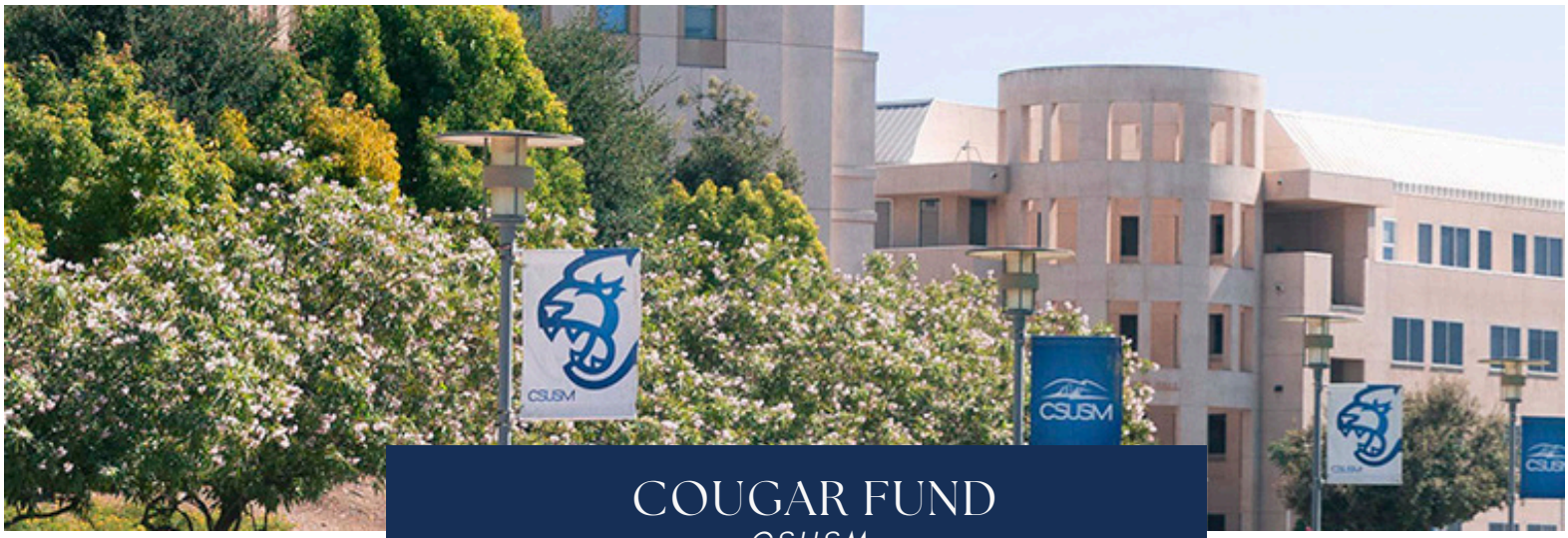
COUGAR FUND REPORTER

Vol: 1 Issue: 5 Spring 2025



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A NOTE FROM THE CHIEF INVESTMENT OFFICER: TYLER GLASSER



Tyler Glasser | Glass036@csusm.edu

Stepping into the role as CIO

Taking the mantle as CIO of the Cougar Fund this year for the Spring 2025 semester has been an incredible honor. I'd love to take a moment to share the remarkable journey and growth of the team throughout the semester & academic year with you all.

Introduction to the Cougar Fund

For those who are not keenly attuned to the background of our fund it's become an unwavering staple for CSUSM's CoBA for brightening talent in the asset management space. Founded in fall 2019 by a proposal from Dr. Andreaus Rauterkus kicked off the immersive student investment program we know today. Recently our new Chair of the finance department Dr. Dongnyoung Kim has taken oversight over the fund to solidify all we have developed so far and push for new limits. We continue striving to constantly expand the depth in its offering of hands on experience, practical application, & career horizons to push the prestige of the organization forward.

Thank You to the Team

To kick this issue off, I want to extend a heartfelt thank you to our hardworking team this semester for their dedication and commitment to the fund. Without the focus and drive of the Cougar Fund members we wouldn't be able to harbor & nurture the learning environment necessary to maintain the shine of the fund. Our students put in many hours despite most having full-time/ part-time jobs, academic studies, & Other extracurricular activities which speaks to the tenacity elevating our success as a group.

A NOTE FROM THE CHIEF INVESTMENT OFFICER: TYLER GLASSER

Personal Reflections

Speaking from a personal side it has been a treat to watch the students grow and get acclimated to the ever changing environment that is portfolio management. So many unique learning experiences & opportunities to grow emerge that you simply will not find in other place on campus. Understanding the dynamics of the market, telling stories to illustrate movements in sentiment, applying complex financial models & strategies are all things the fund does that illustrate its similarity to professional investment firms. For students looking for a place to get out of their comfort zone and pick up an incredible skill, the Cougar Fund should serve as an exciting home for pushing limits of your understanding.





Market Context and Future Outlook

This semester was an extremely interesting time in the history of the markets with the S&P posting the biggest losses it's ever faced in the first 100 days of a presidential term since Nixon in 1973. Broader Economic factors seem to be shaking the very foundations of what has been a relatively stable growing market since covid has simmered down. With volatility comes opportunity, and I couldn't be more excited to look towards the future of the fund and to see how students will take advantage of the countless workshops we learned from throughout the semester. I encourage you all to read on and hear about the portfolio from our amazing team!

