⁾
Thermo Fisher Scientific, Inc.	TMO	45.2%	x
Boston Scientific Corp.	BSX	14.6%	x
Jazz Pharmaceuticals, Inc.	JAZZ	12.0%	✓
Abbott Laboratories	ABT	11.7%	x
Encompass Health Corp.	EHC	9.8%	x
Alexion Pharmaceuticals, Inc.	ALXN	5.6%	✓
Centene Corp.	CNC	(24.3%)	x

(1) Represents the WCD Owl Fund's annual return adjusted for all position changes.

(2) Reflects presence in the WCD Owl Fund's portfolio as of market close 4/17/20.

The Fund's discussion about and subsequent sale of CNC represents by far our biggest learning experience in 2019. As a multi-line managed care provider, CNC stock suffered significant multiple contraction as Medicare-for-All hardliner Elizabeth Warren rose in the polls throughout the initial Democratic Primary debates in the early fall. We sold the stock on October 2nd primarily because of its underperformance; investors insisted on pummeling the stock each debate, and—despite disagreeing with investors' perception of the risk to the fundamental business—our desire for capital preservation surpassed our conviction that CNC was undervalued. The stock went on to surge 47.1% between our sale and year-end 2019, significantly outperforming the SPX and XLV's returns of 11.9% 15.8% respectively over that time period.

A Macro View

The Healthcare sector experienced a tumultuous 2019 with both sub-industry-specific headwinds and broader regulatory concerns offsetting strong earnings across the board. In a late stage environment, investors typically flock to defensive sectors like Healthcare, but, with a presidential election on the horizon, concerns over proposed regulations from candidates have weighed on returns. Proposals such as Medicare-for-All would largely disrupt the provider space and have ripple effects throughout the broader industry. The XLV subsequently underperformed the SPX by (11.2%).

Aside from discussions among democratic candidates, officials from both parties have made strides to lower out-of-pocket healthcare costs. While we do not view new policies on drug pricing as inherently negative for the industry, the government's inability to agree on methods of implementation have left investors struggling to find clarity. Despite these concerns, many U.S. Healthcare stocks rebounded throughout the fall—as demonstrated by CNC—as growing Medicare enrollment, investments into international markets, and increased drug approvals from the FDA translated into robust top and bottom-line growth.

Top Fund Performer for 2019 – Thermo Fisher Scientific, Inc. (TMO)

Thermo Fisher Scientific, Inc. (TMO) returned 45.2% throughout 2019. The company continued to execute on its expansion plans in China, partially supported by Chinese investment in domestic biotechnology firms alongside broadening demand for healthcare services driven by the country's expanding middle class. TMO posted ~13% YoY revenue growth in China in both 3Q'19 and 4Q'19, and investors rewarded this consistency with consistent multiple expansion throughout the back half of the year. Additionally, we believe that shifts away from managed care and pharmaceuticals contributed to TMO's 2019 outperformance.

Year-End Holdings:



Performance vs. S&P 500 Sector

Throughout 2019, the Owl Fund's Industrials portfolio outperformed its S&P 500 benchmark by 18.4%, representing the Owl Fund's best relative performance in any sector. The Materials portfolio, however, underperformed its benchmark, the Materials Select Sector SPDR (XLB), by (6.5%). Our Industrials holdings returned 44.9% versus the Industrial Select Sector SPDR (XLI)'s return of 26.5% throughout 2020. Our Materials holdings returned 15.1% versus the XLB's return of 21.6% throughout 2020.

As the trade war reared its ugly head in late 2018, the Fund approached the Industrials sector with great caution. We entered 2019 holding only UPS and LMT

(and the benchmark XLI ETF for sector weighting requirements) because we viewed their business models as insulated from any tariff related issues. We quickly saw the effectiveness of this strategy was amplified by the steady long-term bookings and cash conversion business model common in the aerospace & defense industry, which is why RTN (now RTX) replaced our XLI exposure in the Spring semester. As the waters appeared to settle in late 2019, we decided to dip our toe in again. This time it was in the form of GTLS, an equipment play on the next LNG capacity build-up.

Our team saw its best opportunity to exit NUE in early 2019 and took it. It had been battered around in the two years since purchase as the market could not make up its mind on steel regulations that were attempting to support domestic producers. In the fall semester, the team pitched NGVT based on its long-term mission to expand margins by shifting its one segment into a feeder for its higher margin segment. In between all of that, The Fund entered and exited a position in ALB. Originally pitched on the idea that ALB's market leading ability to produce battery-grade lithium hydroxide was being discounted as it sold off in-line with a global decline in low-grade lithium prices. We quickly decided that the complexity of the company overall made it nearly impossible to properly track and make informed decisions about the company, so we decided to exit our position.

A Macro View

When looking at industrials and basics companies in 2019, the trade war was the end-all-be-all. The constant back and forth whipsawed industrials names for the first nine months of the year. The more exposure a company had the more lethal the slides were, but that also led to bigger bounces as hope for a deal cropped up, and the rebounds consistently pushed higher than the previous peak. Following the armistice called in October 2019, large-cap names (especially manufacturing related companies) were in good graces again, and the XLI saw a ~10% relief push to round out the end of the year.

Top Fund Performer for 2019 – Lockheed Martin Corp. (LMT)

LMT returned 29.1% for the Owl Fund in 2019, and it ultimately added an impressive 48.7% to its market value throughout the full year. LMT was a steady performer throughout the year as its massive backlog of orders ensures multiple years of earnings ahead, meaning it was not caught up in trade war issues. The company also saw healthy expansion of the F-35 program, as laid out in the ICR, and very impressive delivery numbers for the Missiles & Fire Control segment.

