December 2023

UTMCAP Semi-Annual Report & Portfolio Summary

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In Brief

UTMCAP underperformed all index benchmarks during 2023.

Markets have been hampered due to uncertainty over current macroeconomic environment.

UTMCAP as a long-oriented investor continues to advocate for and invest in high quality businesses that will outshine periods of economic distress.

***All current figures in this report are as of December 31st, 2023.**

Portfolio Summary

UTM Capital's portfolio has expanded to 8 positions to reflect some of the best investment recommendations made by club members during the annual closing ceremony event. Our current portfolio comprises of: Bristol Myers Squibb, Enphase Energy, American Homes 4 Rent, Disney, MP Materials, KKR, Constellation Energy and Lundin Mining. During 2023, UTM Capital's investment in Block Inc. was completely liquidated.

Portfolio Summary	CAD - COST	CAD - FV	CAD - P/L
Total Equity Holdings	$ 8,466.82	$ 7,815.16	$ (651.65)
Total Cash	7,076.78	7,076.78	-
Total Value	$ 15,543.60	$ 14,891.95	$ (651.65)

USD Portfolio Holdings												
Company Name	Ticker	Sector	Currency	Shares	Avg. Cost	Cost Basis	Adj. Close (12/31)	Market Value	P/L	% P/L	Weightage	Purchase Date
Bristol-Myers Squibb Co	BMY	Healthcare	USD	23	$ 66.48	$ 1,529.04	$ 50.72	$ 1,166.56	($362.48)	-23.7%	10.4%	Jun-21
Enphase Energy Inc	ENPH	PU&I	USD	6	144.42	866.52	132.14	792.84	(73.68)	-8.5%	7.1%	Jun-21
American Homes 4 Rent Class A	AMH	FIRE	USD	18	35.85	645.30	35.96	647.28	1.98	0.3%	5.8%	Jun-22
Walt Disney Co	DIS	TMT	USD	7	106.78	747.46	90.29	632.03	(115.43)	-15.4%	5.6%	Jun-22
MP Materials Corp	MP	Metals & Mining	USD	31	35.47	1,099.57	19.85	615.35	(484.22)	-44.0%	5.5%	Jun-22
KKR & Co Inc	KKR	FIRE	USD	7	51.68	361.76	82.71	578.97	217.21	60.0%	5.2%	Jun-23
Constellation Energy Corp	CEG	PU&I	USD	9	83.65	752.85	116.89	1,052.01	299.16	39.7%	9.4%	Jun-23
Total Equity Holdings						$ 6,002.50		$ 5,485.04	($517.46)	-8.6%	48.8%	
Cash						2,997.59		$ 2,997.59			26.7%	
Total Value						$ 9,000.09		$ 8,482.63	($517.46)	-5.7%	75.5%	
Exchange Rate	1.326											
Value in CAD						$ 11,934.12		$ 11,247.97	($686.15)	-5.7%	75.5%	

CAD Portfolio Holdings												
Company Name	Ticker	Sector	Currency	Shares	Avg. Cost	Cost Basis	Adj. Close (12/31)	Market Value	P/L	% P/L	Weightage	Purchase Date
Lundin Mining Corp	LUN	Metals & Mining	CAD	50	$ 10.15	$ 507.50	$ 10.84	$ 542.00	$34.50	6.80%	3.6%	Jun-23
Total Equity Holdings						$ 507.50		$ 542.00			3.6%	
Cash						3,101.98		3,101.98			20.8%	
Total Value						$ 3,609.48		$ 3,643.98	$ 34.50	1.0%	24.5%	

***all current values as of December 31st, 2023**

Portfolio Performance and Highlights

Highlights:

- For the year 2023, UTM Capital has under-performed the S&P500, Russell 2000, and S&P/TSX Composite indexes as benchmarks. UTMCAP's portfolio returned -32% in 2023.
- Our portfolio highlights our top 3 concentrations in Bristol Myers Squibb, Constellation Energy Corp, and Enphase Energy representing 10.4%, 9.4% and 7.1% of the fund respectively.
- On a relative basis, our best performing investment is KKR with a 60% increase to $82.71 per share, rising from our original investment at $51.68 per share.
- On a relative basis, our worst performing investment is MP Materials, representing an unrealized loss of - 44% (decrease to $19.85 per share from our original investment at $35.47 per share.)
- Overall, as of December 31st, 2023, UTMCAP's portfolio is down ~$650 (-4.2%). During 2023, UTM Capital realized a loss of ~$90/share on four shares of Block Inc (-61%).
- The UTM Capital portfolio has a large cash position of approximately $7000, representing ~47.5% of the total portfolio value.