CHIEF ECONOMIST OVERVIEW: IAN SUCH



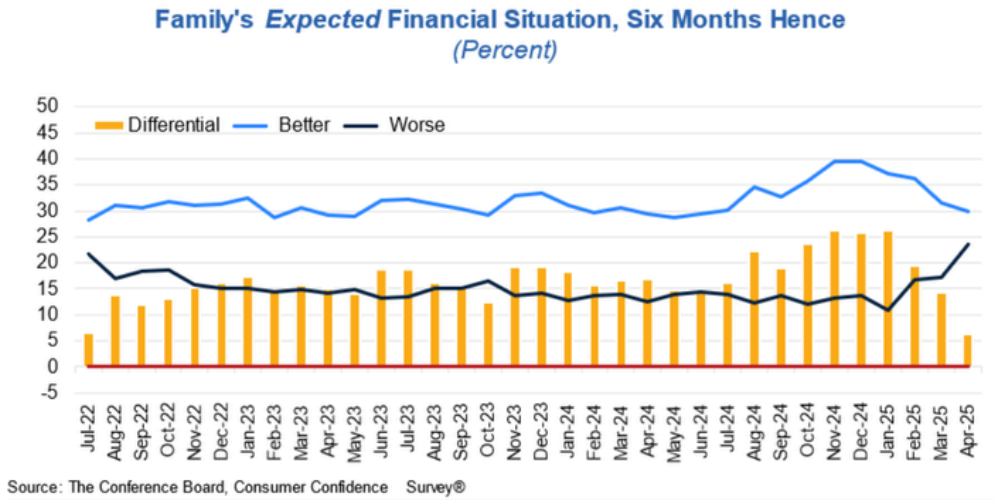
Ian Such | such001@csusm.edu

A Year of Growth as Chief Economist

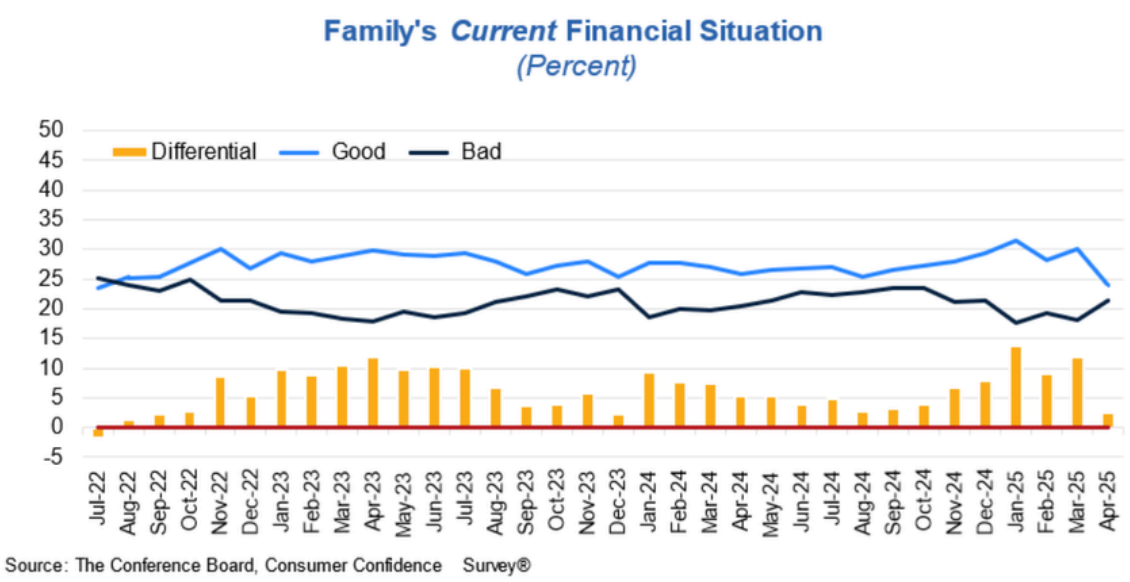
Taking on the Chief Economist position for the Cougar Fund, during one of the most tumultuous and challenging times in our fund's history, was the most rewarding decision I made during my time at the Cougar Fund. As Chief Economist, I had to decipher indicators and reports weekly for our analysts and managers, connecting them to useful information and data that would help guide their investment decision, but 2025 wasn't kind. Every reporting week felt like a punch in the face, but that pain marked rapid growth.

Market Shifts and Consumer Sentiment

The executive led tariff policy left markets shaky; the effective rate is stagnantly high (4.33%) and lagging PMI between industrials (50.2/ISM 48.7), services (50.8/ISM 51.6), and Chicago PMI (44.6), show our leading and lagging industries shifting. Consumer confidence (86bps) has left us in a strange spot as well, with recessionary worries plaguing households. We expect both current and 6-month household sentiment to cross negative within the next semester.



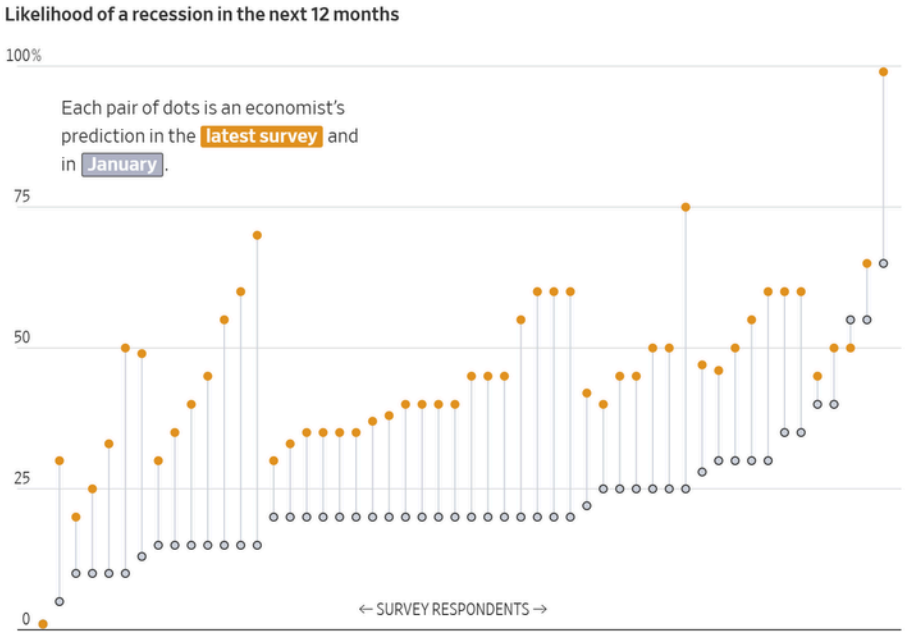
CHIEF ECONOMIST OVERVIEW: IAN SUCH



Source: The Conference Board, Consumer Confidence Survey®

Market Confidence vs. Economic Reality

Despite leading indicators signaling a slowdown, markets have responded positively after tariff policy was paused, and the S&P is 'only down 3%, YTD'. This market confidence contrasts with Economist sentiment, who view the likelihood of a recession, to be higher now, than it was in January. Shifting indicators, market confidence, household confidence, and executive policy are creating a perfect storm for the American economic landscape. All we need now is a large wave to come crashing. Good luck to our future Cougar Fund Analysts, Portfolio Managers, our future CIO, and the Economists!