2019 Industrials & Materials Holdings & Returns			
Company Name	Ticker	2019 Return ⁽¹⁾	Current ⁽²⁾
Lockheed Martin Corp.	LMT	29.1%	✓
Chart Industries, Inc.	GTLS	22.1%	✗
Raytheon Co.	RTN ⁽³⁾	21.3%	✓
Masco Corporation	MAS	19.4%	✗
Nucor Corp.	NUE	17.8%	✗
United Parcel Service, Inc.	UPS	(1.1%)	✗
Ingevity Corp.	NGVT	(2.3%)	✗
Albemarle Corp.	ALB	(26.3%)	✗

(1) Represents the WCD Owl Fund's annual return adjusted for all position changes.

(2) Reflects presence in the WCD Owl Fund's portfolio as of market close 4/17/20.

(3) Upon completing its merger with United Technologies (UTX), the newly-formed Raytheon Technologies began trading under the new ticker RTX on 4/3/20.

PROFESSIONAL ADVISORY BOARD

Some Parting Thoughts

While the traditional Investment Committee Presentation has been postponed due to the COVID-19 crisis, we're nevertheless excited to provide the insights the Advisory Board requires to ensure proper oversight and guidance of the Fund. We will create and distribute a recorded presentation prior to the new meeting date in July. While the current Executive team may not be available for the new meeting date, we seriously encourage everyone in the Owl Fund community to reach out with questions, concerns, or other comments. The Professional Advisory Board & Faculty Advisors provide our Fund Managers with invaluable guidance, generous mentorship opportunities, thoughtful investment ideas and advanced industry insight. We'd like to thank the following individuals for lending their time and effort to the Owl Fund among the numerous other demanding responsibilities and initiatives on their respective to-do lists.

Kurt Brunner

Equity Portfolio Manager, The Swarthmore Group

Kurt Brunner is the portfolio manager for The Swarthmore Group's Core Equity and Large Cap Growth Equity strategies. As a member of the firm's Investment Policy Committee, he has over twenty years of investment research experience. He develops and implements portfolio strategy for core equity products, develops macro strategies in conjunction with the fixed income teams, and primarily covers the Communications, Consumer, Healthcare, Industrials, and Technology sectors. Prior to joining The Swarthmore Group in 1998, Mr. Brunner was an Analyst and Assistant Portfolio Manager for PNC Equity Advisors Company. He holds a B.B.A degree in Finance from Temple University and an M.B.A degree in Finance from Widener. Mr. Brunner also has earned the CFA designation.

Suzanne Dugan

Senior Investment Professional, TIFF Investment Management

Suzanne Dugan joined TIFF in 2017 as a member of the firm's investment team, and she serves as an Investment Specialist focused on marketable equity-oriented assets and diversifying strategies. Ms. Dugan acts as a liaison between TIFF's investment team and existing and prospective member organizations—a unique position that requires diverse perspectives across detail-oriented investment analysis and high-level value proposition communication. Prior to joining TIFF, Ms. Dugan was a Managing Director at Citigroup where she enjoyed a 30-year career and most recently ran the Citi Mid Atlantic Institutional Equity Sales office.

James P. Dunigan

Retired

James P. Dunigan was executive vice president and chief investment officer of PNC Wealth Management, a member of the PNC Financial Services Group. In this role, Dunigan was responsible for the investment strategy, equity research, municipal investment, investment services and due diligence groups. He is also responsible for the development and execution of investment policies, strategies and tactics for wealth management clients. In addition, he is responsible for the investment function of the market chief investment officers. Dunigan joined Provident National Bank, now PNC, in December 1987 as a portfolio manager in the Trust Division responsible for personal trust and investment advisory accounts. He received a degree in civil engineering in 1974 from Villanova University and had pursued postgraduate work in finance at Drexel University.

Leo Helmers

Co-Founder & Group Head, Susquehanna Private Capital, LLC

Leo Helmers is the co-Founder and Group Head of Susquehanna Private Capital, LLC. Previously, he was the Founder of LMZ Partners, LLC, an investment firm focused on middle market private equity investments. Prior to founding LMZ, Mr. Helmers served as a Senior Advisor and Managing Director at The Carlyle Group, where he co-founded Carlyle's mezzanine investment strategy. He currently chairs the Board of Directors of Sunrise Transportation Holdings and serves on the Board of LeverPoint Management. Prior to joining Carlyle, Mr. Helmers served as SVP at TCW/Crescent Mezzanine Partners, LLC. Prior to joining TCW, he was a Managing Director at Hamilton Lane Advisors, Inc. Mr. Helmers is a CFA charter holder. He received his M.B.A. from Temple University and a B.S. from Lafayette College.

Maris Ogg

President, Tower Bridge Advisors

Maris Ogg is a founding principal of Tower Bridge Advisors. Her primary role is that of analyst and portfolio manager and she is a member of the firm's Investment Committee. She also oversees the daily activities of the firm. Prior to joining Tower Bridge, Ms. Ogg was a founder, president and Chief Investment Officer of Radnor Capital Management. Most recently she served as Director of Research for the investment firm, Boenning & Scattergood and she held the same position at W. H. Newbolds from 1986 to 1989. Ms. Ogg is a past President of the Financial Analysts of Philadelphia and served as the Eastern Region Representative for AIMR. She was a member of the Board of Directors of Boenning & Scattergood. Ms. Ogg received her BS in Finance and MBA from The Ohio State University.

Christopher Toto

Senior Vice President, Deloitte Corporate Finance

Chris Toto is a senior vice president with Deloitte Corporate Finance where he has been since 2007. His primary responsibilities include sourcing and executing valuation/financial opinion and corporate finance/investment banking assignments. Chris specializes in the financial services industry with an emphasis on banking and alternative investment management (venture capital, private equity and hedge funds). Chris performs diligence on valuations of business, equity and debt securities, loans, derivative instruments, structured products and intangible assets and advises clients with respect to strategic alternatives, corporate development, capital raising, and buy and sell-side transactions. In addition, Prior to Deloitte, Chris spent 8 years at Valuation Research LLC where he most recently managed their New York office, responsible for providing valuation advice on high-profile transactions.

