



YTD as of 10/31/2021

Alpha Portfolio **+11.82%**

**MARKETS**

DOW JONES	<b>+17.15%</b>
S&P 500	<b>+22.83%</b>
NASDAQ 100	<b>+23.06%</b>
REIT INDEX	<b>+28.39%</b>
SMALL CAP	<b>+11.57%</b>
HIGH YIELD	<b>-42%</b>

**BOND YIELDS**

10 YR TREAS	1.56%
YTD CHANGE	<b>+64%</b>
30 YR TREAS	1.94%
YTD CHANGE	<b>+29%</b>

**SINCE INCEPTION**

THROUGH June 30, 2021

BROXTON	<b>540.83%</b>
S&P 500	<b>373.68%</b>
DOW JONES	<b>368.11%</b>

**PRIMARY BROXTON STRATEGY**  
QUALIFIED INVESTOR ONLY

**BROXTON**  
CAPITAL ADVISORS

**OUTCOME**  
Broxton Capital Advisors is an investment advisor that manages the assets of individuals, institutions, and end clients for registered investment advisors using the Primary Broker Strategy of the following table in accordance with the terms of their investment agreements for the relevant investor.

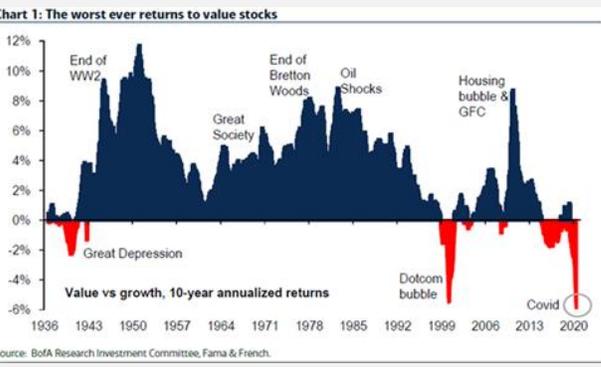
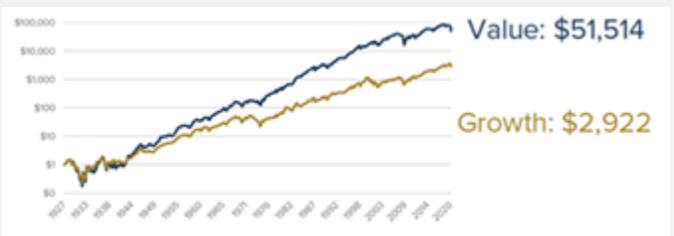
**PERFORMANCE**  
Percentage Growth since Inception (BIC)

**SECTOR WEIGHTING**

**PROCESSES**  
Broxton uses a disciplined process to identify investment opportunities and to select and manage investments. The process involves a thorough analysis of the company's financial performance and its ability to generate sustainable, long-term growth. The average rate of return for the Primary Broker Strategy is 15% per year. The average rate of return for the Primary Broker Strategy is 15% per year. The average rate of return for the Primary Broker Strategy is 15% per year.



We are experiencing the worst period in the history of the securities markets for value investments. Value investments are companies that generate earnings and grow but are not as speculative or "sexy". Although the chart on the right shows that over the last 90 years, since 1927, a dollar invested in value securities would have grown over \$47,000 more than a dollar invested in growth the recent market has discarded value shares. This was the primary theme of a recent [Broxtion presentation](#). One point we continue to make is that there are trillions of dollars, yes we said TRILLIONS of dollars in securities of companies that do not make money. We highlight a company called [Snowflake](#). Snowflake is worth \$109 billion dollars in the stock market but has less than \$1 billion in revenues and lost over \$400 million in operating income in the first six months of 2021. Three of our value investments: Viacom, Deutsche Bank and Harmony Gold have over \$10 billion in operating income this year but are collectively trading at about \$ 48 billion (half of Snowflake!!). Thus, the second graph below which shows that value investments are in their worst period ever exceeding the dot com bubble period. We expect this 2021 dot com bubble to end in pretty much the same way as the 2000 bubble with stocks like Snowflake losing 95%+ of their value.



**ViacomCBS (VIAC):** Broxtion favorite Viacom reported earnings and November 17 announced that the company experienced its most successful week ever, adding more than one million new subscribers, on Paramount +, and also set a new record for most hours streamed and highest level of subscriber engagement. Viac announced that they crossed the 100 million subscriber mark putting the company in 3<sup>rd</sup> place behind Netflix and Disney +.

**Global Ship Lease (GSL):** is a containership owner that leases to shipping companies under fixed-rate time charters. As of November 9, 2021, the company had 65 containerships in its fleet. Maersk and CMA CGM are two of the largest lessors. Container shipping rates have risen dramatically since 2019 due to supply chain disruptions caused by the pandemic. In August GSL announced that: "S&P Ratings has raised the Company's long-term issuer credit rating to BB- from B+, with a stable outlook, and forecast of solid performance". We expect the debt to EBITDA ratio of GSL to improve to below 3 X in 2022. Consensus earnings estimates are predicting a 100%+ increase in 2022 GSL earnings per share.

## 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 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

