D'Artagnan

CAPITAL FUND

ANNUAL PERFORMANCE

April 1, 2019 - March 31, 2020

Williams College of Business
Xavier University
3800 Victory Parkway
Cincinnati, OH 45207-5162

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Dear D'Artagnan Capital Fund Family and Friends:

Thank you for viewing our fiscal year-end performance report for the period from April 1, 2019 through March 31, 2020. We hope that this report finds everyone's family in good health. The Fund is extremely grateful for the unique opportunity to continue managing this portfolio. The D'Artagnan Capital Fund continues to provide a premier learning experience for the hard-working Finance students in the Williams College of Business of Xavier University. I would like to thank the Xavier Finance Faculty, Finance Board of Executive Advisors, D'Artagnan Capital Fund and Xavier Finance Alumni, and our guest speakers during the year for their invaluable support of the DCF and Xavier's Finance students.

We are experiencing unprecedented times in the equity markets. The coronavirus outbreak has significantly impacted the markets. The D'Artagnan Capital Fund now encounters its first bear market since inception. In the midst of the market decline, the Fund was grateful to speak with Greg Dowling, CFA about market uncertainty and volatility. He noted, "You cannot control the markets, but you can control your attitude and effort." With that in mind, the Fund has worked to update financial analysis on our holdings, to scan the market for newly undervalued securities, and to review economic indicators and their influence on our bottom-up approach. All updates on the virus continue to be closely monitored, to ensure that we capitalize on the current market mispricings, in line with our goal to outperform our S&P 500 benchmark.

We report that, at the March 31 fiscal year-end, we closed our books with $2.91 million of assets-under-management. During our fiscal period, the Fund returned –6.94%, benchmarked against the S&P 500 total return of –6.98%, resulting in a 4 basis point outperformance against the benchmark. Amidst the uncertainty in the market right now, we continue to have confidence in the value of active management and the Fund's strategy.

During this semester, this group sought to revisit processes to improve Fund operations for years to come. The managers read and held discussions from the book *Legacy* to orient ourselves for our semester of leadership. The book focused on leadership development within the context of the world-renowned New Zealand All-Blacks rugby team. The central takeaway was to create a culture that consistently leaves the Fund in a better shape than it was received, just as the team hopes to build their own legacy standards. This theme was reflected through a strong emphasis on the fundamentals of our buy-sell discipline, new periodic updates of existing stock analyses by sector managers, greater communication to the analyst group on the trade process, and a stronger top-to-bottom understanding of our portfolio and how it operates. We introduced a pre-presentation, Findings Summary Outline to be shared to the group before stock pitches. Through this document, fund members studied the analysts' arguments and research to spark post-presentation discussion. The Fund continues to experiment with new presentation logistics to allow for the analyst to continuously evaluate stocks as market drivers develop and other fund members share their thoughts.

I am extremely grateful to have had the opportunity to lead this group of 23 dedicated students. Just as the hard work of alumni of the Fund continue to realize its impact, the dedication of this group will continue to see benefit beyond the performance metrics for this fiscal year. Given the coronavirus outbreak, the Fund transitioned to an online learning format. The dedication of my colleagues did not skip a beat. I continue to be impressed by the work ethic of this group and can ensure that the Fund will be in great hands as we continue to manage the portfolio in these volatile times.

Sincerely,

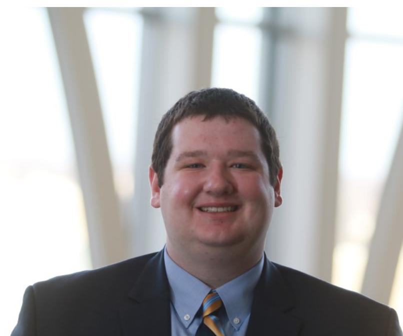
Timothy J. Carrig, Chief Executive Officer

Strategy Statement

The D'Artagnan Capital Fund is an actively-managed opportunities fund that focuses on investments in the large-cap and greater equity universe through a bottom-up valuation approach. Equities presented in the fund are researched extensively by sector analysts with the direction of portfolio managers whom are responsible for monitoring current holdings and scanning the market for undervalued securities. Through rigorous peer review of valuation models, research, and investment rationales, we seek to continuously outperform our benchmark, the S&P 500 Total Return index, on a risk adjusted basis while remaining within our compliance guidelines. We achieve this goal by selecting the most undervalued equities in the large-cap equity universe, as defined by our investment policy statement

The D'Artagnan Capital Fund is solely run by Xavier University students. We manage $2.91 million for Xavier's Endowment as of March 31, 2020. Per our prospectus, our exposure is limited to large-cap equities, and we currently manage a portfolio of 43 holdings.

Disclaimer: All information contained in this report is the opinion and analysis of the students of the D'Artagnan Capital Fund at Xavier University seeking academic credit. The information is not the work of professionals and should in no way be used to make financial decisions or investments. D'Artagnan Capital Fund at Xavier University is not legally responsible for any use of this information outside of the D'Artagnan Capital Fund's managed allocation of Xavier University's endowment



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Chief Financial Officer

Director of Financial Modeling

Laura Poeckes

Chief Operating Officer

Consumer Staples Sector Manager

David Tarantino

Chief Investment Officer

Mak O'Brien

Controller

Healthcare Sector Manager

Financials Sector Manager

Brad Horvath

Chief Economist

Information Technology Sector Manager

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Chief Compliance Officer

Energy Sector Manger

Utilities Sector Manager

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Communications Services Sector Manager

Consumer Staples Sector Manager

Jason Zacharkiewicz

Real Estate Sector Manager

Ryan Dils

Consumer Discretionary Sector Manager

Sean Vickery

Industrials Sector Manger

Materials Sector Manager

Will Brunner

Consumer Discretionary Sector Analyst

Harrison Caplan

Real Estate Sector Analyst

Conor Davis

Financials Sector Analyst

Sebastian Duve

Communications Services Sector Analyst

Evan Ensminger

Healthcare Sector Analyst

Nick Frank

Energy & Utilities Sector Analyst

James Kelin

Energy & Utilities Sector Analyst

Informational Technology Sector Analyst

Braden Latt

Consumer Staples Sector Analyst

Alexander Nemechek

Industrials & Materials Sector Analyst

Consumer Discretionary Sector Analyst

Brian Price

Healthcare Sector Analyst

Tristan Shafer

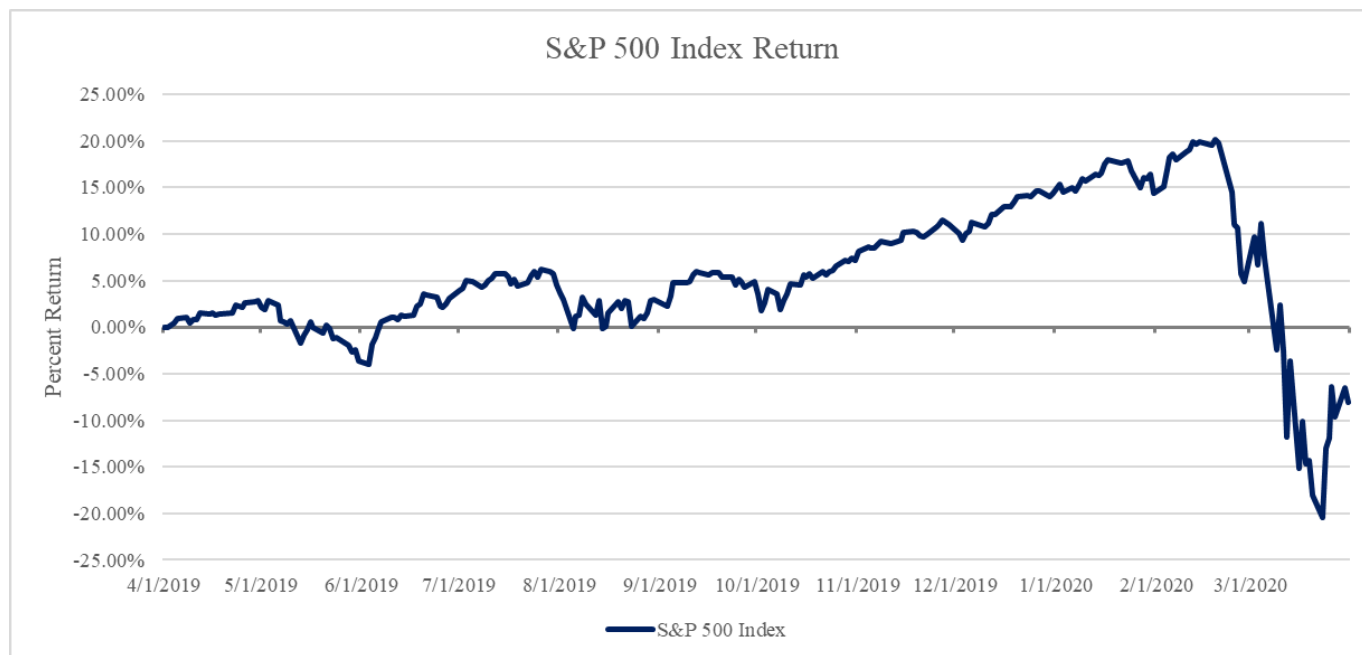
Industrials & Materials Sector Analyst

Consumer Staples Sector Analyst

Jack Streicher

Information Technology Sector Analyst

From the beginning of our fiscal year until the end of February, the S&P 500 experienced the longest bull market in history. At the end of January, the effects of COVID-19 started to be felt in the market, affecting global supply chains focused around China. As COVID-19 spread around the world and became a world-wide pandemic, the market continued to fall becoming a bear market in mid-March.



The S&P 500's performance over the past fiscal year is shown in the chart above.

Pre-COVID-19 Market

From April 2019 to mid-February 2020, the market experienced the longest bull market in history. Starting in the months of April to May, the S&P 500 declined by 4.02%. This was due to some macro-economic concerns that worried investors. One of the concerns during this time period was the rising trade tensions between China and Mexico. Tensions between the United States and China also began to build as each country threatened and imposed tariffs on one another's goods. Another concern during this period was the announcement made by the International Monetary Fund, stating that they were forecasting an end of global economic growth. The Fund continued to take this into account, counting our optimism on the market's outlook.

From June to July, the S&P 500 moved back into a positive direction, mostly due to three quarters of companies beating earnings. During this period, the S&P 500 bolstered a 8.60% return. Trade tensions continued between the U.S. and China, but it did not worry many investors during this time period as the Federal Reserve stated that they were willing to cut rates as a result of the lost economic progress. On July 31, the Federal Reserve followed through and cut rates by 0.25%. This was the first rate cute since the Great Recession in 2008.

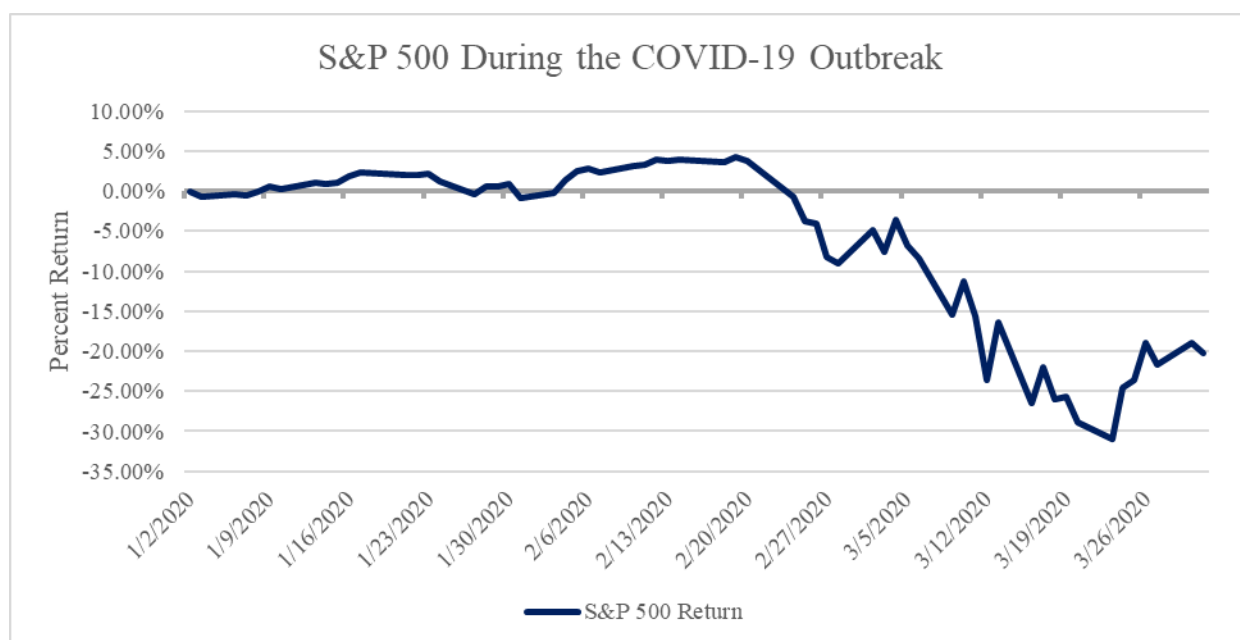
In August and September, the S&P 500 experienced gains of less than a percent. This was due to the trade war with China. Investors were concerned that many companies would struggle to grow if major tariffs were placed on Chinese goods. Another reason for low growth in these months was the impending impeachment inquiry on President Donald Trump. One positive part of the market was that unemployment continued to sit low during these months. The Fund took this into consideration by discussing how the trade war would impact the valuation of a company during stock pitch presentations. As third quarter earnings were released, the majority of companies beat their estimated earnings, and the market responded positively.

Pre-COVID-19 Market (cont.)

During the months of October and November, the S&P 500 returned 2.04% and 3.40%, respectively. The trade tensions between China and U.S. continued. Despite the trade war, the markets continued to gain mostly due to the Federal Reserve continuing to cut rates to mitigate the lost GDP as result of the trade wars. This period also finished off third quarter earnings, and companies continued to beat estimated earnings driving the market higher.

In the month of December, the S&P 500 had a return of 2.86% driving it to new highs. The trade war between China and the United States continued, but many analysts believed the end of the trade war was imminent. Holiday sales were right above expectations which also drove the markets higher.

COVID-19 Market



The market started to feel the affects of COVID-19 in January with the major disruption of Asian, specifically Chinese, supply chains. During the months of January, February, and March the S&P 500 declined by 0.16%, 8.41%, and 12.51%, respectively. The S&P 500 returns for January through March, showing the affect of COVID-19 on the market, is shown in the table above. In the sector reports within this report, COVID-19 data was instead presented from February 3, 2020 through the end of the fiscal year. On February 2, 2020, the first non-Chinese death from COVID-19 occurred, indicating the possibility of global spread of the virus. February 3, the next trading day, is chosen as the starting point for analysis.

The COVID-19 outbreak started in Wuhan, China, spreading throughout China during the month of January. As the COVID-19 became rampant in all of China, companies were forced to close down production facilities located in China. The United States is heavily reliant on Chinese goods with over 15% of U.S. imports coming from the country. This is not only the case for the United States but also for the rest of the world. In February, COVID-19 started to spread around the world. As the spread increased, the market started to fall gradually. In March, COVID-19 was rampant across the United States. The outbreak led to mass shutdowns that affected normal operations of nearly every sector. This led to the fastest slide into a bear market in history, taking only 16 days. The S&P 500 had two of the worst ten days in history on March 12 and 16, declining 9.5% and 12% in a single day. The COVID-19 outbreak is an ongoing issue, and The Fund continues to consider its impact into every decision that we make. We see this as a great opportunity to find mispricing's in the market, as many companies have lost well above half of their value. The Fund is working diligently to identify these mispricings.

COVID-19 Market (cont.)

During March, oil prices have also rapidly decreased from around $60 per barrel to around $20 per barrel in under a week. Saudi Arabia and Russia have drastically increased supply in an effort to significantly lower the price per barrel. President Trump characterized their actions as a direct attack on U.S. oil companies, making it nearly impossible for American companies to break even at the current market price. The Fund continues to monitor the oil price war and is exercising extra caution regarding investments in the energy and utilities sectors.

Performance Metric	DCF	S&P 500
Total Return	-6.94%	-6.98%
Excess Return	0.04%	-
12 Month Beta	1.01	1.00
Sharpe Ratio	-0.267	-0.309
Treynor Ratio	-0.092	-0.093
Jensen's Alpha	0.12%	-
M^2	1.28%	-

Portfolio Snapshot	
Portfolio Value:	$2,905,256
Number of Company Holdings:	42
Annualized Turnover Ratio:	90.44%
Portfolio Style:	Large Cap Blend

Sector Allocations	
Communications:	10.56%
Consumer Discretionary:	10.48%
Consumer Staples:	7.10%
Energy:	4.62%
Financials:	12.43%
Healthcare:	13.35%
Industrials:	9.33%
Information Technology:	22.58%
Materials:	2.41%
Real Estate:	3.18%
Utilities:	3.53%
Cash:	0.35%

Performance Review

The D'Artagnan Capital Fund returned -6.94% from the close on March 29, 2019 to March 31, 2020. The DCF's benchmark, the S&P 500 Total Return Index returned -6.98%. Relative to the benchmark, the DCF outperformed by 4 basis points. Additionally, the DCF also outperformed on a total risk basis as indicated by the Sharpe and Treynor ratios. For the annual fiscal period, the DCF had a beta of 1.01 which is slightly higher than the benchmark.

Total Returns

Annual Performance Metrics

Total Return

The D'Artagnan Capital Fund returned –6.94% during the annual fiscal period from March 29, 2019 to March 31, 2019. The DCF's benchmark, the S&P 500 Total Return Index, returned –6.98%, equating to the DCF having an excess return of 0.04%.

Beta

Beta is a measure of systematic risk with the market benchmark having a beta of 1.00. For the annual period, the D'Artagnan Capital Fund had a beta of 1.01 which is slightly higher than the benchmark. This indicates a slightly higher amount of systemic risk. The 12-month beta was calculated using daily returns.

Sharpe Ratio

The Sharpe ratio reassures performance on a total risk basis using the portfolio's standard deviation over the reporting period. The D'Artagnan Capital Fund's Sharpe ratio was -0.267 which was greater than the benchmark's ratio of -0.309. This represents the DCF outperforming the benchmark on a reward-to-total risk basis.

Treynor Ratio

The Treynor ratio measures performance on a systematic risk basis using the portfolio's beta. The D'Artagnan Capital Fund's Treynor ratio of -0.092 was greater than the benchmark's ratio of -0.093. This represents the DCF outperforming the benchmark on a reward-to-systematic risk basis. Given the DCF Investment Policy Statement and strategy, the Treynor ratio is a better measure of performance than the Sharpe Ratio.

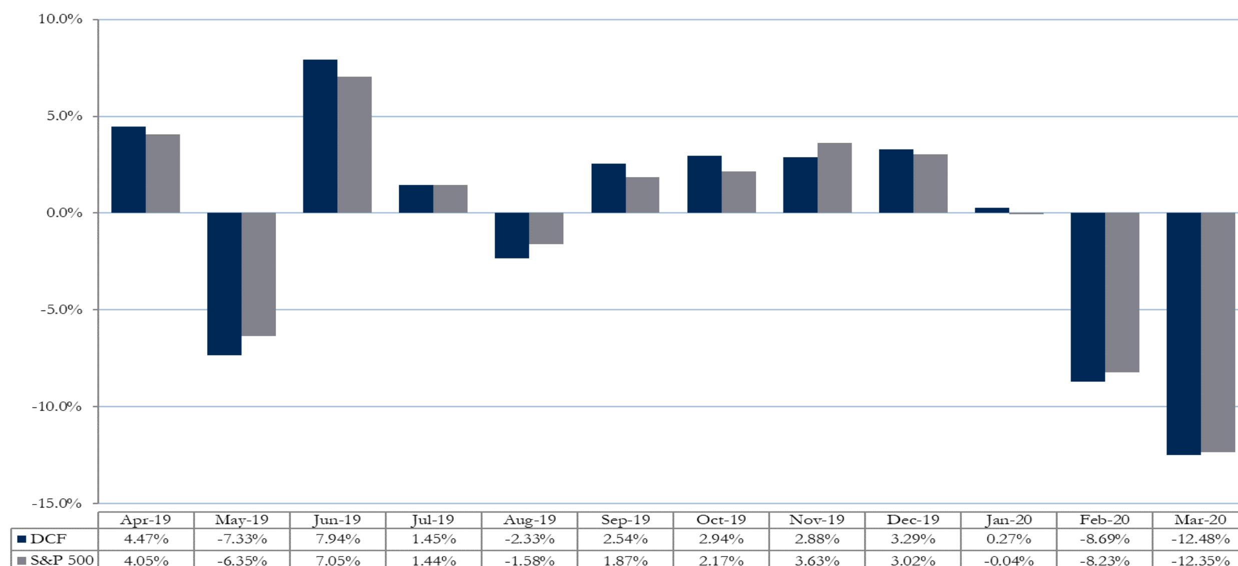
Jensen's Alpha

Jensen's alpha measures performance by calculating the excess return of the portfolio relative to the return of the benchmark. The D'Artagnan Capital Fund's alpha was 0.12% which indicates the DCF outperformed the benchmark during the annual period.

M^2

M^2 measures total risk-adjusted return for the portfolio relative to the benchmark. The D'Artagnan Capital Fund's M^2 of 1.28% indicates the DCF outperformed the benchmark. This measure coincides with the DCF's Sharpe ratio.

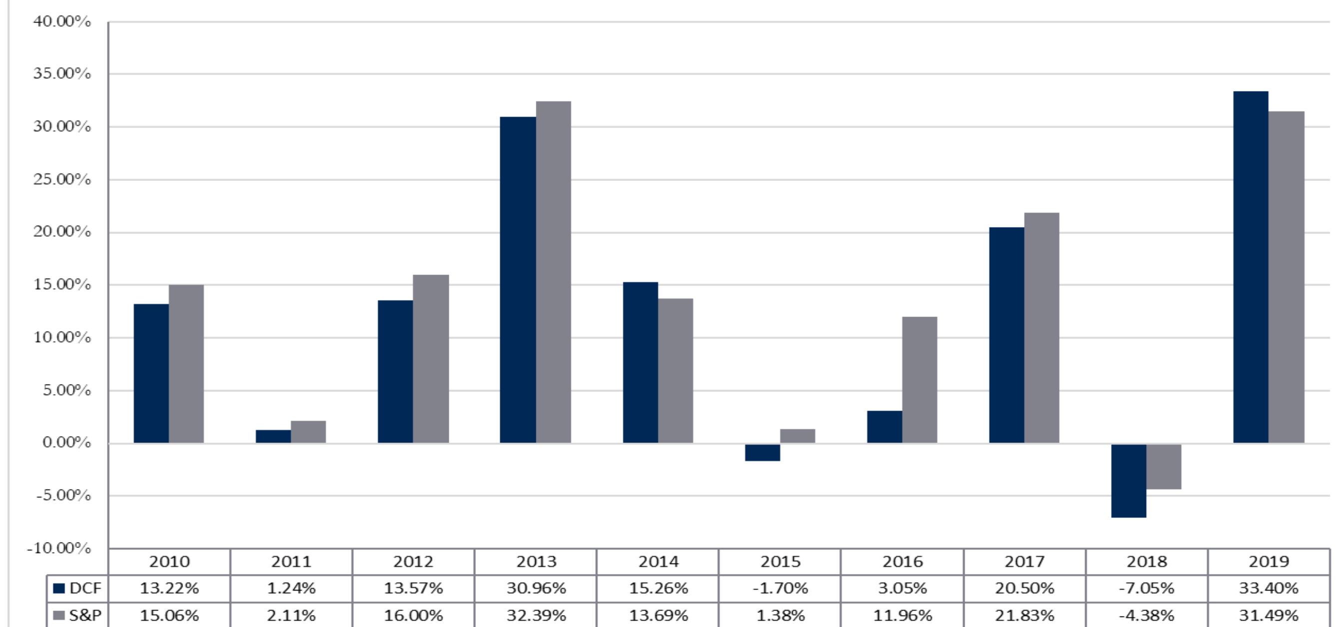
DCF Benchmarked Returns



Note: the Fund's fiscal year runs from April 1st to March 31st

For the annual fiscal period, the D'Artagnan Capital Fund outperformed the benchmark by 4 basis points. The DCF's performance against the S&P 500 Total Return index on a month-to-month basis is shown above. Out of the reporting period, the DCF outperformed the benchmark during six months—April, June, September, October, December and January.

For the Calendar year periods, the DCF has outperformed the benchmark twice, during 2014 and 2019, since inception. The DCF strives to find the most undervalued stocks to outperform the benchmark on a risk-adjusted basis.



Turnover Analysis

For the annual fiscal period, the D'Artagnan Capital Fund turned over 90.44% of the portfolio. This percentage is higher than a typical year for the DCF. In the previous fiscal year, the D'Artagnan Capital Fund turned over 23.14%. This increased turnover is a direct result of the greater volatility seen in the market and significant events that affected the underlying value of our holdings. In our fiscal reporting period, significant events were the trade war with China, significant rate cuts, the fluctuations in oil prices, and the coronavirus pandemic. Due to these significant fluctuations, the underlying value of our holdings was effected. Our investing strategy as an opportunities fund, led us to re-value our positions at a higher frequency to capitalize on the potential under-valuations caused by these market events.

Fiscal Year Attribution Analysis and Top Holdings

Sector	Relative Weight (%)	Asset Allocation (%)	Security Selection (%)	Excess Return (%)
Energy	0.29	-0.13	-0.49	-0.62
Healthcare	-0.72	-0.04	0.88	0.84
Financials	-0.34	0.04	1.46	1.50
Consumer Disc	0.47	-0.02	-1.40	-1.42
Information Technology	-0.13	-0.02	-0.82	-0.84
Industrials	0.18	-0.02	0.27	0.25
Utilities	0.12	0.01	0.49	0.50
Staples	-0.28	-0.02	-0.04	-0.06
Real Estate	0.11	0.00	0.40	0.40
Materials	-0.23	0.02	-0.12	-0.10
Communication Services	0.11	0.00	-0.44	-0.44
Vanguard ETF	0.08	0.01	0.00	0.01
Cash	0.35	0.02	0.00	0.02
Total		-0.15	0.19	0.04

The D'Artagnan Capital Fund's annual attribution analysis is shown in the table above. Attribution analysis was broken out by each sector and included the ETF we held over the summer and our cash. Over the annual period, asset allocation was negative. Whereas security selection and excess return were both positive.

Some of the sectors that contributed positively to excess return were the Healthcare, Financials, Real Estate and Utilities. These positive contributors were partially offset by negative excess returns in the Consumer Discretionary and Energy sectors. Overall, the DCF outperformed the benchmark by 4 basis points over the annual period.

Top Holdings	Weight in Portfolio (%)
Visa Inc.	5.65
Bristol Myers Squibb Co.	4.79
Microsoft Corp.	4.65
Cisco Systems Inc.	4.56
Apple Inc.	4.23

3-Year Attribution Analysis

Sector	Relative Weight (%)	Asset Allocation (%)	Security Selection (%)	Excess Return (%)
Energy	0.81	-0.24	0.25	0.01
Healthcare	-1.20	-0.05	-0.70	-0.75
Financials	-0.10	0.01	1.09	1.10
Consumer Disc	0.98	0.01	-0.34	-0.33
Information Technology	-3.04	-0.44	0.13	-0.31
Industrials	0.98	-0.07	0.33	0.26
Utilities	0.05	0.00	0.47	0.47
Consumer Staples	-0.34	0.00	-0.09	-0.09
Real Estate	-0.29	0.01	-0.08	-0.08
Materials	-0.52	0.04	-0.08	-0.03
Communication Services	1.94	-0.10	0.89	0.79
ETF's	0.44	-0.02	0.00	-0.02
Cash	0.28	-0.01	0.00	-0.01
Total		-0.85	1.88	1.03

The D'Artagnan Capital Fund's 3-year attribution analysis is shown in the table above. Some of the sectors that contributed positively to excess return were the Financials and Communication Services. These positive contributors were partially offset by negative excess returns in the Consumer Discretionary and Healthcare sectors. Overall, the DCF outperformed the benchmark by 1.03% over the 3-year period.

5-Year Attribution Analysis

Sector	Relative Weight (%)	Asset Allocation (%)	Security Selection (%)	Excess Return (%)
Energy	0.32	-0.04	0.14	0.10
Healthcare	0.38	-0.01	-1.02	-1.02
Financials	-0.17	0.00	-0.18	-0.17
Consumer Disc	-0.13	0.00	-0.58	-0.59
Information Technology	-4.78	-0.41	-0.68	-1.09
Industrials	0.72	-0.02	-0.24	-0.25
Utilities	-0.07	0.00	0.09	0.09
Consumer Staples	0.60	-0.02	-0.46	-0.48
Real Estate	-0.45	0.02	-0.05	-0.03
Materials	-0.41	0.02	-0.13	-0.11
Communication Services	3.21	-0.12	0.79	0.67
ETF’s	0.40	-0.05	0.00	-0.04
Cash	0.36	-0.04	0.00	-0.04
Total		-0.67	-2.31	-2.98

The D’Artagnan Capital Fund’s 5-year attribution analysis is shown in the table above. Some of the sectors that contributed positively to excess return were the Energy, Utilities and Communication Services. These positive contributors were partially offset by negative excess returns in the Information Technology and Healthcare sectors. Overall, the DCF underperformed the benchmark by 2.98% over the 5-year period.

Top Contributors

Top Contributors	Return (%)	Contribution to Return (%)
Microsoft	50.34	2.54
Apple	34.71	1.26
Fortinet	52.37	1.07
Allergan	36.52	0.83
Prologis	37.99	0.52

* Note: these securities are ranked based on their contribution to the portfolio, which is due to their weighting in the portfolio

Over the annual period, the D'Artagnan Capital Fund has held several companies that provided a positive contribution to our overall return. The top five performers were Microsoft, Apple, Fortinet, Allergan, and Prologis. Prior to the overall fall in the market in March of 2020, the D'Artagnan Capital Fund chose to exit the positions in Fortinet, Allergan, Microsoft, and Prologis. Exiting these positions while still in a bull market attributed to their positive returns and contribution to the overall return for the annual period. Microsoft was added back into the portfolio, skipping over the large decline in value.

Microsoft Corporation was one of our positive contributors for the annual period. Microsoft's cloud division has grown substantially and they are well positioned to continue to see growth within the industry. Their international presence and growth is another area where Microsoft has seen sustainable advancements and traction within the market. Due to the increase in companies moving to work from home settings during the COVID-19 pandemic, Microsoft has seen increased usage in their cloud and Microsoft Teams services.

The D'Artagnan Capital Fund's position in Apple performed well during the annual period. Apple prides themselves of their brand, reputation and continued innovation to be an industry leader. Year-over-year, Apple surprises investors and the competitors with new technology, products and services that allow them to bolster revenue.

Fortinet was another positive contributor in the IT sector over the annual period. The company beat previous guidance upon their fourth quarter 2019 earnings announcement and showed strong growth in their hardware and related software service offerings. The D'Artagnan Capital Fund revalued Fortinet and concluded the stock was fairly valued and decided to exit the position on February 12, 2020.

Allergan is a Healthcare company that manufactures and markets brand name drugs and medical devices. The company was a positive contributor over the annual period but in February 18, 2020 the D'Artagnan Capital Fund chose to exit the position due to the share price reaching our intrinsic share price.

Prologis is a real estate investment trust that invests in logistics facilities with a focus on the consumption side of global supply chains. The company was a positive contributor over the annual period but on January 17, 2020 the D'Artagnan Capital Fund decided to exit the position due to the overreaction of the fall in retail properties and increased focus on mixed-use properties.

Bottom Contributors

Bottom Contributors	Return (%)	Contribution to Return (%)
Expedia	-58.73	-1.45
U.S. Silica	-68.87	-1.02
Motorola	-26.80	-1.00
ViacomCBS	-54.41	-0.95
Visa	-7.57	-0.93

* Note: these securities are ranked based on their contribution to the portfolio, which is due to their weighting in the portfolio

Over the annual period, the D'Artagnan Capital Fund has held several companies that provided a negative contribution to the overall return. The bottom five performers were Expedia, U.S. Silica, Motorola, ViacomCBS, and Visa.

Expedia operates a full suite of websites and online services centered around travel planning. In conjunction with the COVID-19 outbreak, the company experienced a dramatic decrease in its share price. The grounding of flights and restrictions on travel around the world has brought uncertainty to investors.

US Silica is a producer of industrial silica and sand minerals. The stock has been negatively impacted by poor earnings calls with pessimistic outlooks from people within the fracking industry. The industry outlook does not look favorable for US Silica and will be difficult to gain back lost sales and revenue. The D'Artagnan Capital fund entered into a position in the stock when the market capitalization was slightly over $1 billion, the lower limit of our investable universe. Constant downward movement in share price decreased the market capitalization below $1 billion, which made the stock fall out of the D'Artagnan Capital Fund's compliance restrictions. After following the stock for this period of time, the D'Artagnan Capital Fund no longer believed the stock to be undervalued. Thus, we exited our position in U.S Silica.

Motorola is a communication solutions company in the Information Technology sector that has been another negative contributor to the D'Artagnan Capital Fund. Although the underlying fundamentals of the company remain strong, the impact of COVID-19 on corporate and government budget cuts has negatively impacted their share price.

ViacomCBS, a negative contributor in the Communications sector, has seen their share price decline from $50 to $13 per share due to an unattractive Fiscal Year end financials. Further, the decline has been exacerbated by fear that the company's anticipated streaming service will be unsuccessful due to the competitive streaming landscape.

Visa was another negative contributor to the D'Artagnan Capital Fund. The company has seen a decrease in their share price due to the effects of COVID-19 on consumer spending which makes up two-thirds of the U.S economy. The D'Artagnan Capital Fund still holds conviction that Visa can return to its normal revenue levels once the effect of COVID-19 passes.

Despite the decline in price in these stocks, the D'Artagnan Capital Fund, in its research, modeling, and analysis, still holds strong convictions in Expedia, Motorola, ViacomCBS, and Visa. As a long-term investor, the Fund is convinced that these stocks are undervalued and see further growth opportunities. We continue to hold these stocks, as we believe that they are among the most mispriced stocks in their respective sector.

Performance Comparison and Portfolio Ratios

Fund Name	Symbol	6 Months	1-Year	3-Year	5-Year
American Century Equity Growth A	BEQAX	3.26%	-9.15%	3.39%	8.81%
Colombia Contrarian Core Adv	CORRX	5.42%	-4.80%	4.10%	10.51%
JP Morgan Equity Index C	OEICX	4.32%	-7.91%	4.02%	10.46%
Lazard US Equity Focus Open	LZUOX	6.22%	-7.30%	4.13%	9.17%
Voya US Stock Index Port 2	ISIPX	4.53%	-7.59%	4.39%	10.96%
Category Average		**4.75%**	**-7.35%**	**4.01%**	**9.98%**
D'Artagnan Capital Fund	DCF	5.99%	-6.93%	4.56%	8.71%

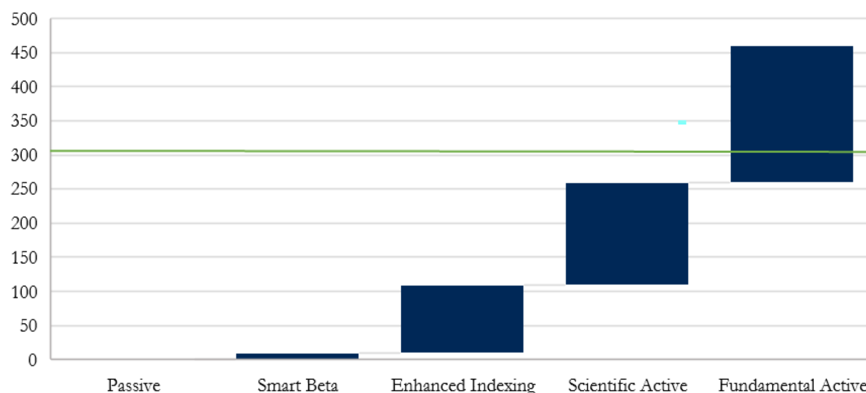
The D'Artagnan Capital Fund's 6 Month period (April 1 to September 30), 1-Year, 3-Year and 5-Year returns against large-cap mutual funds with similar characteristics to our portfolio is shown in the table above. Utilizing Morningstar's mutual -fund screening tool, blended large-cap funds that solely invested in large-cap equities were filtered to achieve a base sample size. We chose to use the same five funds as last year to compare to because we want to provide a base for historical performance versus our returns. In the 6 Month and 1-year, and 3-year periods, the D'Artagnan Capital Fund outperformed in comparison to the category averages. The D'Artagnan Capital Fund underperformed in comparison to the category averages in the 5-Year period.

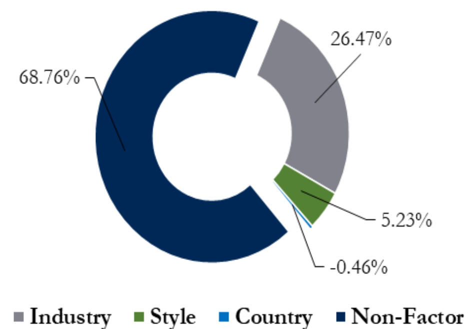
Metric	DCF Weighted-Average Ratio	S&P 500 TR Ratio
P/E	16.55x	17.04x
P/BV	3.08x	2.84x

The D'Artagnan Capital Fund's portfolio multiples are shown in the table above. The DCF's P/E ratio was slightly lower than the S&P 500 Total Return's ratio of 17.04. The P/E ratio is found by dividing the Share price by earnings per share of the particular company. In the case of the portfolio, the P/E shows the average of all the securities ratios. The DCF's P/BV of 3.08x is slightly higher than the S&P 500's metric of 2.84x. The P/BV is calculated by dividing the price of a share of stock by the book value per share.