Note: Limited to respondents who provided recession forecasts in both January and April.

CHIEF ACCOUNTANT OVERVIEW: JACOB GOSSELIN



Jacob Gosselin| gosse016@csusm.edu

Driving Accuracy and Supporting Decisions

As Chief Accounting Officer of the Cougar Fund, I've been responsible for maintaining accurate financial reporting, reconciling weekly fund activity, and providing data-driven insights to support our investment decisions. Throughout the semester, I've worked closely with the portfolio managers to ensure all holdings are up to date, account movements are properly tracked, and fund valuations reflect real-time market conditions.

Tracking Portfolio Trends and Performance

In collaboration with Ian Such, our Chief Economist, this automated tool records weekly prices for all positions in our portfolio, allowing us to analyze semester-long trends and quickly identify which holdings are underperforming or outperforming. This system has become an essential resource for Portfolio Managers as they assess sector performance and individual security behavior within a broader market context.

Stocks	Change (%)	Price	Ticker symb	JAN 2 YTD	% Return	Column1	Instrument type
NASDAQ Composite Index	-0.99%	$ 17,287.79	COMP	$ 19,280.79	-10.34%	$ (1,786.99)	Index
DOW JONES INDU AVERAGE I	-0.30%	$ 40,405.75	DJI	$ 42,392.27	-4.69%	$ (1,893.43)	Index
S&P 500 INDEX	-0.72%	$ 5,520.97	INX	$ 5,868.55	-5.92%	$ (326.99)	Index
NYSE COMPOSITE	-0.54%	$ 18,985.59	NYA	$ 19,095.42	-0.58%	$ (109.20)	Index
Vanguard 500 Idx;ETF (ARCX:\	-0.60%	$ 506.43	VOO	$ 537.46	-5.77%	$ (29.24)	ETF
iShares:Russ 2000 ETF (ARCX:	-0.87%	$ 194.39	IWM	$ 221.14	-12.10%	$ (23.51)	ETF
Sel Sector:Matrls SPDR (ARCX	0.17%	$ 83.61	XLB	$ 87.77	-4.75%	$ (3.97)	ETF
Sel Sector:H Care SPDR (ARCX	0.50%	$ 139.98	XLV	$ 141.67	-1.20%	$ (1.67)	ETF
Cougar Fund	YTD:	$335,692.45	COUGAR	$286,172.97	-6.14%	$(20,596.03)	

CHIEF ACCOUNTANT OVERVIEW: JACOB GOSSELIN

Performance Metrics and Fund Overview

Alongside regular accounting updates, I tracked and reported performance metrics including our current portfolio Beta of 1.78, which reflects our exposure to broader market movements. As of the latest valuation, the Cougar Fund manages $315,028 in assets. Year-to-date, the Fund has returned approximately –6.14%, which we continue to monitor closely against our benchmarks to guide rebalancing and strategy discussions.

	Cost Basis (2019)	Today	YTD 24
Cash	$ 51,872.31	$ 4,054.19	$ 4,054.19
Common Stock	$ 43,377.55	$ 83,351.26	(StockHistory)
ETF	$ 104,750.14	$213,857.26	(StockHistory)
MM	$ -	$ 13,833.70	$ 13,833.70
Total	$ 200,000.00	$315,096.42	$335,692.45

Diversification and Reporting Enhancements

Our fund composition has remained diversified, with strong ETF exposure, continued investment in common stock, and healthy cash reserves. I also contributed to the enhancement of internal reporting systems, aiming to improve data clarity, reduce manual work, and ensure smooth transitions for future teams.

Reported Cost Basis	$147,686.81
Current Beta	1.01309
2024 YTD Dividend Yield	1.78%

CHIEF ACCOUNTANT OVERVIEW: JACOB GOSSELIN

Sector	Sector Return
Financials	0.15%
Industrials	-0.82%
Materials	-0.16%
Energy	-0.35%
Information Technology	-3.12%
Communication Services	-0.61%
Consumer Discretionary	-0.75%
Consumer Staples	0.21%
Real Estate	-0.20%
Utilities	0.04%
Healthcare	-0.54%
Cumulative Sector Return (1/1/25)	-6.14%

A Successful Semester: Strengthening Our Accounting Foundation

It has been a privilege to serve in this role, and I'm proud of the operational progress we've made this semester in strengthening the Cougar Fund's accounting foundation.
Let's go Cougars!





MARKETING DIRECTOR OVERVIEW: ITSARELY PALMA CASTILLO



Itsarely Palma | palma031@csusm.edu

Cougar Fund Photoshoot! 5/15/25



Revamping Visibility: Leading Cougar Fund's Marketing Strategy

Taking on the role of Marketing Director has been a meaningful way for me to contribute to the Cougar Fund while continuing to develop my analysis skillset. One of the biggest changes I implemented was revamping our Instagram strategy. We began showcasing the work being done within the fund—posting buy/sell pitches from our meetings, sharing flyers with meeting details, and using Instagram as a recruitment tool during the search for our next Cougar Fund Leadership Team. This approach not only expanded our student outreach but also spotlighted the dedication of our Executive Board and Portfolio Managers. I also had the opportunity to coordinate photoshoots that further elevated our presence.

A Grateful Reflection and Optimistic Future

Throughout this experience, I've received nothing but support from our incredible team. I'm excited about the fund's future and look forward to finding new ways to contribute. I hope you enjoy reading this newsletter and seeing the work we're so proud of.

GAME FOURM



G - Global
A - Asset
M - Management
E - Education

The GAME Forum Experience

The GAME Forum was a truly eye-opening experience that changed perspectives on the professional landscape in the world of finance.

