



YTD as of 12/31/2023

Alpha Portfolio 7.83%
Smart Yield 6.08%

MARKETS

DOW JONES 13.74%
S&P 500 24.29%
NASDAQ 100 53.79%
REIT INDEX 7.13%
SMALL CAP 15.11%
HIGH YIELD 5.11%

BOND YIELDS

10 YR TREAS 3.87%
YTD CHANGE -.34%
30 YR TREAS 4.02%
YTD CHANGE .98%

SINCE INCEPTION

Through December 31, 2023

BROXTON 464.46%
S&P 500 447.04%
DOW JONES 438.42%



Airline Mergers = turbulence. Warren Buffet once commented that if the Wright brothers had been shot down at Kitty Hawk, everyone would have saved a lot of money. This could be more true than ever now. Alaska is buying Hawaiian and Jetblue is buying Spirit (or at least trying to). The government recently moved to block the Spirit buyout due to concerns that consumers would somehow lose out if the most terrible airline was gone. 80% of consumers rate Spirit at the lowest possible ranking with one remarking: "They bill themselves as a cheap low cost airline, however, they charge you for everything." After the government moved to block the merger the stock crashed 65% and the bonds traded down sharply, because Spirit is burning cash and a bankruptcy is feared. How is Alaska and Hawaiian? The buyout has more confidence, but both airlines would control 50% of the Hawaiian routes. Investors are not worried about Hawaiian but were trading the stock for \$4 before the \$18 buyout offer! Is there an opportunity here? You can save money by not trying to invest in these mergers and buy United instead it is trading around \$40, has \$40 per share in cash and is supposed to make \$9 in earnings this year.....so probably will not crash.



Economies: STILL NO RECESSION The Atlanta Fed says the economy is growing at 3% and the IMF says: "With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced."

Several Broxton picks are making incredible cash flow right now. It looks like Harmony gold is edging towards \$2.50 per share in EBITDA, unbelievable for a \$6 stock with no debt, Also shipper Danaos is on its way towards making \$30 per share in earnings in 24...not bad for a \$77 stock or 2.5 X earnings. Although Danaos was already going to make this amount of earnings, shipping companies continue to benefit from the Houthi blockade of the red sea. Danaos Corporation charters container vessels to many of the world's largest liner companies. Gm as in General Motors is predicting \$8-10 billion cash flow and around \$9 per share of EPS for 24. So this one is at 4 X earnings as well. Please [visit our library](#) to see the reports.



Blackstone Secured Lending Fund (BXSL) is a 9 billion leveraged loan portfolio that focuses on private (middle market) senior secured loans. We consider the secured floating rate middle market segment to be one of the most attractive fixed income areas available to investors. There are 188 companies in the portfolio with the top industries being software and healthcare. Recognizable borrowers include Jacuzzi Brands and Stamps.com. [REPORT](#)



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 Broxton Strategies do contain dividends and fees. 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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