The D'Artagnan Capital Fund operates as a large cap actively-managed equity fund. The D'Artagnan Capital Fund seeks to identify and invest in roughly 40 to 45 companies that are fundamentally strong and undervalued by the market. We seek to outperform the S&P 500 on a risk-adjusted basis. Active management involves deviation from the benchmark which is also called, tracking error. It is a measure that shows the percentage by which a fund's returns are expected to differ from those of its benchmark. Tracking error is also known as "active risk" and the D'Artagnan Capital Fund's portfolio had an active risk of 307 basis points. On a given day, our portfolio can under or outperform the benchmark by 3.07%.

Most funds can be categorized into equity strategies based on tracking error. The categories range from a "pure index" to "enhanced index" to "active fundamental management" like the D'Artagnan Capital Fund. They are characterized by tracking error ranges as follows: 0 bps (passive), 10-50 bps (smart beta), 100-200 bps (enhanced indexing), 150-375 bps (scientific active), 200-650 bps (fundamental active). Given the D'Artagnan Capital Fund has a tracking error of 307 bps, the DCF falls on the lower end of the Fundamental Active range.





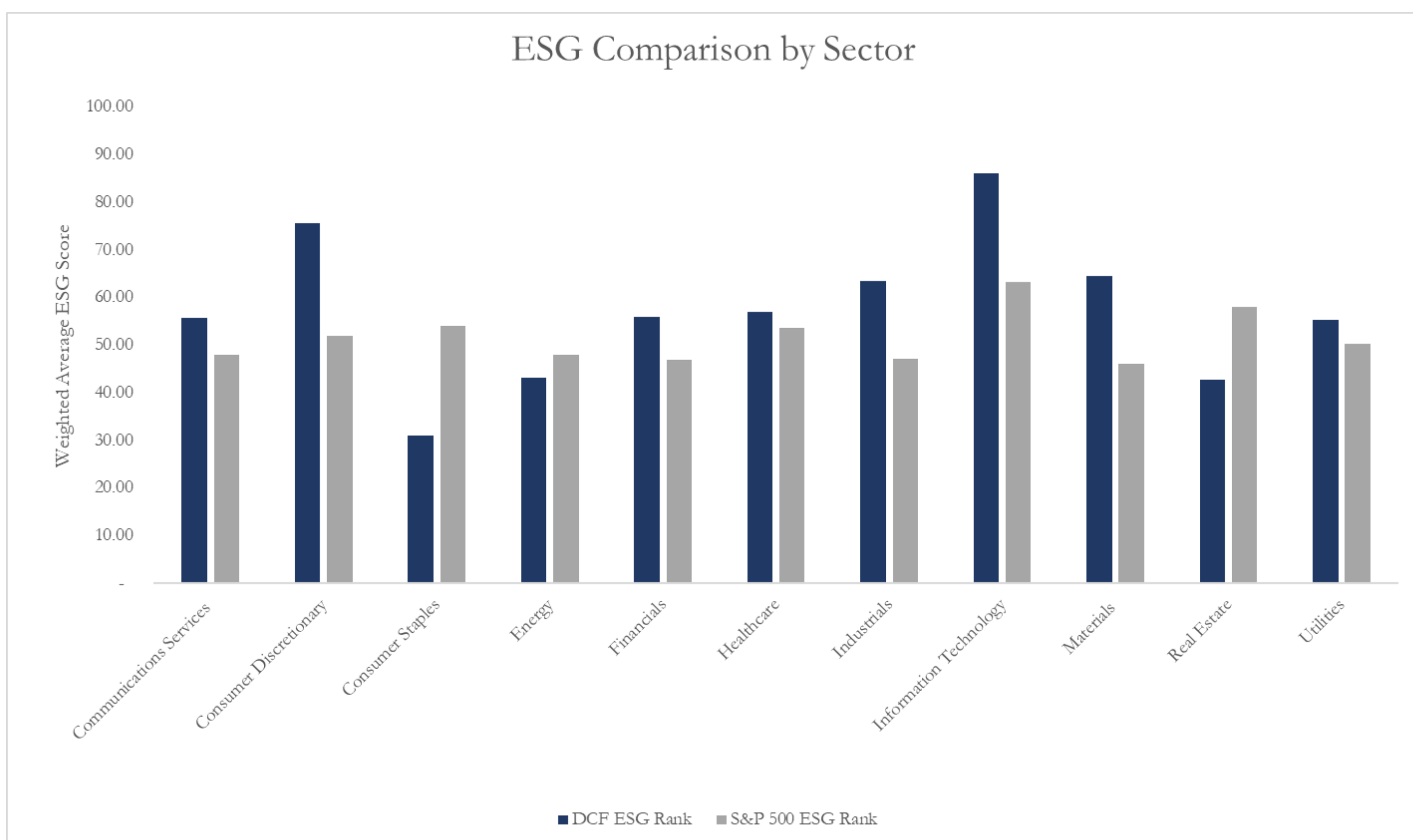
Using Bloomberg's analytics tool, we were able to compute and analyze the sources and types of risk given our holdings over the annual period. Specifically, Bloomberg's model measures five components of active risk which include the following: industry, style, country, currency, and non-factor risks. Below are some observations of the model's outputs:

1. Immediately, one notices that the DCF has no relevant currency risk. Country risk is also very small. This is primarily because we are not effected by exchange rates which are at the root of currency risk.. Country risk is low because the companies we invest in are traded domestically (NYSE or NASDAQ), not internationally.

2. Industry and style risk contribute 26.47% and 5.23% of total active risk respectively. These factors are significant, but even combined they only make up slightly over 31% of total active risk.

3. Non-factor or company specific risk contributes 68.76% of total active risk. This is the largest driver of the DCF's tracking error. Given that we are a bottom-up stock picking fund, this is expected.

In summary, an elevated level of tracking error is inherent in the DCF due to its actively managed nature. The tool does not aid us in our valuations or stock selection, but serves as a way to analyze where our risk lies within the portfolio.



Graph based on Sustainalytics ESG rank. All ESG Scores are calculated as a weighted average by sector

The D'Artagnan Capital Fund does not have any specific ethical requirements for investing listed in the Investment Policy Statement. However, given investing trends, the Fund found analysis of environmental, social, and global (ESG) metrics important in understanding our portfolio. ESG rating is a definitive rating given to a company regarding its environmental impact, its standing with social issues, such as diversity, women in workforce, and executive compensation, and its adherence to government regulation. Companies may also be judged by how transparent they are in releasing this information. For instance, a company may have a low environmental impact but if they were to fail to report anything regarding it then it may factor poorly into their ESG rating. There are many groups that provide ESG ratings, the Sustainalytics ranking, which ranks companies by percentile based on ESG ratings from multiple sources are used on the chart above.

The D'Artagnan Capital Fund had higher average ESG scores than the S&P 500 in eight sectors. The DCF had lower average ESG scores in Energy, Consumer Staples, and Real Estate. ESG score has not been a good determinant of the return. In other words, an ESG score that is higher than the benchmark is not either a higher or lower return than the benchmark. Only six sectors had returns that matched the trend in their ESG scores. Financials, Healthcare, Industrials and Utilities had higher average ESG scores and higher returns than their respective S&P 500 sectors. Consumer Staples and Energy had both lower ESG scores on average and lower returns during than annual period compared to their S&P 500 sectors. Communication Services, Consumer Discretionary, Information Technology, and Materials all had higher ESG scores than the benchmark but underperformed. Real Estate had a lower ESG score but a higher return compared to the benchmark.

ESG scores remain a good way to understand the ethical and legal standing of a company at a glance. However, it does not always provide the entire picture. The results from the annual period show that ESG scores have little correlation with return in our portfolio. Given these factors, the DCF has no plan to adopt an ESG investing strategy.

Disclosure of Compliance

During the period from April 1, 2019 to March 31, 2020, there were two instances in which the D'Artagnan Capital Fund (DCF) was out of compliance with our Investment Policy Statement.

The first instance occurred on September 21, 2019. US Silica fell below $1billion in market cap. The DCF entered a position in US Silica on November 5, 2018, and the stock had briefly fallen below a billion in market cap on February 10, 2019. It later returned to $1 billion in market cap on February 24, 2019. Per the Investment Policy Statement, in order for the DCF to take a position in a company, it must either be a part of the S&P 500 Total Return Index or have a market cap of over one billion U.S. Dollars and a trading volume above the lower quartile of its S&P 500 sector. US Silica again fell below $1 billion in market cap on September 21, 2019. After following this stock for a reasonable amount of time after it fell below the $1 billion market cap, the D'Artagnan Capital Fund no longer saw US Silica as undervalued. Thus, position was sold on October 31, 2019.

The second instance occurred on November 21, 2019. Bristol Meyers Squibb acquired Celgene. As part of the merger, those that held shares in Celgene were given 1 share of Bristol Meyers Squibb, $50 cash and 1 tradeable Contingent Value Right (CVR). The CVR entitled the holder to a payout if certain regulatory milestones were performed. In this case, the contingency was based on certain drugs to be in development by March 2021. CVRs are considered to be a form of derivative. It is not listed as an investible security type, per the Investment Policy Statement. As a result, the CVRs that were received as part of the buyout were sold at market value on January 22, 2020.

As of market close on March 31, 2020 the D'Artagnan Capital Fund is in compliance with our Investment Policy Statement.

Annual Trade Report

Trades made during the period: April 1, 2019—March 31, 2019

Communication Services

Date	Company	Ticker	Buy/Sell	Amount
9/23/2019	Verizon Communica-tions	VZ	Sell	$ 14,470.05
10/30/2019	Walt Disney Co.	DIS	Buy	$ 29,828.89
10/30/2019	CBS Corp	CBS	Sell	$ 30,394.99
1/22/2020	Walt Disney Co.	DIS	Sell	$ 14,408.95
2/12/2020	Netflix	NFLX	Buy	$ 69,345.23
2/12/2020	Take-Two InterAc-tive Software	TTWO	Sell	$ 68,178.01
2/14/2020	Netflix	NFLX	Buy	$ 4,993.21
3/4/2020	Alphabet Inc.	GOOG	Sell	$ 58,437.34
3/4/2020	ViacomCBS	VIAC	Buy	$ 57,048.08
3/25/2020	Facebook Inc	FB	Buy	$ 49,560.07
3/25/2020	Verizon Communica-tions	VZ	Sell	$ 38,191.58
3/27/2020	Alphabet Inc.	GOOG	Sell	$ 6,749.04
3/30/2020	Netflix	NFLX	Buy	$ 3,351.90

Consumer Discretionary

Date	Company	Ticker	Buy/Sell	Amount
9/18/2019	Lululemon Athletica Inc.	LULU	Sell	$39,005.90
10/21/2019	Expedia Group	EXPE	Buy	$63,079.01
10/21/2019	Dollar Tree Inc.	DLTR	Sell	$63,008.59
1/15/2020	Expedia Group	EXPE	Buy	$41,869.22
1/15/2020	Lear Corp.	LEA	Buy	$37,595.44
1/15/2020	Target Corp.	TGT	Buy	$49,502.24
1/15/2020	Starbucks Corp.	SBUX	Buy	$39,940.90
1/15/2020	Amazon.com Inc.	AMZN	Sell	$117,388.41
1/15/2020	Lululemon Athletica Inc.	LULU	Sell	$26,805.92
1/22/2020	Expedia Group	EXPE	Sell	$7,212.92
2/14/2020	Target Corp.	TGT	Buy	$51,111.73
2/14/2020	Starbucks Corp.	SBUX	Buy	$51,112.28
2/14/2020	Lear Corp.	LEA	Sell	$92,896.90
3/27/2020	Target Corp.	TGT	Buy	$8,122.67
3/27/2020	Home Depot Inc.	HD	Buy	$9,992.37

Consumer Staples

Date	Company	Ticker	Buy/Sell	Amount
9/25/2019	Constellation Brands Inc.	STZ	Buy	$ 52,222.25
9/25/2019	Post Holdings	POST	Buy	$ 52,671.20
9/25/2019	Keurig Pepper Inc.	KDP	Sell	$ 48,279.63
9/25/2019	Archer Daniels Mid-land Co.	ADM	Sell	$46,557.28
1/22/2020	Walmart Inc.	WMT	Buy	$ 13,989.21
3/4/2020	Procter & Gamble Co.	PG	Buy	$ 75,265.05
3/4/2020	Costco Wholesale Corp.	Cost	Sell	$ 76,071.51

Energy

Date	Company	Ticker	Buy/Sell	Amount
9/16/2019	Phillips 66	PSX	Buy	$42,353.72
9/16/2019	Chevron Corp.	CVX	Sell	$118.67
9/16/2019	Enbridge Inc.	ENB	Sell	$68,761.40
10/30/2019	Marathon Petroleum Co.	MPX	Buy	$15,533.51
10/31/2019	U.S. Silica Holdings Inc.	SLCA	Sell	$16,143.91
1/22/2020	Marathon Petroleum Co	MPX	Buy	$25,040.61
1/22/2020	Phillips 66	PSX	Buy	$24,870.80
1/22/2020	Diamondback Ener-gy Inc	FANG	Sell	$27,878.33

Energy (Continued)

Date	Company	Ticker	Buy/Sell	Amount
2/11/2020	Chevron Corp	CVX	Buy	$42,997.12
2/11/2020	Marathon Petroleum Co	MPX	Sell	$29,628.07
2/11/2020	Phillips 66	PSX	Sell	$13,544.30

Financials

Date	Company	Ticker	Buy/Sell	Amount
9/15/2019	Blackrock	BLK	Buy	$114,648.90
9/16/2019	Bank of America Corp.	BAC	Sell	$75,705.36
1/17/2020	Zions Bancorp NA	ZION	Sell	$20,033.77
1/17/2020	Berkshire Hathaway Inc.	BRKB	Buy	$18,064.11
1/22/2020	Zions Bancorp NA	ZION	Sell	$20,855.12
2/14/2020	Citigroup Inc	C	Sell	$4,013.72
2/18/2020	JP Morgan Chase and Co.	JPM	Buy	$48,667.34
2/18/2020	Citigroup Inc.	C	Sell	$64,934.63
2/18/2020	Berkshire Hathaway Inc.	BRKB	Buy	$16,247.37
3/27/2020	JP Morgan Chase and Co.	JPM	Sell	$10,741.01
3/27/2020	Berkshire Hathaway Inc.	BRKB	Sell	$11,261.82
3/27/2020	Blackrock	BLK	Sell	$10,891.76

Health Care

Date	Company	Ticker	Buy/Sell	Amount
9/18/2019	Celgene Corp.	CELG	Buy	$26,171.35
10/2/2019	Allergan Plc	AGN	Buy	$24,502.21
10/2/2019	Humana Inc.	HUM	Buy	$20,493.25
10/2/2019	Merck & Co Inc.	MRK	Buy	$56,265.92
10/2/2019	IQVIA Holdings Inc.	IQV	Sell	$99,933.96
1/17/2020	Illumina Inc.	ILMN	Buy	$71,616.79
1/17/2020	Stryker Corp.	SYK	Buy	$99,094.77
1/17/2020	CVS Health Corp.	CVS	Sell	$49,153.44
1/17/2020	Pfizer Inc.	PFE	Sell	$67,168.58
1/22/2020	RTS Bristol Meyers Squibb Co.	BMYRT	Sell	$3,857.58
2/18/2020	Bristolo Myers Squibb Co.	BMY	Buy	$101,300.80
2/18/2020	Merck & Co Inc.	RK	Buy	$33,762.56
2/18/2020	Allergan Plc	AGN	Sell	$134,790.43
3/25/2020	Centene Corp.	CNC	Buy	$49,675.03
3/25/2020	Illumina Inc.	ILMN	Sell	$56,163.05
3/27/2020	Centene Corp.	CNC	Buy	$16,046.27
3/30/2020	Bristolo Myers Squibb Co.	BMW	Sell	$6,924.65

Industrials

Date	Company	Ticker	Buy/Sell	Amount
9/25/2019	Masco Corp.	MAS	Buy	$38,912.03
10/9/2019	Lockheed Martin Corp.	LMT	Buy	$44,922.31
10/9/2019	Verisk Analytics Inc.	VRSK	Sell	$84,842.88
2/12/2020	Lockheed Martin Corp.	LMT	Buy	$46,278.17
2/12/2020	General Dynamics Corp.	GD	Sell	$38,970.18
2/24/2020	Fedex Corp.	FDX	Sell	$65,762.66
2/24/2020	Cintas Corp.	CTAS	Buy	$65,977.58
3/27/2020	Waste Management Inc.	WM	Sell	$9,750.69
3/27/2020	Cintas Corp.	CTAS	Sell	$4,029.70

Information Technology

Date	Company	Ticker	Buy/Sell	Amount
9/23/2019	Microsoft Corp.	MSFT	Buy	$32,782.37
9/23/2019	Visa	V	Buy	$61,223.75
9/23/2019	Arista Networks	ANET	Sell	$65,830.85
10/23/2019	Fortinet Inc.	FTNT	Buy	$87,049.06
10/23/2019	Oracle Corp.	ORCL	Sell	$87,166.78
1/17/2020	Fortinet Inc.	FTNT	Sell	$17,935.40

Information Technology (Continued)

Date	Company	Ticker	Buy/Sell	Amount
2/5/2020	Brooks Automation Inc.	BRKS	Buy	$75,535.36
2/5/2020	Cisco Systems Inc.	CSCO	Buy	$75,128.58
2/5/2020	Visa	V	Buy	$172,783.97
2/5/2020	Microsoft Corp.	MSFT	Sell	$321,043.17
2/14/2020	Brooks Automation Inc.	BRKS	Buy	$568,584.64
2/14/2020	Cisco Systems Inc.	CSCO	Buy	$57,030.15
2/14/2020	Fortinet Inc.	FTNT	Sell	$113,898.63
3/4/2020	Apple Inc.	AAPL	Sell	$34,917.85
3/4/2020	Visa	V	Sell	$35,090.32
3/4/2020	Cisco Systems Inc.	CSCO	Sell	$35,181.52
3/25/2020	Facebook Inc.	FB	Buy	$49,560.07
3/27/2020	Paypal Holdings Inc.	PYPL	Buy	$8,891.92
3/30/2020	Microsoft Corp.	MSFT	Buy	$136,818.02
3/30/2020	Apple Inc.	AAPL	Sell	$29,790.86
3/30/2020	Brooks Automation Inc.	BRKS	Sell	$99,104.03

Materials

Date	Company	Ticker	Buy/Sell	Amount
9/25/2019	Westrock Co.	WRK	Buy	$20,102.19
9/25/2019	Vulcan Material Co.	VMC	Sell	$46,987.72
10/9/2019	Eastman Chemical Co.	EMN	Buy	$40,049.12
1/22/2020	Eastman Chemical Co.	EMN	Sell	$1,840.71
1/22/2020	Westrock Co.	WRK	Sell	$5,352.00
2/19/2020	Westrock Co.	WRK	Sell	$51,919.84
2/20/2020	PPG Industries Inc.	PPG	Buy	$51,428.29
3/27/2020	Eastman Chemical Co.	EMN	Buy	$7,236.03

Real Estate

Date	Company	Ticker	Buy/Sell	Amount
9/25/2019	Equinix Inc.	EQIX	Sell	$53,575.53
9/25/2019	Crown Castle Int. Corp.	CCI	Buy	$43,534.49
2/19/2020	Federal Realty	FRT	Buy	$65,004.04
2/19/2020	Prologis Inc.	PLD	Sell	$64,496.44
2/19/2020	Prologis Inc.	PLD	Sell	$8,032.38
3/27/2020	Crown castle Int. Corp.	CCI	Buy	$3,880.98

Utilities

Date	Company	Ticker	Buy/Sell	Amount
2/14/2020	Duke Energy Corp.	DUK	Sell	$4,843.12
2/14/2020	NextEra Energy Inc.	NEE	Sell	$4,718.12
3/30/2020	Duke Energy Corp.	DUK	Sell	$1,578.36
3/30/2020	NextEra Energy Inc.	NEE	Sell	$1,943.12

Other

Date	Company	Ticker	Buy/Sell	Amount
7/8/2019	Vanguard S&P ETF	VOO	Buy	$13,354.62
9/18/2019	Vanguard S&P ETF	VOO	Sell	$13,498.02

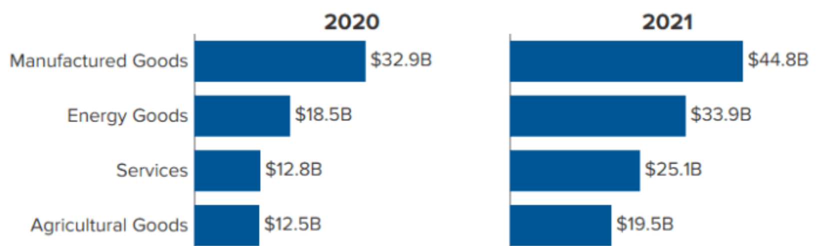
United States China Trade War

Over the last two years, we've seen a continued conflict between the United States and China. As the two largest economies across the globe, this conflict has been closely tracked and a resolution has been long awaited by many investors. In the end of April 2019, U.S. and Chinese negotiators held a two day trade talk and, as a result, drafted a 150 page draft of a trade agreement. In the beginning of May, Beijing backed out of nearly all aspects of the draft agreement. In response, President Trump raised tariffs on nearly $200 billion dollars of Chinese goods or 25 percent. To put more pressure on China, the United States blacklisted one of the largest, if not the largest company in China, Huawei Technologies, preventing them from buying parts from U.S. companies.

After a nearly two month break, the light seemed to reappear at the end of the tunnel as the two countries agreed to rekindle talks. At the G20 meeting near the end of June 2019, Trump agreed to stop the implementation of any new tariffs and ease restrictions on Huawei. The Chinese agreed to purchase various farming products as well. After two days of no trade talks, President Trump, disregarding the previous agreement, announced a 10 percent tariff on $300 billion worth of Chinese goods. China, not taking this lightly, halted all purchases of U.S. agricultural products. In addition, the Chinese yuan weakened past the seven yuan per U.S. dollar. This seven yuan per U.S. dollar is very significant for investors as levels above seven have only been seen in times of recession. Despite this step back in trade talks, the United States delayed the 10 percent tariff on $300 billion dollars' worth of goods until December 15. Although the United States acted as a peacemaker, the Chinese added $75 billion in tariffs on U.S. goods. In response, the United States put 28 companies on its "entity list" due to their involvement in human right abuses against Uighur Muslims. On October 11, the United States and China agreed to phase one of a trade deal.

China agrees to purchase $200B of US exports

Under the "phase one" deal signed on January 15, China will buy an additional $200 billion in US goods over two years



SOURCE: US-China Trade Agreement

Brexit

Prime Minister Theresa was given an extension to October 31, 2019 on the decision of keeping Britain in the European Union. At this point in the process, the European Union would still let Britain stay in the United Kingdom. In May 2019, Theresa May stepped down from the Prime Minister position.

In July 2019, Boris Johnson was elected the Prime Minister of Britain. Throughout this time in varying positions in parliament and his campaign, he was very vocal on his position in pursuing Brexit. This created a lot of uncertainty in the global economy as countries would be forced to negotiate trade deals with Britain directly, the sixth largest economy in terms of gross domestic product.

The October 31 deadline came and went and the UK Parliament was not able to come to an agreement on Brexit with another three month extension as the result. In December 2019, Boris Johnson insisted that the only way to "get Brexit done" would be to break the Parliamentary deadlock by holding a general election. A government bill passed through the parliament on October 28, 2019 and on November 6, 2019 resulting in the dissolving of parliament. The polls came in and the conservatives were given an 80 seat majority.

After the reseating of Parliament, the withdrawal agreement quickly passed through the British parliament. ON the 23 of January, the Queen gave the royal assent on the withdrawal bill. After receiving royal assent, the constitutional committee of the European Parliament backed the agreement.

Brexit (cont.)

After passing through the constitutional committee, the agreement needed approval from Ursula von der Leyen, the president of European Commission, and Charles Michel, the president of European Council. After those two signatures, the agreement was sent to Boris Johnson On January 30, 2020 the Council of the European Union concluded the agreement. Finally, the United Kingdom left the European Union on January 31.

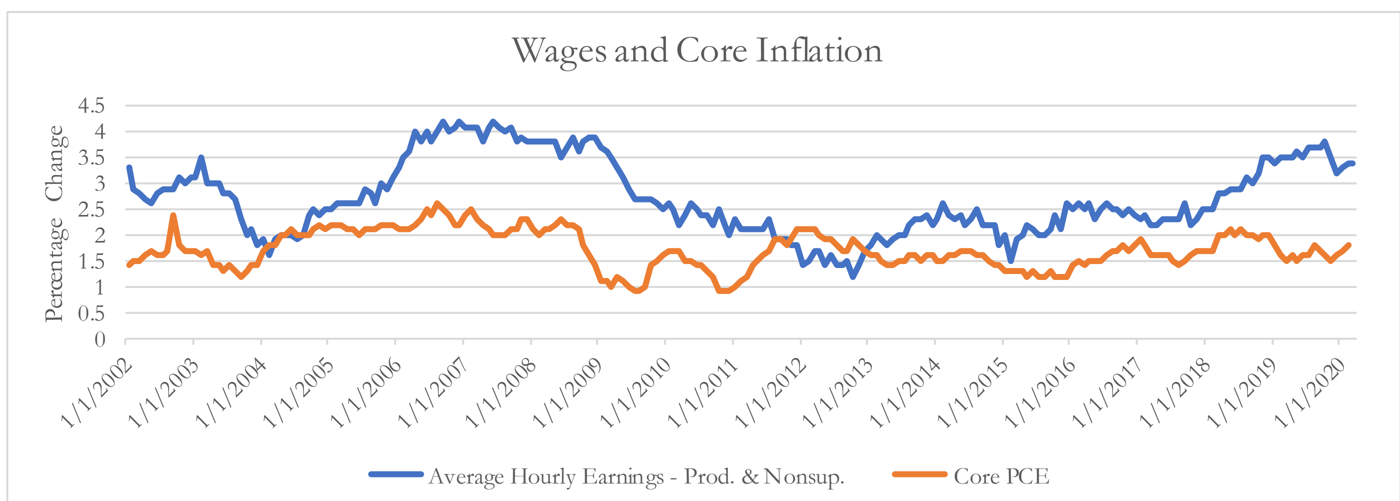
As we saw this entire process come to a close after nearly four years, the global economic prospects is much clearer. Although Britain had a lot to benefit from being in the European Union, much of this in the form in the simplified supply chain. The other countries in the European Union tend to be much smaller and were riding the coat tails of the United Kingdom. This is a benefit for companies with supply chains in and through the United Kingdom as there is much more clarity at this time.

NAFTA

In December of 2019, NAFTA, or the North American Free Trade Agreement, which had been the primary trade agreement for nearly 25 years, saw all three countries were noticing an inapplicability to the current economy, mainly due to the rapid evolution of technology. As a result it was replaced with the USMCA, or the United States Canada Mexico Agreement. One of the biggest flaws of NAFTA was the lack of regulation over the digital environment. 25 years ago, nobody thought that the internet and technology would have become so integral to the current global economy. Some of the notable provisions included the prohibition of tariffs on digital products, requirements of anti-spam laws, and the ability for companies to protect proprietary software and electronic intellectual property.

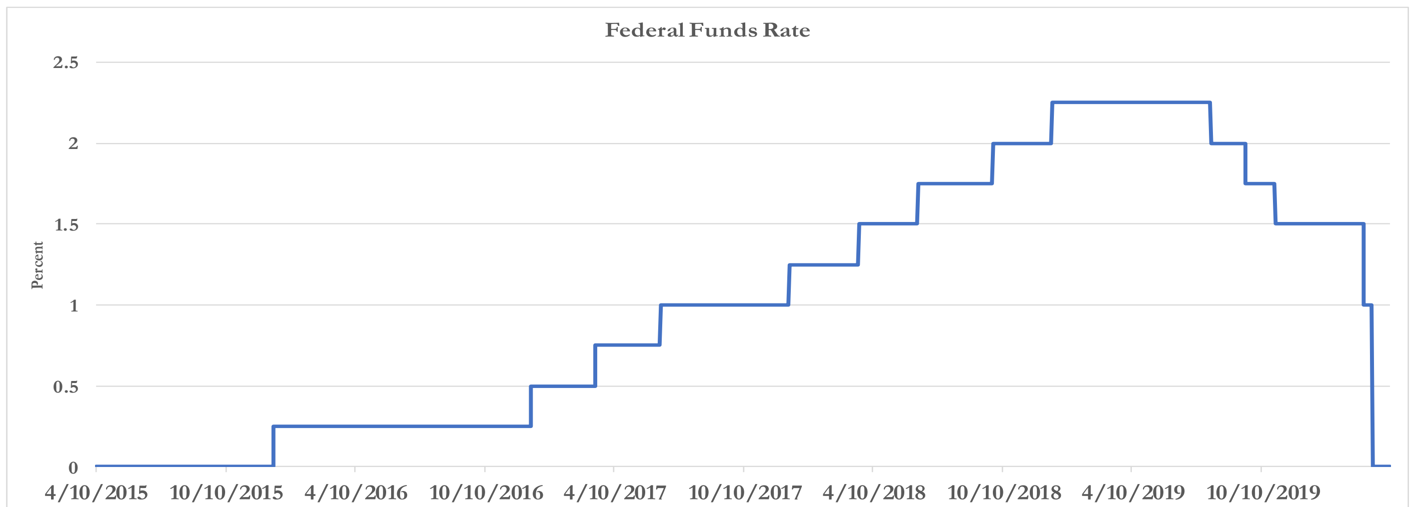
Inflation and Employment

Core PCE is the preferred measure for inflation of the federal reserve. In 2019, change in core PCE, measured from the end of 2018 to the end of 2019, was 1.6 percent or 40 basis points below the fed's target of 2 percent. Throughout 2019, we saw a drastic increases in health care costs, rising 4.6 percent, the largest increase since 2007. Despite low inflation, average hourly earnings increased over 3 percent in 2019. This upward trend can be attributed to the historically low unemployment rates which held at 50 year lows for most of 2019.



Federal Funds Rate

Up until the beginning 2019, we were seeing pretty aggressive rate hikes from the fed in an attempt to reduce inflation. The tide quickly shifted as the risk of a global slowdown drastically increased and we saw inflation levels below the feds target rate. We saw minor rate cuts due to the increased risk of global slowdown. In the beginning of 2020, we began to see the risk that coronavirus could have on the economy. In order to continue to support the economy, we saw two major rate cuts by the fed. The first was a 50 basis point cut citing the risk the coronavirus could push us into a recession. On March 15, 2020, the fed again cut rates to 0 due to the coronavirus and relaunched their buyback program.



Coronavirus

In January 2020, we saw the first cases of the coronavirus, most of them coming from China. In response to the coronavirus, we saw a plethora of businesses in China suspend operations to prevent the spread of the virus. These companies include Royal Caribbean, Starbucks, Disney, Yum China, American Airlines, and many others. In addition to the operational shutdown, many technology companies source some of their supply chain from China, forcing the delay of the development of products. In order to fight the virus, the Chinese government utilized a combination of testing and a lockdown. By the end of March, many Chinese businesses have reopened their stores to get the economy up and running.

Throughout the month of January, the coronavirus began to spread throughout the United States. As the number of cases in the U.S. continued to rise, the U.S. declared a national health emergency and imposed entry restrictions on those who had recently been to China in early February. Up until February 24, 2020, the markets stayed resilient, despite the spreading of the coronavirus. Investors believed the effects of the coronavirus would have a limited impact on short term global growth prospects. On the 24, there were some major developments in the spread of the coronavirus. President Trump asked for 1.25 trillion dollars in emergency funding. In addition, manufacturing and service indexes hit six-year lows as officials from several major economies believed the coronavirus would have long term effects on the global economy. From February 19 to the 27, all three of the major U.S. indexes corrected. The S&P500 experienced the fastest correction of all time, losing 12 percent of its value in just six days. During this time, there was a significant outflow of equity as investors wanted to reduce their risk profile and in response, bond yields dropped to all time lows and gold hit a seven year high.

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Coronavirus (cont.)

On the 24, there were some major developments in the spread of the coronavirus. President Trump asked for 1.25 trillion dollars in emergency funding. In addition, manufacturing and service indexes hit six-year lows as officials from several major economies believed the coronavirus would have long term effects on the global economy. From February 19, 2020 to February 27, 2020, all three of the major U.S. indexes corrected. The S&P500 experienced the fastest correction of all time, losing 12 percent of its value in just six days. During this time, there was a significant outflow of equity as investors wanted to reduce their risk profile and in response, bond yields dropped to all time lows and gold hit a seven year high.

In response to the coronavirus and the potential economic slowdown that can occur, the fed has taken dramatic action. We've seen two emergency rate cuts, the first one being 50 basis points and then second being 100 basis points, cutting rates to a range of 0 to 25 basis points. As a result, we saw negative yields on U.S. treasuries, specifically the one year and three month, for the first time. In order to support the financial markets, the fed has resumed quantitative easing in an attempt to maintain liquidity within credit markets, specifically within treasuries and mortgage backed securities, allowing credit markets to continue to flow. The fed has set up a primary dealer credit facility, allowing 24 large institutions access to low interest rate loans as an attempt to keep the credit markets functioning during a time when institutions and individuals want to avoid risky assets and hold cash. The fed has begun to backstop money market mutual funds, those which invest in commercial paper, as there has been significant outflow within these funds and the current state of the financial markets makes the sale of assets very difficult due to a lack of demand.

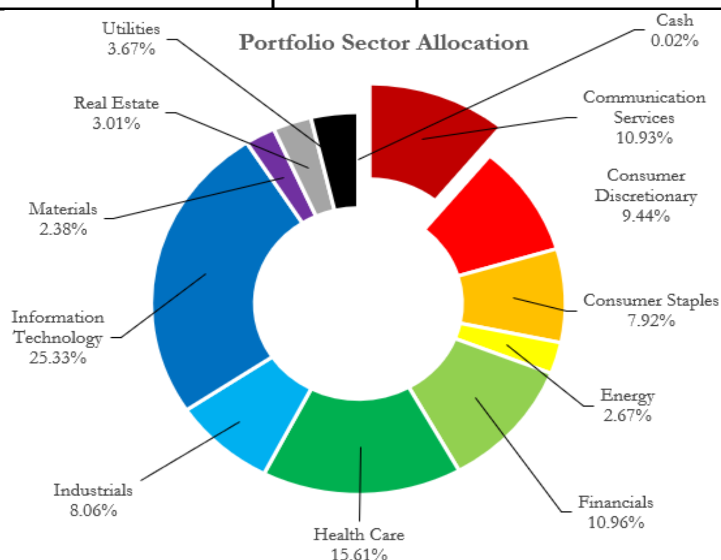
In an attempt to support corporations and business, the fed reopened two lending facilities. The first is the Primary Market Corporate Credit Facility which allows the fed to lend directly to corporation through the purchase of new bond issuances or loaning directly to these businesses in hope that this gives them the ability to pay their employees and suppliers. The second is the Secondary Market Corporate Credit Facility which allows the Fed to purchase existing corporate bonds or ETFs that invest in investment grade corporate bonds.

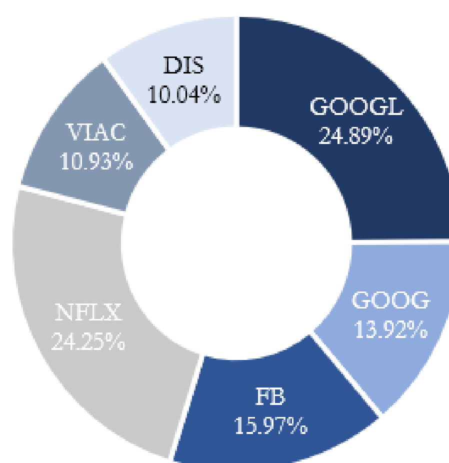
On March 25, 2020, Congress announced a two trillion dollar stimulus bill for businesses affected by the rise of coronavirus. Nearly 50 billion will be going to support the airline industry, 17 billion of which will be supporting national security concerns. Hundreds of billions of dollars will be going to the small business administration as well. Three hundred fifty billion will be going in the form of a "Paycheck Protection Program" and four hundred fifty-four billion will be given to the federal reserve to set up a new lending facility. Any company that receives funding as a part of this deal will not be able to buy back their own shares or give out a dividend for the next several years. Some of the two trillion dollars will be given in the form of unemployment insurance as we can except to see drastic increases in funding sent there.

Communication Services Sector Report

Holdings as of March 31, 2020

Company	Ticker	Subsector	Weight in Sector	Weight in Portfolio	Market Value	Annual Return
Alphabet Inc - Class A & C	GOOG GOOGL	Interactive Media & Services	38.81%	4.24%	$123,199.38	-2.65% -3.09%
Netflix, Inc	NFLX	Entertainment	24.25%	2.65%	$76,977.50	2.33%
Facebook, Inc	FB	Interactive Media & Services	15.97%	1.75%	$50,707.20	-1.13%
ViacomCBS Inc	VIAC	Media	10.93%	1.19%	$34,702.77	-70.94%
The Walt Disney Co	DIS	Entertainment	10.04%	1.10%	$31,878.00	-14.14%





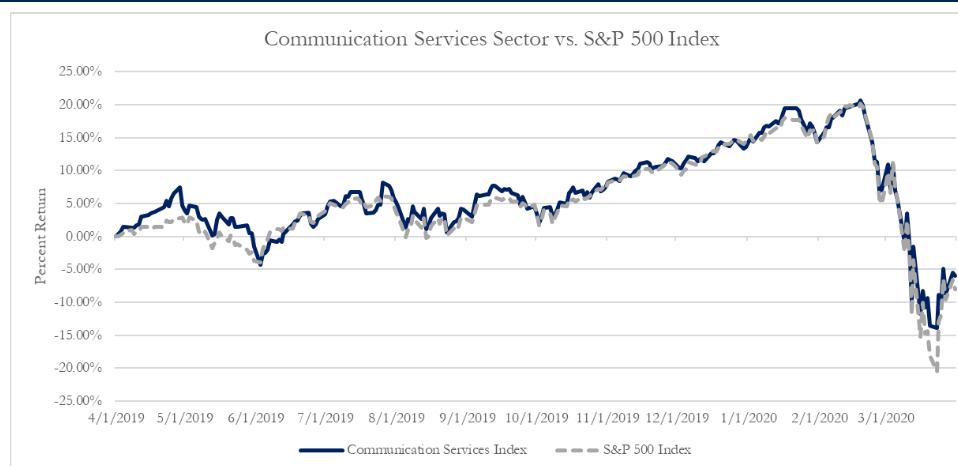
Communications Sector Overview

The D'Artagnan Capital Fund currently has five holdings in the Communication Services sector across the Media & Entertainment and the Telecommunication Services subsectors. During the semi-annual period, the D'Artagnan Capital Fund sold out of our holdings in Take-Two Interactive Software, Verizon Inc., and CBS Corporation - Class B and entered into new positions in Netflix, Inc and ViacomCBS Inc.