What is the GAME Forum?

To those who may not be aware, the GAME Forum entails a couple-day-long conference in Manhattan, New York where industry professionals come together and connect with students in the asset management space. It's the largest student-run finance conference in the world hosted by Quinnipiac University and hosts a variety of speaking events & networking opportunities. The jewel of its crown is a portfolio competition where other student-run investment funds can come together and share techniques, stories, and successes.

Insights from Industry Leaders

Landing in New York at one of the most volatile moments in stock market history gave us unparalleled insights from industry leaders at leading financial institutions. Hearing from the Co-founder of Apollo, Chief Global Strategist at JPM, Head Product Strategist at Blackrock, Head M&A at Barclays, & tons more opened our eyes to so much information. Covered were topics like AI, Tariffs, Fund strategy, & Career Success making up just a few drops in the bucket of the conference.

GAME FOURM

Looking Ahead: Contributions to The Cougar Fund @ CSUSM

We look forward to contributing these teachings into The Cougar Fund @ CSUSM, setting the next generation of finance students up for success. I hope that future students can attend the GAME Forum conference & win the portfolio showcase.

Record Attendance at the GAME Forum

This semester we had a record 6 students attend! Portfolio managers Wyatt West, Lenny Leechicas, & Hailey Kramer along with Jacob Gosselin, and Ian Such from our leadership team attended alongside our CIO Tyler Glasser.

PARTICIPANTS QUOTES

"I was also very fortunate enough to attend the GAME forum hosted by Quinnipiac University. The ability to network with fellow students from all across the country, even internationally, was truly appreciated. The keynote panels on emerging markets offered interesting leads on the future of finance and what that would look like across the world."
- Wyatt West

"Attending the 2025 GAME Forum was a highlight of the semester. It offered powerful insight into current economic conditions from multiple perspectives, including international outlooks. What stood out most was the energy of the speakers, who made complex macro and market topics entertaining and accessible. I was especially surprised and intrigued when cryptocurrency was brought up as part of a broader discussion on monetary policy and market innovation. It showed how finance is constantly evolving and how even volatile assets like crypto are becoming part of serious economic conversations."
- Lenny Chicas

GAME FOURM

PARTICIPANTS QUOTES

" I'm very grateful to have attended the Spring 2025 Global Asset Management Education (G.A.M.E.) Forum with two other portfolio managers, the Chief Accountant, Chief Economist, Chief Investment Officer. Attending the GAME Forum allowed us to learn from over 1200 other university students and their funds, network with professionals and colleagues alike, and hear from wall street's top investors."
-Hailey Kramer

"Being in NYC is always fun, but the Quinnipiac GAME Forum was unlike anything I had been to before. Getting to learn so much about different industries from professionals was a rich experience, and I hope more students get the opportunity to represent the Cougar Fund. Hopefully our future cougars can win the Portfolio Competition too!"
- Ian Such

"The most transformative moment came when I spoke with Al Capra, Managing Director and Head of Insurance Banking at SMBC, after one of the sessions. Our conversation quickly turned into an ongoing mentorship. Al generously shared his contact information, and since then, he's introduced me to members of his team and helped me explore opportunities in investment banking at SMBC. He also connected me with Roger Elsas, Vice Chairman at Drexel Hamilton, a capital markets firm based in Manhattan. Speaking with Roger and other team members — including VP Martin Tomalka — has been both inspiring and educational. These connections have opened doors to real interview opportunities and the chance to launch my career in finance right in Manhattan, my dream location."
- Jacob Gosselin





ENERGY & UTILITIES SECTOR: WYATT WEST



Wyatt West | west107@csusm.edu

Stock Pitch Presentation



Energy and Utilities Sector: Stability in Uncertain Times

The Energy and Utilities sector is currently positioned to deliver stable returns in an otherwise uncertain market shaped by macroeconomic pressures such as tariffs and geopolitical feuding. Utility companies, which often operate as natural monopolies with limited or no competition, benefit from regulatory structures that allow them to increase their rate base—the amount they are legally permitted to charge customers—whenever the value of the property hosting their infrastructure appreciates. This dynamic enables utilities to grow revenue through reinvestment in existing assets and by expanding service coverage to underserved areas.

Energy Sector Outlook: Rising Demand and Emerging Trends

Energy firms have also seen promising developments throughout 2024 and into early 2025. Interest in nuclear power has surged, gaining attention as a reliable source of long-term, low-emission energy. Simultaneously, demand for liquefied natural gas continues to rise across both the United States and Europe, as countries pursue cleaner alternatives to coal and oil.

Looking ahead, one of the most significant drivers of energy demand will be the continued growth of artificial intelligence.

ENERGY & UTILITIES SECTOR: WYATT WEST

AI Expansion Fuels Energy Demand and Growth

As AI expands, so too does the need for power-intensive data centers capable of handling massive computational workloads. This trend presents a compelling opportunity: the utility companies generating electricity and the energy firms supplying the fuel will likely see sustained, increasing returns, which they can ultimately deliver back to their shareholders.

A Rewarding Journey: My Growth with the Cougar Fund

The Cougar Fund is a great student-led organization that builds strong bonds with fellow like-minded peers. Although initially intimidating, joining a community of driven, aspiring financial analysts has proven to be one of the most rewarding decisions I've made. I have been an analyst for the Cougar Fund since Spring of 2023 and was fortunate to secure a position as the industrials and materials portfolio manager in Fall of 2024. This spring of 2025, I switched to the position of energy and utilities portfolio manager, which has been very fulfilling. Learning how the four sectors of the market operate and how they are evaluated differently and similarly has given me an enriching opportunity.

Spring 2025 Pitch: Investing in Sempra for Growth and Stability

In the Spring of 2025, I pitched the company Sempra to the Cougar Fund for purchase. Sempra is a multi-utility firm supplying California with gas and electricity services, along with electricity for Texas through a subsidiary, Oncor Electric. They have invested heavily in infrastructure in Texas, anticipating a growth in demand for electricity, as well as investing in midstream and refining of liquified natural gas in the Gulf of Mexico. I used a dividend discount model and a relative valuation model to prove that Sempra was currently underweighted for the dividends and investments they have made. At the end of the pitch, the Cougar Fund agreed with me, and we decided to purchase 45 shares of Sempra, which would then make up 1.12% of our current equity holdings.