Dan Zibman

Director of Hedge Fund Marketing, Princeton International Management

Dan has been working for Princeton International Management conducting hedge fund marketing since 2004. He is also as a member of the International Advisory Council for William Sword and Co. Prior to these positions, Dan worked for Miller Tabak and Co and was the Director of International Marketing at Tremont Advisors. Dan received his MBA from Temple University in 1981 and a BA in Religion from Temple in 1974. Dan has raised over \$900 million for hedge funds. Prior to his work in the alternative investment world, he was an international business development consultant to many corporations and government entities.

FACULTY ADVISORS



Special Thanks!!!

We could not do this all without you.

Dr. Jonathan Scott, PhD

Department Chair, Finance
Managing Director, Owl Fund

Cindy Axelrod, CFA

Deputy Department Chair, Finance
Director, Owl Fund





Brendan Biles

Chief Investment Officer

Brendan is a senior in the Fox School of Business, and he has been a member of the Owl Fund since his sophomore year. He has completed internships with Wells Fargo's Corporate Banking Group and Credit Suisse's Investment Banking Group covering Technology and Financial Institutions, respectively. Brendan also studied abroad in Oviedo, Spain, has volunteered with SquashSmarts and Philadelphia Futures, and loves musical recording and performance, especially the guitar. He will return to the FIG desk at Credit Suisse upon graduation in May 2020.



Luke Brennan

Portfolio Manager

Luke is a senior finance major in the Fox School of Business and has been a member of the Fund since his sophomore year. Prior to his current role, Luke has covered the Industrials, Materials, Energy and Utilities sectors within the Owl Fund. He interned with Pacer Financial on its Portfolio Management team and with J.P. Morgan's Equity Research Group covering Oilfield Services and Equipment. He will return to J.P. Morgan's Equity Research Group upon graduation. Luke is also the President and a 3-year captain of the Temple Men's Club Lacrosse Team.



Gwen Tran

Fox Fund Director

Gwen is a senior finance and accounting double-major in the Fox School of Business. She has been involved with the Owl Fund since her sophomore year, covering the Technology and Healthcare sectors. Gwen completed internships with MetLife in Credit Research, MHH in Investment Banking, KPMG in Audit, and RBC Capital Markets in Investment Banking. Gwen will return to RBC's Technology Investment Banking Group upon graduation in 2020. For her last semester in college, Gwen will study abroad in Paris and London.



Jay Patel

Fox Fund Director

Jay is a senior finance major in the Fox School. This past summer, Jay interned as an Investment Banking Summer Analyst at Guggenheim Securities, and he will join the firm full-time in July 2020. Jay joined the Owl Fund his sophomore year, where he covered the Financials sector. Throughout his time at Temple, Jay also interned as an Investment Banking Summer Analyst with PNC, an International Equities Summer Analyst with Mondrian Investment Partners, and a Tax Summer Analyst with Drucker & Scaccetti. He will return to Guggenheim full-time starting in July of 2020.



Kayzad Jokhi

Fox Fund Director

Kayzad is a senior finance major and economics minor in the Fox School. He joined the Owl Fund in his junior year and covered the Healthcare and Technology sectors. He studied abroad with the Temple Rome program during the Spring of his sophomore year, where he interned with LONSIN Capital's Portfolio Management team. Kayzad also completed internships with the finance teams at Constellation Energy and Comcast Corporation, and he will return to Comcast for its full-time CORE Finance Rotational Program after graduation in May 2020.



Andrew Secundo

Fox Fund Director

Andrew is a Senior and member of the Honors Program at the Fox School pursuing a double major in finance and accounting and a minor in economics. He has been a member of the Fund since his junior year and has covered the Technology and Energy & Utilities sectors. Andrew completed internships with Mondrian Investment Partners, Franklin Park, and, most recently, the Midstream Energy private equity team at Macquarie Infrastructure and Real Assets (MIRA). Andrew also studied abroad in Rome, Italy and will return to Macquarie's Infrastructure and Real Assets group in New York upon graduation in May 2020.



Kyle Wenclawiak

Fox Fund Director

Kyle is a junior finance major in the Fox School of Business who has been a member of the Fund since his sophomore year. He has held summer internships in Wealth Management and Investment Banking at Ameriprise Financial and Strategic Exit Advisors, respectively. Prior to his current role, Kyle has spent time covering the Industrials, Materials, Energy, and Utilities sectors at the Owl Fund. He will intern with Barclays' Equity Research Group this upcoming summer, and in his spare time, he enjoys playing basketball or going out for a round of golf with his father.

ANALYSTS | SPRING 2020

Troy Simpson

Lead Analyst | Information Technology Coverage

Troy is a junior finance major in the Fox School and has been a member of the Owl Fund for two semesters. He is the Lead Analyst for the Technology sector, having previously covered Healthcare. He interned at Voya Financial's Digital Technology team during his sophomore summer, and he will join Fidelity Investments this summer in the Capital Markets division. Troy is an life-long musician and budding recording artist, as well as an avid Jeopardy! enthusiast.

Ratu Ravi

Associate Analyst | Information Technology Coverage

Ratu is sophomore finance major in the Fox School and has been a member of the Fund since his freshman year. He was previously a neuroscience major and now has a double minor in healthcare management and biology. He has interned at Dutta Laboratories at UPitt and Hackam Laboratories at Johns Hopkins. Prior to his current role, Ratu covered the Industrials, Healthcare, and Technology sectors in the Fox Fund. He is an avid member of the Temple University Student Government currently serving as Fox's Representative.

Richard Broder

Associate Analyst | Information Technology Coverage

Richard is a junior with a finance major and an economics minor in the Fox School of Business. He joined the Fund in the Spring 2020 semester covering the Technology sector. Last summer, he interned at The Beacon Group of Companies in the Corporate Retirement and Wealth Management division.

