

YTD as of 4/30/2023

Alpha Portfolio	4.68%
Smart Yield	4.73%

**SMART YIELD**

Income Fund

<u>MARKETS</u>	
DOW JONES	2.93%
S&P 500	8.76%
NASDAQ 100	21.14%
REIT INDEX	.99%
SMALL CAP	.48%
HIGH YIELD	2.35%

BOND YIELDS

10 YR TREAS	3.45%
YTD CHANGE	-11.01%
30 YR TREAS	3.68%
YTD CHANGE	-7.59%

SINCE INCEPTION

Through December 31, 2022

BROXTON	424.77%
S&P 500	333.17%
DOW JONES	363.43%



**Stocks:** So far first quarter earnings have improved and are now down about 2.2% from 2022. Factset: "For Q1 2023 (with 95% of S&P 500 companies reporting actual results), 78% of S&P 500 companies has reported a positive EPS surprise and 76% of S&P 500 companies have reported a positive revenue surprise." Factset went on to explain that the amount of companies citing recession had declined for the third straight quarter. The consumer discretionary and industrial sectors were leading in earnings gains.



Retailers were hit hard later in the week due, to some degree, to the weak earnings from shoe retailer Footlocker. Management cited promotional activity and a rise in theft. Large retailer Target also commented that theft would increase by \$500 million this year. Stores were detailing a new type of shoplifting referred to as organized retail crime, where shoplifters sell stolen items easily on online marketplaces that allow anonymity. It's not just happening in the U.S., NL Times, an english online newspaper covering the Netherlands reported a 40% increase in supermarket theft propelled by inflation and self checkout systems.

**Still no recession...but:** Deutsche bank is calling for a large recession propelled by yield inversions and rate hikes! However, DB has been continuously predicting the same recession since April of 2022. Right: Christian Sewing, ceo of Deutsche bank, explains about the inevitable recession in September of 2022. Meanwhile restaurant sales rose in April and the Mortgage Bankers Association (MBA) said: "The mortgage delinquency rate fell to its lowest level for any first quarter since MBA's survey began in 1979 and Mortgage delinquencies and the unemployment rate continue to track each other closely." (from David Krechevsky, National Mortgage Professional).



**Wix (WIX)** Wix.com Ltd. (WIX) is an Israeli software company that offers a user friendly website building tool through Wix Editor and an advanced tool through Editor X in 22 languages and over 190 countries. Several recent developments have led to financial improvements at WIX. Due to new marketing strategies and cost cutting initiatives the company has quickly improved profitability over the last 2 quarters. Our buy and price target of \$90 is based on the repositioning of the company's product into the more lucrative higher end market, financial improvements, and promising developments in AI. [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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