



YTD as of 2/29/2024

Alpha Portfolio -3.38%
Smart Yield -2.40%

MARKETS

DOW JONES 3.47%
S&P 500 6.89%
NASDAQ 100 7.19%
REIT INDEX -3.19%
SMALL CAP 1.50%
HIGH YIELD -.08%

BOND YIELDS

10 YR TREAS 4.25%
YTD CHANGE 9.93%
30 YR TREAS 4.38%
YTD CHANGE 8.98%

SINCE INCEPTION

Through December 31, 2023
BROXTON 464.46%
S&P 500 447.04%
DOW JONES 438.42%



Bitcoin and gold are hitting new highs: Bitcoin has surged 200% since September 2023, while gold surged 20%. Usually, these are seen as safe haven-type assets, but there are no identifiable reasons for the sudden interest of safe haven seekers. Well, there is one... Chinese markets have been terrible for their investors, but they still have a lot of firepower and want to invest. The China Large-Cap ETF (FXI) fell a whopping 60% from 2021 highs into the beginning of 2024. Another part of the problem for Chinese investors was the huge crash of their property market. This was a go-to investment vehicle for millions of chinese investors over the last few decades and then became a bubble that burst. Reports indicate 10–20 million apartments built and now vacant with losses. Many of the apartment builders, which borrowed hundreds of billions from regular investors, crashed. In addition, China experienced a slower than expected recovery from COVID in 2022 and 23. But the Chinese still have a ton of investment buying power! This apparently fueled the push into gold and bitcoin purchases. The People’s Bank of China (PBoC) increased its gold reserves by 225 metric tons to 2,235 metric tons in 2023. Including jewelry and other areas, Chinese gold purchases jumped 30%. You can most likely bet the same thing on bitcoin, although it is banned in China! FX Empire reported: Chinese Citizens Flock Towards Bitcoin After the Evergrande Real Estate Crash and Stock Market Downturn!! Also, bitcoin was allowed to be traded in exchange-traded funds (ETFs) in the United States in January, which added billions in volume as huge investors like Blackrock and Fidelity offered bitcoin to their investors. So look out, world! Chinese investors are moving in here!



Economy: After a slow start in 2024, restaurant sales went positive in February, and at the same time, [rent prices](#) for one- and two-bedroom apartments grew in March for the first time in six months.” [Credit card delinquencies](#) were also better, as lenders saw delinquencies drop off a tad in February. JP Morgan, Citibank, and Capital One saw small dips in delinquency rates. Also, loan balances dropped 1.4% in line with February historical trends but are still up 10% since 2023. So overall, there is a slight stabilization that indicates we are not accelerating lower after January’s small downturn. Good job, economy!

Apollo Commercial Real Estate Finance, Inc. (ARI) is a \$9 billion diversified commercial mortgage REIT. We decided to investigate as part of our ongoing look at commercial mortgage loans. We recommend that buyers enter new positions in ARI under the \$9 level to reduce risk while keeping apprised of the portfolio. Defaults are rising slightly, and 19% of the portfolio is in the dreaded office category! Although the shares are offset by a \$450 million discount to the book value, we see non-life-threatening turbulence ahead and probable dividend reductions! [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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