John Ourand

Lead Analyst | Financial Institutions Coverage

John studies finance as a junior and is the Lead Analyst for Financials & Real Estate sector for his second semester in the Fund. With a property accounting internship at PRG Real Estate in his rear-view mirror, John will spend this summer as an intern with LBC Credit Partners. Through his involvement with Fox's College Council, the sixth-generation Washingtonian also helps facilitate campus events with the American Red Cross and Philabundance.

Sarah Merzen

Associate Analyst | Financial Institutions Coverage

Sarah is a junior international student majoring in finance and economics. She covered Energy and Financials in her time in The Owl Fund. She was selected to join Qimam Fellowship Program by McKinsey & Co. in Saudi Arabia. Sarah will intern with Samba Financial Group in Investment Banking and will work there upon graduation. She is also the EVP of Marketing for the Financial Management Association. In her free time, she volunteers with Jumpstart Philadelphia and the International Students Office.

Carson Shaner

Associate Analyst | Financial Institutions Coverage

Carson is a sophomore finance major in the Fox School with minors in mathematics and computer science. He is in his first semester in the Fund covering Financials & Real Estate and previously studied abroad in Rome, Italy. Carson is an ambassador for the honors program at Temple and works on campus as a tutor through the academics department for student-athletes. Outside of finance, Carson has interests in nuclear physics and machine learning as well as international travel and architecture.

Robert Zurzolo

Lead Analyst | Energy & Utilities Coverage

Robert is a junior finance and accounting double major and the Lead Analyst for the Energy and Utilities Coverage Group. Robert joined the Fox Fund his sophomore fall semester as Lead Analyst of the consumer group, before studying in Italy during the spring semester. After returning stateside, he interned with a liquid alternative mutual fund with a long-short strategy in Philadelphia. He started in the Owl Fund during the fall of his Junior year as the associate analyst of the Financials group. This summer, Robert will be interning with MUFG on the leveraged finance desk. Outside of The Fund, Rob likes to mountain bike, hike, and head to the shore.

Fred Shub

Associate Analyst | Energy & Utilities Coverage

Fred is a sophomore finance major in the Fox School of Business and is currently in his second semester as a member of the Owl Fund. He studied abroad in Seoul, South Korea last summer and will be interning at TD Bank in the Commercial Banking Division in Summer 2020. Fred is also actively involved with the Business Honors Student Association, currently serving as President, and he volunteers with Big Brothers Big Sisters. Outside of school, Fred loves to travel and cook.

Jake Marinelli

Associate Analyst | Energy & Utilities Coverage

Jake is a junior at Temple University's Fox School, majoring in finance and minoring in statistics and data science. He is an Associate Analyst in the William C. Dunkelberg Owl Fund in the Energy & Utilities sector, while also interning as an Agent Analyst at Marcus & Millichap. In his free time, Jake thoroughly enjoys traveling and experiencing different cultures; this summer he studied abroad in Rome, Italy.

Lucy Cook

Lead Analyst | Consumer & Communications Coverage

Lucy is a junior in the Fox School and has been in the Owl Fund for two semesters. She is the Lead for the Consumer and Communications sector and previously covered the Industrials & Materials sector. Lucy interned with Santander Bank during her sophomore summer and will join PNC Bank's Debt Capital Markets team this summer. She is the Treasurer of Women in Finance and is passionate about encouraging women to explore their potential in the field of finance.

Eli Mingos

Associate Analyst | Consumer & Communications Coverage

Eli is a senior finance major in the Fox School of Business and has joined the fund for his first semester in December. Prior to his current role in the Owl Fund, he spent a semester as an analyst in the Consumer and Communications team of the Fox Fund. Eli will travel abroad in Japan for his spring break immersion, learning about the cultural differences between U.S. and Japanese corporations.

Zach Shaffer

Associate Analyst | Consumer & Communications Coverage

Zach is a junior finance and financial planning dual major with an MIS minor at the Fox School of Business. Last summer, he gained experience analyzing investment portfolios as an intern with Bryn Mawr Trust Wealth Management. Zach spent two semesters in the Fox Fund, covering the Healthcare and Technology sectors, before joining the Owl Fund his junior year as a member of the Consumer & Communications team.

Gerald McKim

Lead Analyst | Healthcare Coverage

Gerald is a junior finance major in the Fox School of Business and joined the Fund in the fall of his sophomore year. Prior to his current role as a Lead Analyst covering Healthcare, Gerald covered the Energy, Utilities, and Industrials sectors. Gerald has completed an internship with Volvo Group in its Business Control/Finance team and will be joining UBS this upcoming summer as a Sales & Trading Global Markets Summer Analyst. Outside of the Fund, Gerald is a member of Kappa Delta Rho National Fraternity, where he currently serves as the Alumni Association Chairman.

Lilianna Ruby

Associate Analyst | Healthcare Coverage

Lilianna is a sophomore finance and economics double major. Prior to her current role, she spent a semester in the Fund covering the Industrials & Materials sectors. Lili interns at The Glenmede Trust Company, where she has spent time on both the Investment Strategy and Fixed Income desks. She serves as a Vice President for both the Temple University Investment Association and Financial Management Association. Lili also participates in RBC Capital Markets' Women Advisory Program and will be interning at Citigroup in their Sophomore Leadership Development Program over the summer.

Adam Grosse

Associate Analyst | Healthcare Coverage

Adam is a sophomore finance and accounting major in the Fox School of Business and has been a member of the Fund since his sophomore year. Prior to his current role, Adam covered Consumer and FIG in the Fox Fund. He interned at GoldOller Real Estate Investment within its Asset Management division last year. Adam loves listening to and playing jazz music and is an avid poker player.

Nick McCreesh

Lead Analyst | Industrials & Materials Coverage

Nick is a junior finance major in the Fox School of Business and has been a member of the Fund since his Junior year. Prior to his current role, he covered the Healthcare sector in both the Fox Fund and the Owl Fund and serves as Treasurer for TUIA. Nick also studied abroad in Rome, Italy during the spring semester of 2019. After returning home, he interned with Long Short Advisors in the summer of 2019 and will be interning with Wells Fargo in their Corporate and Investment Banking division this summer.