Through the annual period, the Communications Sector saw a total return of –8.80%. Our end of year holding that saw the highest return for our fiscal year was Netflix at 2.33%.

Sector Overview	
DCF Sector Return:	-8.80%
Benchmark Sector Return:	-4.70%
DCF Sector Weight:	10.56%
Benchmark Weight:	10.45%
Asset Allocation:	0.00%
Security Selection:	-0.44%

Sector Team	
Sector Manager:	Regan Wagner
Sector Analyst:	Sebastian Duve



Industry Analysis

Over the last six months, this sector had experienced significant growth up until mid-February when COVID-19 affected market sentiment and took away the gains in the sector during the fiscal year. Given the scale needed to compete in this sector, many holdings have strong international presence, which left the holdings significantly exposed to the effect COVID-19 has on the sector's returns. Despite this negative sentiment, the D'Artagnan Capital Fund's sees these companies' securities as the most undervalued in the sector. While subsectors for The Communication Services sector include Media & Entertainment and Telecommunication Services, the Fund further breaks down the sector into the following five industries: Diversified Telecommunication Services, Wireless Telecommunication Services, Entertainment, Media, and Interactive Media & Services. The Communication Services sector came about in 2018 after a sector reshuffle with telecommunications and information technology.

The D'Artagnan Capital Fund does not have any holdings in the Diversified Telecommunication Services industry. Within this industry, the D'Artagnan Capital Fund has not found that there are any companies within this sector that are currently mispriced by the market. In monitoring the merger between Sprint and T-Mobile, the Fund no longer saw the same value in our Verizon holding. Thus, we exited that position, which previously fell in this subsector.

In the Entertainment industry, the D'Artagnan Capital Fund holds Disney and Netflix. Disney is a company that is always evolving to fit consumer preferences, but the main new source of value for Disney is with the release of Disney's new streaming service, Disney+. There is an increasing demand for streaming services in the market and we believe Netflix and Disney have the most room for growth within the streaming industry. Both Disney and Netflix are at the top of the streaming platforms in regard to content and continue to create new content. Subscriber data since the release of Disney+ indicates that consumers are not choosing one subscription, but paying for both subscriptions. Therefore, the Fund was confident that there remains value in holding two different companies in the entertainment streaming space.

In the Media industry, the D'Artagnan Capital Fund holds ViacomCBS. ViacomCBS is the result of a merger between Viacom and CBS as of late 2019. ViacomCBS is fully taking advantage of the synergies as a result of the merger and we do not believe the market has fully taking into consider the costs that will be saved as well as negotiating benefits with streaming entertainment providers that derive from ViacomCBS' combined content portfolio.

In the Interactive Media & Services industry, the D'Artagnan Capital Fund holds Alphabet, the parent company of Google, and Facebook. Alphabet is always coming out with new innovations and they are consistently increasing their presence in the market. We have held Alphabet for over 10 years, yet we continue to believe that the company is undervalued in the current market. We hold Facebook because we believe they have established themselves well into the market and are consistently able to innovate. Both companies hold valuable streams of advertising revenue, given their strong data analysis skills and consistently large and active user base.

What's Changing in Communication Services

Innovation of 5G

Fifth generation wireless technology is becoming more accessible to more people. There is an increase in demand for more efficient networks and faster speeds overall to accommodate consumers' needs. People across the globe use their phones more and more for work, entertainment, and social interactions which require the fastest networks. The companies that have had and will continue to realize significant user-base growth are the companies that are able to deliver 5G to the most amount of people. While we do not see value in any wireless providers, 5G will certainly affect the speeds of Facebook and Alphabet and of entertainment services, such as Disney and Netflix. The Fund continues to monitor how these holdings are preparing for the large-scale rollout of the 5G network and will look critically for user influxes or departures due to the increased speed.

Increase in Demand for Streaming

In the Communication Services sector, there has been a growing demand for streaming recorded content and streaming live content. While cable television is in a phase of poor growth, consumers are switching their method of receiving entertainment to streaming services. Netflix has been the biggest player in the streaming industry for awhile, but many other media companies are now entering into the game. These media conglomerates are combining new original content with older content to create platforms with vast collections of entertainment. There is not much overlap in content between these platforms and on average, customers are subscribed to 3-4 of these services. Although customers are subscribed to more than one platform, there is competition due to new content creation. Netflix and Disney+ bolster some of the greatest portfolios of content and will be able to attract new users. Despite trouble in cable television, ViacomCBS has positioned themselves well to adapt to the streaming platform. ViacomCBS has introduced some of their own streaming platforms. The biggest gain for ViacomCBS in streaming is in soliciting bids from content-hungry platforms for pieces of ViacomCBS' large content portfolio.

Increase in Costs for Digital and Mobile Advertising

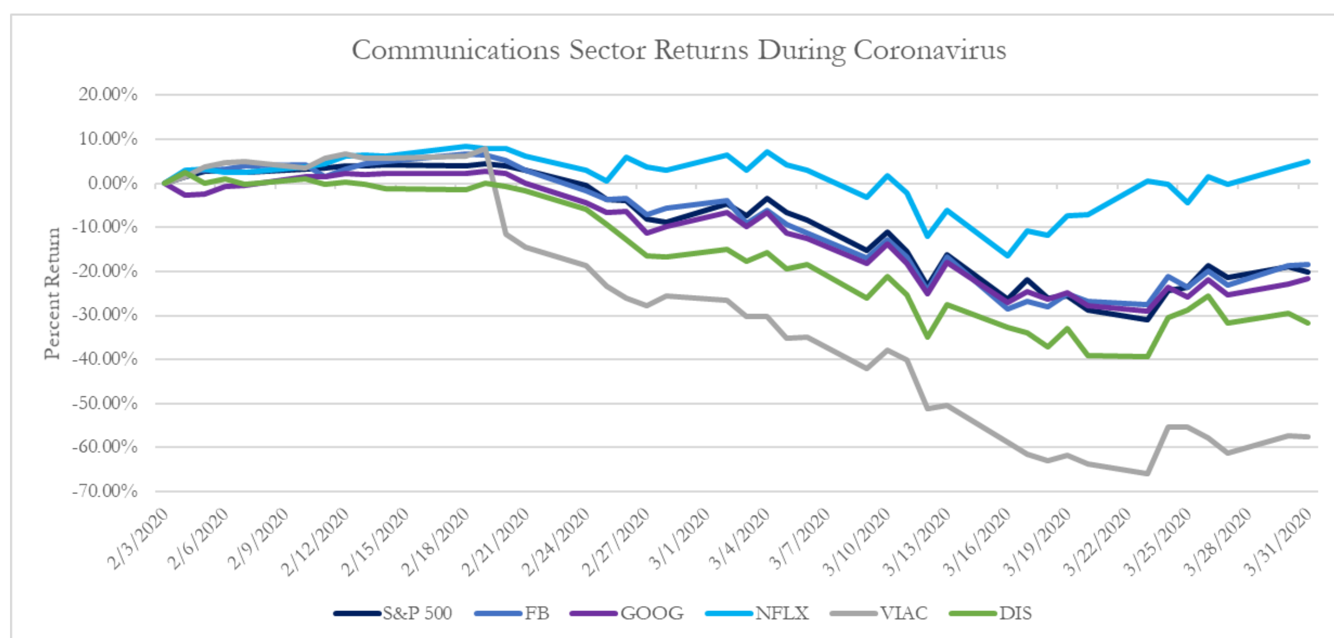
Customers have switched their methods of receiving entertainment from desktops to mobile phones. The running costs for advertisements on mobile phones are more expensive. This increased cost is due to the fact that mobile advertisement banners are able to more effectively catch users' attention when considering advertisement recognition. Desktop advertisements are easier to avoid and have a harder time conveying a message to users. If a company wants their advertisement to be distributed on a mobile or desktop platform, they will pay a company like Google to display their advertisement on searches or other websites. Advertisements are becoming more and more apparent on different platforms and websites and with the costs of these mobile advertisements increasing, there is significant room for our holdings of Alphabet and Facebook to profit

Increase in Niche Social Media Platforms

There has been a switch in preferences in regard to social media and this is believed to continue well into 2020. Platforms such as Facebook, Instagram, and Twitter are able to maintain users by adapting to consumer preferences as well as coming up with new innovations. With that being said, there continues to be high turnover in the field, with an increase in demand for niche social media platforms such as TikTok, LinkedIn, and Twitch. These are all social media platforms that do not have direct competitors in regard to usage and provide a unique opportunity to engage with other users. Moving forward, demand for these niche social media platforms will continue to evolve and new platforms will be created to allow for new types of social engagement. These niche social media companies will likely avoid the IPO track of Snapchat and pursue buyouts from larger social media conglomerates.

Communication Services Coronavirus Report

Communications Sector Holdings Since February 3, 2020



The Communication Services sector is an interesting sector to follow during the coronavirus outbreak due to the wide variety of performance year-to-date. The fund has considered the effect of the virus on all holdings and monitored the market for opporutnities in the Communication Services sector.

Out of the five Communication Services stocks that the D'Artagnan Capital Fund holds in our portfolio, Netflix has seen the lowest price decline since the virus outbreak. Netflix's success is due to how the company is well established in the market and has been able to maintain subscribers as well as gain new subscribers over this time. Even though new production has been shut down, Netflix's wide variety of content has proven to keep customers satisfied especially during this time. The show 'Tiger King' proves to be a shining example of how Netflix's original content can attract a large user base and integrate itself in American pop culture.

Disney is a company that generates revenue from many angles. The stock price has dropped a significant amount in the last couple months. This decrease can be attributed to their parks closing, production being at a standstill, and decrease in demand for resorts and cruises. Much is still to be determined with Disney's upcoming movie releases, but a possible release on the Disney+ service could drive new users to the service. Disney+, has proven to be successful with data showing that 50% of households with a child under 10 have a subscription. Disney+ is able to generate revenues while many of Disney's other revenue streams are shut down. Facebook and Alphabet are the globe's biggest advertising companies and their revenues are generated almost completely based off of advertising. COVID-19 is causing many companies to decrease their supply of advertisements during this time. With the overall market strapped for cash, the demand for digital advertising has decreased, with liquidity deverted to more pressing company concerns. Although both companies' stock prices have significantly decreased, the D'Artagnan Capital Fund believes these stocks are poised for a rebound.

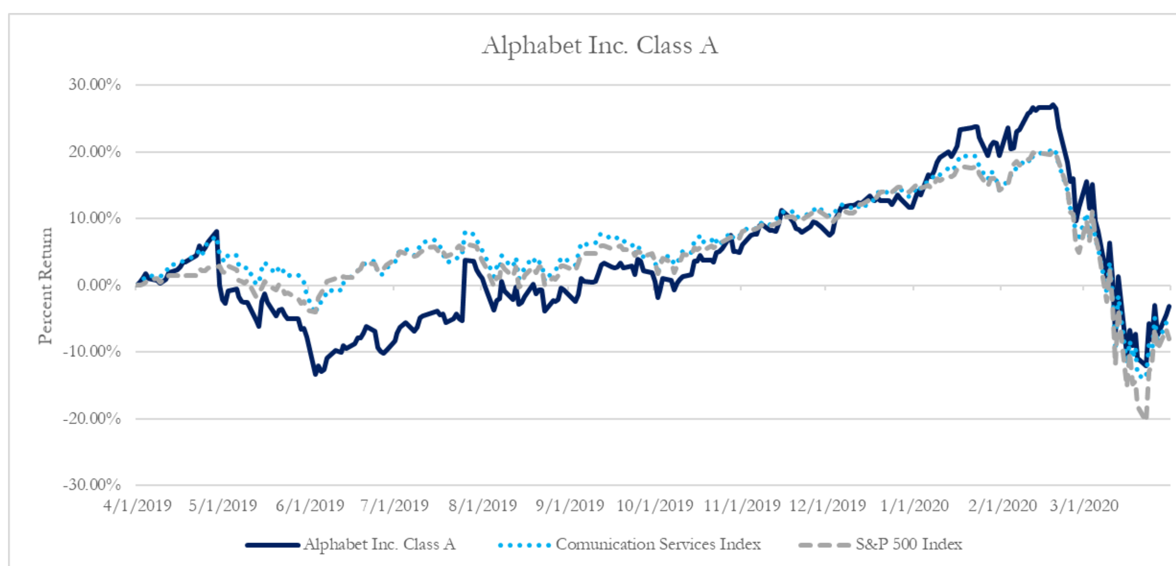
ViacomCBS was our worst performing Communication Services stock. ViacomCBS generates significant revenues from original content they create, however, the company has been affected by a production shutdown due to the virus. ViacomCBS has two divestitures planned and are in the process selling off $2-2.5 billion in assets that is now being pushed back due to the virus. The cancellation of the March Madness tournament also gouged ViacomCBS, as the CBS family of networks is the home to all games.

Communication Services Annual Trade Report

Date	Company	Ticker	Buy/Sell	Amount
9/23/2019	Verizon Communications	VZ	Sell	$ 14,470.05
10/30/2019	Walt Disney Co.	DIS	Buy	$ 29,828.89
10/30/2019	CBS Corp	CBS	Sell	$ 30,394.99
1/22/2020	Walt Disney Co.	DIS	Sell	$ 14,408.95
2/12/2020	Netflix	NFLX	Buy	$ 69,345.23
2/12/2020	Take-Two InterActive Software	TTWO	Sell	$ 68,178.01
2/14/2020	Netflix	NFLX	Buy	$ 4,993.21
3/4/2020	Alphabet Inc.	GOOG	Sell	$ 58,437.34
3/4/2020	ViacomCBS	VIAC	Buy	$ 57,048.08
3/25/2020	Facebook Inc	FB	Buy	$ 49,560.07
3/25/2020	Verizon Communications	VZ	Sell	$ 38,191.58
3/27/2020	Alphabet Inc.	GOOG	Sell	$ 6,749.04
3/30/2020	Netflix	NFLX	Buy	$ 3,351.90

Alphabet Inc. Class A & C (Nasdaq: GOOGL, GOOG) Interactive Media and Services

Shares	Weight in Portfolio	Weight in Sector	Annual Return
68 (A), 38 (C)	4.24%	38.81%	-2.65% (A), -3.09% (C)
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.03	$1,161.95 (A), 1,162.81 (C)	$1,736.20	49.42%



Company Description

Alphabet is a multinational conglomerate focusing primarily on online advertising service. The company operate via two segments, Google and then their other subsidiaries. The Google Segment is their biggest segment, and its offerings includes their ad service, Android, Chrome, YouTube, and Google Cloud to name a few. Alphabet's other subsidiaries include Calico, DeepMind, and Waymo, aall having somewhat of a technological focus in different fields.

Investment Rationale

Alphabet's overall presence within the internet make it a leader in both online advertising and the Internet of Things (IoT). Alphabet has entered strategic partnerships, such as the Nest line of home monitoring products, to allow for sustained revenue growth in the high-tech space. Developments with its suite of software had helped bolster their software products. Alphabet's introduction of the Pixel smartphones and Chromebook diversifies Alphabet's product portfolio to include hardware. These devices have led to more comprehensive customer product offerings, with the use of Alphabet software on Alphabet hardware. Alphabet continues to partner with innovative companies by implementing their technology. A key example of this is with Waymo, a company focused on self-driving car technology.

Competitors

Amazon, Inc.(NasdaqGS: AMZN)

Facebook, Inc. (NasdaqGS: FB)

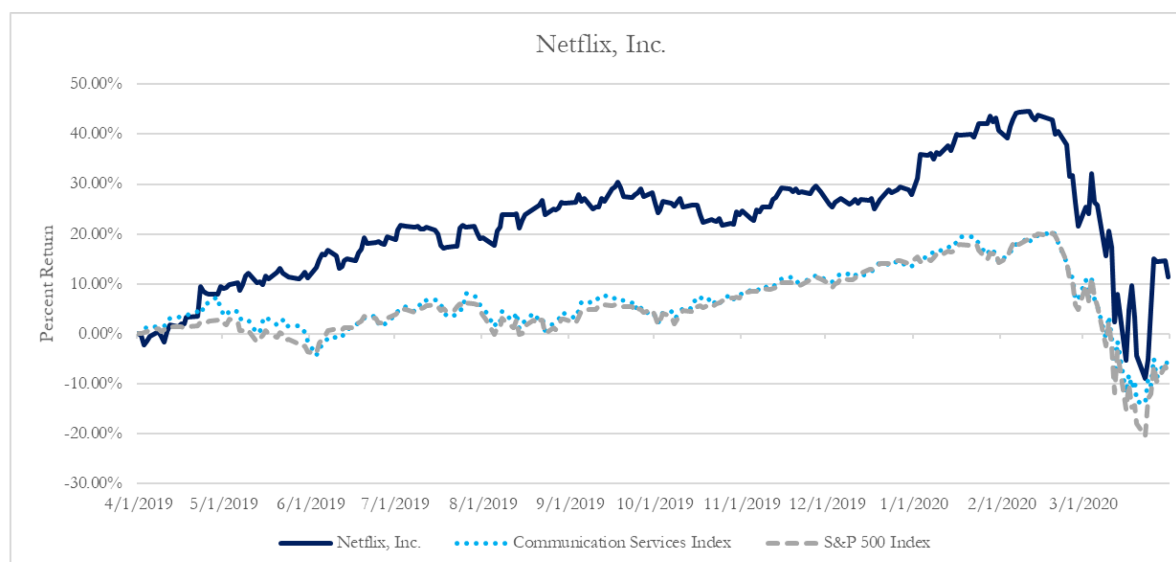
Snap Inc. (NYSE: SNAP)

Analyst Coverage

Sebastian Duve

Netflix, Inc. (NasdaqGS: NFLX) Movies and Entertainment

Shares	Weight in Portfolio	Weight in Sector	Annual Return
205	2.65%	24.25%	2.33%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.23	$375.50	$418.60	11.48%



Company Description

Netflix is a subscriber-based streaming service. First starting in the DVD rental market, Netflix has become the leader in the booming streamed media market. Netflix has combatted high prices to provide third-party content on their platform by introducing their original content. This original content has seen exponential growth in viewers, and it are beginning to be nominated for media awards. Netflix sees international streaming as an untapped market and they posess the resources to properly penetrate the streaming market, primarily in Europe.

Investment Rationale

Currently, the market is filling up with competitors to Netflix due to the profitability in the streaming space. Hulu, Apple TV+, CBS All Access, Disney + and future offerings of Peacock and HBO Plus pose a threat to Netflix's dominance. Despite fears of competition, Netflix has continued to add subscribers, despite the recent pressure from the release of Disney+. The exodus of Netflix subscribers that was predicted has not happened. While future developments in the streaming space may continue to pressure Netflix, consumer behavior currently shows sustained subscriber growth, despite alternative streaming offerings. Internationally, Netflix continues to expand, with Europe and the Middle East fueling the most growth in this area.

Competitors

Comcast Corporation (NasdaqGS: CMCSA)

The Walt Disney Compnay (NYSE: DIS)

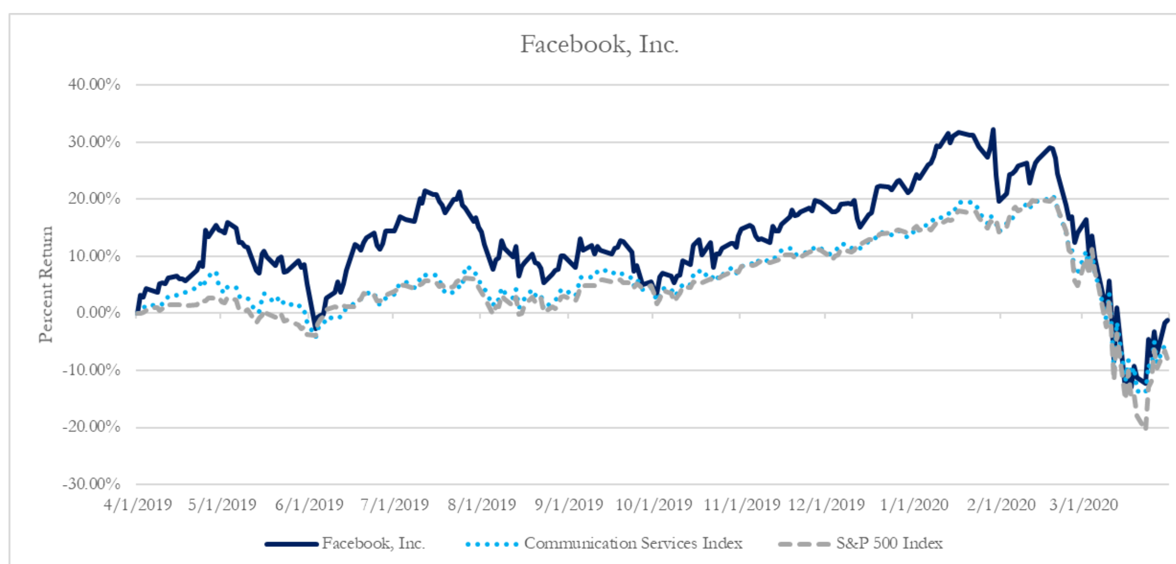
ViacomCBS Inc. (NasdaqGS: VIAC)

Analyst Coverage

Sebastian Duve

Facebook, Inc. (NasdaqGS: FB) Interactive Media and Services

Shares	Weight in Portfolio	Weight in Sector	Annual Return
304	1.75%	15.97%	-1.13%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.05	$166.80	$276.71	65.89%



Company Description

Facebook is an American based social media and technology company. Founded in 2004 by Mark Zuckerberg, it has expanded into varied projects in the internet space. Along with its namesake Facebook website, within the past decade Facebook has continued to roll out other products including Messenger, Instagram, WhatsApp, Oculus, and Portal. Facebook continues to dominate social media and the overall internet space, with over 2.9 billion users across its platforms.

Investment Rationale

Facebook has established itself as a giant in the internet space, similar to Google and Amazon. Facebook is able to engage a massive amount of consumers. 67% of the adults who meet the legal requirements to join Facebook are users. Facebook also has a dedicated following, with 78 percent users logging into their account on a daily basis. This strength of user base results in prime advertising opportunities to be sold to third parties., Facebook is able to garner an average revenue per user of $41.41 domestically. With innovations into their product portfolio, such as Facebook Marketplace, Facebook Dating, and Facebook Watch, Facebook continues to attract and retain an audience that is unmatched by competitors. Facebook is continually putting the user first as they continues to become an integral part of a typical “connected” life.

Competitors

Twitter, Inc.(NYSE: TWTR)

Alphabet Inc. (NasdaqGS: GOOGL)

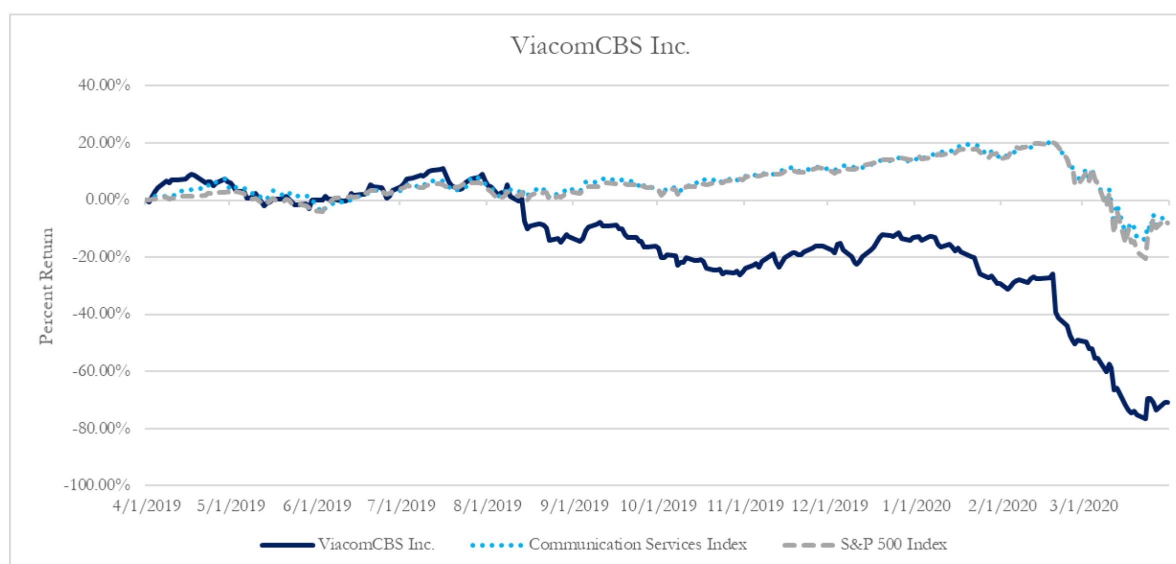
Snap Inc. (NYSE: SNAP)

Analyst Coverage

Sebastian Duve

ViacomCBS Inc. (NasdaqGS:VIAC) Broadcasting

Shares	Weight in Portfolio	Weight in Sector	Annual Return
2,477	1.19%	10.93%	-70.94%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.47	$14.01	$40.09	185.15%



Company Description

ViacomCBS is a mass-media conglomerate, focusing on TV and movie entertainment. ViacomCBS formed from the merger of Viacom and CBS as of December 4, 2019. Some of their main products include the distribution and production of entertainment on the CBS networks, Comedy Central, MTV, and Nickelodeon. ViacomCBS also controls the Paramount movie studio. Currently, ViacomCBS is trying to expand its streaming presence with Pluto TV, CBS All Access, and Showtime. ViacomCBS also holds a position in the publisher Simon & Schuster.

Investment Rationale

The merge of Viacom CBS faced merger-related costs of about $1 billion, something that the market has reacted to negatively. Despite this, CEO Bob Bakish has expected about $750 million in cost synergies alone from consolidation in areas like production and real estate assets. Despite intitial high costs, this merger will bring a combination of two media giants with a strong portfolio of movies, television shows, and intellectual property. In the race to create and perfect streaming services, ViacomCBS has holdings that will draw interest from third party streaming providers and drive traffic on their own streaming platforms. Despite sinking demand for cable television programming, ViacomCBS has acted swiftly to maintain their on-air content and position their property to adapt for a streaming-heavy future.

Competitors

Comcast Corporation (NasdaqGS: CMCSA)

The Walt Disney Company (NYSE: DIS)

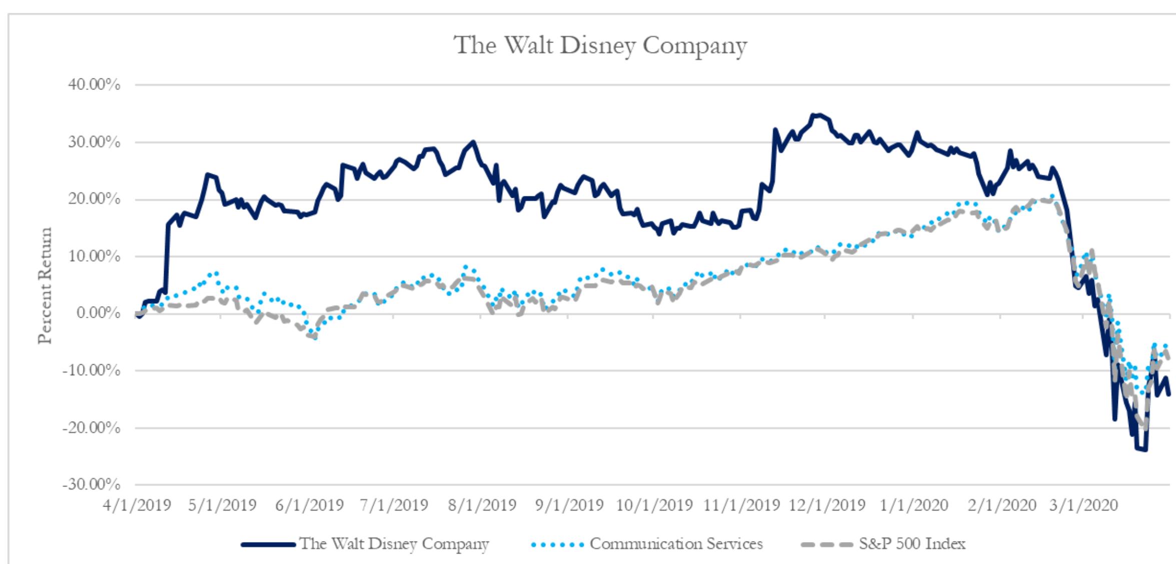
Fox Corporation (NasdaqGS: FOXA)

Analyst Coverage

Sebastian Duve

The Walt Disney Company (NYSE: DIS) Movies and Entertainment

Shares	Weight in Portfolio	Weight in Sector	Annual Return
330	1.10%	10.04%	-14.14%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.04	$96.80	$198.10	105.07%



Company Description

Walt Disney is an American-based international multimedia and entertainment conglomerate. Disney's media networks segment engages in the production and distribution of channels like ABC, Disney, and ESPN. The parks and experiences segment, includes their six theme parks, cruise line, vacation clubs, and revenues resulting from their impressive intellectual property portfolio The studio entertainment segment consists of their motion picture division, and their Direct-To-Consumers consists of their streaming services.

Investment Rationale

Walt Disney has become a media giant, with impressive range in their networks and cable channels. Disney also holds a controlling interest in Hulu and an acquired 21st Century Fox. With their strong pipeline of movies, the addition of Disney+ in Q4 of 2019 will help Disney fully realize the complete value of their media products. Along with their media improvements, they are also making many improvements to their parks, with the opening of Star Wars: Galaxy's Edge at Walt Disney World. Disney also will be soon adding new resorts and three cruise ships for their line. Their brand recognition and offerings in many different markets gives Disney holds an advantage in the popularity in their created content. With their diversified entertainment offerings, Disney will be able to extend the period in which they see revenues from content.

Competitors

Netflix, Inc. (NasdaqGS: NFLX)

ViacomCBS Inc. (NasdaqGS: VIAC)

Comcast Corporation (NasdaqGS: CMCSA)

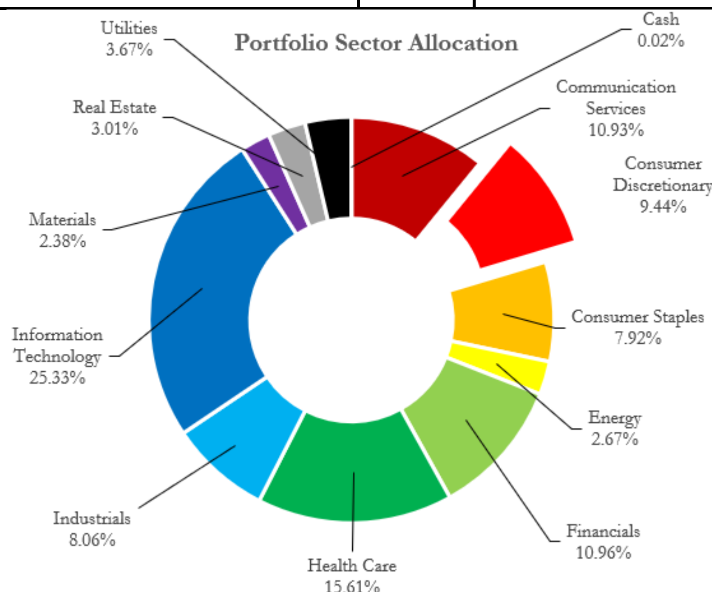
Analyst Coverage

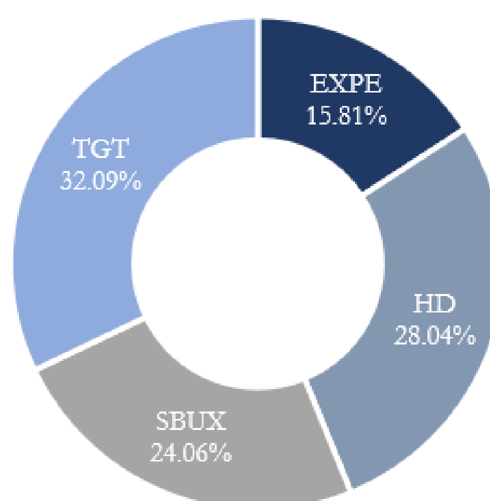
Sebastian Duve

Consumer Discretionary Sector Report

Holdings as of March 31, 2020

Company	Ticker	Subsector	Weight in Sector	Weight in Portfolio	Market Value	Annual Return
Target Corp.	TGT	General Merchandise Retail	32.09%	3.03%	$88,042.59	15.84%
The Home Depot, Inc.	HD	Home Improvement Retail	28.04%	2.65%	$76,924.52	-2.70%
Starbucks Corp.	SBUX	Restaurants	24.06%	2.27%	$66,002.96	-11.57%
Expedia Group, Inc.	EXPE	Internet and Direct Marketing Retail	15.81%	1.49%	$43,384.17	-52.71%





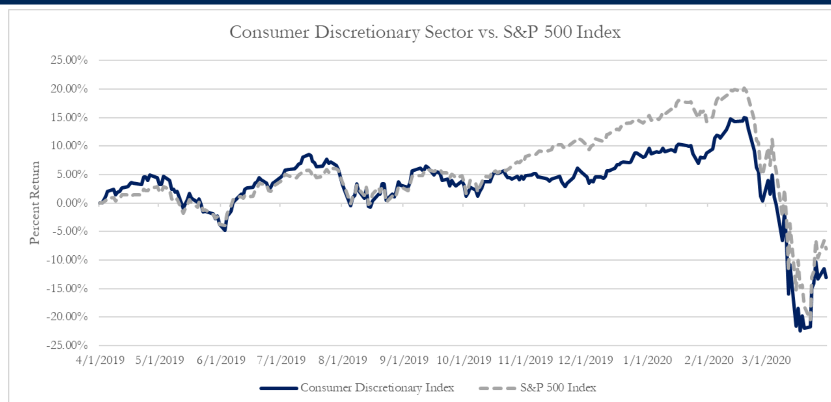
Consumer Discretionary Overview

Currently, the DCF holds four companies in the Consumer Discretionary sector. Target is the largest holding in the sector, making up about 3.03% of the portfolio. For most of the Annual period, the Consumer Discretionary Sector held The Home Depot, Inc. (NYSE:HD). In Mid-January the DCF decided to exit its positions in Amazon (NASDAQ: AMZN) and Lululemon Athletica (NASDAQ: LULU) and enter into Target Corp. (NYSE: TGT) as well as Starbucks Corp. (NASDAQ:SBUX). The Starbucks and Target positions were taken due to strong convictions in their value.

The DCF's Consumer Discretionary Sector can be broken down into two subsectors: Retail and Consumer Services. More specifically, our three retail companies position themselves within the General Merchandise Retail, Home Improvement Retail and Internet/Direct Marketing Retail segments.

Sector Overview	
DCF Sector Return:	-25.19%
Benchmark Sector Return:	-11.81%
DCF Sector Weight:	10.48%
Benchmark Weight:	10.01%
Asset Allocation:	-0.02%
Security Selection:	-1.40%

Sector Team	
Sector Manager:	Ryan Dils
Sector Analyst:	Will Brunner Alex Nemechek



Industry Analysis

For the past fiscal year, the Consumer Discretionary Sector performed poorly when compared to the broader market, as represented by the S&P500 Index. Over this period, the Consumer Discretionary Sector returned a loss of 13.63%, compared to the loss of 9.67% returned by the S&P500 Index. There have been a variety of reasons for this underperformance, with the recent stock market slide due to the coronavirus outbreak being just the most recent of these.

The past few months have seen increased volatility, as consumer confidence plays a central role in the Consumer Discretionary sector. The demand for consumer discretionary goods is typically much more elastic in comparison to consumer staples goods. This creates a demand environment that can shift very quickly in response to decreases in consumers' incomes or increases in prices on discretionary goods. The oronavirus outbreak has caused consumers to panic about buying many non-essential goods, causing a decline in the Consumer Discretionary Sector.

While some companies in this sector have still been able to post positive returns, the recent increased volatility has caused many to underperform and contribute negatively to the sector's overall performance. The worst performers for the past year have been Expedia and Starbucks with annual returns of –52.71% and –11.57% respectively. Home Depot had an annual return of -2.70%. Target was able to post positively, with a 15.84% return over the fiscal year.

One of the companies in our portfolio, Starbucks, closed more than 50% of its stores in China due to the coronavirus in February. Starbucks plans to reopen 85% of its 4,290 stores in China by the end of March. Another company in our portfolio, Expedia has been hindered from the coronavirus as the world is worried to travel and no one is making plans to travel, resulting in a difficult stretch for that company. Due to low consumer confidence levels, Target and Home Depot are hurting because of the coronavirus as well. However, these losses do not signify a massive change in the fundamentals of these companies, but rather just a few very rough months, and we maintain our conviction that they are undervalued by the market.

At the start of the Fiscal Year, the trade war with China was the main concern regarding the Consumer Discretionary sector. However, China and the United States are in the process of resolving the issue with a "Phase One" deal in place. The coronavirus epidemic has put China in a position of weakness since they need to import from other countries due to interruption of supply chains. During current conditions, it is unlikely that the trade deal will be revisited in the coming months, and trade conditions will likely remain as they are for the foreseeable future.