REAL ESTATE AND FINANCIALS SECTOR: ISAIAH DIZADARE-HELIRE



Isaiah Dizadare-Helire | dizad001@csusm.edu

Stock Pitch Presentation



Spring 2025 Pitch: Investing in Sempra for Growth and Stability

As a Portfolio Manager overseeing the Financial Services and Real Estate sectors in the Cougar Fund, I've had the opportunity to deepen my understanding of capital markets, refine my investment philosophy, and gain experience managing assets under real-world constraints. Throughout the Spring 2025 semester, I've conducted sector-specific research, performed detailed equity analyses, and collaborated with fellow portfolio managers to pitch investment ideas grounded in both qualitative insights and financial modeling.

Leading Sector Research and Stock Pitch

This past semester, I led a comprehensive sector presentation covering both industries. My research offered insights into recent performance trends, key competitors, market drivers, and future outlooks. I also partnered with other student members to enhance our collective understanding of financial concepts and their real-life applications. Additionally, I contributed to the development of a stock pitch, which involved conducting thorough market research, building valuation models, and analyzing key financial ratios to support our investment thesis.

REAL ESTATE AND FINANCIALS SECTOR: ISAIAH DIZADARE-HELIRE

Insights from Financial Services and Real Estate

Each sector presented its own distinct learning curve. Financial services, highly sensitive to the Federal Reserve's tightening cycle, reinforced the importance of macroeconomic forecasting and yield curve analysis. In contrast, the real estate sector emphasized the significance of evaluating geographic exposure, tenant credit quality, and capital structure—particularly in the context of ongoing commercial real estate challenges.





Refining Skills and Building Value in Finance

The collaborative and competitive environment of the Cougar Fund has consistently pushed me to raise my analytical standards and think critically about risk, narrative construction, and long-term value creation. This experience has sharpened my attention to detail, enhanced my public speaking skills, and further solidified my interest in pursuing a career in finance.

CONSUMER STAPLES AND DISCRETIONARY SECTOR: MICHAEL DISCHNER



Michael Discerner | disch004@csusm.edu

Empowering Future Finance Leaders



Strategic Pivot: Shifting Focus to Consumer Staples

This semester, I served as the Portfolio Manager for the Consumer Staples and Consumer Discretionary sectors. With ongoing economic volatility and rising geopolitical tensions, I initiated a strategic pivot toward consumer staples, which offer resilience in the face of uncertainty. Given our portfolio's exposure to higher-beta equities and the potential risks from inflation, interest rate changes, and tariff pressures, I sought to balance our positioning with a defensive, dividend-paying staple stock.



CONSUMER STAPLES AND DISCRETIONARY SECTOR: MICHAEL DISCHNER

Consumer Staples: A Strategic Allocation for Stability

As illustrated in the chart above, which compares IYK (a Consumer Staples ETF) to VOO (the S&P 500 ETF), we observed a clear divergence on April 8, 2025, when the broader market hit a low point, consumer staples remained notably resilient. This relative strength in times of market stress was a key reason we identified consumer staples as a strategic allocation, especially given our goal to position the portfolio for stability amid macro uncertainty.

Pitching General Mills: Stability Amidst Uncertainty

To combat this uncertainty, my team and I conducted an in-depth analysis and pitched General Mills (GIS). Our thesis centered around its strong dividend yield, diversified revenue streams, and operational efficiency, especially under conditions of trade uncertainty and weakening consumer sentiment. Despite recent challenges in commodity pricing, particularly in agricultural inputs, GIS has demonstrated an ability to weather economic downturns through consistent free cash flow, strategic acquisitions, and a shift toward cost-saving measures under its Holistic Margin Management (HMM) strategy.

Valuation Analysis: Strong Upside Potential for General Mills

To assess valuation, we utilized multiple models, including:

1. Dividend Discount Model (DDM)
2. Relative Valuation Models

All models indicated upside potential, with our average target price supporting a BUY recommendation. GIS's positioning as a defensive stock with reliable cash flow made it a strong candidate in our rotation out of higher-volatility discretionary names.

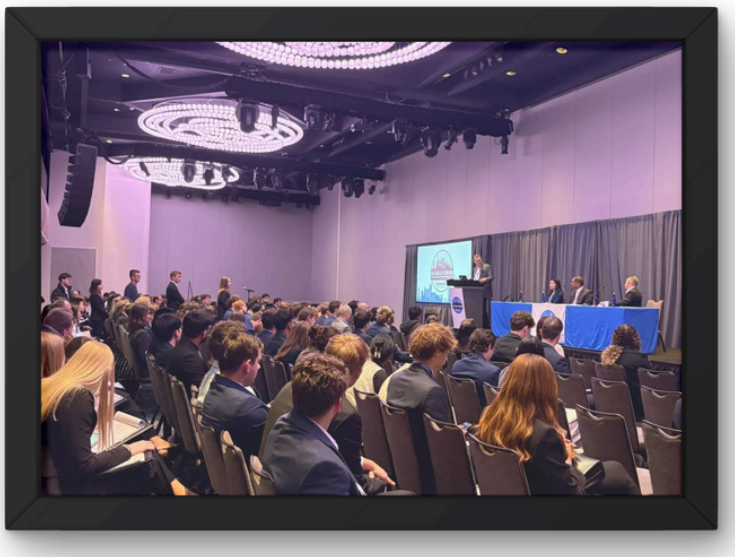
CONSUMER STAPLES AND DISCRETIONARY SECTOR: MICHAEL DISCHNER

Sector Outlook: Consumer Staples vs. Consumer Discretionary

From a broader sector outlook, consumer staples remain undervalued relative to their risk profile, especially given their performance in previous recessionary cycles. However, there are key challenges that the sector does face. Raw material sourcing remains a key challenge, and something companies will need to adjust for in the coming years. On the other hand, consumer discretionary names remain vulnerable to inflationary trade policies as well as changes in consumer preferences.