Nate Latimer

Associate Analyst | Industrials & Materials Coverage

Nate is a sophomore finance major and accounting minor in the Fox School of Business who joined the Fund in the Fall of 2019, where he covered Consumer and Communications before his current role as an Associate Analyst in the Industrials and Materials sector. He has interned with Long Short Advisors and the Bureau of Labor Statistics. This summer, Nate will work as an Investment Banking Analyst Intern with Falcon Capital Partners. Outside of the Fund, Nate is the Vice President of External Affairs for the Business Honors Student Association.

Kevin Patel

Associate Analyst | Industrials & Materials Coverage

Kevin is a junior in the Fox School of business and is studying finance and economics. He started as an associate in the Fund in his second semester of junior year. Prior to his current role in Industrials, Kevin covered Financials and Energy in the Fox Fund as a lead analyst. He interned at Marcus & Millichap his Sophomore summer and will be interning with Deutsche Bank in the summer of 2020 in Corporate Banking division.

Fred Polis

Director of Compliance

Fred is a senior accounting major, and this was his first year in the Fund. Prior to joining the Owl Fund, Fred served as President of the Fox Accounting Association. This summer, Fred interned for Grant Thornton in their International Tax Practice. Upon graduation, he plans on taking the CPA exam and starting full-time at Grant Thornton. As a big Philadelphia sports fan, Fred hopes to see another Eagles Super Bowl and to one day meet Gritty.

Hunter Kornfeind

Lead Analyst | Information Technology Coverage

Hunter Kornfeind is a junior finance and political science double major who has been a member of the Fund since his sophomore year and is a Vice President of TUIA. Prior to his position as Lead Analyst in the Information Technology sector, Hunter covered Industrials and Basic Materials and Energy and Utilities. His previous internship experience includes Siemens Healthineers in its Global Procurement division and Valuation Research Corporation (VRC) in its Oil and Gas and Portfolio valuation groups. Currently, Hunter interns at the Council on Foreign Relations' Energy and U.S. Foreign Policy practice, assisting David M. Rubenstein Senior Fellow for Energy and the Environment and Director of the Program on Energy Security and Climate Change Amy Myers Jaffe with research. He will join LBC Credit Partners as a Summer Analyst in June. In his free time, Hunter enjoys following the English Premier League, reading about energy and geopolitics, and traveling abroad.

Jaykrishna Ruwala

Associate Analyst | Information Technology Coverage

Jackie is a senior finance major with an economics minor in the Fox School and has been a member of the Owl Fund for two semesters. He was the Associate Analyst for the Technology sector, having previously worked as part of the Economics team. He interned at Jainam Share Consultants in India during his junior year summer and as an international student, he has decided to study further, aiming to pursue his Chartered Financial Analyst and Masters of Business Administration in Corporate Finance degrees. He has played soccer all his life and has also learned Indian classical music for eight years.

Jared Swansen

Lead Analyst | Financials & Real Estate Coverage

Jared Swansen is a junior finance major in the Fox School of Business from Downingtown, PA. During the Fall semester Jared was the Lead Analyst in the Financials Sector. Previously, Jared served as the Lead Analyst in the Consumer sector. Last summer, Jared interned with RBC Capital Markets in their Securitization group. This summer, Jared is interning at Bank of America in New York City, in Debt Capital Markets. In his free time, Jared enjoys riding motorcycles, playing football, and reading.

Luke Greenley

Lead Analyst | Consumer & Communications Coverage

Luke is a senior finance major with a minor in business analytics at the Fox School. He spent two semesters in the Owl Fund, serving as the Lead Analyst of Consumer & Communications and as an Associate covering Healthcare in the semester prior. He spent his junior year summer interning with LBC Credit Partners, a middle-market focused private credit lender based out of Radnor, PA, and he will return there full-time after graduation in May. Outside the world of Finance, Luke is an avid Ultimate Frisbee player and has captained Temple's Club team for the past two years.

Maya Kilcullen

Lead Analyst | Healthcare Coverage

Maya is a senior finance major in the Fox School with a minor in Spanish. In Fall 2019, she led the Healthcare coverage team, having previously covered Financials as an associate analyst. Outside of the Owl Fund, Maya serves as the President of both Women in Finance and Temple's Chapter of the National Association of Black Accountants and in her free time, she enjoys painting, exercising, and cooking. For her sophomore and junior summers, she interned with the Portfolio Management Group at the Glenmede Trust Co in Philadelphia. Upon graduation, Maya will join the Equity Research Group at J.P. Morgan Chase & Co. in New York.

APPENDIX

Exhibit I: Owl Fund Portfolio Breakdown (as of 11/30/19)