Future Guidance:

- Given that the fund is holding a large cash position, additions can be made to portfolio holdings. New positions can include the other companies pitched during 2023's closing ceremony, which resulted in many missed profitable investment opportunities (details below.) This is subject to future decisions by the fund.
- Re-evaluation for our lowest performing assets will need to be undertaken, considering the current economic environment.
- The fund's recommendation is to **Hold** all existing positions except for KKR (Bristol Myers Squibb, Enphase Energy, American Homes 4 Rent, Disney, MP Materials, Constellation Energy and Lundin Mining), and a **Buy** recommendation for KKR.

Missed Opportunities					
Company Pitched	**Pitch Date Close**	**Price Target**	**12/31 Close**	**P/L**	**% P/L**
Netflix	$ 327.66	$ 385.49	$ 486.88	$ 159.22	49%
Restaurant Brands International	$ 63.22	$ 73.03	$ 78.13	$ 14.91	24%
Novo Nordisk (Stock Split Adj.)	$ 73.82	$ 85.77	$ 103.45	$ 29.64	40%
Total Value	$ 464.70	$ 544.29	$ 668.46	$ 203.77	44%

Company Overview:

American Homes 4 Rent is a real estate investment trust investing in single-family rental homes across the United States. The company claims ownership of over 55K homes with largest concentrations in Atlanta, Dallas-Fort Worth and Charlotte California. With average household tenant incomes ranging from $70K to $120K. Outsized exposure to the sunbelt states are a strategic strength for the company as increasing numbers of residents and immigrants seek out more adequate housing from cityscapes. Causes of concern however include a likely slowing economy and uncertainty over rate changes by the Federal reserve. Despite these conditions, American Homes 4 Rent sees the current rising rate and inflationary environment presenting a broad swath of opportunity for continued growth. AMH feels that they are optimally positioned to capitalize on the current conditions by building out its housing inventory and land developments.

Stock Performance & Other Comments:

With the intervention of the Federal reserve to raise interest rates significantly to curb inflation, higher reported mortgage rates have swayed away potential homebuyers in the interim. The single-family rental market faced challenges such as supply constraints, property maintenance costs, and tenant turnover. At current prices, AMH fetches a near 2.5% dividend yield.

Notes on Company Future:

During 2023, AMH's earnings surged by 46%, but despite this growth, other market dynamics have influenced investor sentiment – namely the higher interest rate environment and economic slowdown. As of December 31, 2023, analysts' consensus price target for AMH is $38.65, implying a ~7% upside. AMH's guidance for 2024 indicates moderate growth (FFO growth between 2.4% and 6%, and core revenues, property operating expenses, and NOI growth expected to continue positively.)

Recommendation:

Given American Homes 4 Rent is strategically positioned to benefit from the return to normal economic circumstances, the recommendation by the fund would be to **Hold** the company stock in the interim. Depending on how successful the company can execute on its strategy when the real estate market picks up again, the fund would then reassess the company's position in the portfolio.

Company Overview:

Bristol-Myers Squibb is a biopharmaceutical company that discovers, develops, and markets innovative medicines for the treatment of diseases in various therapeutic areas, including oncology, cardiovascular, and immunoscience. The company was founded in 1887 and is headquartered in New York City. It operates in more than 35 countries around the world and has a diverse portfolio of prescription medicines, including some of the world's best-known and most prescribed brands. In addition to its commercial operations, Bristol-Myers Squibb is also committed to using its expertise, resources, and scale to help address some of the world's most pressing health challenges and make a difference in the lives of people around the globe.

Stock Performance & Other Comments:

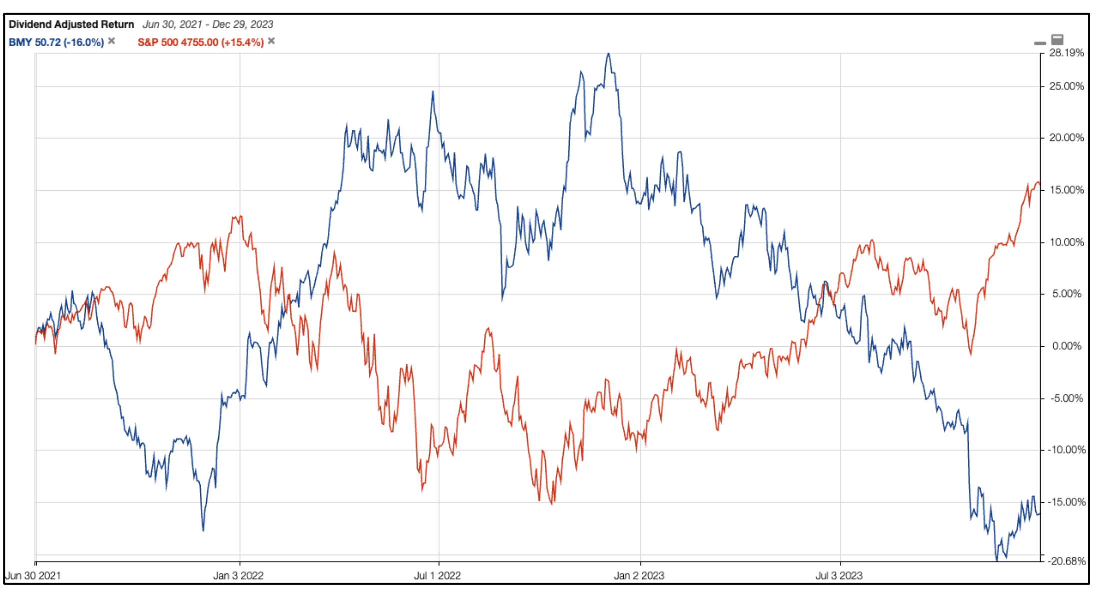
Current concerns for the company revolve around the emergence of generic competitors, despite newly launched products such as Eliquis and Opdivo (sales of Revlimid fell for a second straight year, because of generic competition.) The company encountered increasing pricing pressures due to market access, pharmaceutical pricing controls (regulatory changes), and discounting. Maintaining patent exclusivity for certain products was a concern. Losing exclusivity could lead to generic competition and revenue decline. Bristol Myers Squibb aimed to strengthen its long-term growth profile through acquisitions (such as Karuna Therapeutics and RayzeBio) and a strategic collaboration with SystImmun.

Notes on Company Future:

The company hopes to grow its 4 franchises – oncology, hematology, immunology and cardiovascular with the introduction of new products from recently acquired competitors. Management is planning to continue to execute on its strategy to offset lost Revlimid revenues with new product sales. The company achieved significant milestones, including the U.S. approval of Augtyro and FDA acceptance of sBLAs for Breyanzi in Follicular Lymphoma and Mantle Cell Lymphoma for priority review.

Recommendation:

Despite these concerns, Bristol Myers Squibb continued to focus on pipeline acceleration, portfolio diversification, and strategic actions to position itself for sustainable growth in the coming years. However, with the company taking up a large portion of overall fund assets, our recommendation would be to **Hold** the stock. The company also pays a dividend of ~4.5% and can be used as a dividend stock for the portfolio.



Company Summary:

The Walt Disney Company is a diversified global entertainment company that operates in four business segments: Media Networks, Parks, Experiences and Products, Studio Entertainment, and Direct-to-Consumer and International. The company was founded in 1923 by Walt Disney and Roy Disney, and it is headquartered in Burbank, California. Disney is one of the largest media and entertainment companies in the world and is known for its iconic brands and franchises, including Walt Disney Pictures, Pixar, Marvel, and Star Wars. The company's media networks segment includes cable networks, broadcast television, and radio, as well as a streaming service called Disney+. Its Parks, Experiences and Products segment operates theme parks and resorts, as well as consumer products and interactive media. The Studio Entertainment segment produces and distributes films and television content, and the Direct-to-Consumer and International segment includes the company's streaming services and its international operations.

Stock Performance & Other Comments:

Disney's parks division encountered challenges during the year, and Disney also faced issues with their movie and contention production business, as content costs started to rise due to strikes. A positive is that Disney aggressively focusing on restructuring and trimming costs – it managed its cost base, aiming for $7.5 billion in annualized efficiency to enhance profitability. Disney+ also continued to see impressive subscriber growth, and saw their streaming revenues surpass linear TV revenues.

Notes on Company Future:

Disney is undergoing a strategic transformation to enhance efficiency, invigorate creativity, and maximize its brand and franchise assets. CEO Bob Iger is playing a crucial role in steering the company during this period of industry disruption, and his leadership was extended through the end of 2026.

The company focused on four key building opportunities: Content Creation (Strengthening creative engines for movies, TV, and streaming platforms.), Brand and Franchise Assets (Leveraging iconic brands and franchises.), Efficiency and Effectiveness (Making Disney's businesses more efficient.) and Navigating Industry Disruption (Addressing challenges from a position of strength). As of December 31, 2023, Analysts' consensus price target is $120 which represents a 14% upside.

Recommendation:

Disney is amid a transitionary period with management unable to thrive without Bob Iger. It is likely that Iger will be able to successfully reshape the content structure and drive some of the company's businesses towards profitability. The company's progress in restructuring and cost efficiency allowed it to move beyond a period of fixing and start building its businesses again. The funds recommendation is to **Hold** Disney stock.