However, given that 2020 is an election year, increased action surrounding a trade resolution could begin once the coronavirus pandemic has been resolved, leading to strong upside movements in the Consumer Discretionary sector. Also, the conclusion of the virus itself would likely add additional upside in the market, especially in the discretionary sector as it is allowed to reopen after the virus. Unfortunately, however, the next few months are likely to be a continued struggle for this sector, with consumer confidence at all-time lows and fears of recession and heightened unemployment growing. So while the coronavirus is likely to bring about sustained damage to the discretionary sector, there is hope for potential upside once the worst of the virus has passed.

What's Changing in Consumer Discretionary

Failing Auto Industry

The coronavirus halted supply chains in China, but their factories are beginning to reopen. The current concern has shifted to consumer confidence levels. Supply chains do not have emotions and fears, but consumers do. Namely, the coronavirus outbreak is damaging consumer confidence in the market, resulting in a lack of spending. As consumer consumption begins to fall, this will likely have effect the same change in production levels. Going forward this is a major issue due to signs of a decelerating economy, caused primarily by production disruptions and massive increases in unemployment. In a financial downturn, major discretionary purchases would most likely be the first and hardest hit, with automobile purchases among these. This industry has already experienced difficulties in recent years, requiring government bailouts of major auto manufacturers, and the coming months could present another challenging period. One specific area in which the auto industry could be seriously hurt is in electric vehicles. Many companies are working aggressively to move into the growing electrical market, but a recession and decreases in consumer spending could destroy the electric vehicle market due to the higher costs on those vehicles. Government action such as incentives to purchase electric could help offset this effect, but there is no sign that the United States would take such action, leaving auto manufacturers in a difficult position.

Cruise & Travel Industry Panic

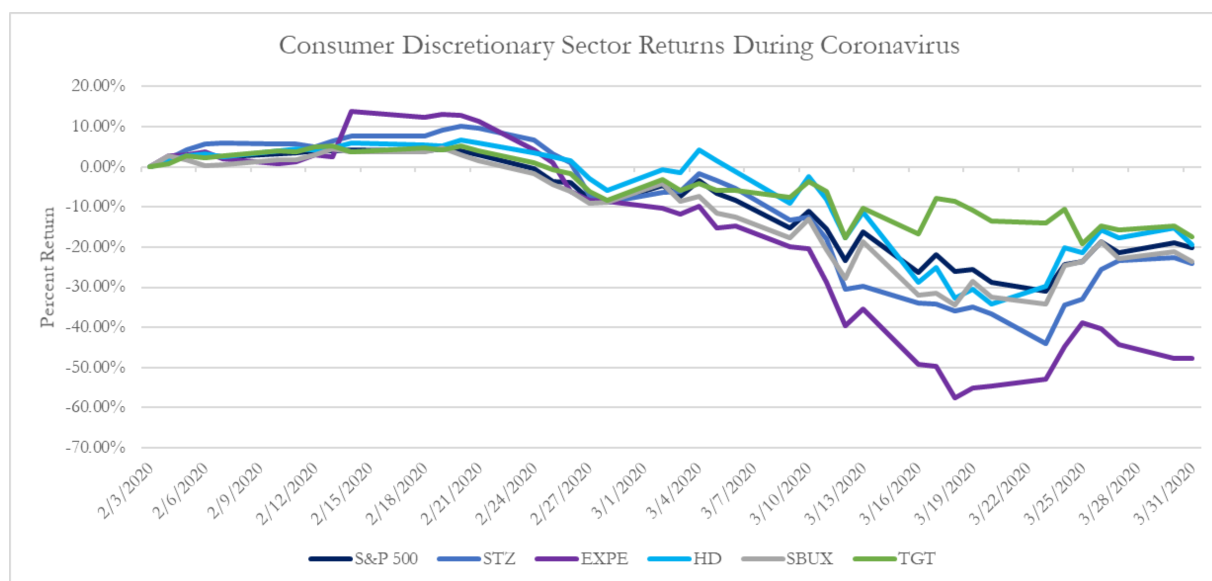
Among the sectors hardest hit by coronavirus fears is the Cruising and Entertainment Business. The Cruising Industry has been hurt as a whole due to growing negative sentiment based on the experience of one specific cruise ship, The Diamond Princess. The Diamond Princess was reported to have begun with 10 cases and rose to 700 coronavirus cases. The entire ship was on lock down and was halted at sea for days. One guest described it as "the cruise ship from hell". This sentiment from the Diamond Princess experience has caused travel companies around the world to suffer. Additionally, global coronavirus fears have resulted in little to no demand for vacations and traveling at the moment. This growing sentiment is bad news for the cruise industry, which has taken a multimillion-dollar financial hit as the situation unfolds. Bookings are down, and nonstop media attention has only brought further damage. To make things even worse, this negative attention has come at the worst possible time of the year. The coronavirus has occurred during the busy "wave season," when many travelers book cruises in the Northern Hemisphere for the upcoming warm weather months. Consumers do not want to take a chance of getting on a cruise ship where everybody boarding appears healthy, then hundreds get infected over the following weeks. Again, the whole world is in a state of confusion and panic which is hurting the Consumer Discretionary Sector as a whole but hindering the Cruise and Travel Industry even more. However, the sector does still have some upside potential following the resolution of the outbreak due to prices being at historic lows. Hopefully, companies will remain solvent and will be operating again in the near future, with massive gains to stock prices possible as the market recovers. However, no one knows when the virus will be cured and people will be able to safely travel again, so the horizon remains very uncertain.

Closing of Bars and Restaurants

Since the first case of coronavirus in the United States was confirmed in February, restaurants and other food businesses around the country have been affected in different ways. State legislature across the country has called all restaurants and bars to be shut down in order to stop the spread of the virus. National chain restaurants, as well as thousands of family-owned restaurants, have been forced to convert their stores to carry-out, drive thru and delivery hubs only. Instead of relying on dine-in, consumer service companies are relying on the carry-out method in order to retain costumer and generate revenue. It will be worth tracking shifts in consumer behavior following the resolution of the outbreak, as it is possible that consumers will become more accustomed to carry-out and delivery options and less inclined to eat in restaurants, which could cause major shifts in the restaurant industry for years to come.

Consumer Discretionary Coronavirus Report

Consumer Discretionary Holdings Since February 3, 2020



Change in consumer behavior

Before the coronavirus outbreak, the Consumer Discretionary Sector was performing well, with high levels of consumer spending on non-essential goods due to strong economic conditions. However, the sector has taken an especially big hit as a result of the pandemic because non-essential stores were among the first shut down by government action in an attempt to slow the spread of the disease. Additionally, the current quarantine and rapidly rising unemployment rates have American consumer concerned about their financial situation, and focused only on necessity goods. This change in mentality will help the Consumer Staples sector, while keeping consumers away from non-essential spending. Thus, given these difficult times, it will be most important to track how consumers respond to the return to normal life in the months ahead. These spending habits will be important for the D'Artagnan Capital Fund to track, as they may present buying opportunities.

How the coronavirus is affecting our holdings

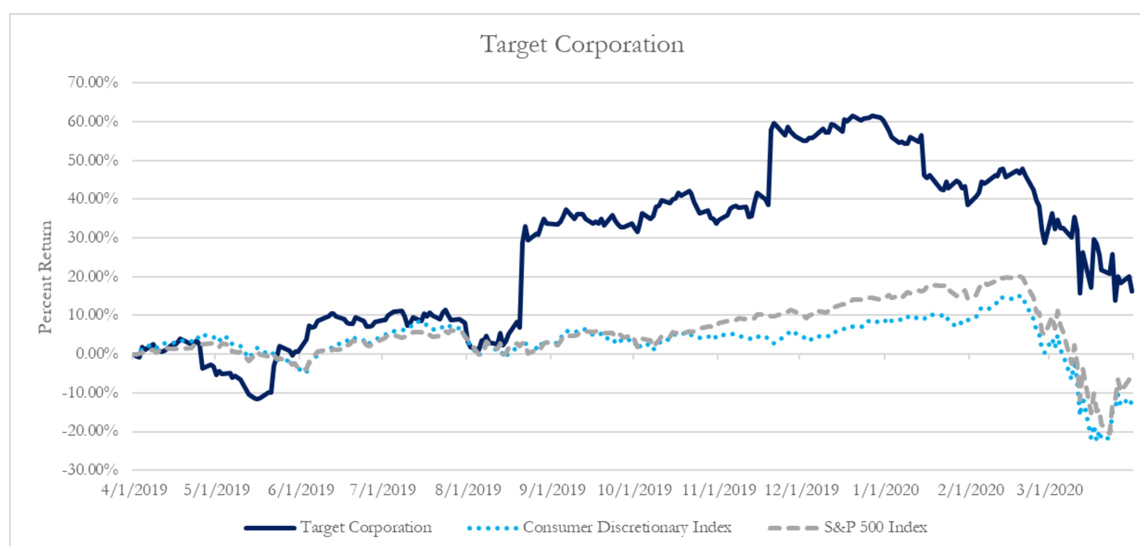
Home Depot is considered essential and they are committed to keeping stores open during this time of crisis. Some of their goods are in high demand and their merchants and supply chain teams are prioritizing replenishment and restocking as quickly as possible. Home Depot stores are closing their stores at 6 PM and limiting the number of customers allowed into stores at any one time, which could negatively affect performance. Expedia has seen a large negative return over the fiscal year because travel has all but halted due to nationwide quarantines across the world, leaving them no opportunity to execute travel deals. Target has been experiencing unusually strong traffic and sales, particularly in its stores and same-day services as customers are relying on higher levels of their essential goods like food, medicine, and cleaning products. In the month of February, Starbucks closed more than 50% of its stores in China due to the coronavirus. However, 85% of Starbucks stores in China are now re-opened for business.

Consumer Discretionary Annual Trade Report

Date	Company	Ticker	Buy/Sell	Amount
9/18/2019	Lululemon Athletica Inc.	LULU	Sell	$39,005.90
10/21/2019	Expedia Group	EXPE	Buy	$63,079.01
10/21/2019	Dollar Tree Inc.	DLTR	Sell	$63,008.59
1/15/2020	Expedia Group	EXPE	Buy	$41,869.22
1/15/2020	Lear Corp.	LEA	Buy	$37,595.44
1/15/2020	Target Corp.	TGT	Buy	$49,502.24
1/15/2020	Starbucks Corp.	SBUX	Buy	$39,940.90
1/15/2020	Amazon.com Inc.	AMZN	Sell	$117,388.41
1/15/2020	Lululemon Athletica Inc.	LULU	Sell	$26,805.92
1/22/2020	Expedia Group	EXPE	Sell	$7,212.92
2/14/2020	Target Corp.	TGT	Buy	$51,111.73
2/14/2020	Starbucks Corp.	SBUX	Buy	$51,112.28
2/14/2020	Lear Corp.	LEA	Sell	$92,896.90
3/27/2020	Target Corp.	TGT	Buy	$8,122.67
3/27/2020	Home Depot Inc.	HD	Buy	$9,992.37

Target Corporation (NYSE: TGT) General Merchandise Stores

Shares	Weight in Portfolio	Weight in Sector	Annual Return
947	3.03%	32.09%	16.26%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.62	$92.97	$143.49	54.34%



Company Description

Target Corporation operates as a general merchandise retailer in the United States. The company offers beauty and household essentials, grocery, apparel, accessories, home décor products, electronics, and other merchandise. Target has 42 private labels ("owned brands"), which are leveraged in their stores against third-party products. High quality in these private label products is critical for Target's success, and they have historically seen great success in operating these private brands and selling products in their stores. To combat the surge of online retail, Target has implemented various in-store amenities, such as Target Café, Target Optical, Target, and partnerships with third-parties, such as Starbucks and Pizza Hut.

Investment Rationale

Target's strategic partnerships increase traffic, drive repeat purchases, and create brand loyalty. Target has been creating exclusive brands and collaborations with as Disney, Levi's, and Toy R Us, to create immense value for consumers' shopping experience at Target. Exclusive brands have been increasing over-all traffic and allow for higher profit margins than regular third-party good sales. Target has been remodeling its large stores and opening new small format stores to create an easier consumer experience and capture new market demographics. The small format stores are being built in densely populated areas such as large cities and college campuses. Target continues to improve their digital sales volumes and expand their same-day fulfillment options to compete with Amazon's online retail.

Competitors

Costco Wholesale Corporation (NasdaqGS:COST)

Walmart Inc. (NYSE:WMT)

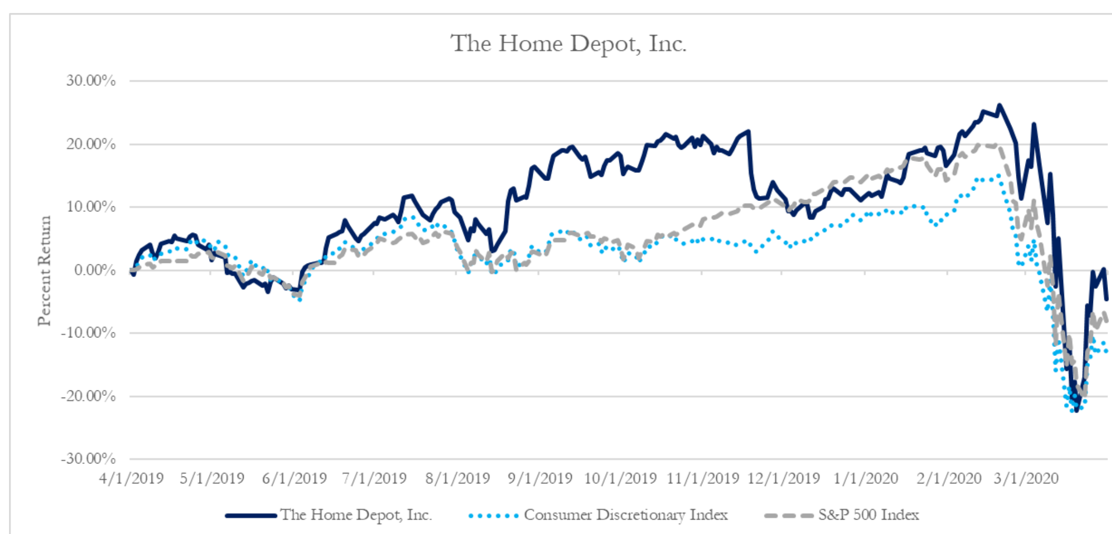
Amazon.com, Inc. (NasdaqGS:AMZN)

Analyst Coverage

Will Brunner

The Home Depot, Inc. (NYSE: HD) Home Improvement Retail

Shares	Weight in Portfolio	Weight in Sector	Annual Return
412	2.65%	28.04%	-4.56%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.93	$186.71	$254.13	36.11%



Company Description

The Home Depot, Inc. operates The Home Depot stores, which sell various building materials, home improvement products, lawn and garden products, and décor products. The product offerings are supplemented by services that provide installation, home maintenance, and professional service programs to do-it-yourself and industrial customers. In addition, it provides tool and equipment rental services to consumers and business clients. Home Depot sees its most revenue from serves home owners and professional remodelers, but also sees revenue from general contractors, handymen, property managers, building service contractors, and specialty tradesmen, such as electricians, plumbers, and painters.

Investment Rationale

Home Depot has been successful in investments in big data and data analysis, which has helped target advertising and realize strong revenue growth. Use of technology has also allowed for efficiency improvements. Limited capital expenditures and gradual improvements to stores and E-commerce have been critical to the growth strategy of Home Depot. Over the next few years, Home Depot plans improve their supply chain management and continue to provide low price points to customers. This investment will also increase the efficiency of their rollout of same day delivery in stores. They will set up centers that will allow same-day delivery for up to 90% of customers.

Competitors

Lowe's Companies, Inc. (NYSE:LOW)

Williams-Sonoma, Inc. (NYSE:WSM)

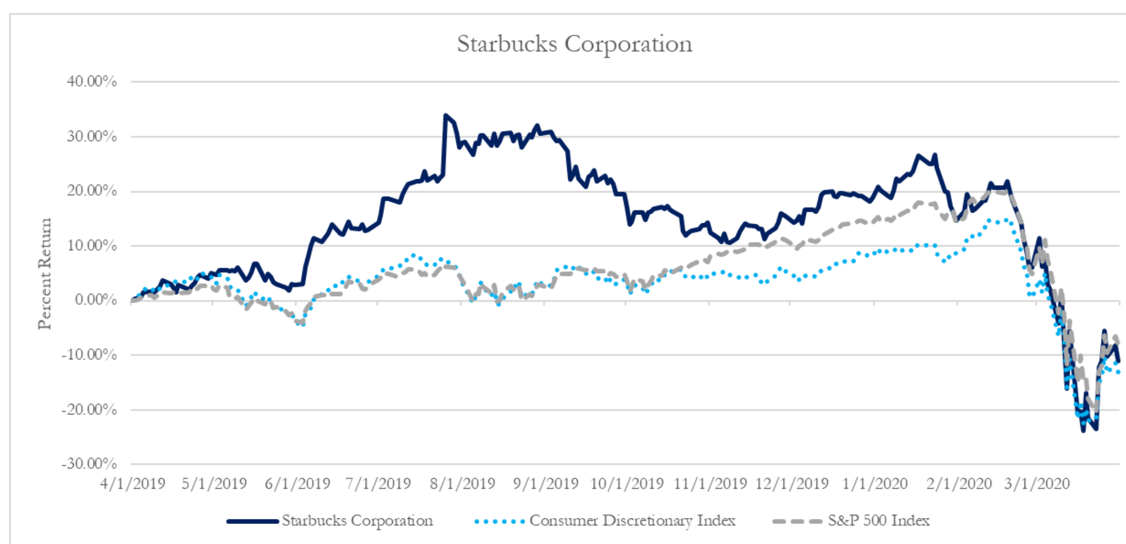
Lumber Liquidators Holdings, Inc. (NYSE:LL)

Analyst Coverage

Will Brunner

Starbucks Corporation (NYSE:SBUX) Restaurants

Shares	Weight in Portfolio	Weight in Sector	Annual Return
1,004	2.27%	24.06%	-11.11%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.58	$65.74	$104.49	118.27%



Company Description

Starbucks Corporation operates as a roaster, marketer, and retailer of specialty coffee worldwide. The company operates in three segments: Americas; International; and Channel Development. Its stores offer coffee and tea beverages, roasted whole bean and ground coffees, single-serve and various food products. Starbucks has expanded into the ready-to-drink energy drink business, with their Triple Shot Energy drink. Starbucks' next frontier is international expansion into Europe and Asia.

Investment Rationale

The market is not fully representing Starbucks Growth at Scale Agenda. Starbucks Growth at Scale has three initiatives to improve the value of the company: enhancing the in-store experience, delivering continuous beverage innovation, and lastly, focusing on creating and improving digital relationships. Starbucks has invested in technology and new machines to streamline efficiencies and make a more seamless experience for the costumer. Digitally-engaged customers purchase more products and return at a faster rate than those that are not digitally-engaged. Starbucks will also continue to see great international growth. Their main competitor in the Chinese market, Luckin Coffee, recently reported more than $310 million in fraudulent sales in 2019. This error indicates the desperateness of competition as Starbucks captures international markets.

Competitors

Dunkin' Brands Group, Inc. (NasdaqGS:DNKN)

McDonald's Corporation (NYSE:MCD)

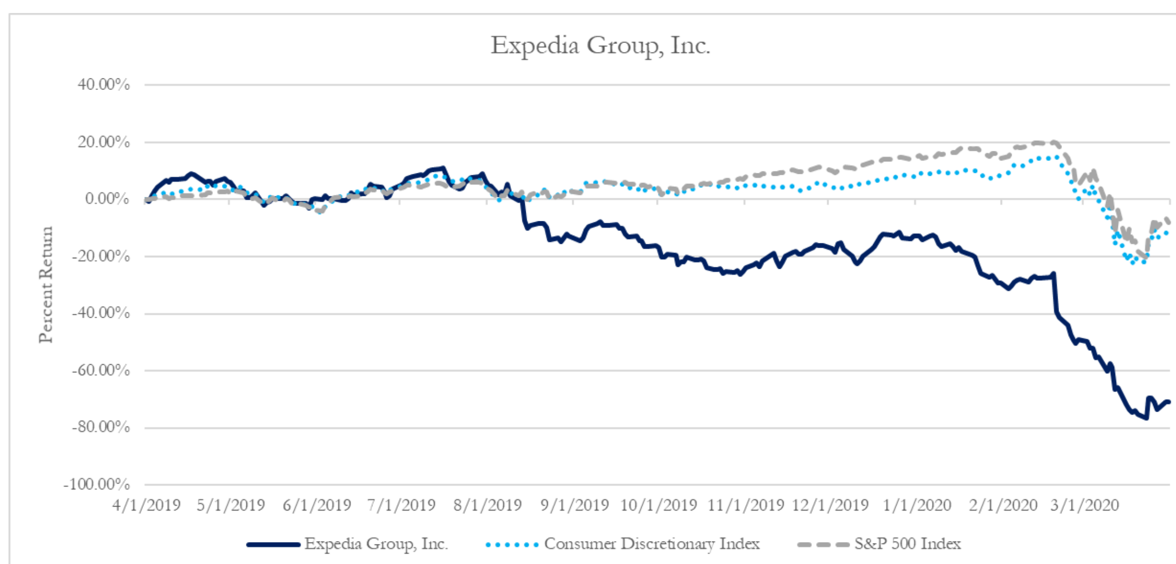
Keurig Dr Pepper (NYSE:KDP)

Analyst Coverage

Will Brunner

Expedia Group, Inc. (NasdaqGS:EXPE) Internet and Direct Marketing Retail

Shares	Weight in Portfolio	Weight in Sector	Annual Return
771	1.49%	15.81%	-53.21%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.03	$56.27	$151.62	169.45%



Company Description

Expedia Group, Inc. is an online travel company, which engages in the provision of travel products and services to leisure and corporate travelers. It operates through four segments: Core Online Travel Agency(OTA), Trivago, Vrbo, and Egencia. The Core OTA segment offers full range of travel and advertising services to worldwide customers through a variety of brands including Expedia.com and Hotels.com. The Trivago segment involves sending referrals to online travel companies and travel service providers from Trivago's hotel metasearch websites. The Vrbo segment operates an online marketplace for the alternative accommodations industry. The Egencia segment manages travel services to corporate customers worldwide.

Investment Rationale

Expedia has substantial growth opportunities in international markets. They will also hold strategic partnerships with companies in the travel industry such as specific airlines, hotels and car rental companies. Increased internet traffic will allow Expedia to better utilize website data to refine their strategy. This growth will become especially realized the emerging Indian and African markets. Despite traveling fears derived from the coronavirus outbreak, Expedia's reach in their digital marketing channels will allow them to preserve their hold over the travel market in the long-term.

Competitors

Booking Holdings Inc. (NasdaqGS:BKNG)

TripAdvisor, Inc. (NasdaqGS:TRIP)

Ctrip.com International, Ltd. (NasdaqGS:CTRP)

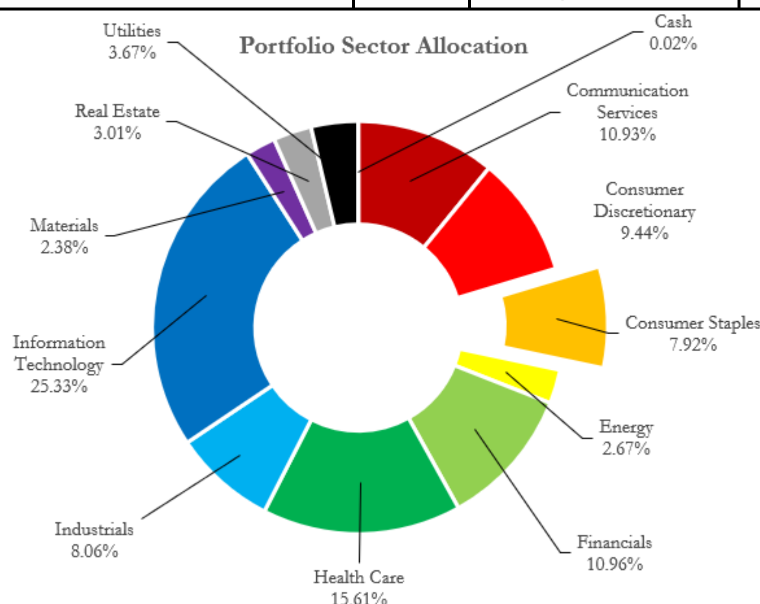
Analyst Coverage

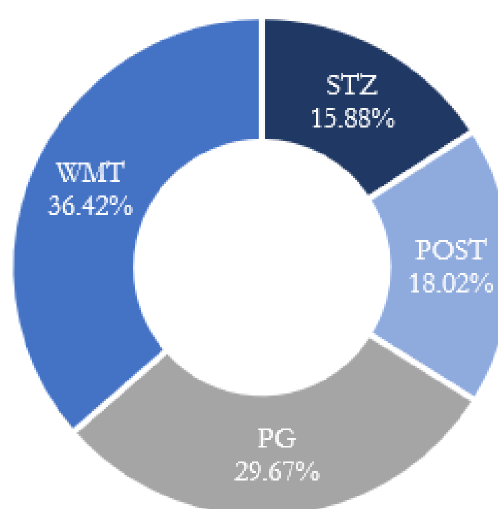
Will Brunner

Consumer Staples Sector Report

Holdings as of March 31, 2020

Company	Ticker	Subsector	Weight in Sector	Weight in Portfolio	Market Value	Annual Return
Walmart Inc.	WMT	Discount Stores	36.42%	2.89%	$83,851.56	16.15%
Procter & Gamble Co.	PG	Household and Personal Goods	29.67%	2.35%	$68,310.00	6.14%
Post Holdings Inc	POST	Packaged Food	18.02%	1.43%	$41,485.00	-24.06%
Constellation Brands, Inc.	STZ	Beverages	15.88%	1.26%	$36,556.80	-19.27%





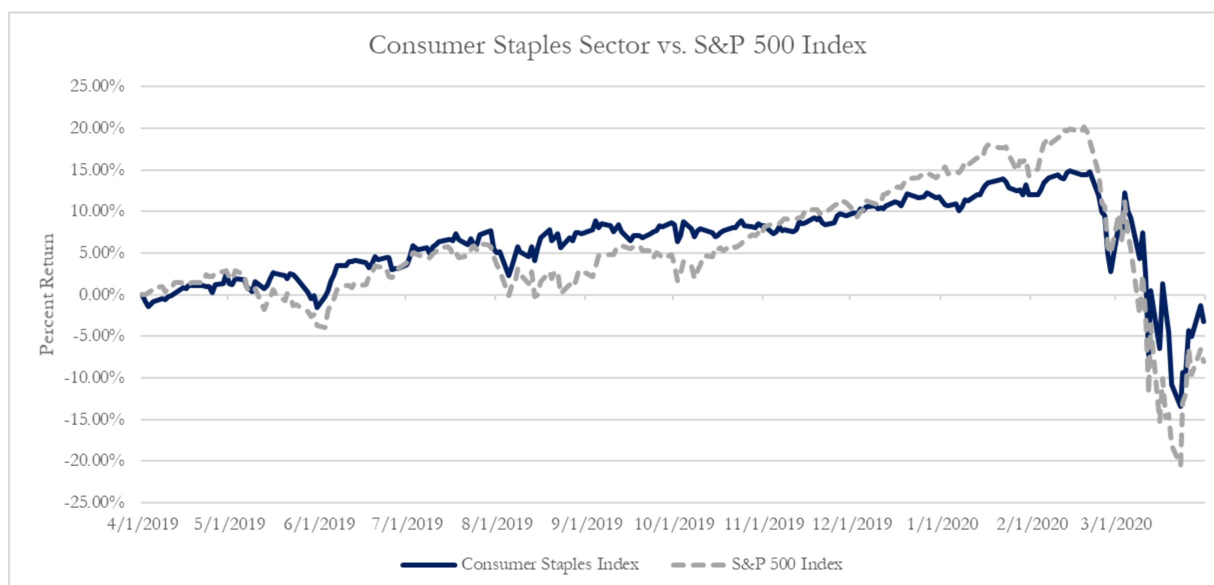
Consumer Staples Sector Overview

The DCF currently holds four positions, split up between discount retailers, food processing, distilling, and household and personal care industries. The Consumers Staples sector has made many several trades throughout the annual period to better position itself to account for trends and developments affecting its subsectors. Generally, our holdings in this sector are evenly distributed, based on a strong rationale for each investment in this sector.

While seen as a more defensive sector, the Consumer Staples sector has seen strong growth from key constituents, most notably from Costco and Walmart in the competitive wholesaler space. Moreover, recent additions to the portfolio, Constellation Brands and Post Holdings, appear to be durable investments given recent market volatility

Sector Overview	
DCF Sector Return:	-0.96%
Benchmark Sector Return:	-0.38%
DCF Sector Weight:	7.10%
Benchmark Weight:	7.38%
Asset Allocation:	-0.02%
Security Selection:	-0.04%

Sector Team	
Sector Manager:	Laura Poeckes
	Regan Wagner
	Ryan Dils
Sector Analyst:	Braden Latt



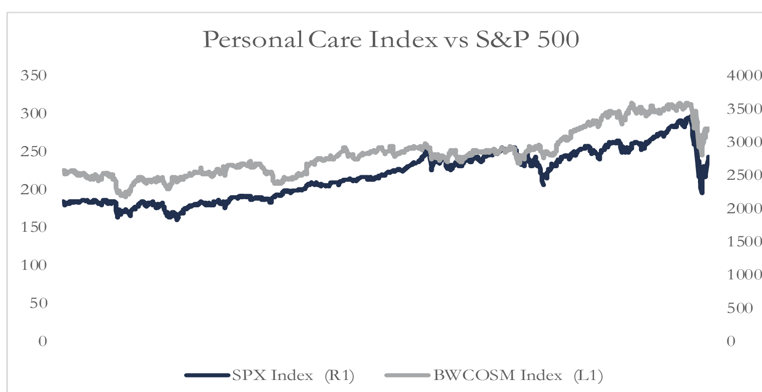
Industry Analysis

Over the past annual reporting period the Consumer Staple sector has held a majority of its positions in 3 out of the 6 subsectors: beverages, food and staples retailing, and food products.

The Fund holds Walmart, the largest player in the food and staples retailing subsector. The discount retail subsector has added great value to the portfolio with Walmart's annual return of 27.58%. Key drivers for success within this subsector include strong e-commerce technologies and capabilities, international growth, and investing improving retail locations.

The Fund has also invested in the beverage subsector with our position in Constellation Brands. Constellation Brands could lead to significant gains for the DCF due to the company's position in the beverage market. With the possibility of a recession looming over the United States, alcoholic beverages are seen as static consumer goods that do not actively fluctuate with large shocks to the American economy. After analysis of 2008 consumer trends, the Fund was comfortable holding Constellation brands, who primarily operates in above-premium beer and imports. Additionally, Constellation has turned to the evolving cannabis market with its acquisition of Canopy Growth, one of Canada's leading cannabis producers. Investment analysts believe that this emerging market is worth up to $6 billion in the United States. However, the prepared cannabis products market does not currently exist in the United States due to FDA regulation. Many analyst are optimistic that this will change within the next few years. Furthermore, the United States could turn to the legalization of cannabis to increase tax revenue during a period of economic contraction, making any position in this budding industry very attractive to the DCF. Shifts in legislation will be easy for Constellation Brands to capitalize on, given their existing distribution channels and expertise from operating this business in Canada.

The Fund invested in the personal products industry with the purchase of Procter & Gamble. The personal care industry has seen significant growth with a 5-year CAGR of 6.97% and a P/E of 23.65. The Consumer Staples team recognized the growth in this industry and sought to find the best opportunity in this subsector. After analysis on Estée Lauder, Unilever, and P&G, the Fund found P&G to be the best opportunity in the subsector.



Industry Analysis (cont.)

The Fund has no holdings in the soft drinks industry. Given the 52% decrease in soda consumption over the last five years, many traditional beverage manufacturers could experience poor revenue growth in the future. The Fund continues to monitor these soft drink companies, as fervent M&A activity to acquire energy beverages, coffee drinks, sports drinks, and flavored water could provide a viable growth strategy.

Food processing companies have seen strong performance throughout the 2019 calendar year, with a 44.6% earnings growth 2019. Winners in this industry have benefited from robust product portfolios, increased international exposures, strong M+A activity, and innovative operational technology. Our position in Post Holdings gives us exposure to a firm that has strategically capitalized on some of these recent developments.

What's Changing in Consumer Staples

Alcohol Consumption

Alcohol consumption has gone through massive changes in the past 5 years. Historically, the beer industry has held the largest market share of the alcohol market. However, beer volume has declined 2.4% in the past five years. Sales of domestic beer slipped 4.6% between October of 2018 and October 2019. Craft beers also fell 0.4% in 2019 as well. Emerging alcoholic beverages include spiked seltzers, liquor, wine, and premade cocktails. The spiked seltzer market sales jumped to about 1.2 billion in 2019, which is over 200% growth from 2018. Many other companies like Boston Beer, Anheuser-Busch, Molson-Coors, and Constellation Brands have entered or are planning to enter into the spiked seltzer market. Difficulty in penetrating this market is clear, given consumer loyalty. However, Anheuser-Busch was able to make a substantial position in this market by leveraging the popularity of their Bud Light brand and integrating that with their seltzer brand. Constellation plans to use a similar strategy in their release of Corona-branded Seltzers. Pre-made cocktails have also seen strong 17% growth in 2019. Most importantly premium liquor has seen consistent growth in the past decade and is gaining market share in total alcohol consumption. Spirits grew 6% in 2019, with tequila and whiskey growing the fastest at 13% and 8%, respectively. It is important to continue to monitor consumer behavior shifts to find the best opportunities in the alcohol space. A possible recession could swing consumer preference back towards beer, as a cheaper option.

Personal Care Industry Growth

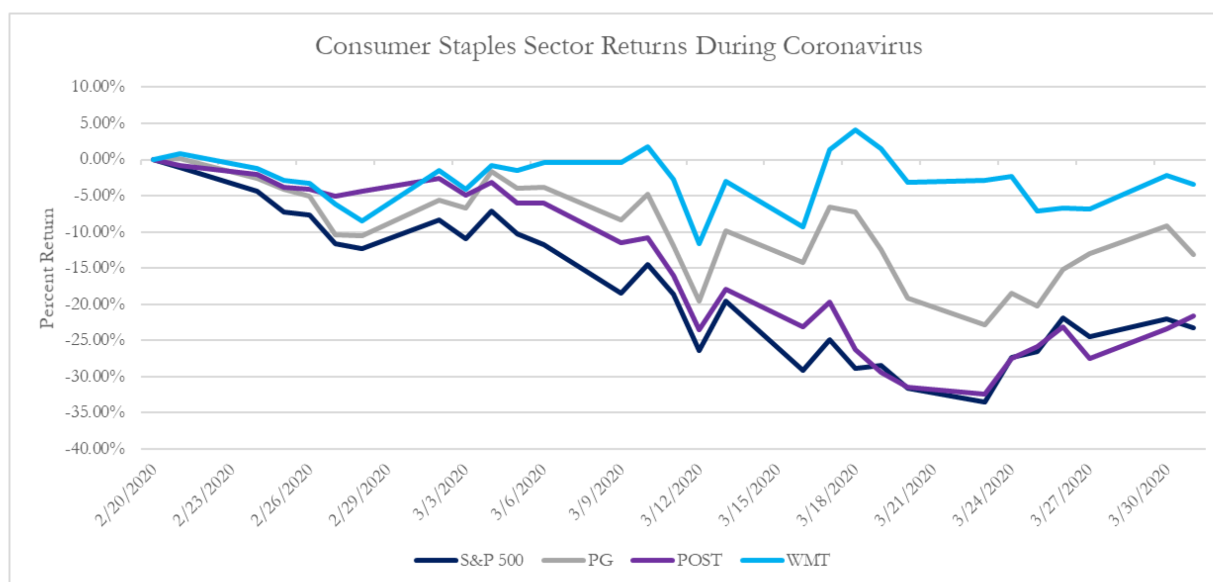
Over the past 5 year the personal care industry has consistently experienced high growth, due to a boom in premium personal care products. Given a rise in disposable income, many consumer demand higher quality products, which has driven innovation and M&A in this field. Another contributor to growth is the entrance of the male consumer into the industry. Over the past 5 years, men have become increasingly involved with personal grooming. The men's grooming segment of Procter & Gamble has historically experienced low single-digit growth. However, in Q1 and Q2 of FY2020 this segment reported high single-digit growth. Personal care industry growth has also been supported by the growth of e-commerce. This industry continues to be monitored closely, especially for consumer trends in the developing economic climate.

Online Grocery Expansion

The global online grocery market was valued at USD $98.4 million in 2019. The rise in broadband technologies such as smartphones being used across all demographics has allowed grocery to be the next big growth item for retailers to improve their e-commerce footprint. Grocery retailers and supermarkets like Walmart, Costco, and Kroger have been trying to find ways to effectively compete against Amazon in the midst of a retail apocalypse, and that is through same day buy online curbside pick up and delivery on grocery. This market has been relatively untapped until the pandemic of COVID-19. Due to the concept of social distancing and quarantine people are forced and suggested to resort to online shopping, including grocery. Curbside pick-up and delivery is also greatly more efficient and reduces up to 70% costs as the retailers are able to use their store fronts as warehouses to fulfill online orders.

Sector Coronavirus Report

Consumer Staples Holdings Since February 3, 2020



The Consumer Staples sector has typically outperformed the market in times of uncertainty and during a recession. According to Barclays, the Consumer Staple sector has outperformed the S&P 500 by 49% total return in the last 25 years. Most of this outperformance was created during 3 periods: 1990-93, 200-03, and 2008-09. These three recessionary time periods can provide a roadmap for understanding the Consumer Staples sector in this time of great uncertainty. Facing COVID-19, investors may move rebalance their portfolios to be overweight in Staples, similar to strategy in 2008. Consumer Staples gives an intriguing position with less market liquidity and lower consumer disposable incomes. Therefore, consumers decrease demand for high-priced premium brands and retreat to staple brands and products.