Ticker	Quantity	Current Price	Total Position	OF Weight	S&P Weight	OW/UW SPX
Consumer Discretionary			\$61,735.18	9.42%	10.10%	(0.68%)
TJX	346	\$61.13	\$21,150.98	3.23%		
ULTA	150	122.45	18,367.50	2.80%		
XLY	95	233.86	22,216.70	3.39%		
Consumer Staples			\$52,638.00	8.03%	7.60%	0.43%
XLP	849	\$62.00	\$52,638.00	8.03%		
Healthcare			\$98,770.33	15.06%	13.70%	1.36%
TMO	71	\$313.95	\$22,290.45	3.40%		
JAZZ	100	151.12	15,112.00	2.30%		
ALXN	146	113.94	16,635.24	2.54%		
EHC	368	70.71	26,021.28	3.97%		
IHI	72	259.88	18,711.36	2.85%		
Energy			\$28,769.94	4.39%	4.50%	(0.11%)
EOG	132	\$70.90	\$9,358.80	1.43%		
MPC	217	60.64	13,158.88	2.01%		
TOT	119	52.54	6,252.26	0.95%		
Utilities			\$18,001.75	2.75%	3.60%	(0.85%)
XLU	175	\$63.05	\$11,033.75	1.68%		
UGI	160	43.55	6,968.00	1.06%		
Financials			\$80,685.84	12.31%	12.90%	(0.59%)
ICE	202	\$94.17	\$19,022.34	2.90%		
FSK	2,500	6.36	15,900.00	2.42%		
MS	335	49.48	16,575.80	2.53%		
HLI	310	47.67	14,777.70	2.25%		
MTG	1,000	14.41	14,410.00	2.20%		
Technology			\$136,225.34	20.78%	21.90%	(1.12%)
AVGO	90	\$316.21	\$28,458.90	4.34%		
XLK	368	88.16	32,442.88	4.95%		
CTSH	330	64.11	21,156.30	3.23%		
IGV	68	232.00	15,776.00	2.41%		
ADI	167	112.95	18,862.65	2.88%		
CSCO	431	45.31	19,528.61	2.98%		
Communications			\$71,266.12	10.87%	10.40%	0.47%
XLC	489	\$52.56	\$25,701.84	3.92%		
CMCSA	500	44.15	22,075.00	3.37%		
GOOG	18	1,304.96	23,489.28	3.58%		
Industrials			\$62,574.40	9.54%	9.30%	0.24%
LMT	56	\$391.03	\$21,897.68	3.34%		
GTLS	280	55.20	15,456.00	2.36%		
RTN	116	217.42	25,220.72	3.85%		
Materials			\$6,499.20	0.99%	2.70%	(1.71%)
GDX	240	\$27.08	6,499.20	0.99%		
Real Estate			\$18,374.72	2.80%	3.20%	(0.40%)
XLRE	240	\$38.65	\$9,276.00	1.41%		
SRVR	292	31.16	9,098.72	1.39%		
Cash			\$20,157.11	3.07%		

Exhibit II: Full-Year 2019 SPX Trailing P/E Graph

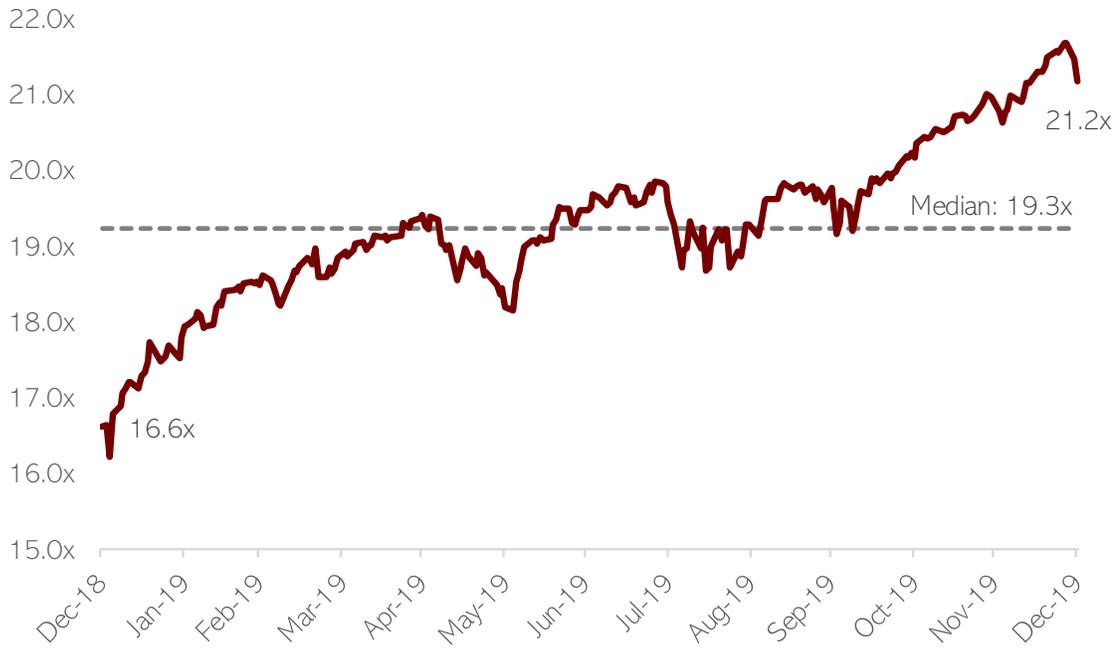


Exhibit III: YTD 2020 SPX Forward P/E Graph (as of market close 4/17/20)