ENPHASE

Company Summary:

Enphase Energy is a global energy technology company that designs and manufactures microinverter systems for the solar photovoltaic industry. The company was founded in 2006 and is headquartered in Fremont, California. Its microinverters are used in solar panel systems to maximize energy production and increase the efficiency of the system. Enphase's technology is used in more than 1.9 million systems in more than 120 countries around the world. In addition to its microinverters, the company also offers a range of monitoring and management software and services to optimize the performance of solar panel systems. Enphase is committed to driving the widespread adoption of clean energy and to creating a more sustainable future for all.

Stock Performance & Other Comments:

Over the past year, Enphase stock has performed very poorly, falling from a very steep valuation. Enphase had large inventory levels, and the unfavorable macro environment and cyclical nature of the solar energy industry cause a large drop in demand. Enphase had aggressive expansion plans to expand into new countries, but they decided to main these aggressive strategies without price cuts. Enphase also saw higher competition.

Notes on Company Future:

Despite several years of stellar growth, Enphase is currently facing a cyclical downturn. This downturn is likely to persist at least through the first quarter of 2024. Enphase Energy sees immense growth potential for its solar and battery systems, and the company estimates that channel inventories will normalize by the second quarter of 2024. This adjustment is due to weaker-than-expected European demand and softening demand in California. The transition to renewable energy and increasing demand in Europe act as significant growth drivers. The company's strong balance sheet supports its growth prospects.

Recommendation:

Enphase Energy has had a brilliant run up because of managements execution to grow the company's presence globally. This, combined with a bright future for residential solar means the company is positioned to be a global leader as the world transitions to sustainable energy. The fund's recommendation is to **Hold** Enphase Energy shares.

Company Summary

MP Materials is a rare earth mining and processing company based in the United States. The company operates the Mountain Pass Rare Earth Mine in California, which is the only operating rare earth mine in the United States and one of the few in the world. Rare earth elements are a group of 17 metallic elements that are used in a wide range of high-tech applications, including electronics, clean energy, and military equipment. MP Materials extracts and processes rare earth elements from ore and sells them to manufacturers around the world. The company is focused on expanding its production capacity and increasing its market share in the global rare earth industry.

Stock Performance & Other Comments:

Despite positive financial performance, rare earth prices remained highly volatile in 2023 hampering analyst forecasts. MP stock price crashed by about 18% from the beginning of 2023, largely as a result of commodity volatility and end-user uncertainty. MP's key resources are a staple for many global and emerging technologies, however many benefitting tailwinds including auto-sales are currently facing demand destruction from higher interest rates amongst other events. Though MP has not directly been affected by these shifts in consumer behavior, the market brought down MP shares in-line with other commodity indices.

Notes on Company Future:

MP Materials reported mixed results throughout 2023. Despite exceeding revenue expectations in Q3 2023, their EPS lagged behind. They announced a $300 million share buyback, reflecting a potentially positive outlook by the management towards the company's valuation. Concerns were raised regarding their balance sheet, though there are differing opinions on its strength. We believe the company still has a bright future, given its long-term contracts and as it's one of the largest producers of rare-earth materials.

Recommendation:

Given the volatile stock performance, mixed financial results, and strategic moves like the share buyback program, a cautious approach might be recommended. Investors should keep an eye on the company's future quarterly reports and any developments in the rare earth materials market, as these factors could significantly impact MP Materials' stock value and financial health. The fund's recommendation is to **Hold** MP Material Shares.

lundin mining

Company Summary:

Lundin Mining Corp. is a metal-based company, which engages in mining, exploration, and development of mineral properties, primarily in Chile, USA, Portugal, and Sweden. It holds interest in the following projects: Chapada, Candelaria, Eagle, Neves-Corvo, and Zinkgruvan. The company was founded on September 9, 1994 and is headquartered in Vancouver, Canada, and primarily produces copper, zinc, nickel and gold.

Stock Performance & Other Comments:

Lundin Mining achieved significant milestones in 2023, including a record consolidated copper production of 314,798 tonnes. The company's zinc expansion project at Neves Corvo and improvements at Zinkgruvan contributed to robust production figures. Eagle operation exceeded its guidance in both nickel and copper production. Overall, Lundin Mining met or exceeded its production guidance for all metals, positioning it well for continued growth in 2024.

Notes on Company Future:

Looking ahead, Lundin Mining provides a positive outlook with the continuation of its growth trajectory. The company's guidance for 2024 anticipates maintaining strong production levels across its portfolio of critical metals. Initiatives to optimize value across its Latin American sites and an exciting exploration program in the Vicuña district highlight Lundin Mining's strategic focus on growth and value creation.

