



## YTD as of 1/31/2023

Alpha Portfolio **5.47%**

### MARKETS

DOW JONES **2.87%**  
 S&P 500 **6.29%**  
 NASDAQ 100 **10.64%**  
 REIT INDEX **10.40%**  
 SMALL CAP **9.82%**  
 HIGH YIELD **3.67%**

### BOND YIELDS

10 YR TREAS **3.53%**  
 YTD CHANGE **-9.02%**  
 30 YR TREAS **3.66%**  
 YTD CHANGE **-8.02%**

### SINCE INCEPTION

Through September 30, 2022

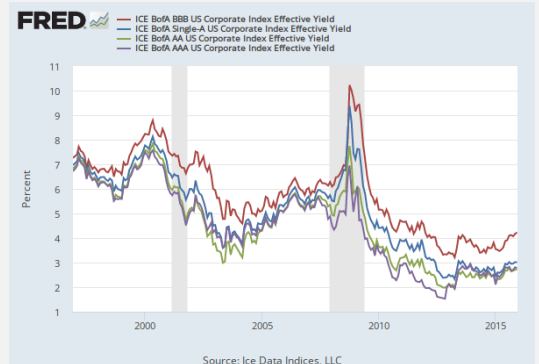
BROXTON **401.04%**  
 S&P 500 **302.72%**  
 DOW JONES **299.47%**



## SMART YIELD

Income Fund

2023 got off to a fast start as Tech shares bolted higher by as much as 17% in February. But as the earnings began to roll in we could see that many of the earnings were lower year over year. However, is there hope? No not really. Tech shares are facing two separate issues which present hard challenges. The first is the end of the current tech adoption cycle which was driven by the growth in handheld devices. Over 85% of Americans own a smart phone now versus around 35% in 2010. Smart phone growth is forecasted to be in the range of 3-4%. So, the tech shares will have difficulty attaining growth. The second problem is that as interest rates rise the value of tech shares declines. We continue to see the end of this tech market as pretty much the same as the end of the year 2000 tech market. Above right: the current yield curve.



**We recently put a buy recommendation on Amarin (AMRN)** Several positive events are evolving at Amarin, the company reported positive cash flow in the U.S. for the 3rd quarter, due to cost reductions by new management, and the European launch of VASCEPA began in 4th quarter. Amarin (AMRN) is a biopharmaceutical company and owner of the successful drug VASCEPA. In 2020 a U.S. District Court invalidated parts of the VASCEPA patents. Simultaneously covid erupted and precautions had the effect of dramatically reducing physician visits. Amarin came under new management in 2021 and in 2022 initiated strategies to reduce the U.S. marketing push and refocus on international markets where there is no generic threat. Outside the United States VASCEPA is not subject to the U.S. patent ruling and Amarin has stated that no similar litigation involving potential generic versions of VASCEPA are pending outside the United States. The European approval of VASCEPA provides Amarin ten years of market protection in the EU, and the companies' EU patent expires in 2033 with additional pending applications that could extend exclusivity into 2039. There is little doubt that VASCEPA will achieve blockbuster status worldwide. We see 2023 as a pivot year with revenue reductions continuing in the U.S. and meaningful sales beginning in the EU.

[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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