The coronavirus pandemic has had an immense impact on the Consumer Staples sector of the DCF. Due to the coronavirus there has been a sharp change in consumer demand in the Consumer Staples sector, especially in retail stores. Over the past month demand for premium personal care products has softened. However, demand forb cleaning and home care products, alcoholic beverages, and grocery and discount retail have all seen an uptick in demand. Many consumer spending habits and employment situations have changed as a result of the pandemic. Due to these reasons the consumer staples sector will be one of few sectors to see encouraging growth through the pandemic.

The DCF's holding in Constellation Brands has been hit the hardest during this time. Constellation Brands' most notable brand holding is its Corona beer. However, due to the name of the beer being so similar to the name of the virus the Corona brand has seen a 38% cratering in Corona sales. This fall is due to the unfortunate brand image and the closure of bars, stadiums, and other social alcohol-serving venues. Beer sales from liquor stores have partially made up for this decline, with a 50% increase in liquor store sales in the past two weeks.

Walmart and Procter and Gamble have been two of the best performing stocks in the S&P 500 index since the pandemic started. Due to the closures of many specialty grocery stores and markets, many consumers are forced to get their needs at the national food and discount retailers. Since these stores have been deemed essential, Walmart sales has jumped 20% in March. Procter and Gamble has minimalized losses throughout this period as well. Though the loss of travel has hurt some of P&G's product offerings, the company still maintains its sales, EPS, and FCF productivity forecasts, which were just increased, prior to the outbreak.

Consumer Staples Annual Trade Report

Date	Company	Ticker	Buy/Sell	Amount
9/25/2019	Constellation Brands Inc.	STZ	Buy	$ 52,222.25
9/25/2019	Post Holdings	POST	Buy	$ 52,671.20
9/25/2019	Keurig Pepper Inc.	KDP	Sell	$ 48,279.63
9/25/2019	Archer Daniels Mid-land Co.	ADM	Sell	$46,557.28
1/22/2020	Walmart Inc.	WMT	Buy	$ 13,989.21
3/4/2020	Procter & Gamble Co.	PG	Buy	$ 75,265.05
3/4/2020	Costco Wholesale Corp.	Cost	Sell	$ 76,071.51

Walmart Inc. (NYSE: WMT) Hypermarkets and Super Centers

Shares	Weight in Portfolio	Weight in Sector	Annual Return
738	2.89%	36.42%	16.15%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.43	$113.62	$133.72	17.69%

Company Description

Walmart is the largest global retailer operating 11,503 stores, both domestically and internationally. Walmart operates in 3 segments: Walmart US, Walmart International and Sam's Club. Walmart has leveraged its e-commerce business with its in-store retail to maintain an advantage in the retail space. Walmart has sought to capture an increasing share of the grocery market, by expanding delivery and pick-up in-store options. Walmart's cornerstone strategy is Everyday Low Prices, which focuses on cost-cutting benefits trickling down to the consumer, establishing Walmart as the premier value option.

Investment Rationale

Competitors have been unable to match Walmart's prices, given Walmart's effective supply chain management and operational efficiency. Walmart has significantly grown their online presence. In Walmart's most recent quarter, they realized 43% annualized growth in their online sales, surpassing their high target growth of 40% year-over-year. Their e-commerce success is due to the progress of their website and offerings as well as expansion of in-store pickup of all products. With Walmart's pickup in-store strategy, they hold a significantly better position than Amazon. 90% of the U.S. population lives within ten miles of a Walmart store, allowing closer shipping and more convenient in-store pickup than Amazon. Walmart has emerged as the leader in grocery delivery and pick-up, dominating Amazon, even with their Whole Foods offerings.

Competitors

Amazon.com Inc. (NasdaqGS: AMZN)

The Kroger Co. (NYSE: KR)

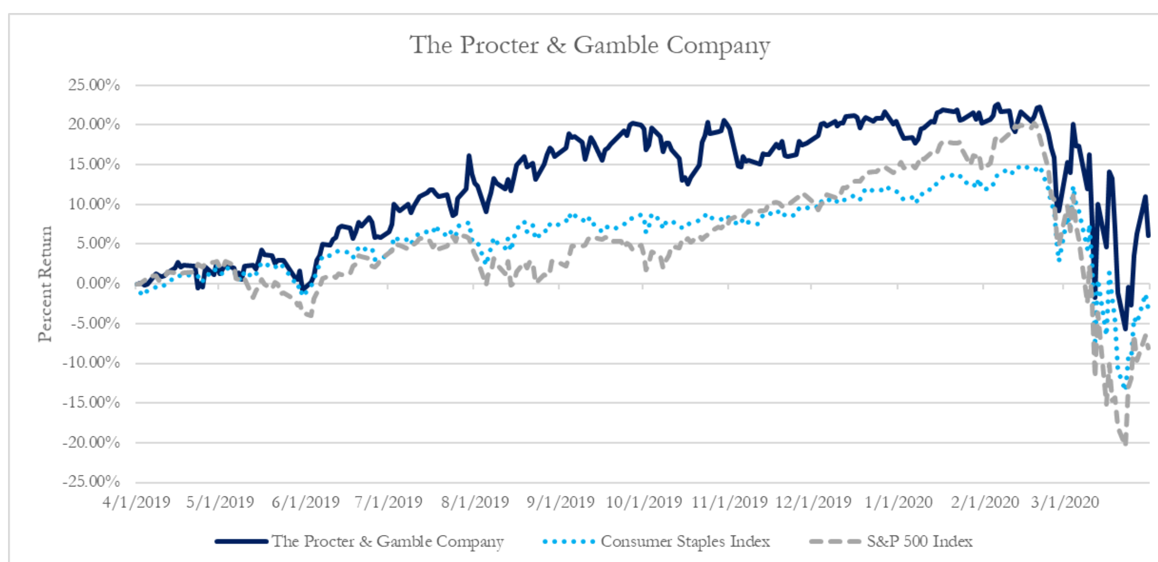
Target Corporation (NYSE: TGT)

Analyst Coverage

Braden Latt

The Procter & Gamble Company (NYSE: PG) Household Products

Shares	Weight in Portfolio	Weight in Sector	Annual Return
X	X.XX%	XX.XX%	XX.XX%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.42	$110.00	$125.82	14.38%



Company Description

P&G is the world's largest provider of branded consumer packaged goods. P&G's five segments include: Beauty, Grooming, Healthcare, Fabric & Homecare and Family care. Some of their most notable brands include Bounce, Crest, Gillette, Pampers, Pepto Bismol, Old Spice and Tide. Fabric and home care are P&G's leading product category accounting for a third of sales. The company sells products in 180 countries, with the US being the largest market. P&G sells their products to distributors, retailers, grocery chains, and consumers..

Investment Rationale

In 2018 P&G slimmed down from 10 business units to 6 and each has its own CEO. This new structure has sparked organic growth, cost cutting and process improvement. The Beauty unit has divested 40 individual make-up brands to cosmetic company Coty, Inc. This opens the category for flexibility in capitalizing on emerging trends in cosmetics and skincare. P&G has met revenue and earnings estimates for the past 5 consecutive quarters, re-affirming their reliability and durability. In 2019, P&G overhauled their supply chain network, saving an estimated $1.2 bn. Additionally, P&G is at the half way point in a 10-year cost-cutting plan, estimating total savings to be near $10 bn. at completion. P&G also has committed to reducing their environmental footprint in response to consumer preferences.

Competitors

Johnson & Johnson (NYSE: JNJ)

Kimberly-Clark Corporation (NYSE: KMB)

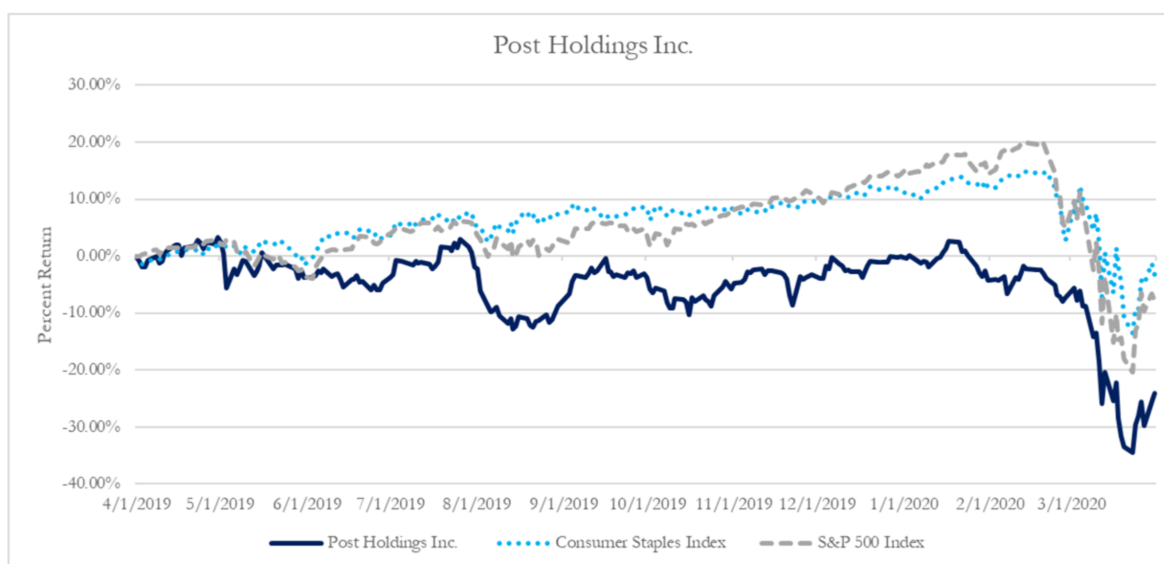
Colgate-Palmolive Company (NYSE: CL)

Analyst Coverage

Braden Latt

Post Holdings Inc. (NYSE: POST) Packaged Foods and Meats

Shares	Weight in Portfolio	Weight in Sector	Annual Return
500	1.43%	18.02%	-24.06%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.35	$82.96	$115.78	39.54%



Company Description

Post Holdings, operates as a retail-focused food company, primarily offering cereal. In their Post Consumer Brands segment, they offer ready-to-eat (RTE) cereal products. Post's champion cereal brands are Honey Bunches of Oats, and Fruity Pebbles. Post has exposure in the U.K., operating cereals under the Weetabix name, the U.K. market leader in RTE and hot cereals. Post operates a Refrigerated Food segment that offers liquid egg products, sausage, side dishes, and potato products. Post is preparing a spin-off of their Active Nutrition business that focuses on protein shakes, powders, and bars.

Investment Rationale

Post will experience substantial growth in their RTE cereal products. Post is focusing on capitalizing on the non-breakfast consumption of cereal, in addition to traditional cereal consumption. 20% of cereal is currently consumed outside of breakfast, a rise from 10% in 2009. Post is well-positioned to beat other RTE cereal producers by shifting towards sugary cereal offerings. Despite a market trend towards healthier options in other breakfast products, cereal is seeing a demand shift towards sugary cereal. Post produces Fruity Pebbles, Oreo O's, and recently introduced a Sour Patch Kids cereal to capitalize off this greater market demand. Cereal is also a significantly recession-proof business, as it is a cheaper option than the emerging competition of fast food breakfast.

Competitors

General Mills, Inc. (NYSE: GIS)

Kellogg Company (NYSE: K)

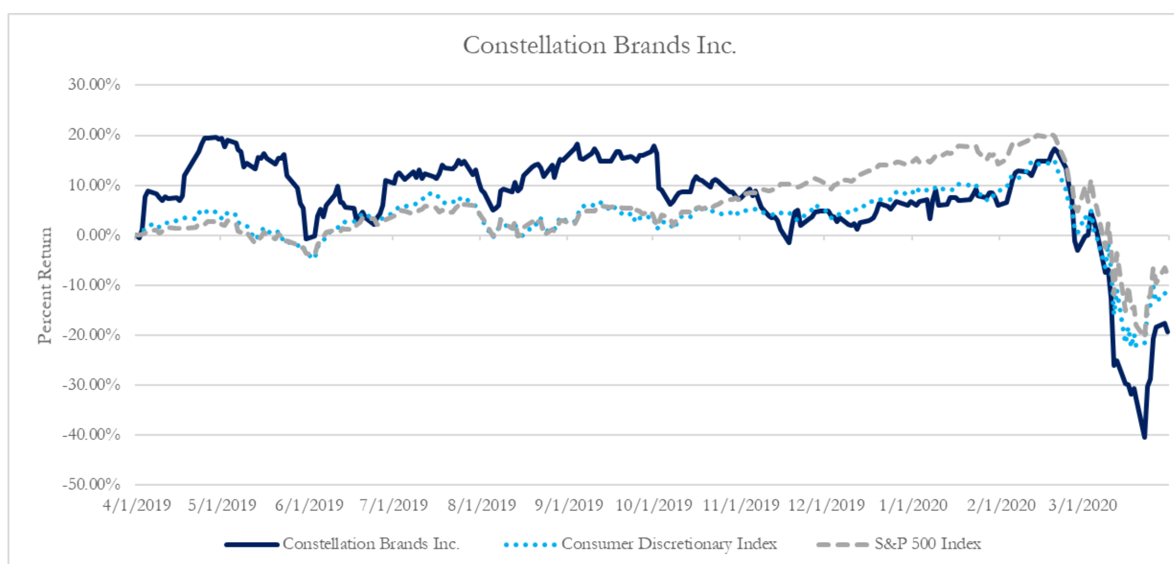
Conagra Brands (NYSE: CAG)

Analyst Coverage

Braden Latt

Constellation Brands Inc. (NYSE: STZ) Distillers and Vintners

Shares	Weight in Portfolio	Weight in Sector	Annual Return
255	1.26%	15.88%	-19.27%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.77	$143.36	$242.75	69.33%



Company Description

Constellation Brands is an international alcohol distributor and producer. They operate through two revenue streams: Import Beer and Wine+ Spirits. Constellation's two flagship brands are Corona and Modelo products. They are pursuing controversial and progressive positions in the U.S. cannabis market with buy-ins to several marijuana companies. Constellation provides its products to wholesale distributors, retailers, on premise locations and state alcohol beverage control agencies

Investment Rationale

In 2017 Constellation put a 9.9% buy-in to the marijuana producing company Canopy Growth Corp. If legislation for the legalization of Marijuana is passed, Constellation stands to capitalize on this holding. Constellation's existing distribution network would allow for speed in penetrating this new market. Canopy purchased competitor Acreage Holdings in 2019, their strategic foothold in the US market. Modelo and Corona's recent growth contributed to Constellation's recognition as the #1 growth contributor in the U.S. Beer market in 2019. In 2019 Corona introduced "Corona Refreshers" spiked seltzers. Constellation hopes to utilize the popularity of the Corona brand to enter this booming market, similar to Anheuser-Bush's leveraging of the Bud Light brand in entering the hard seltzer market.

Competitors

Anheuser-Busch InBev SA/NV (ENXTBR:ABI)

Molson Coors Brewing Company (NYSE: TAP)

Pernod Ricard SA (ENXTPA:RI)

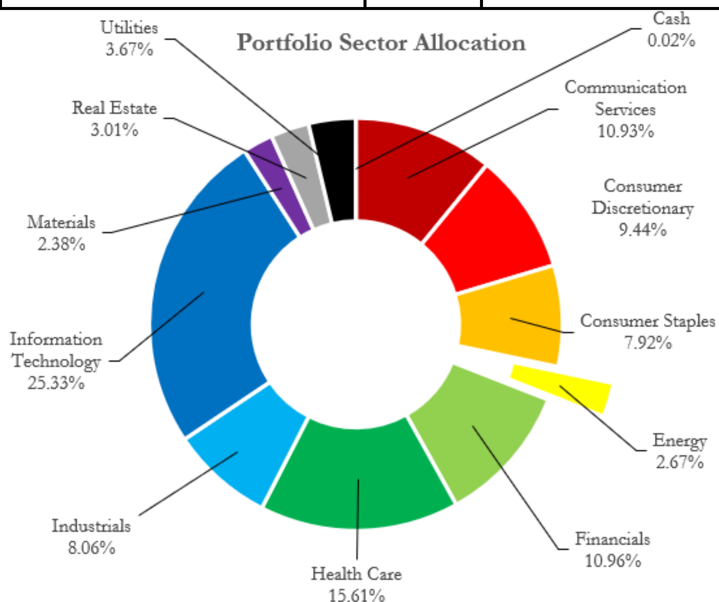
Analyst Coverage

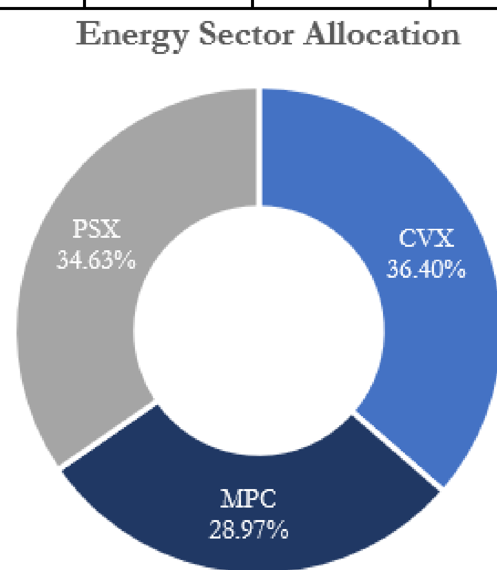
Braden Latt

Energy Sector Report

Holdings as of March 31, 2020

Company	Ticker	Subsector	Weight in Sector	Weight in Portfolio	Market Value	Annual Return
Chevron Corporation	CVX	Integrated Oil and Gas	36.4%	0.97%	$28,186.94	-42.00%
Phillips 66	PSX	Oil and Gas Refining and Marketing	34.6%	0.92%	$26,825.00	-43.57%
Marathon Petroleum Company	MPC	Oil and Gas Refining and Marketing	29.0%	0.77%	$22,439.00	-61.31%





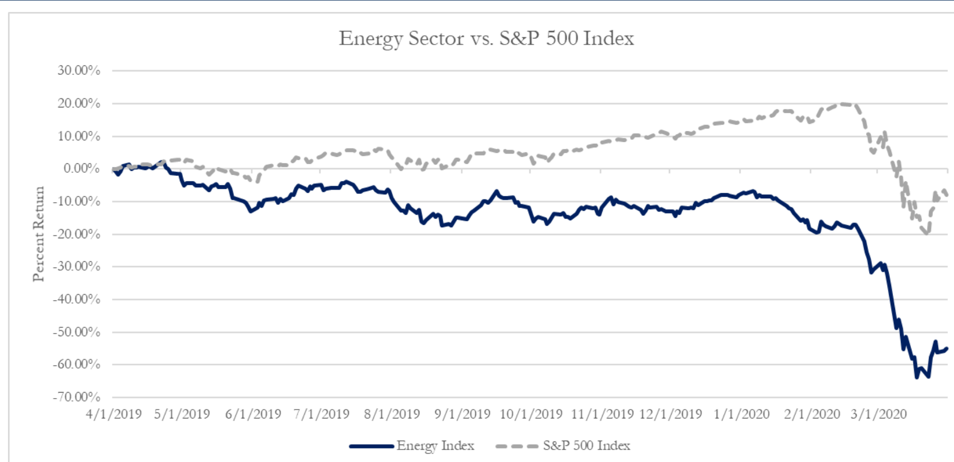
Energy Sector Overview

The D'Artagnan Capital Fund has three holdings in the Energy sector all of which are involved in exploration and production, transportation , and refining of oil. Our holdings are also involved in the exploration, production, and sale of natural gas as well as the sale of gasoline directly to consumers through a line of gas stations.

The Energy sector has experienced massive down turn during the annual period. The price war between Saudi Arabia and Russia as well as a drop in demand due to the coronavirus pandemic saw a massive drop in oil prices. Because of this Phillips 66 and Chevron saw price drops of upwards of 40% during the annual period and Marathon saw a drop of over 60%.

Sector Overview	
DCF Sector Return:	-62.56%
Benchmark Sector Return:	-53.06%
DCF Sector Weight:	4.62%
Benchmark Weight:	4.33%
Asset Allocation:	-0.12%
Security Selection:	-0.49%

Sector Team	
Sector Manager:	Brian Dechow
Sector Analyst:	Nick Frank



Industry Analysis

The price of oil and natural gas remains the primary driver behind profits and losses in the Energy sector. However, some companies, including Chevron and Phillips 66, have begun to move a portion of their business into petrochemical production or the production of natural gas liquids such as propane and butane. There has also been a move into the production of chemicals not derived from oil such as chlorine. These moves, though they help strengthen bottom lines against drops in hydrocarbon prices, remain small and cannot be counted on to replace revenues from the production of oil and natural gas.

Oil prices stayed fairly flat from April 2019 to the beginning of January 2020 never dropping below $50 a barrel but never rising above $65. Because of this revenues and earnings also remained fairly flat on average in the energy industry. In January of 2020 two major events occurred driving oil prices down. The first was the threat of conflict between the United States and Iran, which had it occurred, would have caused major disruption to the export of oil from the region. Following that was the discovery of the COVID-19 virus in China which led to the shutdown in Wuhan, and other areas of China, causing a fall in demand for oil and subsequently prices. The COVID-19 virus has since spread across the globe, causing further shutdowns, further drops in demand, and further drops in price.

As demand for oil fell amid the COVID-19 outbreak OPEC agreed to cut oil production by roughly 1.5 million barrels per day, and called on Russia to make similar cuts. Russia refused to make any such cuts. In response to this refusal Saudi Arabia announced discounts ranging from $6 to $8 to its customers around the world. On March 8, 2020 the day this was announced, Brent crude oil fell 30%. Oil continued its free fall reaching a low point of $19.27 only rebounding slightly after this point. This severe price drop, along with market volatility from COVID-19 caused a major sell off in the energy sector. Many companies have issued new guidance in light of this lowering outlook for revenue and earnings. As of March 31, the price war is still on going despite attempts from the United States to intervene and the price of crude oil sits at $20.31.

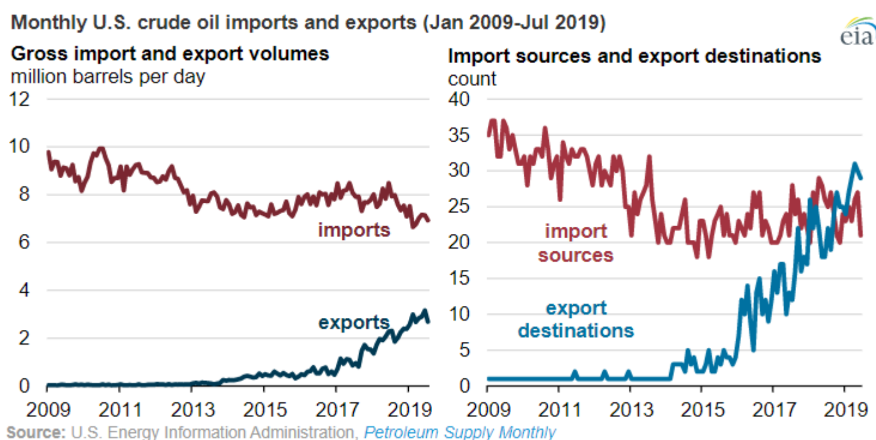
What's Changing in Energy

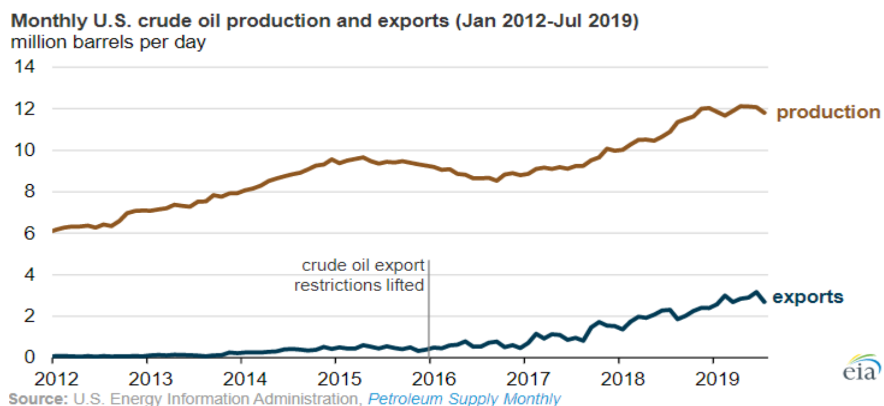
Carbon Capture

The future of the energy industry is going to depend on its adoption of carbon capture technology. The issue of climate change, and addressing energy sources in the United States and Europe, is going to continue to be a major issue. Many countries have already begun to tighten emissions standards, and every candidate in the Democratic primary has put forward a plan for tackling climate change. It is likely regardless of the presidential election results, the United States will see some tightening of emissions standards in the years to come. Carbon capture has been seen as a way to reduce emissions from hydrocarbon sources but its mainly being used to capture the emissions from coal and petroleum fired power plants. Another use that has yet to become as widespread is to capture carbon released when drilling and extracting oil. An example of this in use is CO_2 Enhanced Oil Recovery currently being used by Occidental at some of their wells in the Permian Basin. The process involves using carbon dioxide to re-pressurize oil wells and get trapped oil flowing towards the well heads. This means that more oil is recovered at a lower cost and emissions are reduced by trapping the CO_2 underground. This technology is ground breaking and if the use of it can be expanded, it would allow many energy companies to avoid any sort of emissions penalties that may be levied against them in the future.

Increase in Exports

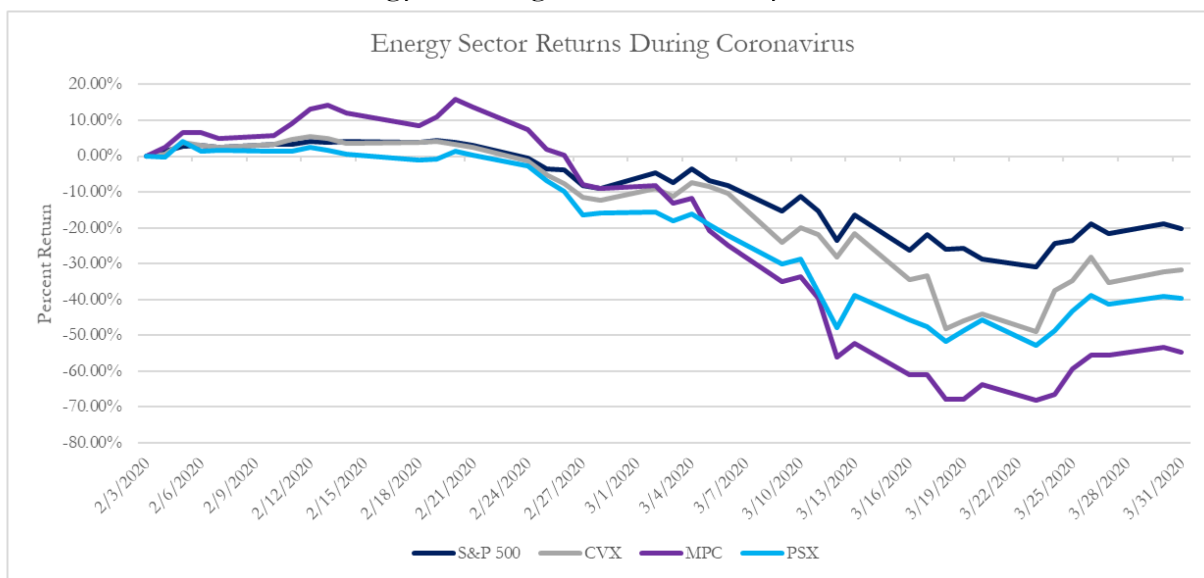
Exports have increased across the last decade from zero to over 2.5 million barrels per day. This is due to the lifting of a ban on imports in 2015. This allowed United States producers to begin exporting oil to Canada. The ban was lifted fully in January 2016 and exports began to explode. At the same time imports fell as well due to a jump in domestic oil production within the United States. Over the same time period the amount of export destinations surpassed the amount of import sources. The demand for light sweet crude has risen outside of the United States since the implementation of regulations limiting the amount of sulfur that can be contained in transportation fuels. Many of the refineries outside the United States do not have the same capabilities to process heavy crude so they have to process light sweet crude.





Sector Coronavirus Report

Energy Holdings Since February 3, 2020



The impact of the COVID-19 pandemic has been extremely negative. The demand fall in China due to production shutdowns, and the limiting of international travel caused a great drop in the demand for petroleum causing prices to fall. This drop in prices was worsened by the price war occurring between Saudi Arabia and Russia which caused prices to fall even further as both refused to cut production levels, trying to price one another out of the market. The break even point for most shale oil producers in the United States sits roughly around $50 per barrel, and as of March 31, 2020 the price sits at $20.31 per barrel. A significant rise in the price of oil will need to occur if energy companies in the United States are to become profitable again.

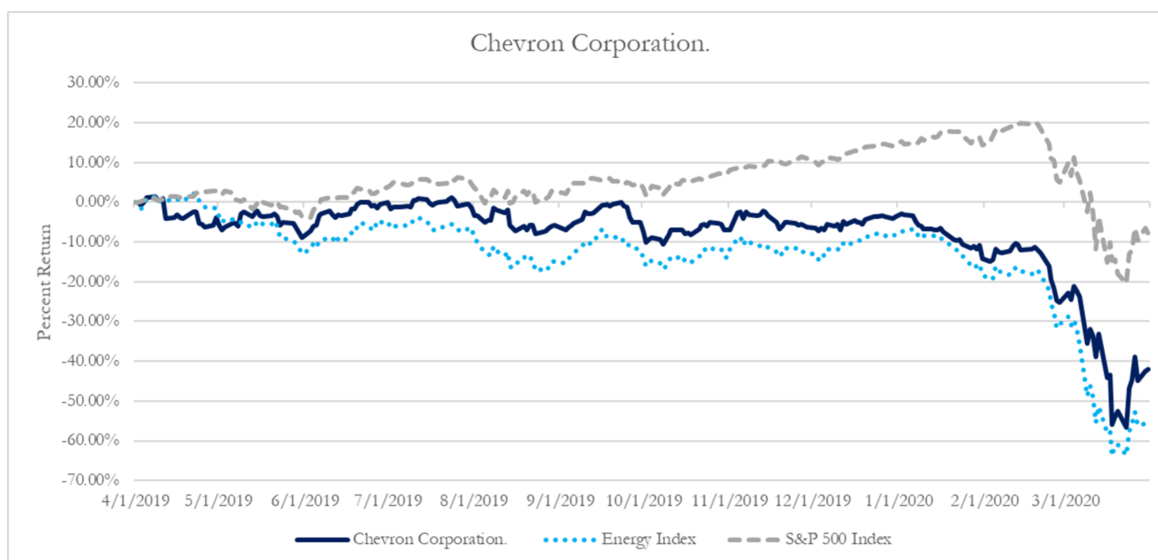
Further adding to this drop in price is the vertically integrated nature of holdings that the D'Artagnan Capital Fund owns within the energy sector. All three holding have involvement in the upstream, midstream and downstream areas of the market. Upstream, extracting oil and natural gas from the ground, is dependent on the price of both commodities to drive profits. Midstream, transporting oil and natural gas, depends on large volume and The downstream segment, the refining and marketing of oil and natural gas, depends on the prices of the finished petroleum products. All three areas have been hit as oil and natural gas prices, as well as demand, have fallen. All of the D'Artagnan Capital Fund's holdings in the energy sector operate across the three areas in some capacity. The level to which they operate in each has been the driving factor in how they have performed during the pandemic.

Energy Annual Trade Report

Date	Company	Ticker	Buy/Sell	Amount
9/16/2019	Phillips 66	PSX	Buy	$42,353.72
9/16/2019	Chevron Corp.	CVX	Sell	$118.67
9/16/2019	Enbridge Inc.	ENB	Sell	$68,761.40
10/30/2019	Marathon Petroleum Co.	MPX	Buy	$15,533.51
10/31/2019	U.S. Silica Holdings Inc.	SLCA	Sell	$16,143.91
1/22/2020	Marathon Petroleum Co	MPX	Buy	$25,040.61
1/22/2020	Phillips 66	PSX	Buy	$24,870.80
1/22/2020	Diamondback Energy Inc	FANG	Sell	$27,878.33
2/11/2020	Chevron Corp	CVX	Buy	$42,997.12
2/11/2020	Marathon Petroleum Co	MPX	Sell	$29,628.07
2/11/2020	Phillips 66	PSX	Sell	$13,544.30

Chevron Corporation (NYSE: CVX) Integrated Oil and Gas

Shares	Weight in Portfolio	Weight in Sector	Annual Return
389	0.97%	36.39%	-42.00%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.06	$72.46	$132.66	83.08%



Company Description

Chevron Corporation is a multinational energy company with over 45,000 productive oil and gas wells and nearly 13,000 gas stations. Responsible for more than two-thirds of their revenue, Chevron's Downstream operations encompass the refining of crude oil into a variety of petroleum products, the marketing of these refined products, product transportation, and developing petrochemicals for industrial plastics and fuel additives. Chevron's Upstream operations entail the exploration for, development, and production of crude oil and natural gas.

Investment Rationale

Chevron Corporation has been able to adapt and remain competitive in the changing energy market. While the company has a long history in oil, they have begun preparing for a future where oil might not be a significant factor in revenue. Chevron has increased its funding of chemical segments, most notably in the Chevron-Phillips Petrochemical Project, in partnership with Phillips 66. Chevron has also taken steps to decrease its reliance on the Permian Basin region. Chevron holds a substantial presence in the basin, but are diversifying into the Tegniz Oil Field, which has a estimated cash flow of 45.2 billion. The market has underestimated how well Chevron has adapted and how they have positioned their energy holdings for further development in energy.

Competitors

Exxon Mobile Corporation (NYSE: XOM)

Phillips 66 (NYSE: PSX)

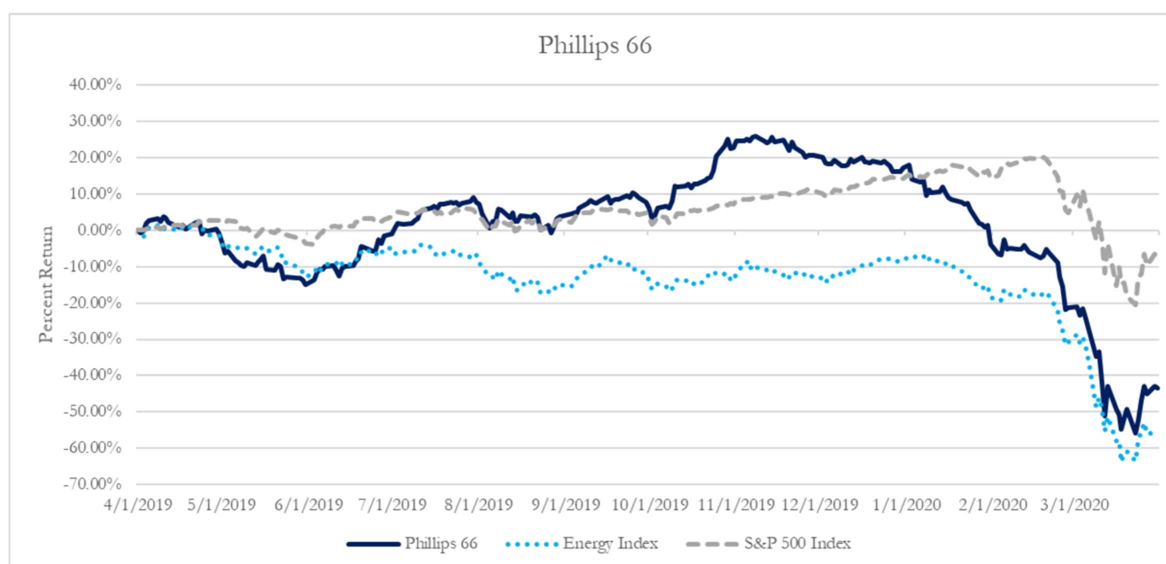
BP plc (NYSE: BP)

Analyst Coverage

Nick Frank

Phillips 66 (NYSE: PSX) Oil and Gas Refining and Marketing

Shares	Weight in Portfolio	Weight in Sector	Annual Return
500	0.92%	34.63%	-43.57%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.20	$53.65	$107.00	99.44%



Company Description

Phillips 66 is the fourth largest oil refining company in the United States. They have locations all across the U.S. and Europe. Phillips 66 has segments in chemicals, midstream, marketing and oil. Additionally, they own 50% of Chevron-Phillips Chemical Company, LLC. Phillips 66 is engaged in a partnership with DCP Midstream Partners as a part of the midstream business operations. These equity partnerships allow Phillips 66 to maintain a steadier stream of revenue. They recently entered a program to help rebuild biodiversity and environmental conservation, in partnership with the University of Texas.

Investment Rationale

Phillips 66 has worked to expand its mid-stream operations over the last several years. They have expanded their capacity to around 16.8 million barrels. The company is expanding operations and branching into new areas of geography and business with energy partners. Phillips 66 has recently seen great success in their partnerships with Chevron for CP Chem and with Qatar Petroleum. Given the decline of oil production and trouble in drilling in the Permian Basin, Phillips 66 has worked to diversify their energy portfolio to facets such as chemicals and renewable energy sources. Phillips 66's existing partnerships allow them to receive industry-specific techniques and expand their market share within these emerging energy segments.