Recommendation:

Given the company's successful achievement of production targets in 2023, strategic growth initiatives, and positive production guidance for the upcoming years, maintaining investment in Lundin Mining seems promising. The company's focus on operational excellence and strategic expansions suggests a strong potential for continued value creation. Investors should monitor the progress of optimization efforts and exploration results as they could further enhance Lundin Mining's prospects. The fund's recommendation is to **Hold** Lundin Mining Corp.

Company Summary:

KKR & Co., Inc. operates as an investment firm. It offers alternative asset management as well as capital markets and insurance solutions. The firm's business segments include Asset Management and Insurance Business. The Asset Management segment engages in providing private equity, real assets, credit and liquid strategies, capital markets, and principal activities. The Insurance Business segment offers retirement, life insurance and reinsurance solutions to clients across individual and institutional markets. The company was founded by Henry Kravis, George R. Roberts, and Jerome Kholberg on May 1, 1976 and is headquartered in New York, NY.

Stock Performance & Other Comments:

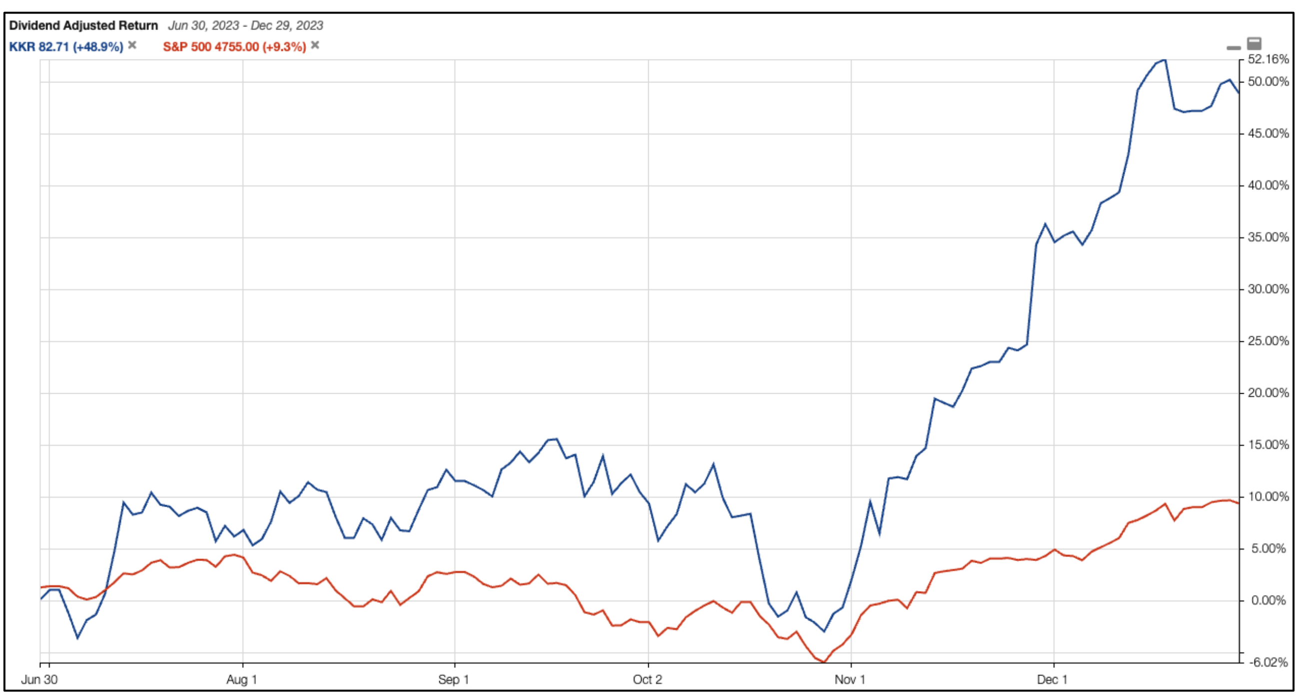
KKR & Co Inc. saw a dramatic increase in revenue, growing 117.05% year-on-year from $6.68 billion to $14.50 billion. This substantial growth also turned a previous net loss into a significant gain, with net income improving to $3.73 billion. The stock price reflects this positive momentum, with a notable increase over the year, reaching a 52-week range high of $101.80.

Notes on Company Future:

The company completed several notable deals in 2023, including significant investments in The Global Atlantic Financial Group LLC and Chase Corp, demonstrating its aggressive growth strategy and diversified investment portfolio. With $552.8 billion in total managed assets, including $446.4 billion in fee-earning AUM by the end of 2023, KKR is well-positioned for future growth. The firm's investments span across various sectors and geographies, focusing on driving value creation.

