



## YTD as of 7/31/2023

Alpha Portfolio 5.43%  
Smart Yield 5.59%

### MARKETS

DOW JONES 7.32%  
S&P 500 19.71%  
NASDAQ 100 44.09%  
REIT INDEX 3.37%  
SMALL CAP 13.97%  
HIGH YIELD 2.54%

### BOND YIELDS

10 YR TREAS 3.96%  
YTD CHANGE 2.09%  
30 YR TREAS 4.02%  
YTD CHANGE 1.01%

### SINCE INCEPTION

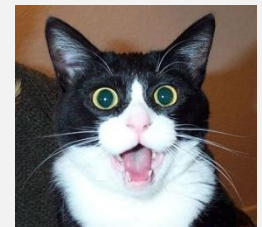
Through December 31, 2022  
BROXTON 424.77%  
S&P 500 333.17%  
DOW JONES 363.43%



**REIT Rebound?:** After 2008, 2022 turned out to be the worst year on record for REITS or Real Estate Investment Trusts. 2022 ended with a 27.5% decline in the Vanguard REIT index. However there are a few signs that a recovery could be on the way! It is highly anticipated that the “FED” may be close to or be done raising interest rates. Many REITs have been radically repriced lower due to higher interest rates but some REITs are seeing stabilization and improvements from the lows. Recently Mall REIT Macerich (MAC) reported: Leasing volumes are getting better than they have been in a decade. Mall operator Simpon Property Group also reported strong leasing momentum. In 2022 office REITs were one of the worst REIT sectors due to lower occupancy and the work from home trend. Large office REITs such as Boston Properties (BXP) saw their shares fall over 50% from the 2021 highs. Recently BXP reported: sentiment in the office industry is worse than what we are experiencing and financings are occurring. Many of the operators have inflation lease escalators which are kicking in. Well known office REIT Vornado indicated that leasing activity was considered strong and that the company had been able to reduce some properties and that banker cooperation is improving. Vornado took the step of suspending its dividend for the remainder of 2023. So we may be seeing some signs that REITs are stabilizing which could lead to gains on the shares.



**Recession update: Signs of economic growth** Atlanta Fed GDP now is currently at 5.8%. If this is the growth rate for 2023 it will be the strongest year since before 2000. Why the huge prediction miss? We cover how to predict one in the March [newsletter](#). Also we point out it may be time to begin questioning monetary theory.



**War in Ukraine:** The no benefit to anyone war continued and the failed Ukrainian summer offensive is being rebranded as a success although we see less than 100 square miles of the 66,000 lost regained in this offensive.

**Kraft Heinz: (KHC)** is a well-known company that manufactures and markets food and beverage products. We believe that there is room for growth in many supermarket categories and that KHC is ready to address these opportunities by directing cash flows from debt reduction to product marketing and R&D spend. [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.

[www.broxtoncapital.com](http://www.broxtoncapital.com) 310 208 2151