



YTD as of 1/31/2022

Alpha Portfolio + .12%

MARKETS

DOW JONES -3.37%
 S&P 500 -5.72%
 NASDAQ 100 -8.74%
 REIT INDEX -8.42%
 SMALL CAP -9.53%
 HIGH YIELD -2.65%

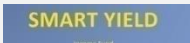
BOND YIELDS

10 YR TREAS 1.78%
 YTD CHANGE +27%
 30 YR TREAS 2.10%
 YTD CHANGE +19%

SINCE INCEPTION

THROUGH Dec 31, 2021

BROXTON 485.18%
 S&P 500 428.97%
 DOW JONES 397.57%



Markets were initially roiled by the increasing anticipation over the beginning of the Russian invasion of Ukraine, with the Nasdaq index dropping more than 20% year to date. However, the invasion itself caused a major relief rally for several reasons. Primarily, investors were relieved that Ukraine was the only location of fighting. Secondly, the U.S. and its' allies did not levy the harshest sanctions, which would have involved halting oil exports and removing Russia from the Swift global payment network. Swift (the Society for Worldwide Interbank Financial Telecommunication) is the main secure messaging system that banks use to make rapid and secure cross-border payments. These sanctions could have caused widespread commodity turmoil and increased tensions. Basically, the initial threats in February were a sharp deviation from historical U.S. policies involving Russia but the bluff was called, and markets are reacting favorably with a hopeful return to normalcy.



Does this mean that there is a resumption of the tech stock rally for Wall Street? Possibly but more likely it is the end of the first down move in the Nasdaq 100. We expect the Nasdaq 100 to eventually fall further. We believe there is a 50-80% correlation with the original tech bubble which crashed 85% from its highs and expect that this could result in the current tech bubble falling around 40-60% from its all-time highs.



Broxton recommendation [Bloomin Brands](#) recently reported earnings, which included the announcement of the resumption of the companies' stock dividend. Bloomin is the owner of Outback Steakhouse (and other brands). CEO David Deno remarked: " We saw good sales growth in Q4 as sales outpaced the industry by 240 basis points on a two-year basis". We noted in November: Bloomin is having a stronger than average recovery in 2021 due to strategies initiated in 2019 to support off-premise, digital ordering, and loyalty programs.



Broxton Capital Advisors

Broxton Capital is an investment manager located in San Juan and employs the Alpha Portfolio (AP). The AP is a growth and income investment strategy. The strategy attempts to continuously improve the value of investment portfolios by investing in equities, ETFs, including leveraged ETFs, options, bonds (investment grade and sub-investment grade, [which may also have limited liquidity]) and other securities. Long term strategies purchase securities which are underpriced according to our appraisal methodologies. Broxton uses regression analysis to obtain an average appraisal value for an individual company and places a priority on the securities of companies with improving financial performance and or additional catalysts that provide for increases in earnings and valuation. We use financial modeling in order to create a projected trajectory for the company's earnings, cash flows and future value. The strategy does not have any capitalization (market size), sector or industry allocation mandates. Broxton may also engage in certain types of activism in order to support positions and relay advantageous strategies to company managements. Broxton deploys technical analysis and momentum as indicators of movement for shorter term strategies, that may not involve deep fundamental analysis. Shorting (selling and then buying) of securities can be used as a long term or short-term strategy. We exit positions in accordance with our discipline, this includes when valuation targets are clearly exceeded or financial performance falls below our projections. Since the AP returns are calculated using a composite of accounts, the average account will not match the composite return and the return could be higher or lower. Broxton manages the Alpha Portfolio for other investment managers. The AP returns which are advertised or submitted to various databases are calculated using the accounts in the composite that are managed internally. Broxton is required to execute any trades internally first and then for other advisors second. Some advisor platforms prohibit or do not trade certain security types and some positions may be omitted for other reasons. In the case of smaller companies, we may judge that there are not enough shares traded to create a position at any or all advisors. Short term strategies may not be able to be implemented. Shares may trade at a higher or lower between purchasing at Broxton or one platform before another. Broxton uses a rotation strategy and attempts to obtain the best execution for all advisors. Any commentary is solely the opinion of the Broxton Capital Advisors. It refers to securities we hold in our portfolio and sometimes ones we are considering but does not represent a complete list of positions held at Broxton Capital Advisors. A complete list covering the last twelve months will be furnished upon request. Price targets are mentioned for information purposes only. Nothing contained herein constitutes a recommendation to purchase or sell securities at any designated price or time. All performance figures are net of fees and reflective of dividend reinvestment. As always, past performance does not guarantee future results. Please see the Alpha One Strategy Quarterly Performance for additional information regarding performance. Any intra quarter performance presented may change with additional auditing. The index performance presented above do not include fees or dividends and is derived from the following ETFs: DIA, SPY, QQQ, HYG, IWM and VNQ. The treasury yields are derived from the CBOE 10 and 30-year interest rate index. Please visit our web site to obtain additional information and read form ADV 2A.

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