Competitors

Exxon Mobile Corporation (NYSE: XOM)

Chevron Corporation (NYSE: CVX)

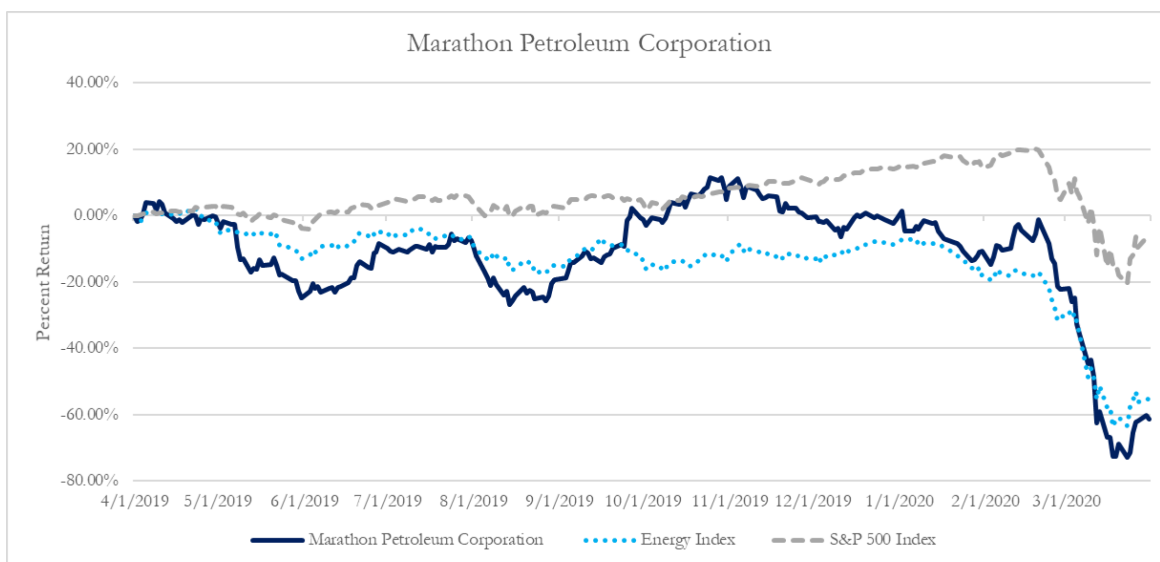
Marathon Petroleum Corporation (NYSE: MPC)

Analyst Coverage

Nick Frank

Marathon Petroleum Corporation (NYSE: MPC) Oil and Gas Refining and Marketing

Shares	Weight in Portfolio	Weight in Sector	Annual Return
950	0.77%	28.97%	-61.31%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.68	$23.62	$71.12	201.10%



Company Description

Marathon Petroleum Corporation is an integrated, downstream energy company. Marathon operates the nation's largest refining system with more than 3 million crude oil barrels of output per day across their 16 refineries across America. Marathon's marketing system holds popular brands including Marathon gas stations and convenience stores. Marathon owns and operates gathering, processing, and fractionation assets, and has small operations in the transportation of crude oil.

Investment Rationale

Marathon Corporation has a history of excellence in both refining and marketing, where they are consistently one of the best firms in the sector. Marathon Corporation also has a partnership with MPLX, which has the biggest petroleum pipeline in the United States. MPLX has plans to build 600 more miles of pipelines in the U.S., which would help Marathon transport oil across the Midwest. This relationship allows for a significant advantage for a segment that is responsible for a large portion of Marathon's revenue. Additionally, Marathon recently acquired Andeavor which increased operations across their key geographical markets nationwide. This acquisition increased Marathon's crude oil process to over 3 million barrels a day, cementing its position as a top refinery in the sector.

Competitors

Chevron Corporation (NYSE: CVX)

Exxon Mobile Corporation (NYSE: XOM)

Phillips 66 (NYSE: PXS)

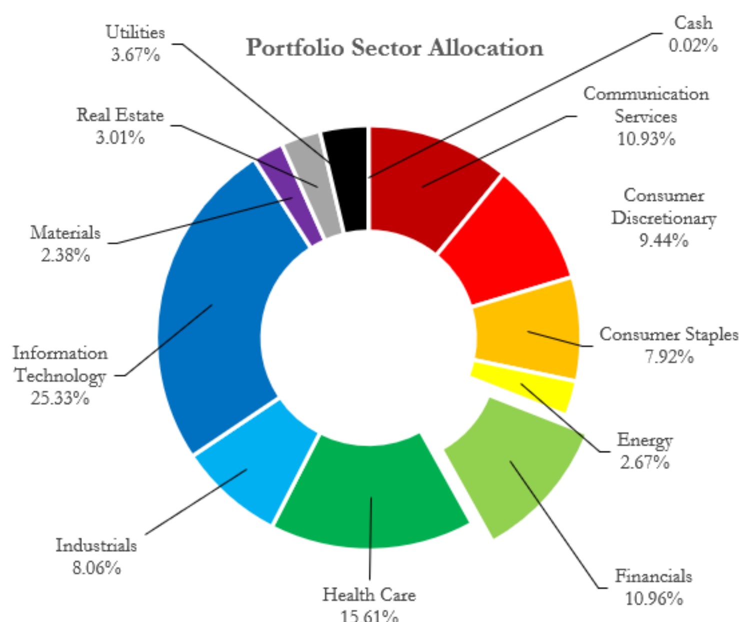
Analyst Coverage

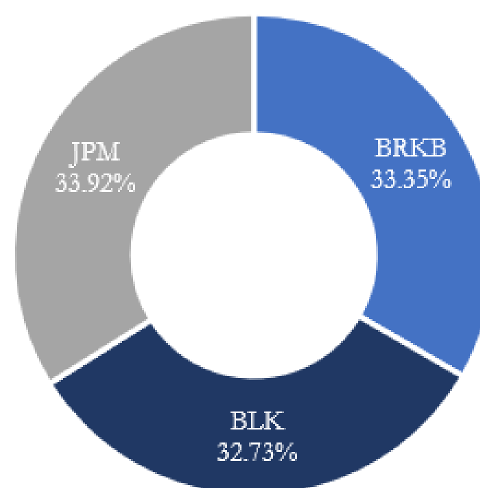
Nick Frank

Financials Sector Report

Holdings as of March 31, 2020

Company	Ticker	Subsector	Weight in Sector	Weight in Portfolio	Market Value	Annual Return
JPMorgan Chase & Co.	JPM	Diversified Banks	33.92%	3.72%	$108,036.00	-13.96%
Berkshire Hathaway Inc.	BRK.B	Diversified Financials	33.35%	3.66%	$106,224.23	-10.81%
Blackrock, Inc.	BLK	Asset Management and Custody Banks	32.74%	3.59%	$104,272.89	0.36%





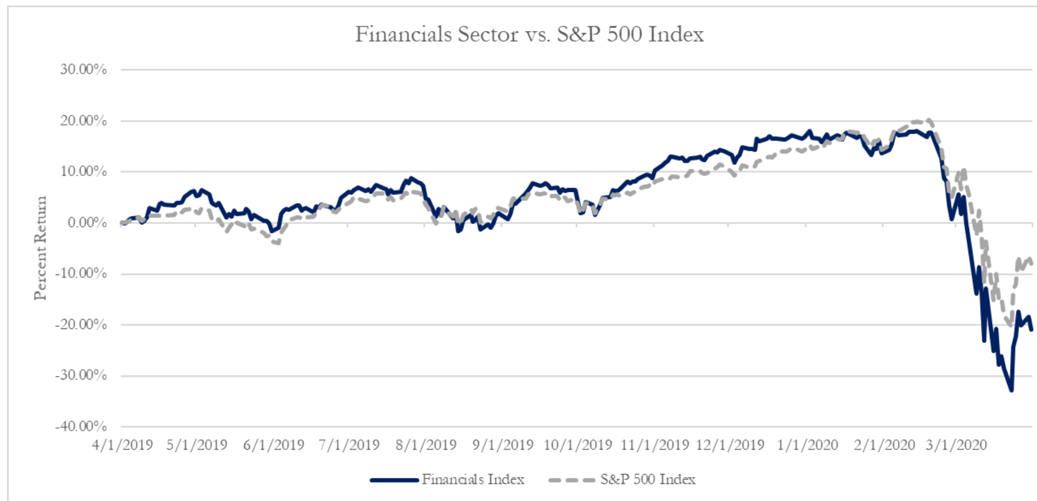
Financials Sector Overview

Within the Financial Sector, the Fund holds positions which fall into three distinct sub-sectors: Diversified Financials, Diversified Banks, and Asset Management and Custody Banks. Over the Fund's fiscal period the S&P Financial Sector (S5FINL) returned a negative -19.16%. In comparison, the D'Artagnan Capital Fund's Financial sector returned -6.6% on the fiscal year.

During the course of the year, the Fund sold out of two positions which we had determined were overvalued. These holdings were Zions Bancorp and Citigroup Inc. After carefully examining the expected future cashflows of these companies, we determined they had reached their intrinsic value and sold our stake, in search of better growth opportunities within the sector.

Sector Overview	
DCF Sector Return:	-6.60%
Benchmark Sector Return:	-19.16%
DCF Sector Weight:	12.43%
Benchmark Weight:	12.77%
Asset Allocation:	0.04%
Security Selection:	1.46%

Sector Team	
Sector Manager:	Mak O'Brien
Sector Analyst:	Conor Davis



Industry Analysis

The S&P 500 Financials sector has seen an incredibly turbulent year, losing -19.16% over the fiscal period. The S5FINL underperformed the S&P 500 by roughly -12%. The downfall of this sector can be partially contributed to the Consumer Finance sub-sector, which has taken a sizeable hit due to recent Macroeconomic actions. With our holdings concentrated within the Diversified Banks, Diversified Financials, and Asset Management and Custody Banks, our strategy has allowed us to outperform the S5FINL over the course of the year, with the Fund's Financial Sector outperforming the S5FINL by 12.56%.

Recently, however, the Fund's holdings have been downtrodden by the volatility surrounding the coronavirus (COVID-19), especially with drastic changes to fiscal policy in light of the pandemic. In an attempt to diversify the sector away from the banks and lending institutions, the Fund has conducted valuations on companies within the Insurance sub-sector. Cincinnati Financial Corporation (CINF), the holding company of The Cincinnati Insurance Companies, was one particular exploration into the insurance landscape. Ultimately, their expansion into the Auto-Insurance market dissuaded our conviction in the company, and the Fund decided to not buy into a position. The Auto-Insurance market is extremely low-margin when compared to both Property & Casualty (PC) and Life, with combined ratios routinely above 100%, indicating these policies lose money. Because of these low margins, the Fund is currently looking elsewhere in the Insurance sub-sector to expand.

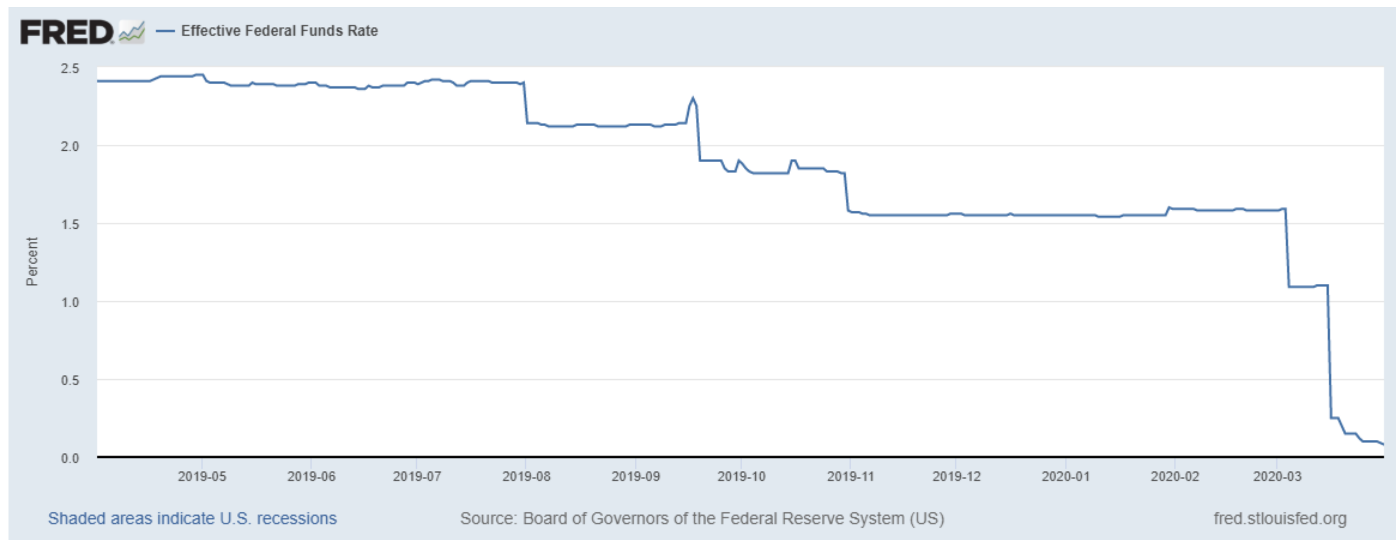
During the year, the D'Artagnan Capital Fund entered into a position with BlackRock, Inc. As the largest asset manager in the world, the company boasts an impressive nearly $7 Trillion Assets Under Management. Their proprietary technology called Aladdin, however, is where the undervaluation lies. As will be discussed further in the 'What's Changing' section, Aladdin is a part of the greater overall shift in the Financial industry, particularly within Asset Management. The multi-year contracts for the system allow BlackRock to diversify away from asset-based fees, which have proven extremely detrimental in times of downturn. In 2019, BlackRock's Technology Service Revenue increased over 24% YoY, and rose to nearly 7% of total revenue.

With the current impact of the coronavirus still being assessed, there could be several significantly undervalued companies within the Financial sector. The Consumer Finance sub-sector, mentioned previously, has taken a potentially unwarranted downturn, and will be strongly explored moving forward. The recent -31.4% return in this sub-sector could present many opportunities for the D'Artagnan Capital Fund to see significant growth within our investment horizon.

What's Changing in Financials

Interest Rates

During the beginning of the Fund's most recent fiscal period (April, 2019), the Effective Federal Fund Rate hovered around 2.4%. That target remained consistent until July, when the Federal Reserve dropped the rate by 25 basis point, to a target for overnight lending between 2.0% - 2.25%. This was the first rate cut by the central bank since the Great Recession of 2008-09. Citing concerns for the impacts of global development and muted inflation, this was a precautionary move to keep the economy on track. Additional action in the July meeting included an end to the Fed's decrease of their balance sheet, a cease which was planned to occur two months later. In response to the news, the S5FINL dropped roughly -6% in the days following, due to the lowered costs to consumers for lending banks. After a series of two equally sized cuts, the Fed Funds Rate remained consistent through February, 2020, hovering around 1.55%. With the concern in mind regarding the economic impact of the coronavirus, however, the Fed again cut rates in March, to an effective target between 0 to 0.25%. This move was an act to give the smaller regional banks short-term liquidity to weather the impending societal shut-down, and in hope to increase the ability of personal and business loan issuances. The series of cuts throughout the fiscal period, April 1, 2019 - March 31, 2020 is displayed below.

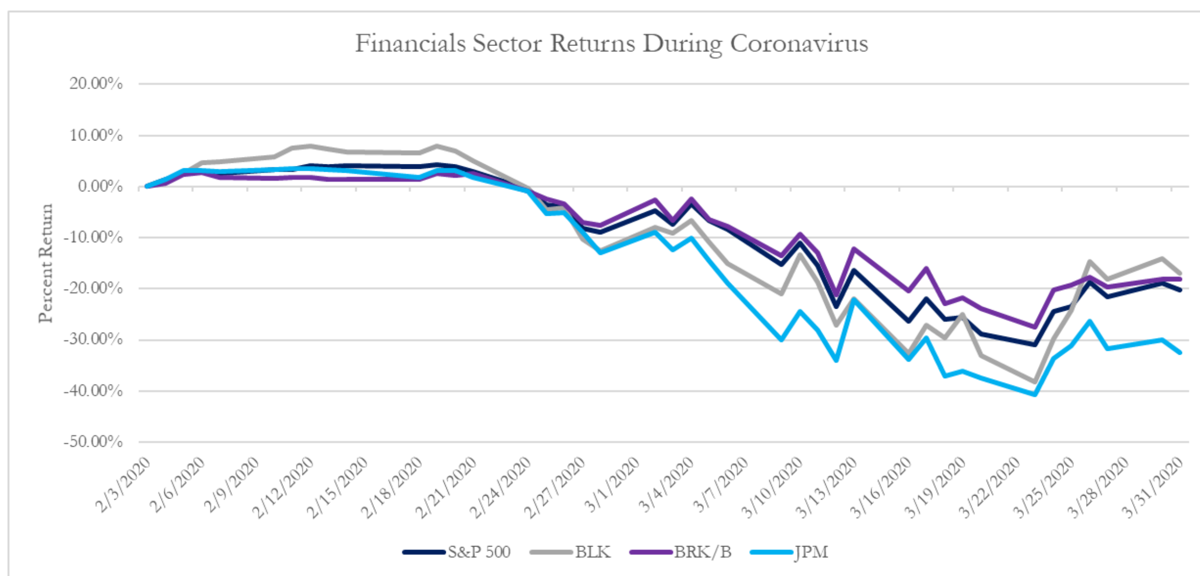


Trading Fees

In the past year, the Financial industry has seen a shift in the style and goal of the 'Everyday Investor'. With the availability of technology and the performance of the market over the past decade, there has been a distinct transition into a more value-based advisory style within investment management. Investors are demanding a higher bar for alpha, funds are moving to where the investor is put in the forefront. This can be quantified by the transition and elimination of commission fees on the largest investment platforms. In the fall of 2019, Charles Schwab, Fidelity Investments, E*Trade, and TD Ameritrade all dropped trading fees for online transactions. The average commission was $4.95 for options, stocks, and ETFs, and in the days following the drop to $0, both Schwab and E*Trade in particular, took massive hits to their share price. The boisterous move signaled to investors that the tides are shifting in the Financial industry, and the rise of technology and value-based investors has lent a hand in the overall transformation of the industry.

Sector Coronavirus Report

Financials Sector Holdings Since February 3, 2020



Overall, the Fund was relatively well positioned to withstand the impact of the COVID-19 virus within the Financials Sector. During the period, our holdings were concentrated in Berkshire Hathaway Inc. (BRK.B), BlackRock, Inc. (BLK), and JP Morgan Chase & Co. (JPM). The S5FINL lost nearly 31% between February 3, 2020 and March 31, 2020. The sector bottomed-out at a (-41%) downturn. Comparatively, the Fund's holdings performed on pace with the sector or outperformed during this tumultuous period. JP Morgan was the hardest-hit of our holdings, and lost 32% over the two-month timeframe, almost mirroring the S5FINL. The Fund's other two positions, Berkshire Hathaway and BlackRock, strongly outperformed the overall sector, with Berkshire experiencing a loss of 18.5%, and BlackRock faring even better, with a 17% loss over the period.

Fundamentally, what had the greatest impact on JP Morgan during this time was the exposure they had to Federal Monetary Policy. Compared to the Fund's other two holdings, JP Morgan's large arms into consumer and commercial lending were highly exposed to and impacted by the Fed's announced stimulus package, which included dropping the Fed Funds Target Rate to between 0-0.25%, down from 1-1.25% previously. This drop will have a direct impact on the short-term earning potential of JP Morgan's lending division, which helps to explain the majority of their price drop. Given JPM's high CET1 (Capital Equity, Tier 1) Ratio of over 12%, however, the company has plenty of short-term liquidity on hand, and the Fund maintains conviction in their ability to withstand the volatility moving into the foreseeable future.

Intuitively, neither BRK.B nor BLK experienced as much of the impact of the Fed decision due to their lack of exposure to consumer and commercial lending. With Berkshire Hathaway's Insurance division supporting future cash flows and their impressively large cash balance on hand, they were minimally impacted by this short-term stimulus move, and the Fund continues to hold strong conviction in the company. BlackRock, Inc.'s Investment Advisory and Asset Management is their largest revenue segment by a strong margin, and that helped to give them a firm cushion from the impacts of COVID-19 virus over this period. Additionally, their Technology Service Revenues comprise roughly 7% of their overall top-line, and is very well protected against the impacts of outside volatility.

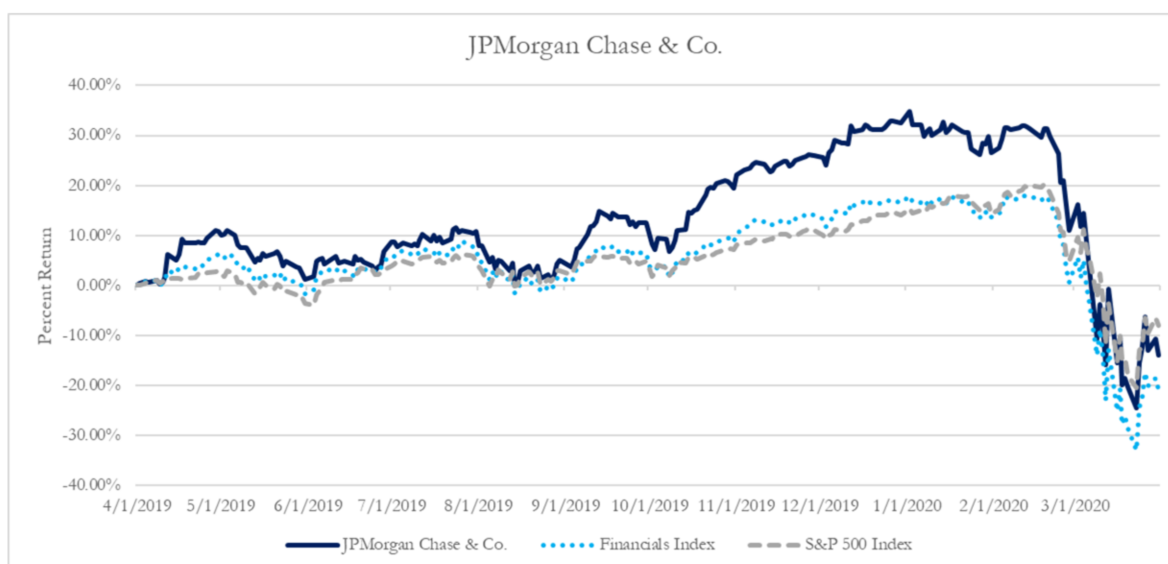
In total, the D'Artagnan Capital Fund's Financials Sector outperformed the S5FINL by a sizeable percentage during this recent pandemic-induced volatility. With our diversified holdings, the Fund was able to minimize our downside risk and capitalize on well-positioned firms in the industry.

Financials Annual Trade Report

Date	Company	Ticker	Buy/Sell	Amount
9/15/2019	Blackrock	BLK	Buy	$114,648.90
9/16/2019	Bank of America Corp.	BAC	Sell	$75,705.36
1/17/2020	Zions Bancorp NA	ZION	Sell	$20,033.77
1/17/2020	Berkshire Hathaway Inc.	BRKB	Buy	$18,064.11
1/22/2020	Zions Bancorp NA	ZION	Sell	$20,855.12
2/14/2020	Citigroup Inc	C	Sell	$4,013.72
2/18/2020	JP Morgan Chase and Co.	JPM	Buy	$48,667.34
2/18/2020	Citigroup Inc.	C	Sell	$64,934.63
2/18/2020	Berkshire Hathaway Inc.	BRKB	Buy	$16,247.37
3/27/2020	JP Morgan Chase and Co.	JPM	Sell	$10,741.01
3/27/2020	Berkshire Hathaway Inc.	BRKB	Sell	$11,261.82
3/27/2020	Blackrock	BLK	Sell	$10,891.76

JPMorgan Chase & Co. (NYSE: JPM) Diversified Banks

Shares	Weight in Portfolio	Weight in Sector	Annual Return
1,200	3.72%	33.92%	-13.96%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.18	$90.03	$153.96	71.01%



Company Description

JPMorgan Chase and Co. is the world's sixth largest bank, holding $2.45 trillion in assets, and operating in four main business segments. Those segments are Consumer and Community Banking (CCB), Corporate and Investment Banking (CIB), Commercial Banking (CB), and Asset and Wealth Management (AWM). CCB accounted for the largest portion of revenue at 46.6%, followed by CIB at 32.6%, followed by AWM at 12.6%, and CB making up the smallest sector at 8.2%.

Investment Rationale

JPMorgan has grown to the largest domestic bank, and the sixth largest bank in the world through exceptional returns and effective management. While Federal Reserve Rate cuts threaten most banks, JPMorgan has hedged this risk by establishing corporate client premiums, in which they receive higher payment from clients in times of low rates. Finally, JPMorgan has invested greatly into the development of advanced computer algorithms. These algorithms are effective in two ways. First, JPMorgan has the ability to capitalize on arbitrages that exist for fractions of a second. JPMorgan's algorithm speed is an advantage over most banks operating in the world. Additionally, once established, these machines will be able to continue to improve speed and accuracy with use, drastically reducing operating costs.

Competitors

Bank of America Co. (NYSE: BAC)

Citigroup Inc. (NYSE: C)

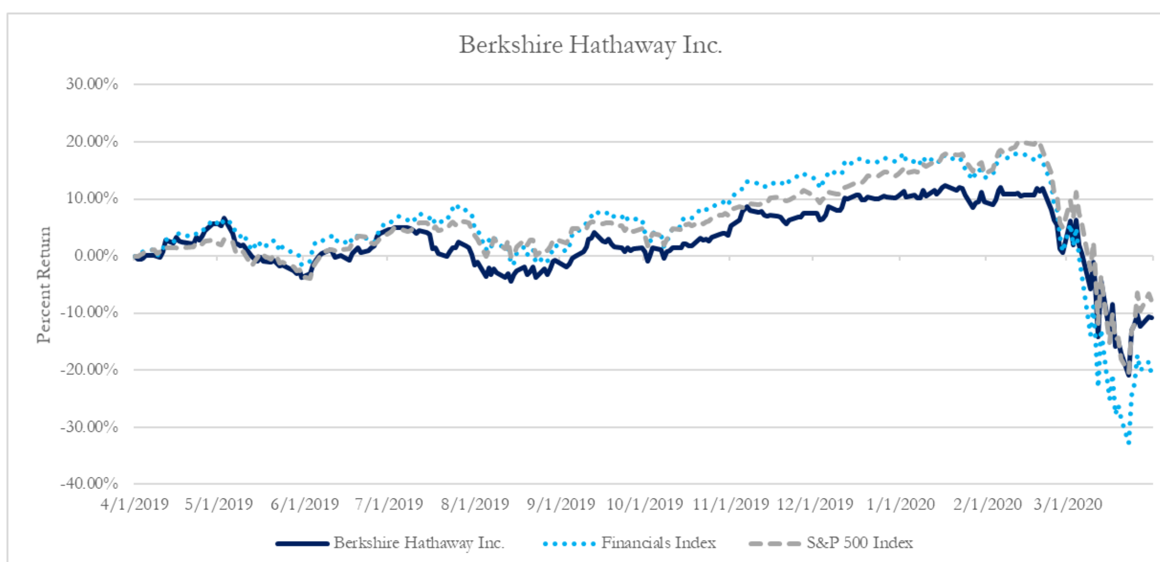
Wells Fargo and Company (NYSE: WFC)

Analyst Coverage

Conor Davis

Berkshire Hathaway Inc. (NYSE: BRK.B) Multi-Sector Holdings

Shares	Weight in Portfolio	Weight in Sector	Annual Return
581	3.66%	33.35%	-10.81%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.86	$182.83	$375.47	105.37%



Company Description

Berkshire Hathaway is a holding company that owns various subsidiaries across different industries. They operate primarily in domestic insurance underwriting. Geico is Berkshire's largest insurance holding. Berkshire's other operations include railroad, manufacturing, retail, and energy and utilities. They are headed by CEO Warren Buffet and Vice Chairman Charlie Munger. They operate primarily in the United States, but provides insurance and reinsurance in Asia, the Pacific and Western Europe.

Investment Rationale

Berkshire Hathaway Renewables holdings, a subset of their Energy businesses, see substantial opportunity for growth in the renewable energy. Berkshire Hathaway has their Renewables bolstered holdings in solar, wind, geothermal, and hydro power. This Renewables business grew at 9.8% in 2019 and continues to be one of Berkshire Hathaway's highest-growth areas. Additionally Berkshire Hathaway holds 15% of assets in cash and short term investments. This allows for agility to partner with companies that are consistent with Berkshire Hathaway's investment plans to fuel future growth. Finally, proven leadership from Warren Buffet and Charlie Munger will allow Berkshire Hathaway to continue to complete strategically aggressive business acquisitions and investments.

Competitors

The Allstate Corporation (NYSE: ALL)

The Hartford Financial Services Group Inc. (NYSE: HIG)

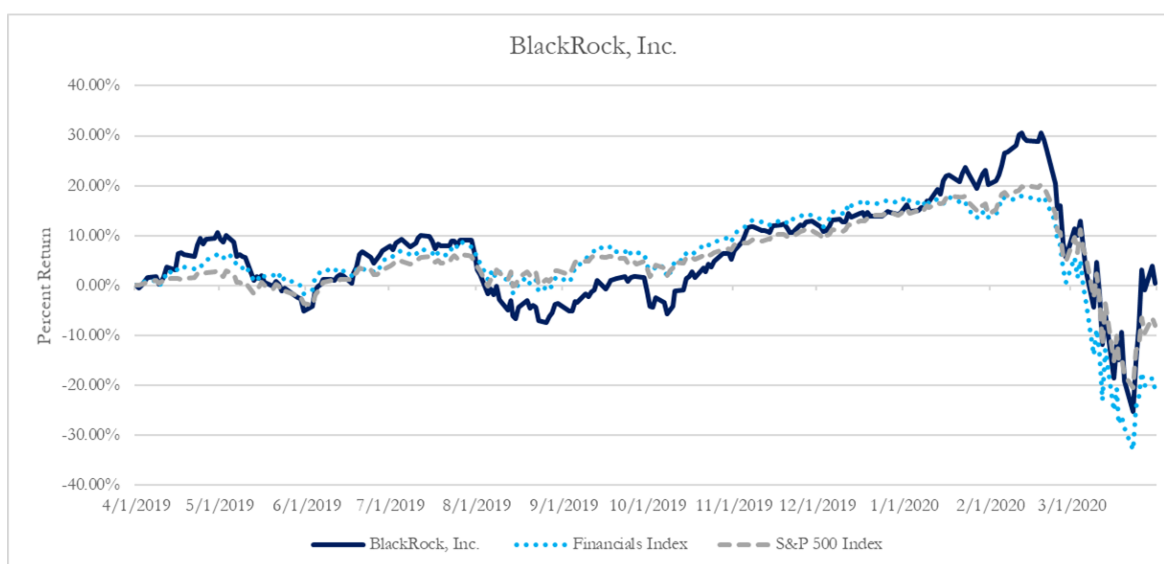
Brookfield Asset Management Inc. (TSX: BAM.A)

Analyst Coverage

Conor Davis

BlackRock, Inc. (NYSE: BLK) Investment Management

Shares	Weight in Portfolio	Weight in Sector	Annual Return
237	3.59%	32.74%	0.36%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.53	$439.97	$616.24	40.06%



Company Description

BlackRock, Inc. (BLK) is an investment management service that manages funds, and offers risk management services. BlackRock has $7.4 trillion in assets under management, making it the world's largest investment management firm. BlackRock specializes in equity, fixed income products, alternatives, and multi-class instruments. Headquartered in New York City, BlackRock generates more than 65% of their revenue in the Americas. They service 15 out of the 25 largest endowments in the United States, 90 Fortune 500 companies and more than 90% of the largest domestic retirement plans.

Investment Rationale

Blackrock has established themselves as the worlds largest investment management company in the world with the same management team together since inception. Their unified vision along with the continued growth of the company both domestically and internationally will allow Blackrock to grow their competitive advantage. BlackRock's mix of product diversity and heavier concentration in institutional investing have established a more stable set of assets, which are less impacted by market swings or withdrawals. Finally, with a large amount of capital on hand, BlackRock has been able to begin shifting investment strategies to quantitative methods involving modern technologies of artificial intelligence and machine learning. This technological implementation will further cut costs and improve return on investment.

Competitors

KKR & Co, Inc. (NYSE: KKR)

T. Rowe Price Group, Inc. (Nasdaq: TROW)

Franklin Resources, Inc. (NYSE: BEN)

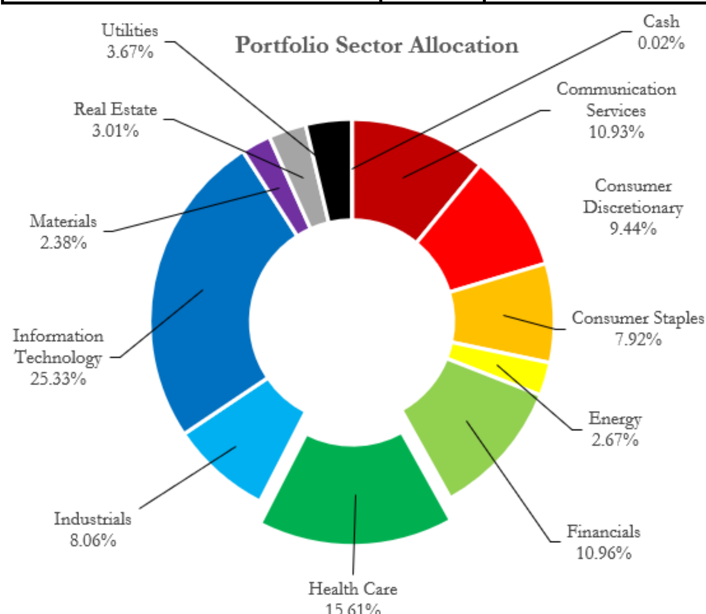
Analyst Coverage

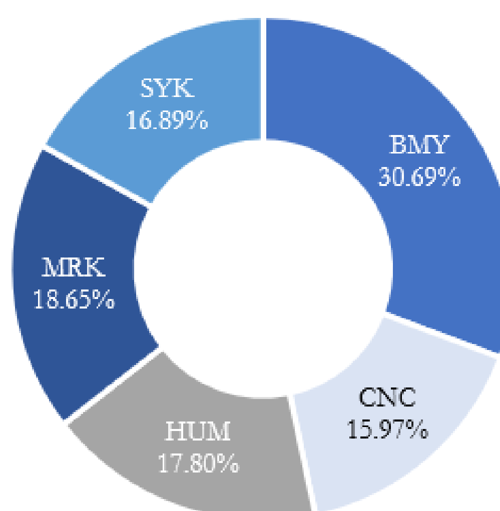
Conor Davis

Healthcare Sector Report

Holdings as of March 31, 2020

Company	Ticker	Subsector	Weight in Sector	Weight in Portfolio	Market Value	Annual Return
Bristol-Myers Squibb Company	BMY	Pharmaceuticals	30.69%	4.79%	$139,182.78	18.37%
Merck & Co., Inc.	MRK	Pharmaceuticals	18.65%	2.91%	$84,557.06	-7.64%
Humana Inc.	HUM	Managed Health Care	17.80%	2.78%	$80,703.14	17.03%
Stryker Corporation	SYK	Health Care Equipment	16.89%	2.64%	$76,585.40	-15.10%
Centene Corporation	CNC	Managed Health Care	15.97%	2.49%	$72,420.79	9.69%





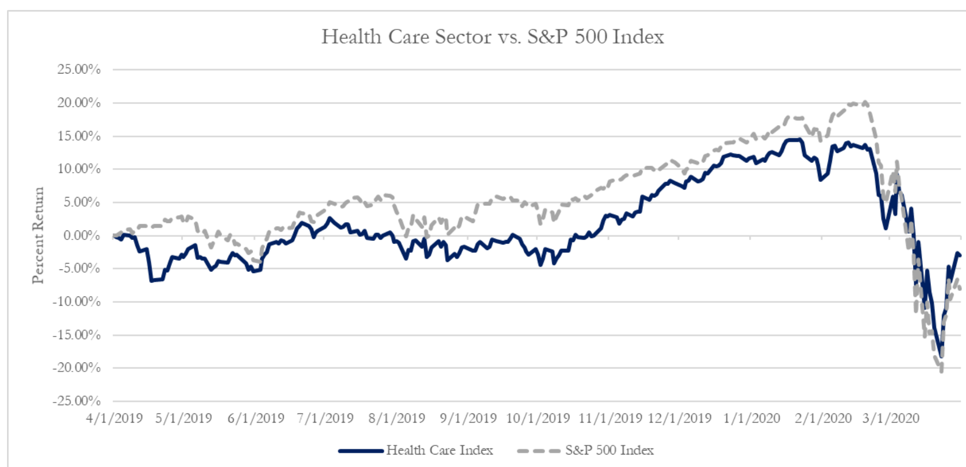
Healthcare Sector Overview

Within the Healthcare Sector, the Fund holds positions which fall into three distinct sub-sectors: Pharmaceuticals, Managed Health Care, and Health Care Equipment. Our largest position within the sector is Bristol-Myers Squibb Company (BMY), a pharmaceutical company. Throughout the year, Bristol fully acquired Celgene Corporation through a share purchase and cash gift buyout. As is the Fund's policy, we revalued Bristol after the acquisition and continue to hold them after determining the company was undervalued by the market.

The Fund sought to diversify the sector by entering positions in the Health Care Equipment sub-sector. The Fund bought into Stryker Corporation (SYK), a robotic and medical device company, which we believe is undervalued by the market.

Sector Overview	
DCF Sector Return:	5.61%
Benchmark Sector Return:	-1.18%
DCF Sector Weight:	13.35%
Benchmark Weight:	14.07%
Asset Allocation:	-0.04%
Security Selection:	0.88%

Sector Team	
Sector Manager:	Mak O'Brien
Sector Analysts:	Evan Ensminger Brian Price



Industry Analysis

The S5HLTH encompasses the broad variety of health-related companies, ranging from pharmaceutical development to robotic systems. Year over year, these sub-industries experience varying levels of volatility, responding to respective developments at the macroscopic level. Over the fiscal period, the Fund has been able to capitalize on this sub-sector differentiation, and has sought ways to build our holdings accordingly. Compared to the S&P 500, the S5HLTH outperformed by 5.8%, returning a -1.18% to the overall market's -6.98% return. As shown above, however, the Healthcare Sector had been consistently trailing the S&P for the past year, and only started outperforming during the market downturn caused by COVID-19 fears. This is a testament to the greater stability of the Healthcare sector. At its lowest point of the Great Recession, the S5HLTH lost 35%, compared to the S&P's nearly 53% downturn. The Fund approaches this recent market volatility as an opportunity to demonstrate our ability to provide downside risk prevention.