Recommendation:

KKR's impressive growth in revenue and net income, along with its strategic investments and significant increase in managed assets, suggest a positive outlook for the company. Investors might consider maintaining or increasing their stake in KKR, given its strong performance and promising growth prospects. However, as with any investment, it's essential to monitor the company's performance and market conditions closely. The fund’s recommendation is to **Buy** KKR & Co.



Company Summary:

Constellation Energy Corp. engages in the generation, supply, and marketing of clean electricity, and renewable energy products and solutions. The firm also offers wholesale energy, retail products and services. It operates under the following geographical segments: Mid-Atlantic, Midwest, New York, Electric Reliability Council of Texas (ERCOT), and Other Power Regions Segment. The company was founded in 1960 and is headquartered in Baltimore, MD. Most of Constellation's energy production is carbon-free, emphasizing the use of hydro, wind, solar resources, and the nation's largest nuclear fleet to drive forward a sustainable energy future. Their commitment extends to eliminating all greenhouse gas emissions by 2040, leveraging innovative technology and a diverse mix of renewable energy sources.

Stock Performance & Other Comments:

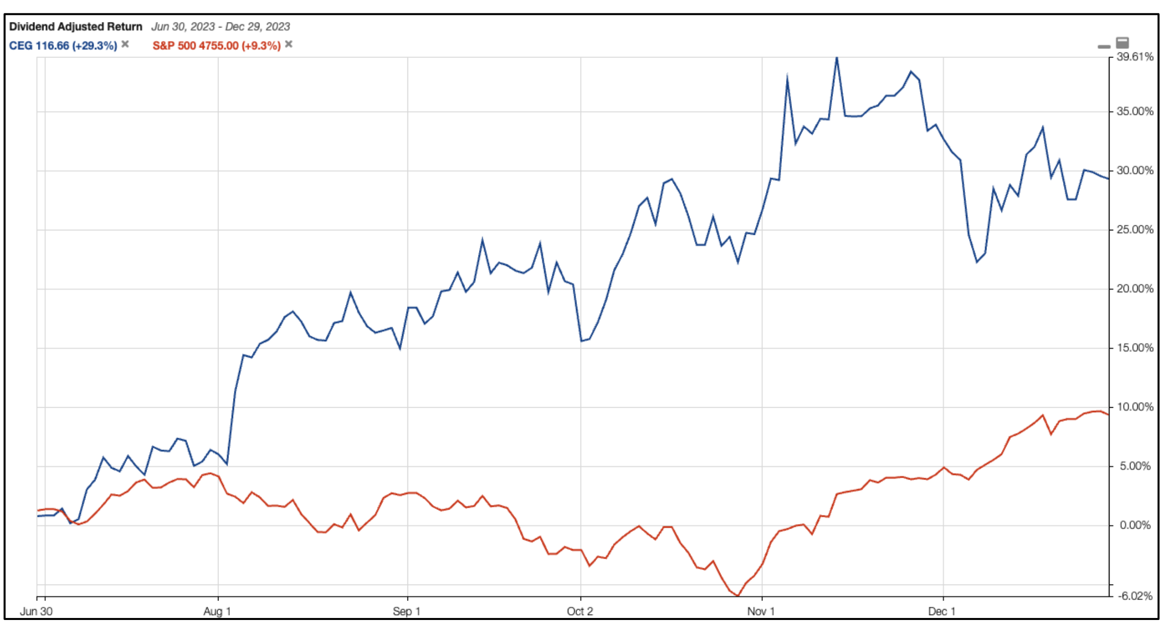
Constellation Energy has seen a significant performance in the stock market, with a current price that reflects strong investor confidence. The company's market cap stands impressively at $52.541 billion, with a PE ratio of 33.12 and earnings per share of $5.01. The stock has experienced a wide range in the past 52 weeks, indicating volatility but also the potential for substantial growth.

Notes on Company Future:

Constellation Energy has positioned itself as a frontrunner in the transition to clean energy, with a significant part of its strategy focusing on sustainability and environmental stewardship. The company has been recognized for its efforts, ranking 9th on Barron's list of the 100 Most Sustainable U.S. Companies. This accolade underscores Constellation's commitment to environmental, social, and governance measures and its role as a leader in sustainable energy production.

