



YTD as of 2/28/2023

Alpha Portfolio 5.62%
Smart Yield 5.59%

MARKETS

DOW JONES -1.44%
S&P 500 3.62%
NASDAQ 100 10.24%
REIT INDEX 3.93%
SMALL CAP 7.93%
HIGH YIELD 1.22%

BOND YIELDS

10 YR TREAS 3.92%
YTD CHANGE .95%
30 YR TREAS 3.93%
YTD CHANGE -1.23%

SINCE INCEPTION

Through December 31, 2022

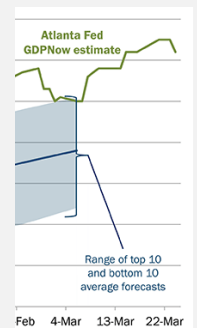
BROXTON 424.77%
S&P 500 333.17%
DOW JONES 363.43%



Bank Runs: March of 2023 was marked by a few bank runs!.... A few things we would like to point out: regulators and politicians are getting up to speed and these runs were unbelievably fast due to the advances in computing. Two weeks ago Silicon valley bank announced some bond liquidations in part of the portfolio and additional capital investments in order to raise cash. Silicon Valley was a 200 billion dollar bank. Within 24 hours \$50 billion had been withdrawn and within the next 12 hours another 100 billion was slated to be withdrawn. People used their cell phones to move money. There is no bank in the world which could survive a 75% withdrawal rate in 36 hours. In addition banks aren't paying a lot of interest and short term rates are over 4%. So the natural economic will continue to pressure all of the banks. Secondly, Silicon Valley and many other banks took no protective measures against rising rates. So regulators need to limit withdrawal rates to some sort of daily or weekly maximum and tell the banks to protect themselves from different interest rate scenarios. So like we said a long time ago finance and technology advance faster than regulation. We do not know if Silicon Valley was insolvent. The unrealized losses had improved slightly since last report and after being siezed some assets were auctioned at a loss. **Above: a small bank run in Bedford Falls**



Still no recession: The more we don't have a recession the more economists and pundits agree we will have one at any time now. Consensus estimates recently dropped shaply (RIGHT). OK OK I guess we should share with the world how to predict one. Restaurant comps (up 6.8% in Feb), payroll companies (Paychex reports [Q3 ending Feb 28] growth of employees), consumer default rates (not really up or down Y over Y right now) and throw in car sales (global car sales increasing 6%+ for march 2023). So...when these start going down THEN EVERYONE predict a recession! **Its really not that hard!**



Petco, Inc (WOOF): Our initiation of coverage on Petco is based on the potential, unique asset and the close to 10% EBITDA margin. Also, we are expecting a \$200-300 mm reduction in debt over the next 2 years. But, it's still a rough environment for retail comparisons, unless you're Lululemon, so we rated it a hold for now! [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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