



YTD as of 6/30/2022

Alpha Portfolio **-12.31%**

MARKETS

DOW JONES **-9.12%**
 S&P 500 **-20.57%**
 NASDAQ 100 **-29.60%**
 REIT INDEX **-21.46%**
 SMALL CAP **-23.87%**
 HIGH YIELD **-15.40%**

BOND YIELDS

10 YR TREAS **2.97%**
 YTD CHANGE **+146%**
 30 YR TREAS **3.12%**
 YTD CHANGE **+121%**

SINCE INCEPTION

THROUGH March 31, 2022
 BROXTON **488.05%**
 S&P 500 **404.65%**
 DOW JONES **377.31%**



Inflation Alert!

Invesco's Brian Levitt: "US inflation has climbed to its highest rate in 40 years, driven by rising food and energy costs as well as higher costs of shelter. Over the past year, the headline Consumer Price Index (CPI) has climbed by 8.6%, putting pressure on the US Federal Reserve (Fed) to further tighten policy to restore price stability." The Federal Reserve on Wednesday enacted its second consecutive 0.75 percentage point interest rate increase, taking its benchmark rate to a range of 2.25%-2.5%. So, some of the current belief is that inflation is finished or dropping as of July 2022. However, we wanted to take a look at an ordinary inflation cycle in order to see how long this will last. [Whitehouse.gov](https://www.whitehouse.gov): Since World War II, there have been six periods in which inflation—as measured by CPI—was 5 percent or higher. The three most recent inflationary episodes were largely a function of oil shocks. The period right after World War II potentially provides the most relevant case study, as the rapid post-war inflationary episode was caused by the elimination of price controls, supply shortages, and pent-up demand. One substantial difference between the inflation dynamics of World War II and today is that price controls were a wartime policy tool that were not implemented during COVID. According to Benjamin Caplan, the inflationary episode after World War II ended after two years as domestic and foreign supply chains normalized and consumer demand began to level off. **So, using the closest Comparable period we can expect that the current inflation period, which started in April of 2021 will abate by May or June of 2023.** The link above gives us some good perspective.



Inflation Rate Since 2000

Dell Technologies (DELL): Did you know that the iconic computer company Dell is still trading? After going private in 2013 it became public again in 2018. Now the company is a worldwide technology and services provider with sales in over 180 countries and 133,000 employees. Historically, Dell was a hardware provider until 2009 when it acquired Perot Systems and later EMC Corporation, expanding the company into enterprise services. Dell Technologies completed its spin-off of VMware, which included an \$11.5 billion cash component, of which Dell received \$9.3 billion. The dividend was used, along with other cash, to reduce long term and short-term debt by close to \$12 billion. Dell significantly deleveraged in 2021 and is demonstrating improved synergies with technology solutions and services along with its' hardware. The shares have a 3% dividend yield and a 14% cash flow yield. [REPORT](#)

Broxton Capital Advisors

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