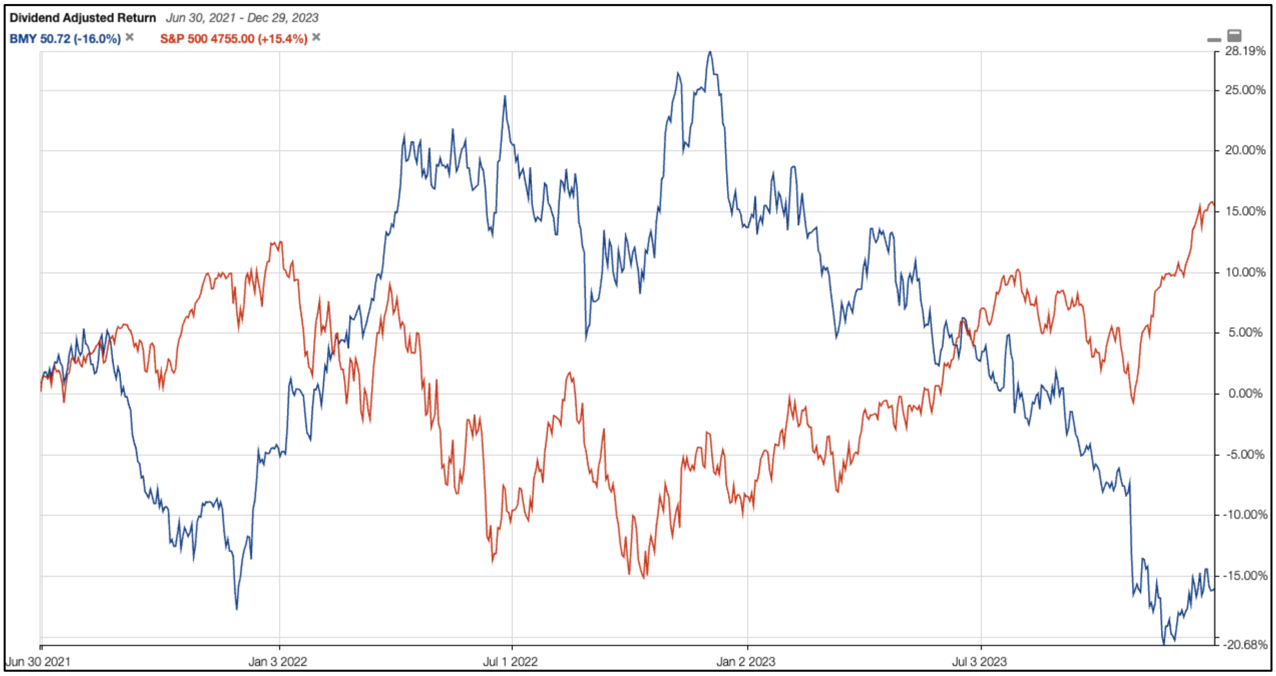
Recommendation:

Given Constellation Energy's leadership in carbon-free energy production, strong market performance, and recognition for its sustainability efforts, the company presents an attractive opportunity for investors keen on supporting clean energy transition. The company's ambitious goals for a carbon-free future and its significant investments in renewable energy sources signal strong growth potential. Investors should consider Constellation Energy's strong positioning in the clean energy sector, its financial health, and its commitment to sustainability when making investment decisions. The fund's recommendation is to **Hold** Constellation Energy Corp.



Performance Graphs (Since Addition)

Bristol Myers Squibb (Added June 2021)



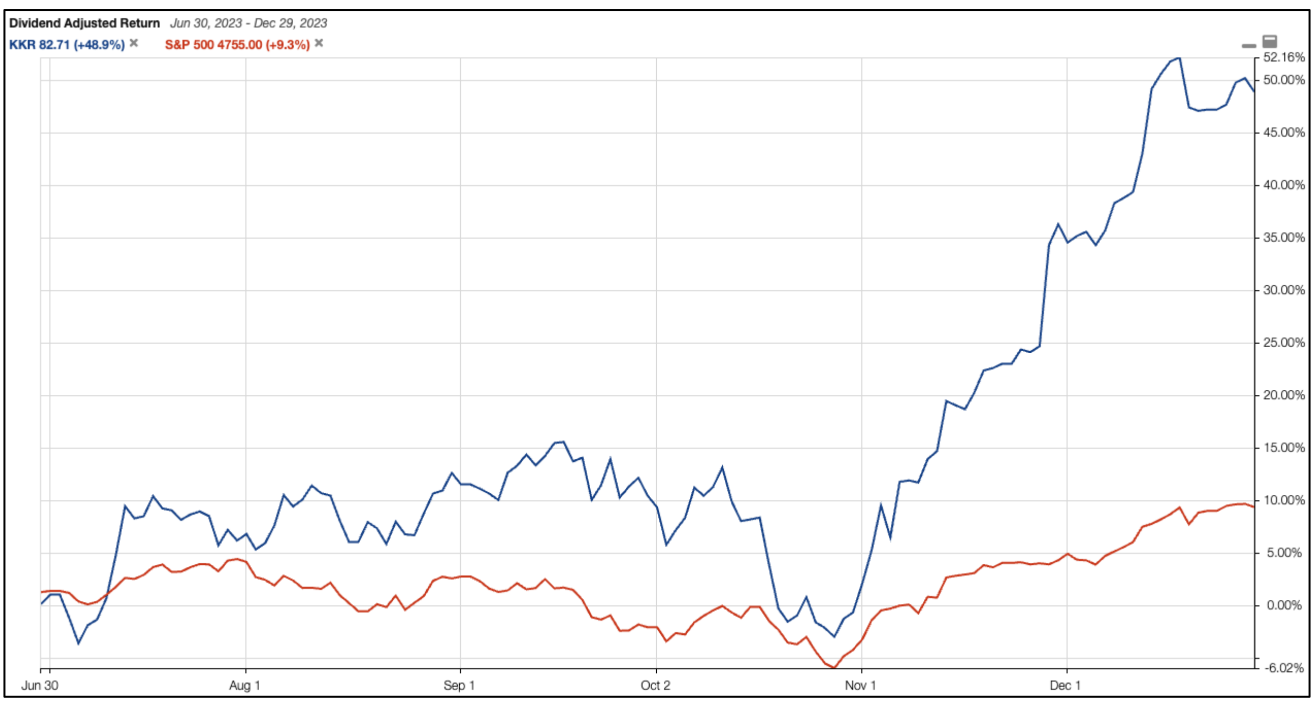
Enphase Energy (Added June 2021)