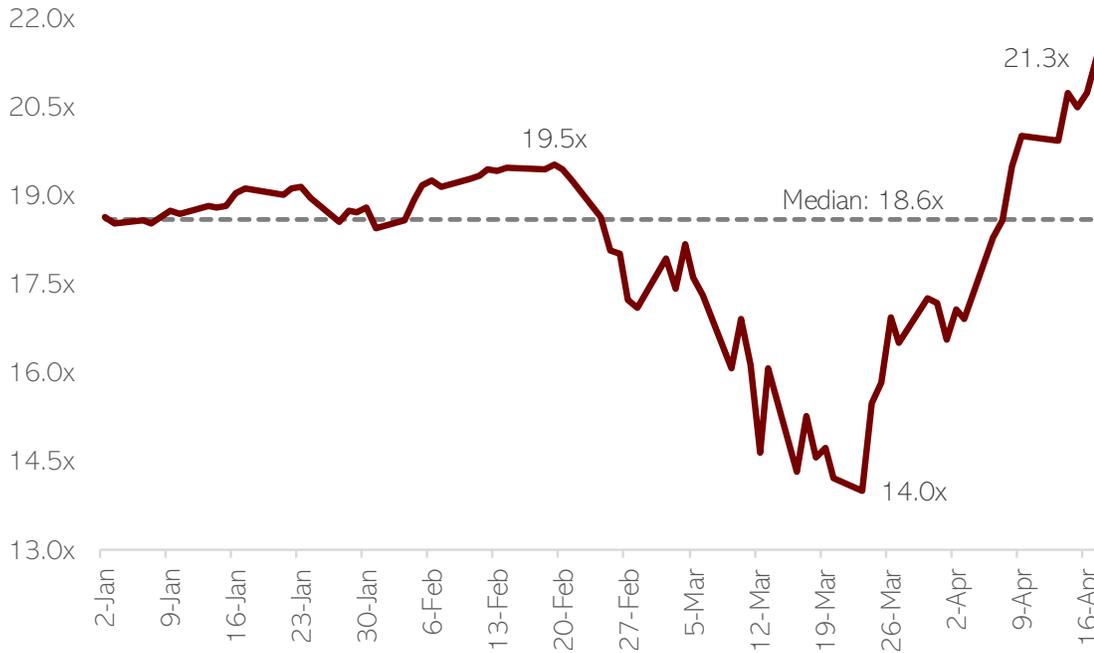


Exhibit IV: 15-Year SPX Forward P/E Graph (as of market close 4/17/20)

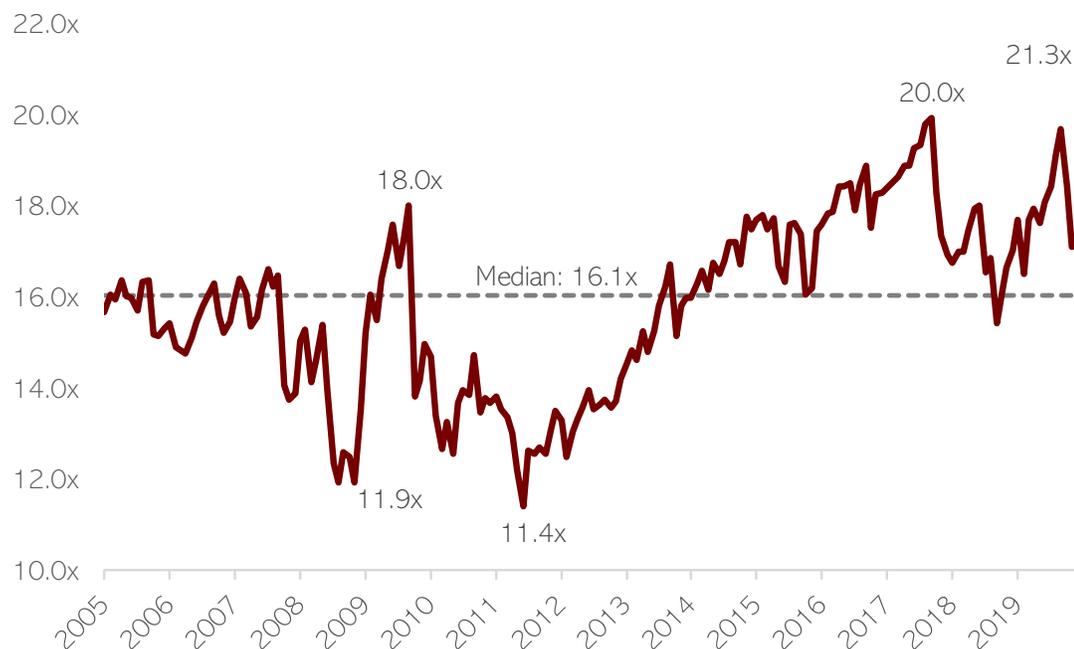
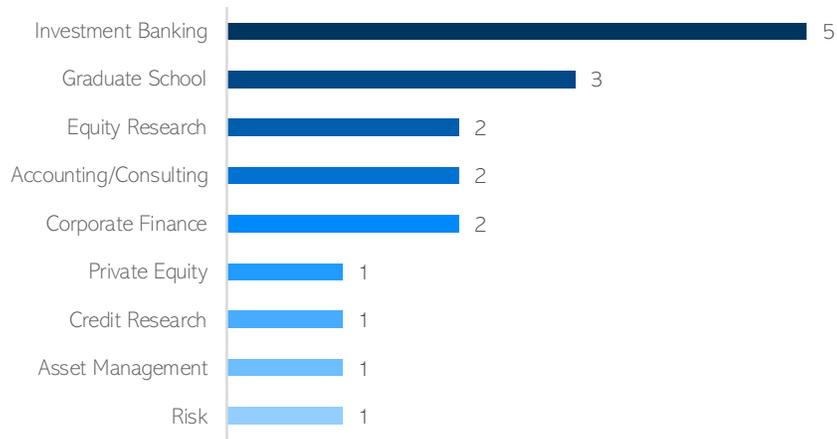


Exhibit V: Full-Time Placement Data

Full-Time Placement Breakdown

Brendan Biles	Credit Suisse	Investment Banking
Luke Brennan	J.P. Morgan	Equity Research
Jack Chenoweth	Villanova	Graduate School Law
Andrew Connelly	J.P. Morgan	Risk
Quang Do	Deloitte	Corporate Finance
Luke Greenley	LBC Credit Partners	Credit Research
Kayzad Jokhi	Comcast	Corporate Finance
Maya Kilcullen	J.P. Morgan	Equity Research
Olivia Klein	Villanova	Graduate School Law
Ashutosh Malik	IndusInd Bank	Investment Banking
Jonathan Martines	MUFG	Investment Banking
Tung Nguyen	TBD	Graduate School MBA
Jay Patel	Guggenheim	Investment Banking
Manav Patel	Deloitte	Accounting / Consulting
Fred Polis	Grant Thornton	Accounting / Consulting
Andrew Secundo	Macquarie	Private Equity
Oliver Tenlen	Vanguard	Asset Management
Gwen Tran	RBC Capital Markets	Investment Banking