Growth Through the Cougar Fund Experience

On a personal note, I feel participating in the Cougar Fund has strengthened my understanding of macroeconomic integration, sector rotation, and valuation methodology. It also deepened my appreciation for collaborative analysis, rigorous peer review, and strategic allocation. As a student-led fund managing real capital, the Cougar Fund offers an unmatched opportunity to develop both technical skills and strategic investment insight. I would highly recommend students to join, and to reach out if they have any questions.





TECHNOLOGY AND COMMUNICATIONS SECTOR: LENNY LEECHICAS



Lenny Leechicas | leech003@csusm.edu

Tech Sector Overview!



Navigating Change in Information Technology

The Information Technology sector continues to evolve rapidly, and our strategy this semester reflects that. While the broader sector is down -3.13% YTD, we've used this period to reassess our positioning and strengthen our exposure to long-term megatrends.

Repositioning in Information Technology: Targeted ETFs for Future Growth

Currently, Information Technology represents 18.24% of the Cougar Fund, anchored by a large holding in VGT, which is up 145% since purchase. However, recognizing the limitations of broad-based tech ETFs, we are exploring a strategic reallocation: trimming VGT to introduce a trio of targeted ETFs—SMH (semiconductors), WCBR (cybersecurity), and CHAT (AI innovators). This shift allows us to diversify across underrepresented segments while still capturing the high-growth potential driving the sector forward.

TECHNOLOGY AND COMMUNICATIONS SECTOR: LENNY LEECHICAS

Cybersecurity and AI Infrastructure: Key Moves for Growth

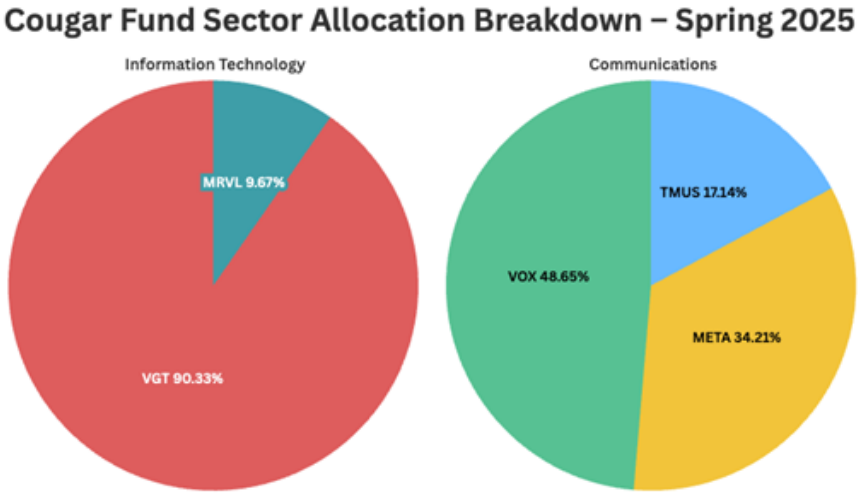
One area we identified as underexposed is cybersecurity, a sector with rising global demand and strong tailwinds. Adding WCBR provides access to leading firms in this space and aligns well with our portfolio's risk and growth profile. In single-stock activity, we exited our position in Marvell Technology (MRVL) after a +39.7% gain and replaced it with Super Micro Computer (SMCI)—an undervalued leader in AI infrastructure. SMCI is positioned to benefit from the ongoing buildout of AI compute environments, providing high-performance servers critical to the next phase of enterprise adoption.

Evaluating Meta Exit and Transition to a Three-ETF Structure

We are also evaluating a potential exit from Meta Platforms (META), currently down -6.89% YTD, given that our planned addition of CHAT already offers Meta exposure alongside other high-growth AI names. Proceeds from this sale would further support our transition to the three-ETF structure, offering broader exposure without excessive overlap. We are also evaluating a potential exit from Meta Platforms (META), currently down -6.89% YTD, given that our planned addition of CHAT already offers Meta exposure alongside other high-growth AI names. Proceeds from this sale would further support our transition to the three-ETF structure, offering broader exposure without excessive overlap. To support this transition, we analyzed our current holdings by sector and evaluated performance over time. The first graphic below illustrates our current allocation across the **Information Technology and Communication Services** sectors.

TECHNOLOGY AND COMMUNICATIONS SECTOR: LENNY LEECHICAS

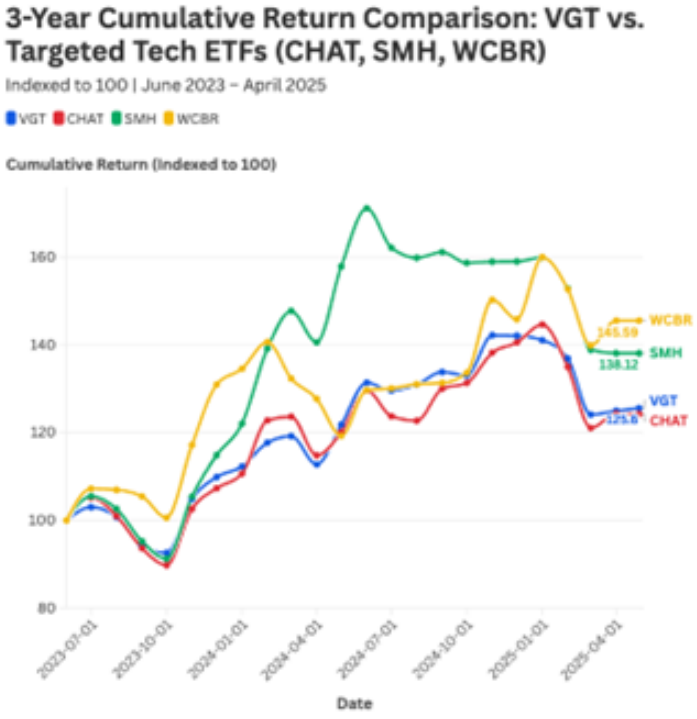
Figure 1 **Information Technology and Communication Services sectors**:



ETF Performance Comparison: VGT vs. Targeted Trio

To validate our ETF thesis, we also compared 3-year cumulative returns of VGT versus our targeted trio (CHAT, SMH, WCBR):

Figure 2

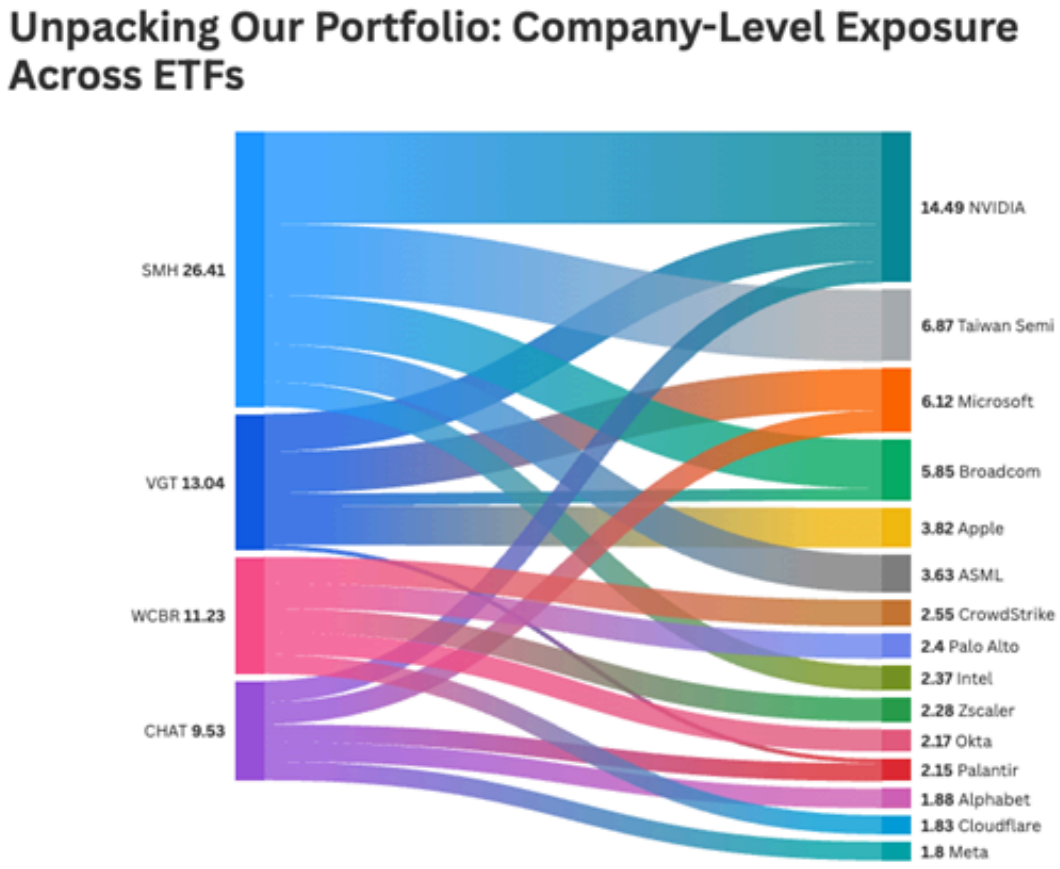


TECHNOLOGY AND COMMUNICATIONS SECTOR: LENNY LEECHICAS

Optimizing Tech Exposure: SMH, WCBR, and CHAT vs. VGT

This analysis revealed that SMH and WCBR outperformed VGT, while CHAT closely tracked it, confirming that this ETF combination can match or exceed VGT's performance while offering more precise exposure to key tech subsectors. To build on this return comparison, we also conducted a deeper look into the company-level exposure across these ETFs. The image below illustrates how reallocating from VGT to a combination of SMH, WCBR, and CHAT creates a more thematically balanced and strategically diversified tech position.

Figure 3 : Company-Level Exposure Across VGT and Proposed ETF Trio (SMH, WCBR, CHAT)



TECHNOLOGY AND COMMUNICATIONS SECTOR: LENNY LEECHICAS

Strategic Diversification: Targeted ETFs and Sector Exposure

This visualization highlights overlapping and unique holdings across the original VGT allocation and the targeted ETFs, showcasing enhanced thematic diversification and deeper exposure to AI, semiconductors, and cybersecurity. This visualization shows that NVIDIA remains a cornerstone holding across all four ETFs, reinforcing our conviction in its central role in AI infrastructure. Taiwan Semiconductor and Microsoft also maintain meaningful weightings, preserving our exposure to key industry leaders. What distinguishes this new allocation, however, is the added visibility of cybersecurity specialists like CrowdStrike, Zscaler, and Okta through WCBR. At the same time, CHAT introduces a curated selection of AI-focused disruptors that extend beyond the traditional boundaries of VGT.



Tech Sector Update: Lenny's Stock Pitch Highlights

- Beyond VGT, he highlighted AI software platforms, cloud AI enablers, and cybersecurity firms (WCBR). SMH focuses on semiconductors that power AI and data centers.
- While VGT offers broad exposure with top holdings in Apple, Microsoft, and Nvidia, its Sharpe ratio of 0.35 shows suboptimal risk-adjusted returns. With a higher beta of 1.64, VGT's broad exposure limits its appeal compared to a more targeted investment strategy.

Strategic Shifts for Long-Term Tech Growth

By shifting from broad exposure to targeted allocations, we sharpen our alignment with the sector's most promising trends while still holding firm to the foundational names driving long-term innovation. Together, these adjustments illustrate a thoughtful repositioning of the tech sleeve, leaning into specialization without sacrificing stability. Serving as Portfolio Manager for the Information Technology sector this year has been a truly rewarding experience. With the ever-changing, often volatile landscape of tech, staying proactive and flexible has been essential. It's a sector that constantly challenges you and rewards those who can uncover diamonds in the rough.