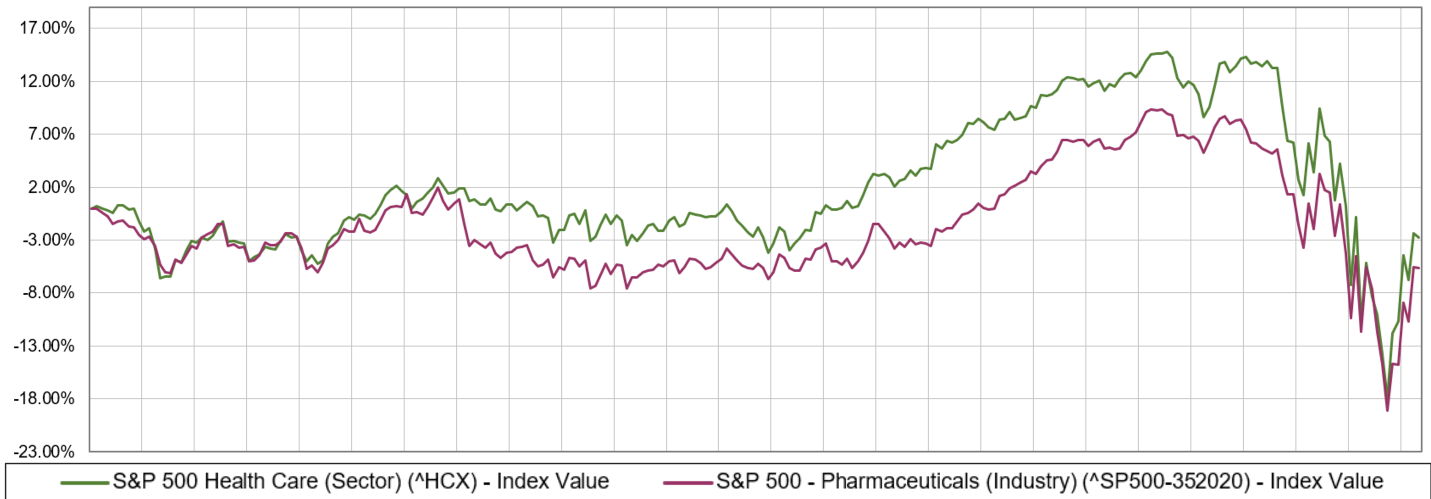
With this sector security in mind, one way the fund determines the superiority or inferiority of investments is their ability to retain revenues or minimize costs in stress-test scenarios. This is accomplished with several key, industry-specific metrics. For Managed Care companies, such as our current holding Humana Inc. (HUM), the Medical Benefit Ratio (MBR) illustrates the cost-retention of the operations and is an indicator of the company's ability to withstand governmental policy disruption. For example, the Fund recently valued Cigna Corporation (CI), a Managed Care company. A strong positive sign, and a contributor to the conviction the Fund has in the company, is their Industry-Leading MBR of 80.8%. Cigna is currently being monitored for inclusion into the portfolio. Pharmaceutical companies can be compared using Pipeline Progression metrics, showing their resistance to periodic declines in revenue caused by losses of patent exclusivity on blockbuster drugs. With Healthcare Equipment, the telling figure is Saturation Percentage, or how much of the market has been acquired by the company's flagship product. Additionally, this metric gives color to what aids in or stands in the way of further saturation.

During the fiscal period, the Fund has sought to diversify this sector by entering into the Healthcare Equipment space. This sub-sector is denoted by greater revenue security, as well as less targeting from government regulations on prices when compared to the Pharmaceutical sub-sector. The Fund chose to enter a position with Stryker Corporation (SYK) due to the saturation gains from their flagship MAKO Robotic System. In the past year, the growth of this stable segment is underscored by a 40% increase in Hip Replacement procedures using the

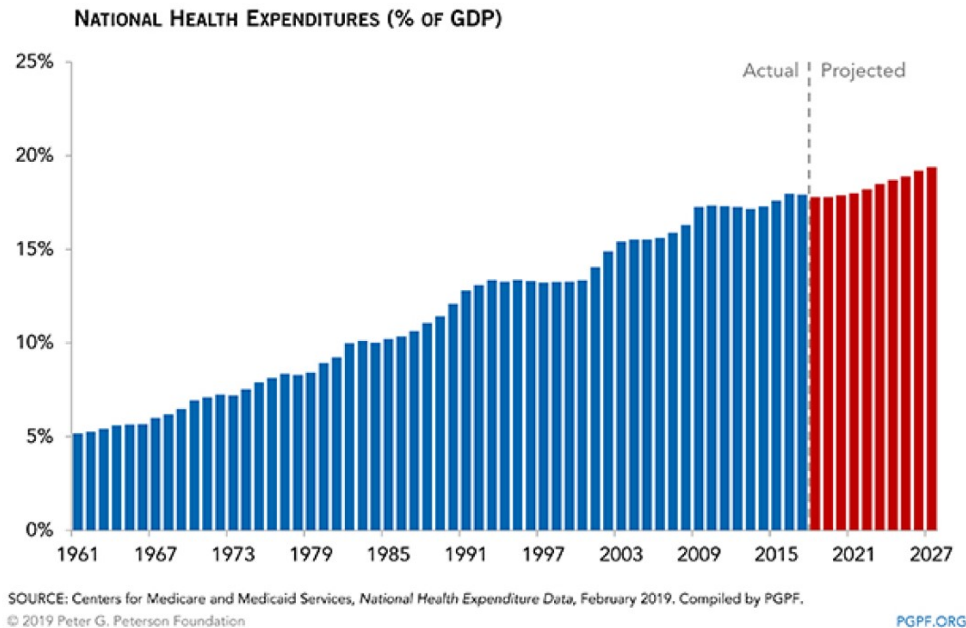
What's Changing in Healthcare

Healthcare Prices

For quite some time, the cost of prescription drugs has been heavily debated in American politics. Both major political parties have made efforts to reduce out-of-pocket costs to consumers, especially surrounding highly demanded oncology and autoimmune pharmaceuticals. This past year, President Trump brought forward a proposal to end the complex system of drug rebates and kickbacks to pharmaceutical companies. In 2019, U.S. drug prices declined by 1%, the first of such drops since 1973. As a result of these price-cut efforts, the Pharmaceuticals sub-sector underperformed the S5HLTH over the past year.

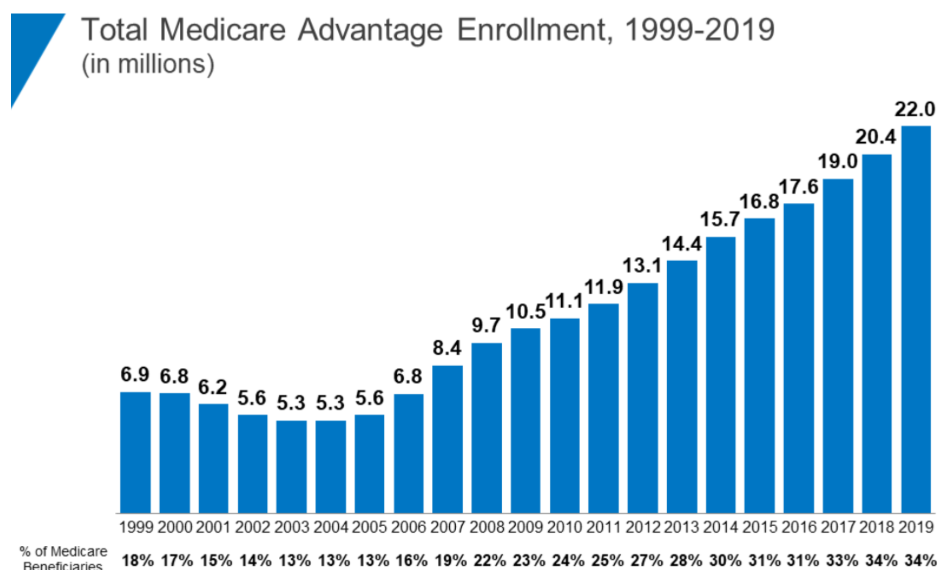


Despite the dip in drug prices, total U.S. Healthcare spending has grown by more than 4.5% over the past year, now averaging over $11,000 per person. The Healthcare spending has increased as a percent of GDP, as shown in the chart below. The Center for Medicare and Medicaid Services (CMS) projects that by 2027, total Healthcare spending will reach more than $6 Trillion, comprise nearly 20% of GDP, and average $17,000 per person.



What's Changing in Healthcare (cont.)

In addition to pharmaceutical prices, several political arguments have been made critiquing health insurance costs, with calls for a 'Medicare For All' plan. The goal behind these is to create a single payer system for health insurance, threatening the existence of Managed Health Care companies. These talks have dramatically increased the volatility in the Managed Health Care sub-sector, making it the most volatile of the S5HLTH components. To capitalize on this volatility, the Fund has chosen to invest in Humana and Centene, two Medicare companies who offer unique packages which are projected to weather the politicized nature of health insurance. Their products, which are focused in Medicare Advantage, have steadily increased in popularity, and are projected to reach 50% market saturation (38 million members) by 2025. The yearly number of Medicare Advantage members in the United States is shown below.



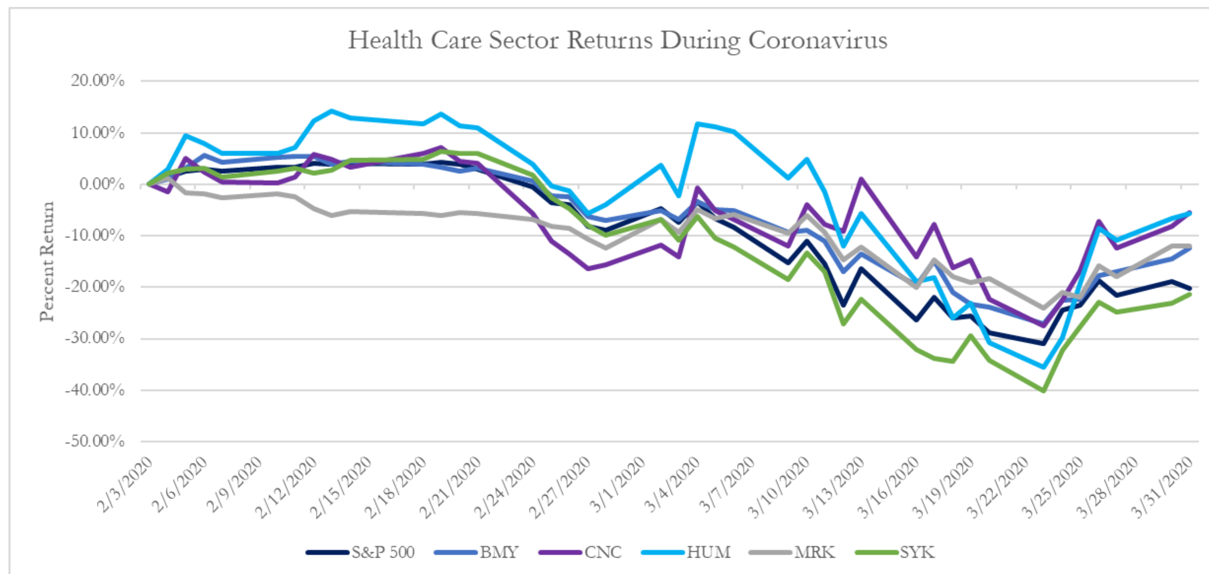
Technology

Although growth by mergers and acquisitions is the norm for companies operating in Pharmaceuticals and Biotechnology, recent trends suggest that the goals of these M&A deals are evolving. Recently, beginning in 2017, a surge of transactions have been conducted regarding a niche biotechnology called Gene Therapy. In short, Gene Therapy allows diseases to be treated or cured on the genetic level, through purposeful manipulation of the human genome. Gilead Sciences first started the exploration of 'Big Pharma' into this field in 2017 with their purchase of Kite Pharma for $11.9 Billion. This was the first of a waterfall of buyouts from name-stay companies all trying to capitalize on the earnings potential from genetic therapies. Other M&A deals over the past two years have included Novartis' purchase of AveXis for $8.7 Billion, Roche's pending acquisition of Spark Therapeutics for $4.8 Billion, Astella Pharma Inc.'s $3 Billion buyout of Audentes Therapeutics, and Biogen's $800 Million purchase of Nightstar Therapeutics. In total, the Biotechnology industry has seen almost $30 Billion of gene therapy purchases in the last 3 years.

In an effort to diversify into this space, the Fund held a position in Illumina (ILMN), an American biotech company which operates in the integrated systems market, performing analysis and function testing for genetic variation. We eventually determined the company to be overvalued based on our analysis, however, and exited the position according to our Buy-Sell discipline. We continue to look for future opportunities within the Biotechnology sub-sector, and maintain conviction in our current holdings.

Sector Coronavirus Report

Healthcare Holdings Since February 3, 2020



The Fund's Healthcare Sector is comprised of five holdings spanning three sub-sectors: Bristol-Myers Squibb (BMY) [Pharmaceuticals], Centene (CNC) [Managed Health Care Services], Humana (HUM) [Managed Health Care Services], Merck (MRK) [Pharmaceuticals], and Stryker (SYK) [Healthcare Equipment]. Overall our strategy for this sector performed approximately on pace with the S5HLTH, with a slight skew to the downside during the period from February 3, 2020 to March 31, 2020. The S5HLTH was down just over 11% for the period. Our holding returns varied widely, from Centene and Humana losing only about 5.5%, to Stryker dropping nearly 22% for the timeframe.

Stryker was the worst performer during this period for the Fund's Healthcare sector, losing 21.33% during the volatile market conditions induced by COVID-19. Despite this significant underperformance, however, the Fund maintains conviction in the company for several key reasons, and believes that this short-term drop is merely an overreaction by the market, and not a response to a fundamental change in the company or their expected future performance. One key indicator that this response is an overreaction lies in one of Stryker's top revenue segments, Orthopaedics. This branch revolves around surgical robotics, particularly the MAKO Robotic System. Leading the industry in Total Knee and Total Hip procedures performed, and with a dramatic increase in the total number of procedures expected in the next decade, the Fund views Stryker as having stable, undervalued cash flows, which will not be materially impacted by the coronavirus.

Compared to the S5HLTH, both Merck and Bristol-Myers Squibb were roughly on par, with both companies underperforming against the benchmark by 0.5% to 1%. Operating as branded pharmaceutical producers, these companies gain the majority of their revenues from 'blockbuster' drugs, specifically within the Oncology and Auto-Immune segments. With strong patents and formidable pipelines, the Fund believes that these companies were also impacted negatively by an overreaction, and not a change to their future cash flow performance. The Fund's other two holdings, Centene and Humana, both Medicare companies, outperformed the S5HLTH by approximately 5.5%, with CNC only dropping 5.52% and Humana dropping 5.73%. These returns are favorably impacted by the stability of Medicare cash flows, and each company's exposure to the increasingly popular Medicare Advantage market.

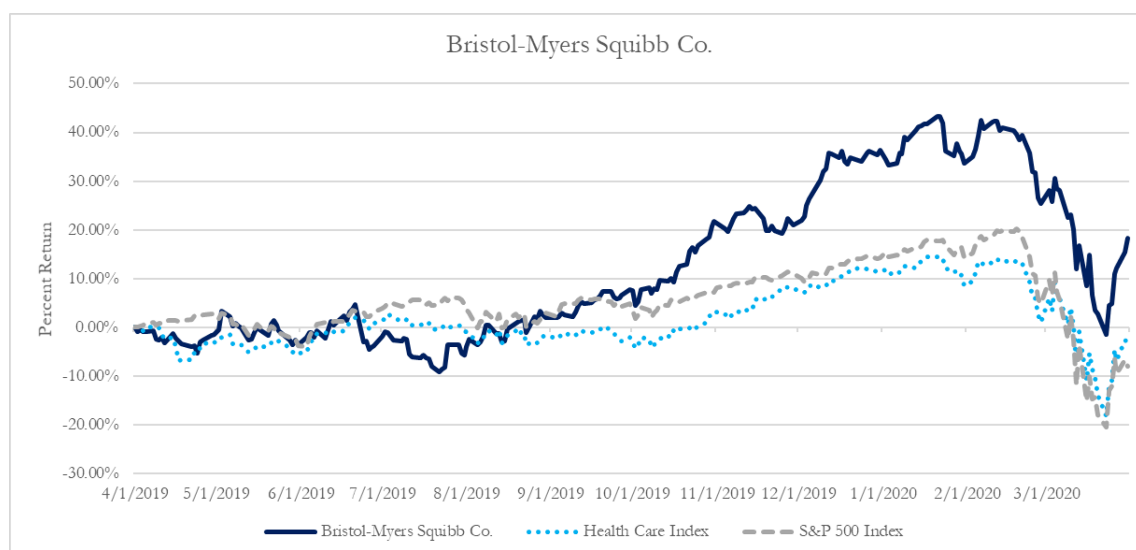
During this panic from COVID-19, the Fund sees these holdings as stable, undervalued positions which we believe have experienced an overreaction by the market.

Healthcare Annual Trade Report

Date	Company	Ticker	Buy/Sell	Amount
9/18/2019	Celgene Corp.	CELG	Buy	$26,171.35
10/2/2019	Allergan Plc	AGN	Buy	$24,502.21
10/2/2019	Humana Inc.	HUM	Buy	$20,493.25
10/2/2019	Merck & Co Inc.	MRK	Buy	$56,265.92
10/2/2019	IQVIA Holdings Inc.	IQV	Sell	$99,933.96
1/17/2020	Illumina Inc.	ILMN	Buy	$71,616.79
1/17/2020	Stryker Corp.	SYK	Buy	$99,094.77
1/17/2020	CVS Health Corp.	CVS	Sell	$49,153.44
1/17/2020	Pfizer Inc.	PFE	Sell	$67,168.58
1/22/2020	RTS Bristol Meyers Squibb Co.	BMYRT	Sell	$3,857.58
2/18/2020	Bristolo Myers Squibb Co.	BMY	Buy	$101,300.80
2/18/2020	Merck & Co Inc.	RK	Buy	$33,762.56
2/18/2020	Allergan Plc	AGN	Sell	$134,790.43
3/25/2020	Centene Corp.	CNC	Buy	$49,675.03
3/25/2020	Illumina Inc.	ILMN	Sell	$56,163.05
3/27/2020	Centene Corp.	CNC	Buy	$16,046.27
3/30/2020	Bristolo Myers Squibb Co.	BMW	Sell	$6,924.65

Bristol-Myers Squibb Co. (NYSE: BMY) Pharmaceuticals

Shares	Weight in Portfolio	Weight in Sector	Annual Return
2,497	4.79%	30.69%	18.37%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.78	$55.74	$77.00	38.14%



Company Description

Bristol-Myers Squibb Company discovers, develops, licenses, manufactures, markets, distributes, and sells biopharmaceutical products worldwide. Bristol-Myers Squibb's specialty offerings include drugs in oncology, immunoscience, cardiovascular, and fibrotic diseases. It sells products to wholesalers, retail pharmacies, hospitals, government entities, and medical profession. Two of their most popular drugs are Opdivo, which is a biological product for anti-cancer indications, and Eliquis, an oral inhibitor targeted at stroke prevention in adult patients.

Investment Rationale

Bristol-Myers Squibb relies on their patents to have stable revenue growth. Their patents for their top selling drugs do not lose exclusivity until around the year 2026. Bristol-Myers Squibb's will continue to control all production on these top drugs, allowing for substantial revenue in the near-term. Bristol-Myers Squibb has also prepared for this 2026 drop in exclusivity by continuing to expand their pipeline. Among competitors, Bristol-Myers Squibb holds a high percentage of drug projects in Phase II and Phase III, at 68%. This stands favorably compared to an industry average of 58%. Bristol-Myers Squibb's recent partnership with Celgene will allow for increased operational efficiency and an increased ability to produce and gain exclusivity on drugs before the exclusivity loss of their most successful drugs in 2026.

Competitors

Merck, & Co., Inc. (NYSE: MRK)

Pfizer Inc. (NYSE: PFE)

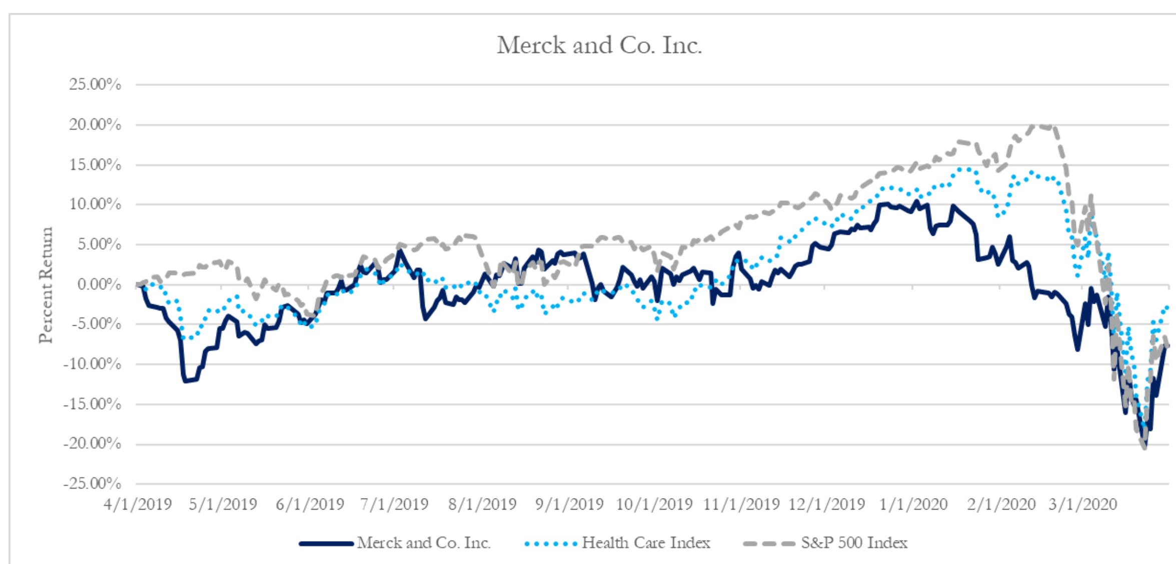
AbbVie Inc. (NYSE: ABBV)

Analyst Coverage

Evan Ensminger

Merck and Co. Inc. (NYSE: MRK) Pharmaceuticals

Shares	Weight in Portfolio	Weight in Sector	Annual Return
1,099	2.91%	18.65%	-7.64%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.69	$76.94	$88.27	14.73%



Company Description

Merck & Co. is a healthcare solutions provider operating in several different healthcare markets. Merck focuses on the pharmaceuticals business, which accounts for more than 75% of company revenues. Within pharmaceuticals, they specialize on research and production of cardiovascular, immunology, endocrinology, and oncology drugs. Merck also operates in Animal Health products and Healthcare Services. This Healthcare Services segment provides analytical and clinical services to healthcare providers.

Investment Rationale

Merck has a dominant position in the oncology market with Keytruda as its champion holding. This drug will drive considerable growth through prescriptions for current approved uses as well as pending FDA approval for Keytruda application for other diseases. Additionally, Merck's drug pipeline is highly promising, with Phase 2 and 3 drugs that deliver promising clinical results in the treatment of a wide variety of cancers. These drugs will deliver Merck continued growth once the company loses exclusivity of Keytruda in 2026. Finally, Merck has executed strategic acquisitions to complement their existing drug pipeline. This boosted pipeline will drive additional growth to supplement their organic growth.

Competitors

Amgen, Inc. (NYSE: AMGN)

AstraZeneca PLC (LSE: AZN)

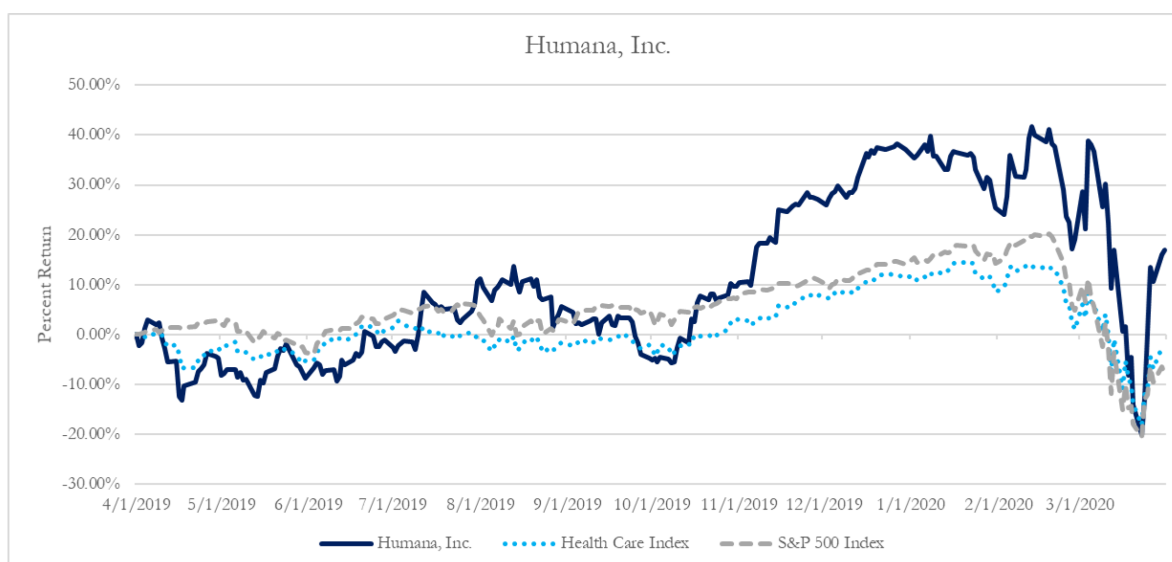
Bristol-Myers Squibb Company (NYSE: BMY)

Analyst Coverage

Brian Price

Humana, Inc. (NYSE: HUM) Managed Health Care

Shares	Weight in Portfolio	Weight in Sector	Annual Return
257	2.78%	17.80%	17.03%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.91	$314.02	$387.00	23.24%



Company Description

Humana is one of the largest providers of healthcare service providers in the United States. Humana primarily operates as a provider of Medicare and Medicaid plans. Humana holds a growing market position in the Medicare Advantage program. Individual Medicare Advantage makes up 65% of Humana's revenues, with the remaining revenues split across their other healthcare options. The company ensures over 17 million individuals in the U.S. through their medical benefit plans, along with 6 million individuals in specialty products, giving them the fifth most members of any insurance provider.

Investment Rationale

Humana has shown a strong dedication to technological integration that will help boost revenues and deliver exceptional customer service. Humana's strong market position in Medicare Advantage provides a substantial growth pipeline, as the current influx of senior citizens prefer Medicare Advantage's flexibility compared to traditional Medicare programs. Humana has also retained a high level of operating efficiency that is promising for the company's ability to expand margins. Their benefit/expense ratio of 84% is among the best of healthcare providers, and has remained constant, despite competition experiencing margin tightening.

Competitors

Anthem, Inc. (NYSE: ANTM)

Centene Corporation (NYSE: CNC)

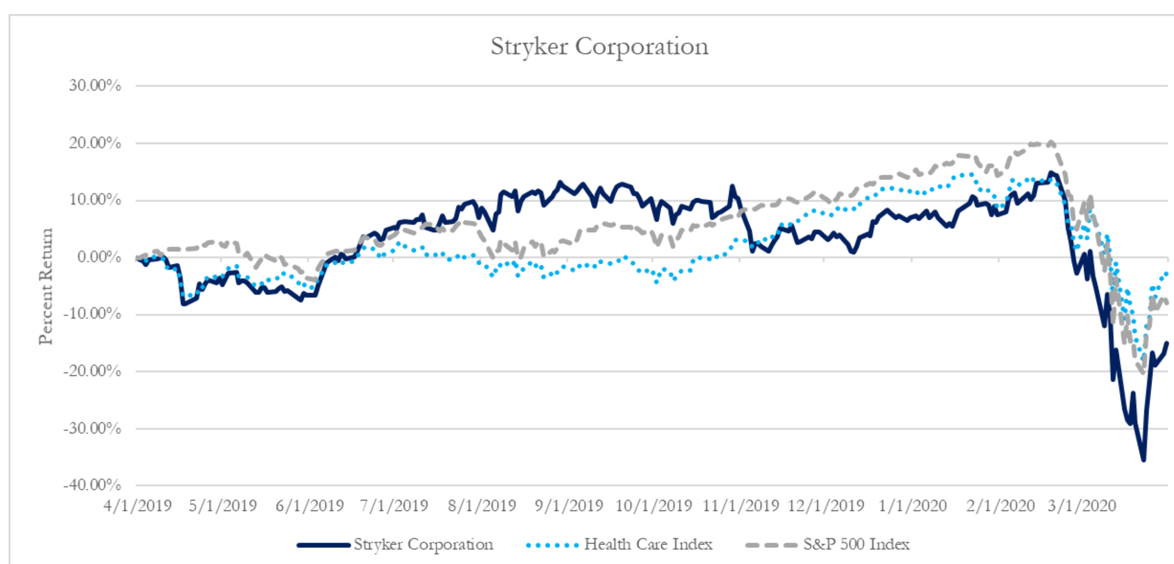
UnitedHealth Group (NYSE: UNH)

Analyst Coverage

Brian Price

Stryker Corporation (NYSE: SYK) Health Care Equipment

Shares	Weight in Portfolio	Weight in Sector	Annual Return
460	2.64%	16.89%	-15.10%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.80	$166.49	$231.00	38.75%



Company Description

Stryker Corporation specializes in the production, sale, and maintenance of implants, surgical devices, and other medical equipment. Stryker operates in three main segments: MedSurg, Orthopaedics, and Neurotechnology. MedSurg develops surgical equipment for use in operating rooms. It is the largest segment, generating 44% of revenues. Orthopaedics provides implants for knee and hip replacements, as well as other surgical equipment related to trauma and the extremities. Neurotechnology and Spine provides neurotech devices, which are primarily used in minimally invasive surgeries.

Investment Rationale

Stryker has created a strong growth environment for themselves, with expansion of products into emerging markets such as China and Japan. The Phase 1 Trade Deal allowed Stryker to begin to implement their products in Chinese markets, unlocking the East Asian region. Domestic growth has been driven by large and increasing R&D expenditures, developing more advanced than competitors. Given the aging global population, total knee and total hip replacements will be a booming market. Stryker has positioned itself well to capture the market for equipment in these surgeries. Stryker's Neurotechnology segment will be an area where Stryker will see great growth, even with this technology in the developmental phase.

Competitors

Abbott Laboratories (NYSE: ABT)

Baxter International (NYSE: BAX)

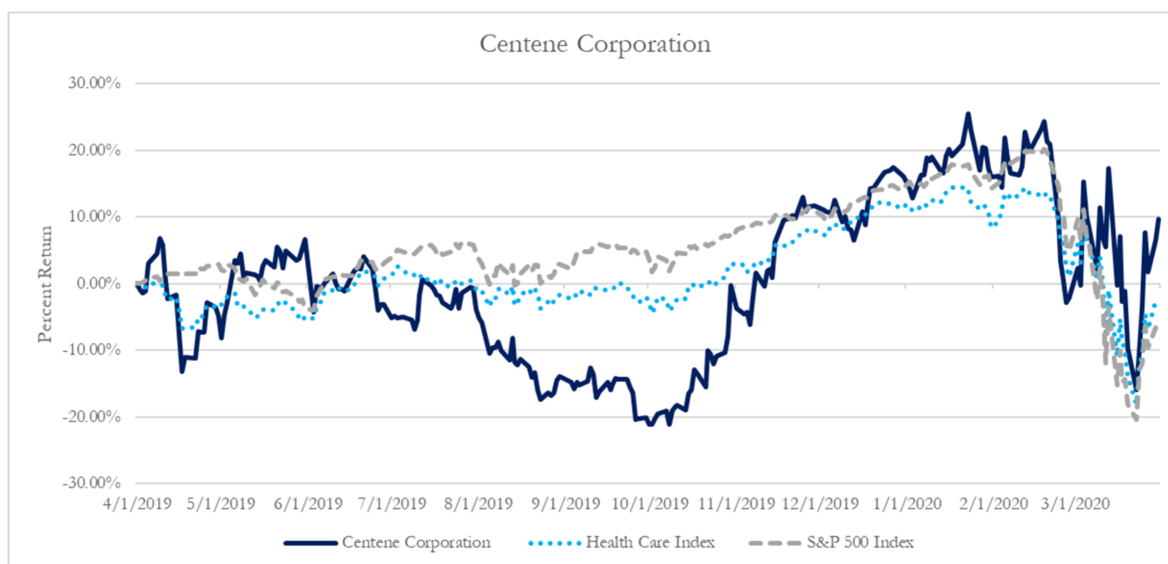
Boston Scientific Corporation (NYSE: BSX)

Analyst Coverage

Brian Price

Centene Corporation (NYSE: CNC) Managed Healthcare

Shares	Weight in Portfolio	Weight in Sector	Annual Return
1,219	2.49%	15.97%	9.69%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.06	$59.41	$68.00	14.46%



Company Description

Centene is a multi-national healthcare enterprise that focuses on offering health insurance products. Their primary revenue streams are from insurance plans that are subsidized by the government. Centene is the national leader in Medicaid, and also operate in Medicare and Medicare Advantage. Centene's recent acquisition of WellCare bolsters their product offerings in Medicare, an area in which they have struggled to sustain growth. This joint enterprise has the opportunity to allow Centene the ability to claim large market shares in both of the largest government health insurance programs.

Investment Rationale

During the recent market downturn due to the coronavirus outbreak, the market overreacted in reducing Centene's price by almost 30%. Although the virus may disrupt the business, healthcare will likely be a booming industry during this time, and the recent WellCare acquisition only adds to Centene's opportunities to grow rapidly in the coming years. Additionally, Centene has led its industry in driving revenue growth over the past five years. Centene is poised to continue this trend through their WellCare acquisition and continued focus on organic growth in existing revenue streams. For these reasons, the market dip allowed a significant buying opportunity in Centene, given their strong growth prospects.

Competitors

Humana Inc. (NYSE: HUM)

Anthem, Inc. (NYSE: ANTM)

Cigna Corporation (NYSE: CI)

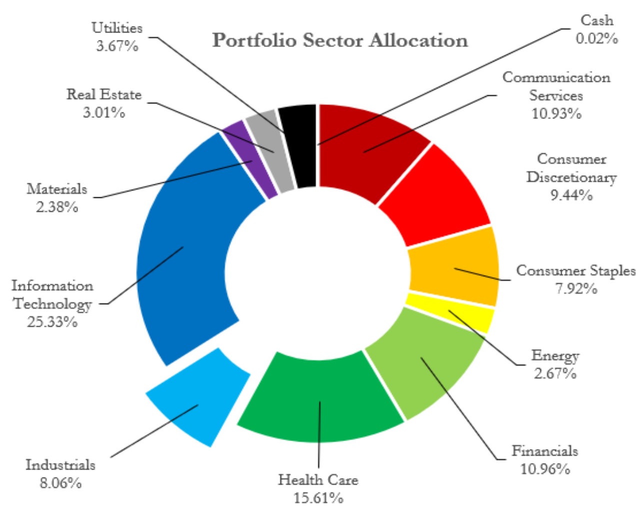
Analyst Coverage

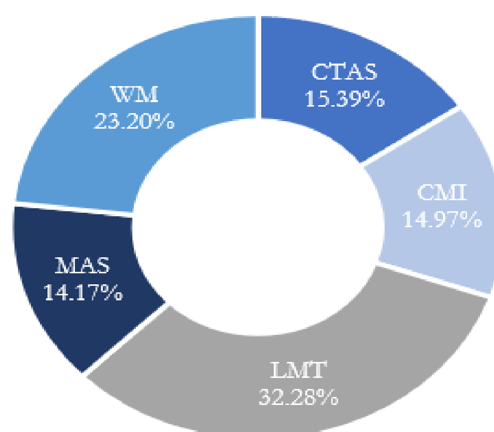
Brian Price

Industrials Sector Report

Holdings as of March 31, 2020

Company	Ticker	Subsector	Weight in Sector	Weight in Portfolio	Market Value	Annual Return
Lockheed Martin Corp.	LMT	Aerospace & Defense	32.28%	2.60%	$75,585.85	11.39%
Waste Management, Inc.	WM	Environmental & Facilities	23.20%	1.87%	$54,322.72	-11.02%
Cintas Corporation	CTAS	Specialty Business Services	15.39%	1.24%	$36,029.76	-15.49%
Cummins Inc.	CMI	Specialty Industrial Machinery	14.97%	1.21%	$35,047.88	-16.64%
Masco Corporation	MAS	Building Products & Equipment	14.17%	1.14%	$33,187.20	-12.06%





Industrials Sector Overview

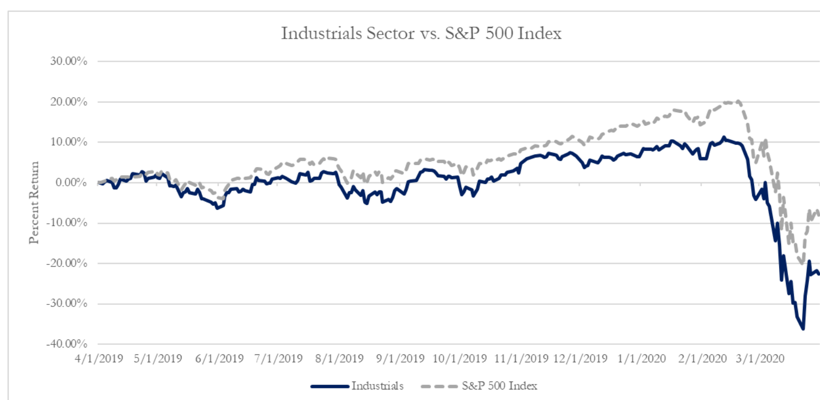
Over the past fiscal year, we have made five trades within the industrials sector. We sold out of positions in Verisk Analytics, FedEx, and General Dynamics and bought into positions of Lockheed Martin, Masco Corp. and Cintas Corp.