Full-Time Placement by Industry



Full-Time Placement by City

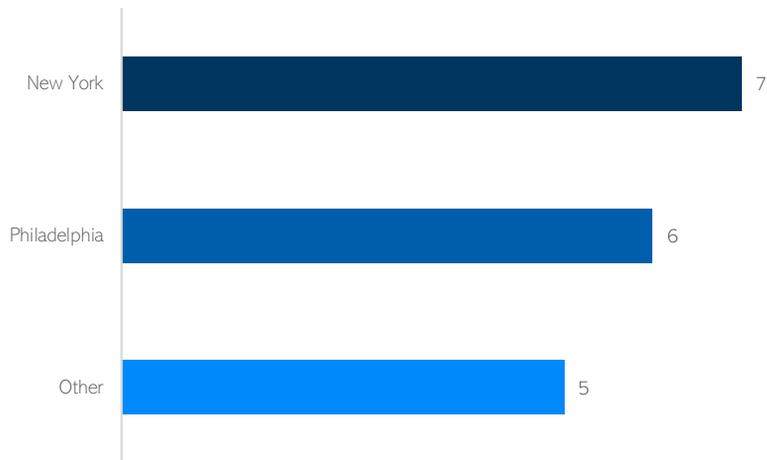
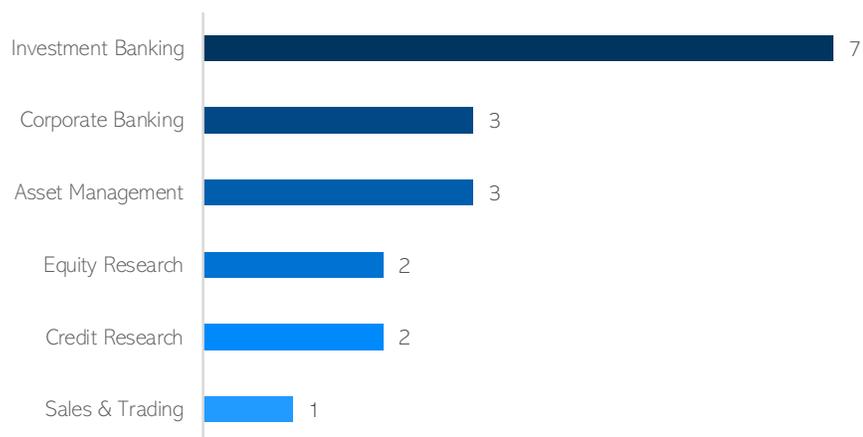


Exhibit VI: Internship Placement Data

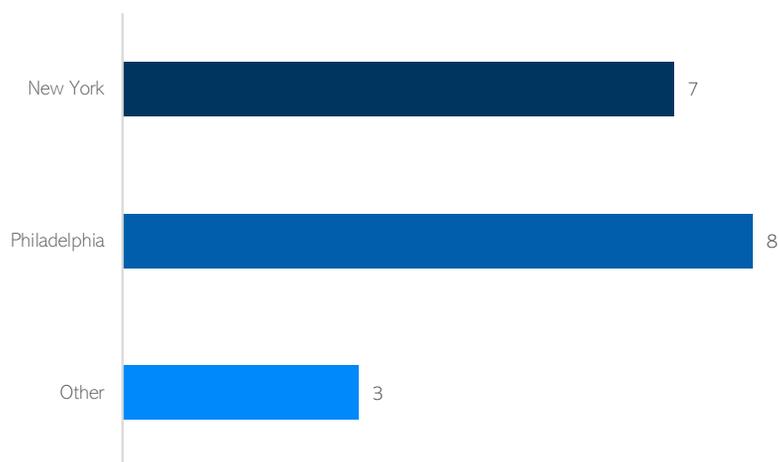
Internship Placement Breakdown

Lucy Cook	PNC Capital Markets	Investment Banking
Hunter Kornfeind	LBC Credit Partners	Credit Research
Nate Latimer	Falcon Capital Group	Investment Banking
Jake Marinelli	FS Investments	Asset Management
Nick McCreesh	Wells Fargo	Corporate Banking
Gerald McKim	UBS	Sales & Trading
Sarah Merzen	Samba Financial Group	Investment Banking
John Ourand	LBC Credit Partners	Credit Research
Kevin Patel	Deutsche Bank	Corporate Banking
Ratu Raviprakash	Rosenblatt Securities	Equity Research
Lilianna Ruby	Citigroup	Investment Banking
Zach Shaffer	FS Investments	Asset Management
Carson Shaner	Long Short Advisors	Asset Management
Fred Shub	TD Bank	Corporate Banking
Troy Simpson	Fidelity Investments	Investment Banking
Jared Swansen	Bank of America Merrill Lynch	Investment Banking
Kyle Wenclawiak	Barclays	Equity Research
Rob Zurzolo	MUFG	Investment Banking

Internship Placement by Industry



Internship Placement by City



TUIA STATEMENT

Established in honor of Professor William C. Dunkelberg, former Dean of the Fox School of Business, for his tireless dedication to educating students in “real-world” principles of economics and business, the William C. Dunkelberg (WCD) Owl Fund will ensure that future generations of students have exposure to a challenging, practical learning experience. Managed by Fox School of Business graduate and undergraduate students with oversight from its Board of Directors, the WCD Owl Fund’s goals are threefold:

- Provide students with hands-on investment management experience
- Enable students to work in a team-based setting in consultation with investment professionals.
- Connect student participants with nationally recognized money managers and financial institutions

Earnings from the fund will be reinvested net of fund expenses, which are primarily trading and auditing costs and partial scholarships for student participants.

DISCLAIMER

This document contains confidential information and is intended for use internally at the Fox School of Business and with those involved with the William C. Dunkelberg Owl Fund. The WCD Owl Fund does and seeks to do business with companies covered in its research reports. Thus, investors should be aware that the Fund may have conflicts of interest that could affect the objectivity of this report.

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Opinions, estimates, and projections constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinions of the WCD Owl Fund and are subject to change without notice. The WCD Owl Fund’s Analysts sometimes have shorter-term trade ideas that are consistent or inconsistent with the WCD Owl Fund’s longer-term investment outlook. The writer(s) do(es) not own any of the securities mentioned in this report.