American Homes 4 Rent (Added June 2022)

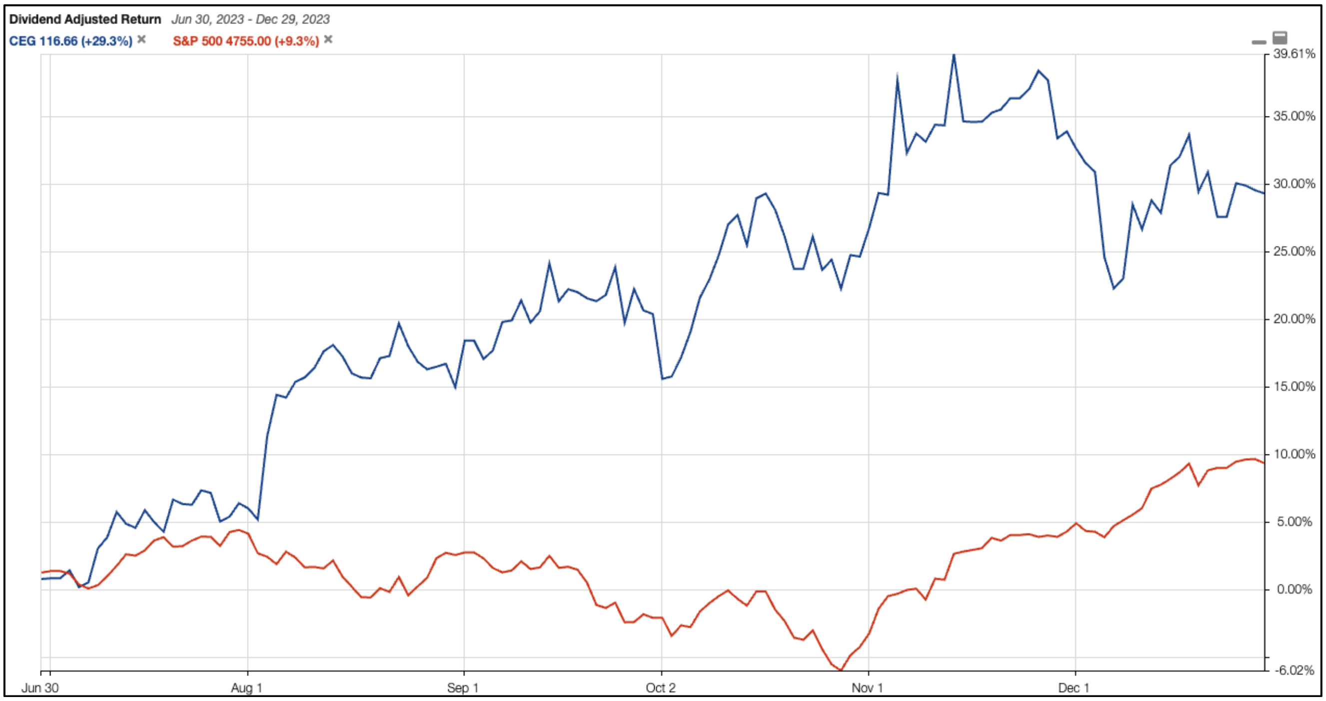
MP Materials (Added June 2022)

Disney (Added June 2022)

KKR (Added June 2023)



Constellation Energy (Added June 2023)



Lundin Mining (Added June 2023)