HEALTHCARE SECTOR: HAILEY KRAMER



Hailey Kramer | krame053@csusm.edu

Building Partnerships: Strengthening the Cougar Fund



Years of Growth and Collaboration in the Cougar Fund

I have been in the Cougar Fund for the last year and the healthcare portfolio manager for the past semester. Since joining the fund, I'm grateful to have learned from my fellow board members and been a part of several projects with the other Cougar Fund members. Last December, I was able to speak on a panel for the Foundation as a representative of the Cougar Fund, discussing our performance, growth, outlook, and goals.

Healthcare Sector: Volatility and Recovery

The Healthcare sector has been experiencing a lot of volatility and uncertainty. The sector has a negative YTD return of -1.2%, the biggest losers are in the Diagnostics and research market segments, as well as Health Information Services. At the end of last year, there was a large impact in the market because of the assassination of UnitedHealthCare CEO, Brian Thompson in December 2024. UnitedHealthCare has a large presence in health information services, insurance, and research. The company is down ~18% YTD. The market has felt the drag of their performance, but seems to be slowly recovering.

HEALTHCARE SECTOR: HAILEY KRAMER

Healthcare Sector Struggles: Recession Fears and Political Uncertainty

Major struggles in the Healthcare sector have also been the recession scare as well as the uncertain political environment. The stock market started strong this year with stocks rallying off the "Trump Bump"; however, this has had a turnaround in recent weeks. There was a short correction period where the rallies slowed, however, gains from his post-election period were erased when his administration started talks about tariff plans. April 2nd, 2025, was declared "Liberation Day." Trump announced his tariff policy plans, and the market reacted harshly. The S&P 500 had one of its biggest losing days in history, wiping ~ $2.4 trillion of market cap in one day. Large pharmaceutical manufacturers and distributors have been hit by the uncertainty surrounding the impending tariffs and trade policies.

Healthcare Resilience: Recovery and Biotech Growth

Healthcare is a defensive sector that has allowed firms to rebound faster from negative market reactions following Liberation Day. EliLilly has fully recovered and then some analysts have been upgrading their rating due to their stable business, outlook, and economic environment, making them an attractive investment. Biotech companies have been more attractive recently due to AI developments and growing demand.

Rebalancing Healthcare: Adding Boston Scientific for Growth

Coming into this semester, the fund was overweight in healthcare by ~1.5%. I pitched Boston Scientific Corporation (BSX) the fund because of their high growth potential, performance against competitors and market, and outlook. BSX is a defensive stock, which means they are likely to outperform the market and competitors, especially in the current economic environment. To balance the portfolio, I had to sell off some Healthcare investments, which consisted of ETFs. XBI is a SPDR Biotech ETF that has been underperforming for a while now, with the sell-off off so we bought some BSX and rebalanced the portfolio. Buying BSX also exposed us more because only one out of three ETFs was invested in BSX. Next semester, we are looking to grow our positions in single company stocks to diversify more and beat some of the sector ETFs.

INDUSTRIALS AND MATERIALS SECTOR: SETH ARLAUSKAS



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Managing Materials & Industrials

This semester, serving as the Portfolio Manager for both the Materials and Industrials sectors in the Cougar Fund has been both a valuable and an informative experience. Balancing the dynamics of two distinct yet interconnected sectors required a strategic approach to portfolio management and close attention to macroeconomic trends. Collaborating with sector analysts, we navigated market volatilities and identified investment opportunities that aligned with our fund's objectives.

Gold Surge and Key Insights

In the Materials sector, I had the unique opportunity to manage a portfolio for a project in my Investment Analysis course, while also overseeing the Materials and Industrials sectors for the Cougar Fund. Through my research, I analyzed companies such as Steel Dynamics (STLD), DuPont de Nemours (DD), and Newmont Corporation (NEM), gaining insights into valuation techniques, portfolio diversification, and risk management. A significant economic development in the materials sector has been the surge in gold prices, which has increased revenues for gold mining companies. Gold prices reached an all-time high of $3,432.77 per ounce in April 2025, marking a nearly 30% increase year-to-date.

Materials Sector: Newmont's Gains & DuPont Opportunity

This rally contributed to Newmont Corporation (NEM) achieving a year-to-date return of approximately 45.78%, positioning it among the top-performing stocks of the year. Despite this, the broader materials sector has faced challenges, with the Materials Select Sector SPDR Fund (XLB) down about 1.34% year-to-date. This dip presents a significant buying opportunity when looking for undervalued companies, one of which we identified as DuPont de Nemours, currently trading at a substantial discount.

INDUSTRIALS AND MATERIALS SECTOR: SETH ARLAUSKAS

Industrials Sector: Navigating Tariffs and Market Challenge

In the Industrials sector, many companies have been heavily impacted by tariffs, leading to increased costs for imported components and raw materials, which in turn have pressured profit margins and disrupted supply chains. The Industrial Sector SPDR Fund (XLI), which tracks the performance of industrial stocks, has reflected these challenges, posting a year-to-date return of approximately -1.79% as of April 2025. This slight decline underscores the sector's resilience during headwinds such as elevated interest rates, geopolitical tensions, and trade uncertainties.

Headwinds and AI-Driven Opportunities

Additionally, while companies like Caterpillar Inc. (CAT) have faced headwinds tied to higher interest rates and slowing global construction demand, Lockheed Martin Corporation (LMT) has demonstrated resilience, supported by continued strength in defense spending. Looking ahead, the integration of artificial intelligence (AI) presents a transformative opportunity for the Industrials sector. Advancements in AI promise greater operational efficiency, enable predictive maintenance, and optimize supply chains, offering a competitive edge and long-term value to companies that embrace these technologies.

Overseeing Industrials & Materials: Navigating Economic Shifts

This semester, overseeing both the Industrials and Materials sectors has deepened my understanding of how macroeconomic factors, technological innovation, and geopolitical risks interact to influence traditional industries, and it reinforced the importance of positioning the Fund's holdings in companies capable of weathering a shifting economic landscape.



THANK YOU!

Thank you for reading this year's newsletter! We hope it gave you a better understanding of what we do. We're excited for what's ahead and look forward to seeing you next semester as we continue to grow and make an impact!

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