Currently the D'Artagnan Capital Fund holds five positions in the industrial sector: Cintas Corp., Cummins Inc., Lockheed Martin Corp., Masco Corp., and Waste Management.

The current holdings cover the following sub-sectors: Specialty Business Services, Specialty Industrial Machinery, Aerospace & Defense, Building Products & Equipment, and Environmental & Facilities.

Sector Overview	
DCF Sector Return:	-17.61%
Benchmark Sector Return:	-21.13%
DCF Sector Weight:	9.33%
Benchmark Weight:	9.15%
Asset Allocation:	-0.02%
Security Selection:	-0.27%

Sector Team	
Sector Manager:	Sean Vickery
Sector Analyst:	Tristan Shafer



Industry Analysis

Over the past fiscal year, the industrials sector has seen greatly increased volatility in regards to stock performance. The driving forces behind these fluctuations have been the U.S.-China Trade War and the recent outbreak of COVID-19, or the novel coronavirus. With these two developments, the industrials sector as a whole has become incredibly sensitive. Our current holdings of Cintas, Cummins, Lockheed Martin, Masco, and Waste Management all receive revenues from mainly North America and Europe. In an effort to minimize downside risk, the D'Artagnan Capital Fund's Industrial Sector is positioned to try to offset or avoid the effects of trade tensions within China. However, given its massive global spread, there are few options for avoiding the negative effects of the coronavirus on our holdings.

Trades made over the past fiscal year include selling out of FedEx Corp, Verisk Analytics, and General Dynamics. These trades were made purposefully to facilitate new positions in companies in which the D'Artagnan Capital Fund finds more opportunity for organic growth and a stronger future. Along with these sells, the D'Artagnan Capital fund has taken positions in Lockheed Martin and Cintas Corporation. We chose strategically to sell out of General Dynamics in favor of buying into Lockheed because we thought it would be unwise to hold positions in two aerospace and defense companies, especially with the upcoming 2020 election looming. Both these companies rely heavily on government funding, so any cutbacks in defense spending would be detrimental to their stock prices. In the end, we chose Lockheed Martin over General Dynamics because Lockheed has a more diversified business outside of defense that makes them a more attractive company. With a contract of roughly $1 trillion over the next 30 years already in place with the U.S. government, Lockheed Martin involvement in a new space exploration back to the moon adds further opportunity for growth in the future.

One company that the D'Artagnan Capital fund sold out of this past year was FedEx. This was due in large part to their troubles adapting to the rapidly changing and constantly improving e-commerce market. While companies like Amazon, UPS, and USPS have made strides to offer faster delivery and even same-day delivery, FedEx has struggled to cut delivery rates for faster shipments. With these advancements, there is stiff competition to gain share in the air freight & logistics market, making it difficult to determine and value a company with the ever-changing industry. Due to this difficulty and FedEx's laggard status among its competitors, the D'Artagnan Capital Fund decided to sell out of their position and invest in Cintas, which is an American leader in the Specialty Business Services sub-sector.

What's Changing in Industrials

The Industrials sector has seen significant and rapid changes over the past fiscal year. With trade tensions between the U.S. and China heating up, advancements in e-commerce, and the outbreak of COVID-19, the industrials sector has been extremely volatile and inconsistent.

Trade Developments

Trade tensions between China and the United States have escalated over the past fiscal year, making it harder for companies, especially in the industrials sector, to find a stronger balance in their other business segments. With many companies in the industrials sector having a large portion of their business in the Asia-Pacific market, the market has reacted to these trade tensions accordingly, with many companies in the sector posting poor performance. However, the D'Artagnan Capital Fund has focused it's attention to stocks whose business is mainly within the United States and Europe. With hopes of combatting the decrease in revenue from Asia in most industrials stocks, we try selecting companies with little or no business in Asia. While we expect the trade war to be resolved relatively soon, we have made this decision to combat the volatility that it will continue to drive for as long as no deal is in place.

Similar to the trade tensions between China and the United States, coronavirus has shaken every sector of the market, including Industrials. While it was originally hoped to be a problem specific to Asia, the global effects of the virus have thrown the sector into massive volatility. Many Industrial companies are still able to operate, as they can be classified as essential businesses, but with uncertain demand, possible supply chain disruptions due to sick workers and closed businesses, and looming fears of a recession, most companies are uncertain of how to move forward within current conditions, and their stock performance reflects this uncertainty.

Government Budgeting

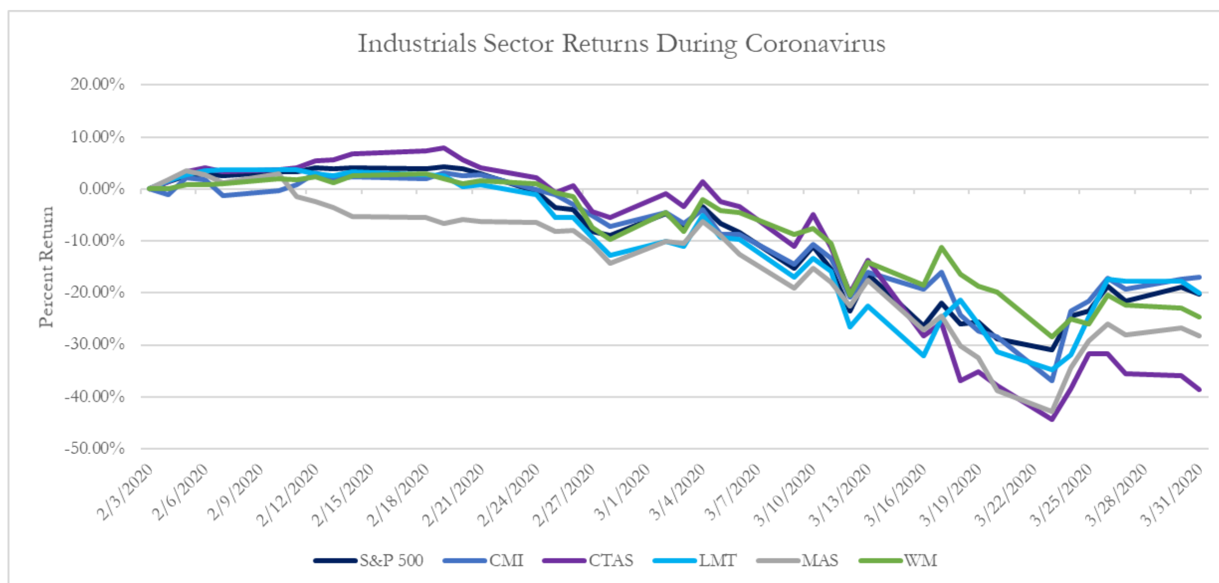
Beyond major market concerns, the upcoming U.S. presidential election presents an potential opportunity or hindrance to Industrials stocks, depending on the outcome of major elections. Over the past four years under President Trump, the defense segment has seen a large increase in government funding. While the D'Artagnan Capital Fund did sell out of General Dynamics, both Lockheed Martin and General Dynamics could be huge beneficiaries if the president were to be re-elected.

Stablity for Well-Established Market Leaders

Companies such as Masco and Waste Management are staples in their sub-sector and have provided stability and solid returns in a volatile market. With the majority of their revenues coming from United States customers, outside effects from Europe and Asia have not affected these companies like others. While they have been hurt in recent months by the effects of the coronavirus outbreak, we maintain our conviction in them as strong companies that will recover well once the worst of the virus has passed.

Industrials Coronavirus Report

Industrials Holdings Since February 3, 2020



Since February 3, Lockheed Martin and Cummins Inc. have both outperformed the S&P 500. While their prices have dropped significantly, COVID-19 has not hit these two companies as hard as the rest of the Industrials Sector. Lockheed Martin has been able to combat this volatile time by continuing to pursue various business opportunities. They are pursuing helicopter contracts and because of the F-35 deal that they signed with the government in October, they will continue to have business throughout the coronavirus lockdown. In the $34 billion deal, the government is purchasing 478 F-35 aircrafts. This deal should help keep Lockheed Martin's head above water and they should continue to outperform the S&P 500. Cummins Inc. has managed to stay afloat with production and sales of their generators and filtration devices in the past two months. With these, generators and filtration machines, Cummins is managing to continue their business with replacement and remanufactured fuel systems for the heavy duty commercial market. This business is key right now because so many materials are being shipped around the U.S. to continue to restock shelves in super markets and to deliver medical equipment, presenting a particularly strong opportunity for Cummins to continue their strong performance and thus continue outperforming the index.

Masco has underperformed against the S&P 500 because of their business market. Their specialty in home improvement and building products, such as plumbing replacements and decorative architectural products, is particularly troubling, as many people are not undergoing home improvement projects at this time. Because of this, Masco has been underperforming and their business has stalled. In the past two months, Waste Management has been underperforming as well against the S&P 500. While Waste Management has been collecting waste residentially, their commercial and industrial customers have mostly dried up. With most of the country in mandatory quarantine, these commercial and industrial customers are not producing waste for Waste Management to collect, which results in major revenue losses in a key segment of their business. Within the industrials sector, Cintas has been the largest underperformer against the S&P 500. Their primary revenue stream lies in providing cleaning supplies to companies, many of whom have been forced to close, which has resulted in massively decreased demand for Cintas in the past two months. This has hurt both their revenues and their stock performance.

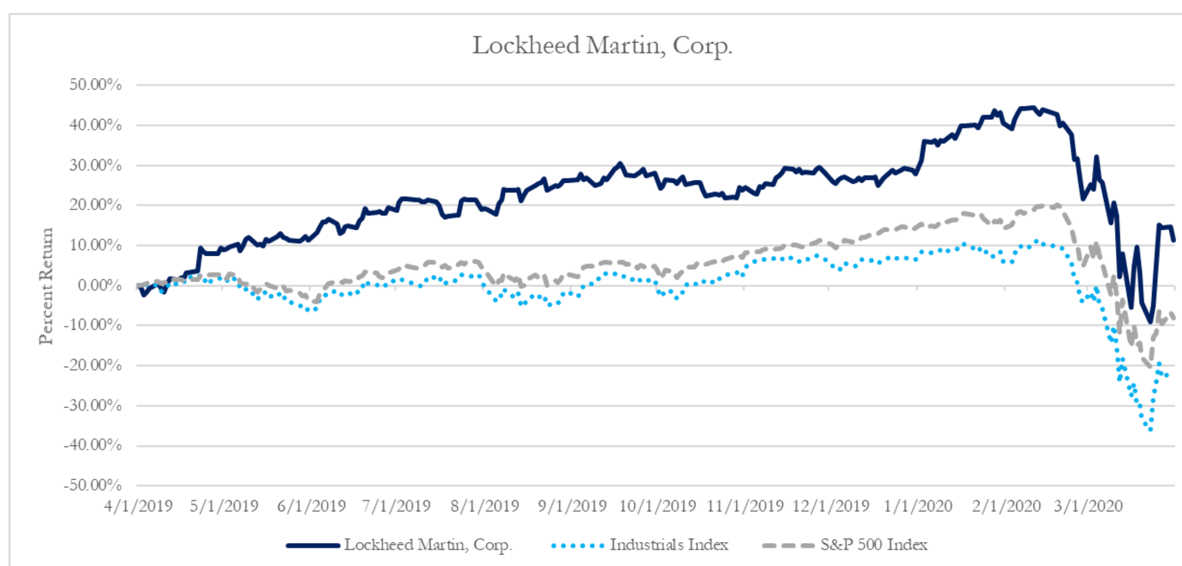
COVID-19 will continue to impact all companies within the Industrials sector. While our conviction is still the same regarding these companies, the D'Artagnan Capital Fund will continue to look for companies that thrive in current conditions and have strong potential for growth moving forward.

Industrials Trade Report

Date	Company	Ticker	Buy/Sell	Amount
9/25/2019	Masco Corp.	MAS	Buy	$38,912.03
10/9/2019	Lockheed Martin Corp.	LMT	Buy	$44,922.31
10/9/2019	Verisk Analytics Inc.	VRSK	Sell	$84,842.88
2/12/2020	Lockheed Martin Corp.	LMT	Buy	$46,278.17
2/12/2020	General Dynamics Corp.	GD	Sell	$38,970.18
2/24/2020	Fedex Corp.	FDX	Sell	$65,762.66
2/24/2020	Cintas Corp.	CTAS	Buy	$65,977.58
3/27/2020	Waste Management Inc.	WM	Sell	$9,750.69
3/27/2020	Cintas Corp.	CTAS	Sell	$4,029.70

Lockheed Martin, Corp. (NYSE: LMT) Aerospace and Defense

Shares	Weight in Portfolio	Weight in Sector	Annual Return
223	2.60%	32.28%	11.39%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.01	$338.95	$489.65	44.46%



Company Description

Lockheed Martin Corp. is a global security company involved in various business segments across aerospace defense. Their four main business segments include aeronautics, missiles and fire control, rotary and mission systems, and space. Lockheed Martin provides products and defense services not only to the United States military, but to the U.S. ally network as well. They are best known for their F-35 Fighter Jet., considered the best model the world. Lockheed Martin is the gold standard within their industry and holds critical government contracts, ensuring stability of revenues in the future.

Investment Rationale

Lockheed Martin produces the F-35 Lightning 2 single-seat fighter jet. This jet is the most advanced fighter jet in the world, boasting short take-off and vertical landing capabilities. Lockheed Martin has an outstanding order of 490 jets worth 34 billion in revenue. Out of 5 fighter jets utilized by the United States military, Lockheed Martin produces 3 of them. Lockheed's most stable product is their F-16 Fighting Falcon, which represents almost 50% of the total U.S. fleet. Lockheed Martin also provides the United States missile defense system, which will fall under the new military unit, the United States Space Force. Lockheed Martin consistently earns top government contracts, given their industry-leading technology innovations, strong internal security, and system familiarity with U.S. pilots.

Competitors

General Dynamics, Corp. (NYSE: GD)

Northrop Grumman, Corp. (NYSE: NOC)

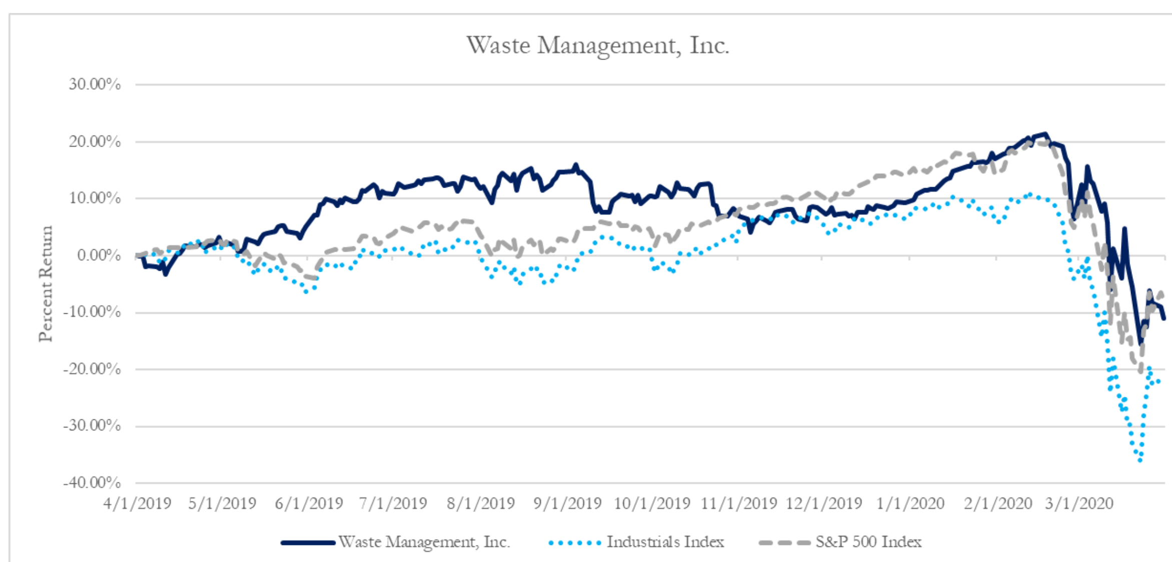
Raytheon Company. (NYSE: RTN)

Analyst Coverage

Tristan Shafer

Waste Management, Inc. (NYSE: WM) Environmental and Facilities Services

Shares	Weight in Portfolio	Weight in Sector	Annual Return
587	1.87%	23.20%	-11.02%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.65	$92.56	$182.04	96.67%



Company Description

Waste Management provides waste control services including collection, transfer, recycling, resource recovery, and disposal services. Waste Management also has operations in waste-to-energy facilities. Waste Management serves more than 20 million customers in the US and Canada. Waste Management is the leader in their industry, owning an industry-leading 250 landfills, 310 transfer facilities, and 95 material recovery stations. They are a leading recycler in North America and specialize in recycling materials such as paper, cardboard, glass, plastic and metal.

Investment Rationale

Waste Management is a staple within their industry and has sticky revenues with their existing client base. In the last few years, they have benefited from the green revolution and government subsidies and initiatives to fuel this business. Additionally, tighter government regulations on waste disposal has allowed Waste Management to dominate these opportunities, given their breadth of services offered. Companies hire Waste Management to avoid government fines and reduce their liability for poor environmental policy. Waste Management is the world’s largest private recycler and has begun to produce energy through its landfills. Waste Management is working on expanding the capacity of their current landfills and geographically expanding to new landfill sites in Simi Valley, Northeast Ohio, Leigh Valley, Indiana, and Delaware.

Competitors

Republic Services, Inc. (NYSE: RSG)

Waste Connections, Inc. (NYSE: WCN)

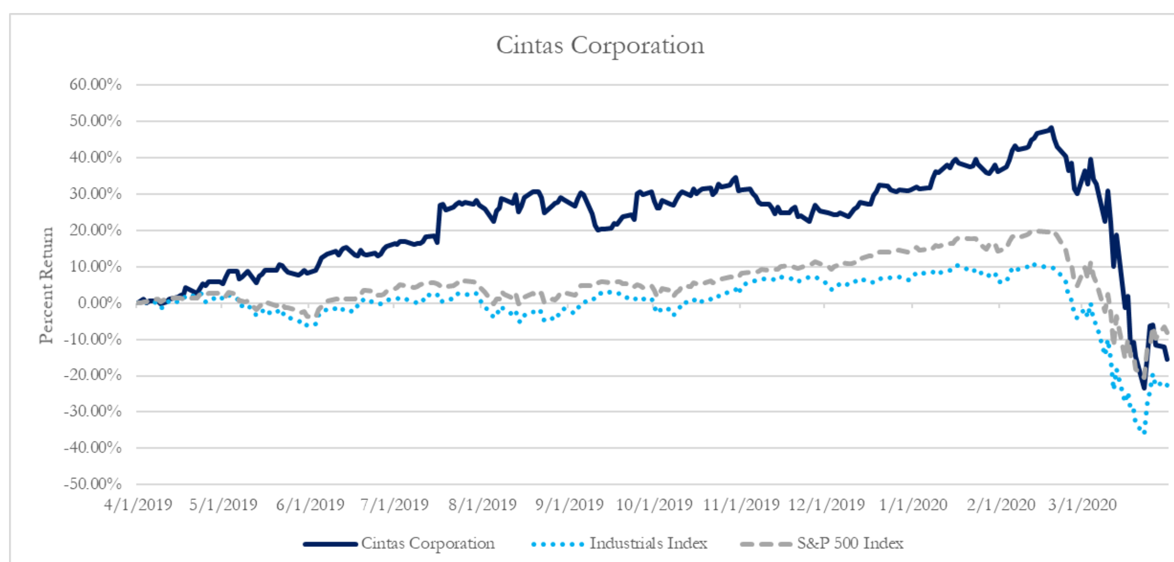
Clean Harbors, Inc. (NYSE: CLH)

Analyst Coverage

Tristan Shafer

Cintas Corporation (NasdaqGS: CTAS) Diversified Support Services

Shares	Weight in Portfolio	Weight in Sector	Annual Return
208	1.24%	14.97%	-15.49%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.94	$173.22	$337.57	94.88%



Company Description

Cintas Corporation is a Cincinnati, Ohio based company that provides specialized services to businesses. Cintas provides these services by designing and implementing uniform programs to provide corporate identity. Cintas also provides products to help keep facilities and employees clean and safe. These products include floor care, restroom supplies, first aid and safety products, fire extinguishers and testing, and safety and compliance training. They operate using their large distribution network with local delivery routes. Cintas primarily operates in North America, Latin America, Europe and Asia.

Investment Rationale

Cintas' uniqueness has led to them creating a natural monopoly within their solutions services. This positioning will be maintained, given the large economies of scale in their operations. After Cintas' G&K Services acquisition, they only compete with much smaller firms. Cintas Corporation will continue to realize strategic benefits from their $2.2 billion G&K Services acquisition, positioning themselves well in markets such as New York and Los Angeles. The implementation of their new enterprise resource planning system will help curtail inefficiencies within Cintas' operations. This new ERP system is focused on cost-cutting in sales processes, financial reporting, human capital management, corporate management, and cross-segment sales. Cintas expects this system to be fully implemented midway through 2020.

Competitors

Aramark (NYSE:ARMK)

UniFirst Corporation (NYSE:UNF)

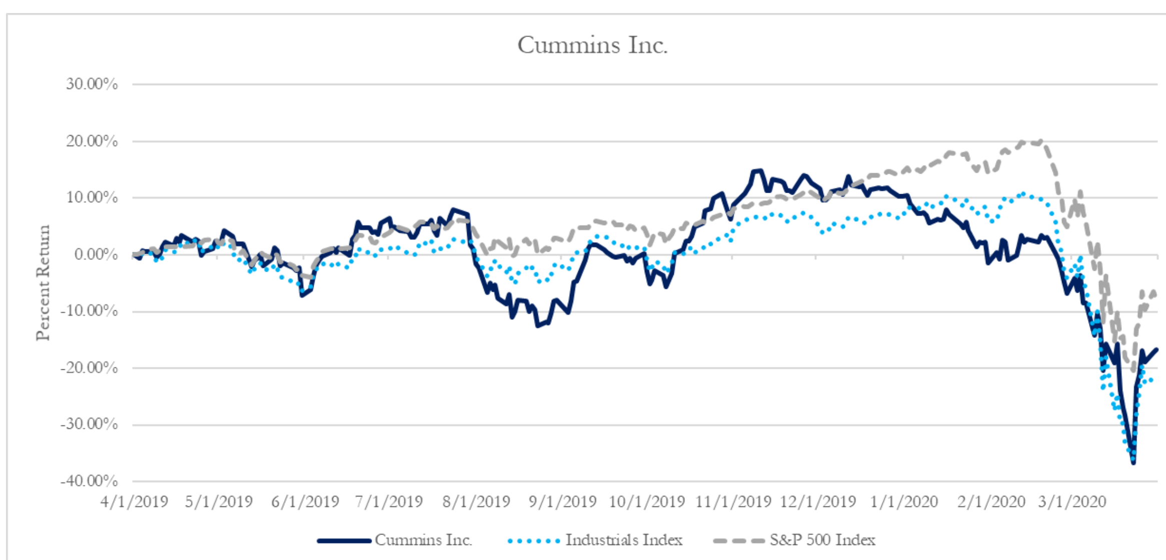
Impel S.A. (WSE:IPL)

Analyst Coverage

Alexander Nemechek

Cummins Inc. (NYSE: CMI) Construction Machinery and Heavy Trucks

Shares	Weight in Portfolio	Weight in Sector	Annual Return
259	1.21%	14.97%	-16.64%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.13	$135.321	$166.67	23.17%



Company Description

Cummins operates in 5 segments, Power Systems, Components, Distribution, New Power and Engines. Cummins is best known for their production of diesel engines. They are the global top producer of class-8 engines, a class of engines used primarily for Semi-trailer trucks. Their recently introduced segment, New Power, organizes all of their electric engine businesses into one segment. Cummins operate internationally with sales in 190 different countries. Cummins' distribution network is a company strength, holding 600 company-owned and independent distributers and operating with 6,000 dealers.

Investment Rationale

Cummins is the of type 8 truck engines and type 8 truck demand is projected to grow in the coming years. Given the growth of e-commerce and competitors scrambling to find the top speed to deliver products to customers, trucking has become an increasingly profitable business and Cummins is able to profit. Cummins has recently started to manufacturer electric excavators in a partnership with Hyundai. Cummins just released an electric-powered transit bus and electric school bus. As city government directs funds to reduce their carbon footprint, electric bus demand will grow, benefitting Cummins. Finally, Cummins will be the first in the industry to release a power drive system, allowing trucks to use electric engines until their energy output exceeds the electric engines. At this point, power then switches over to a traditional diesel engine.

Competitors

Caterpillar, Inc. (NYSE: CAT)

PACCAR, Inc. (NasdaqGS: PCAR)

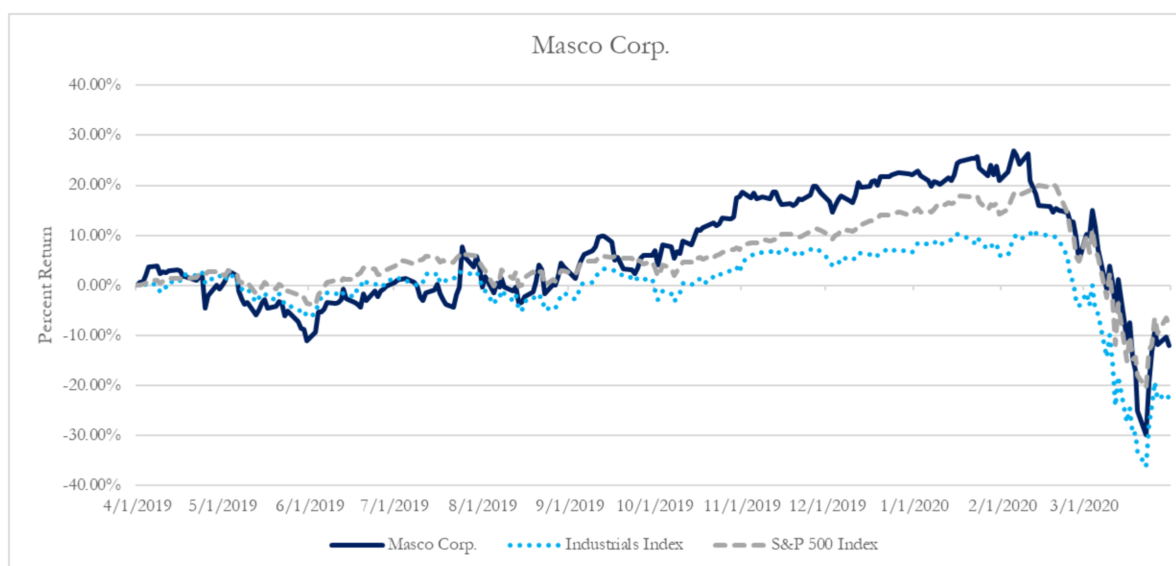
Deere & Company, Inc. (NYSE: DE)

Analyst Coverage

Tristan Shafer

Masco Corp. (NYSE: MAS) Building Products

Shares	Weight in Portfolio	Weight in Sector	Annual Return
960	1.14%	14.17%	-12.06%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.46	$34.57	$47.07	36.16%



Company Description

Masco Corp. sells home improvement and building products such as faucets, kitchen and bath cabinets, architectural coatings, and builders' hardware products. Masco sells its products through mass merchandisers, home centers, hardware stores, and other wholesale and retail outlets. Masco is considered a top brand by consumers and contractors in the home improvement sector due to their dedication to product quality and consistent improvement. Masco is continuously developing new products to boost the quality of the product and enhance ease of installation.

Investment Rationale

Masco owns several of the leading brands in the Plumbing and Decorative Architecture sectors. Key holdings include Delta Faucets, Behr and Hansgrohe. Masco's Delta line saw historic growth in 2019 due to their partnerships with VoiceIQ kitchen command systems. Masco continues to be on the cutting edge of integrating technology and home appliances, which will lead to future growth. Masco's Behr paint holds an exclusive contract with Home Depot. Home Depot advertises with Behr products and gives Behr primary product placement on their website and in stores. Hansgrohe is another extension of Masco's high-tech line, developing shower appliances that integrate fragrance, light, water, and sound.

Competitors

Fortune Brands Home & Security, Inc. (NYSE: FBHS)

Owens Corning. (NYSE: OC)

Mohawk Industries, Inc. (NYSE: MHK)

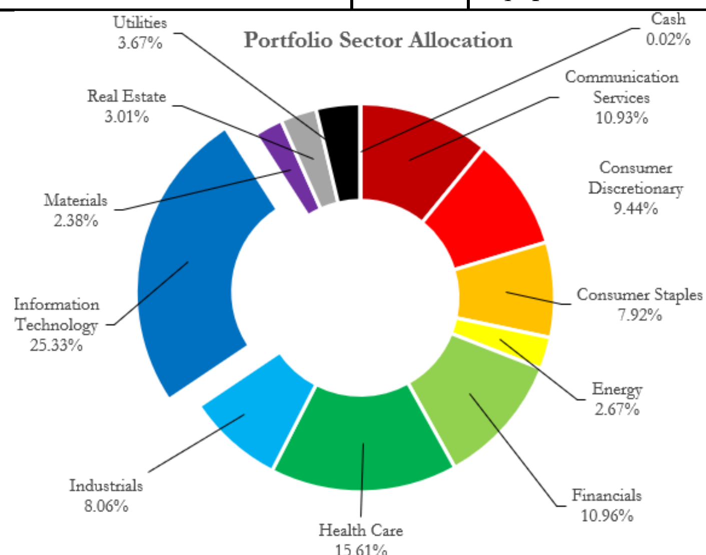
Analyst Coverage

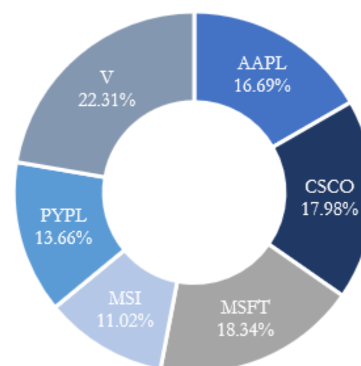
Tristan Shafer

Information Technology Sector Report

Holdings as of March 31, 2020

Company	Ticker	Subsector	Weight in Sector	Weight in Portfolio	Market Value	Annual Return
Visa Inc.	V	Data Processing and Outsourced Services	22.31%	5.65%	$164,181.28	2.45%
Microsoft Corp	MSFT	Systems Software	18.34%	4.65%	$134,999.76	32.51%
Cisco Systems Inc.	CSCO	Communications Equipment	17.98%	4.56%	$132,356.77	-28.50%
Apple Inc.	AAPL	Technology Hardware, Storage & Peripherals	16.69%	4.23%	$122,822.07	32.97%
PayPal Holdings Inc.	PYPL	Software and Services	13.66%	3.46%	$100,527.00	-5.94%
Motorola Solutions Inc.	MSI	Communications Equipment	11.02%	2.79%	$81,081.20	-9.29%



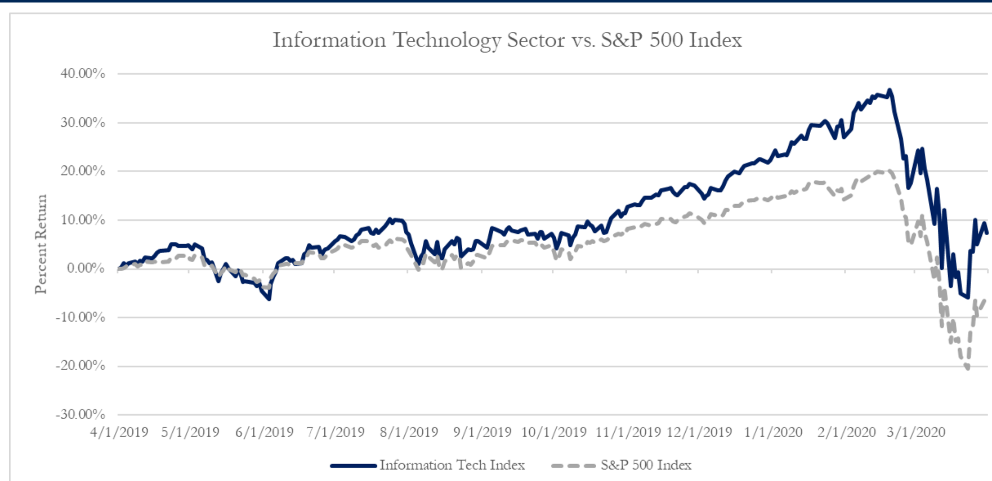


Sector Overview	
DCF Sector Return:	4.93%
Benchmark Sector Return:	8.90%
DCF Sector Weight:	22.58%
Benchmark Weight:	22.71%
Asset Allocation:	-0.02%
Security Selection:	-0.82%

Sector Team	
Sector Manager:	Bradley Horvath
Sector Analyst:	Jack Streicher James Kelin

Information Technology Sector Overview

Currently, the DCF holds six stocks in the information technology sector. These stocks are, in order of weight in portfolio, Visa, Microsoft, Cisco, Apple, PayPal, and Motorola Solutions. There are six sub-sectors within IT: IT Services, Software, Communications Equipment, Technology Hardware, Storage & Peripherals, Electronic Equipment, Instruments & Components, and Semiconductor & Semiconductor Equipment.



Industry Analysis

Over the past couple of years, we've seen tremendous growth within the information technology sector. A lot of the sector's growth can be attributed to the rise of the tech giants of Microsoft and Apple. In addition to the growth within these two tech giants, we've seen tremendous growth within the software sub-segment as companies have found success in developing software for improving workflow and overall efficiency for businesses. Over the past five years, the software sub-segment of the information technology sector has returned over 150%. Microsoft has been a primary driver of this growth. In addition to owning Microsoft for the majority of this year, we supplemented our position in the software sub-segment with a stake in Fortinet which is primarily focused in cybersecurity. We have also looked at Oracle, Salesforce, and Citrix Systems as other potential investments within this sub-segment.

The semiconductor and semiconductor equipment sub-segments have also been sources of growth within the information technology sector. Over the past five years, these sub-segments have returned over 70%. Semiconductors are involved in nearly every aspect of technology ranging from the chips in your smartphone to the chip on your credit card. In order to capitalize in this growth, we have taken positions in companies such as Brooks Automation and continue to monitor Intel, Qualcomm, and Lam Research.

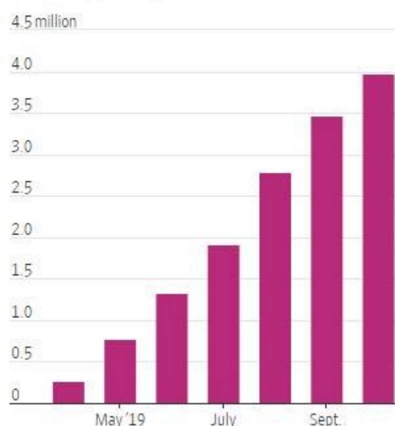
The technology hardware, storage & peripherals sub-segments of information technology have grown at nearly 67% over the past five years. Apple has been a significant contributor by demonstrating an ability to create and deliver industry leading products like the iPhone, Air Pods, and the Apple Watch while supplementing their revenue with recurring revenues from Apple Pay, Apple Music, and many others. We have also looked at companies like Western Digital to participate in the recent growth of this sub-segment.

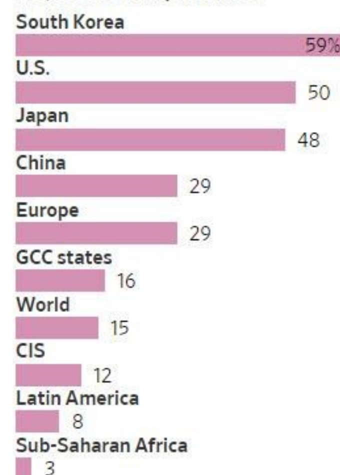
What's Changing in Information Technology

Over the last decade, we have seen tremendous growth in information technology, much of that coming from the evolution within the cloud computing and smartphone markets. We can except that these trends continue over the next decade as they have an ability to increase efficiencies and workflow in nearly every industry. In addition to cloud computing and smartphone manufacturing, there are other long awaited trends such as 5G, artificial intelligence, and driverless cars. The complexity of these technologies will result in growth among various sub-industries within IT.

The Rise of 5G

In 2019, we saw some of the larger manufactures, most notably Samsung, begin to release smartphones with 5G capability. We except to see other smartphone manufacturers, such as Apple, to follow suit. These upgrades are a much needed boost in technology as recent model upgrades have been relatively insignificant and have not compelled the majority of consumers to continue to purchase the newest model. In 2019, there was a 7% decrease in smartphone shipments. The manufacturing process of these phones are very complex and require a lot of specialization that one supplier cannot do by itself. The semiconductor industry, specifically the 3D NAND segment, will experience tremendous growth over the upcoming years due to the rise of 5G. These 3D NAND chips are highly coveted across the industry and will be the primary chip utilized in the evolution of 5G, artificial intelligence, and driverless cars. Some companies that we can except to benefit from the growth in the 3D NAND market include Samsung, Western Digital, and Toshiba. The manufacturing of these semiconductors is not a simple task. There has been an increasing demand for industry technology that serves two primary purposes: an ability to produce micro-sized chips through etch and deposition tools and the absence of containments within the fabrications plants. Lam Research, Tokyo Electron, and Applied Materials are involved in the manufacturing of these types of equipment and can except high levels of growth as these trends continue.





Growth Within Software

We've seen significant growth within the software sub-segment of information technology, and we can except this to continue. IT Spending has become the largest capital expenditure for companies and much of it is going toward the integration of enterprise resource planning software. Oracle, SAP, and Workday have seen continued growth.. The enterprise resource software sub-segment of IT has been acquisition heavy recently as vendors strengthen out their portfolio of products. Some areas of expansion include planning, project management, procurement, performance management, and asset management. Many of these software applications are personalized to fit the needs of each individual customer. The ability to adjust the software to fit the needs of the user will continue to drive growth.

Over the past couple years, we've seen a shift from on premise infrastructure software towards cloud based solutions as enterprises continue to adopt a multi-cloud strategy. We've seen extremely fast growth within infrastructure software due to its ability to improve the IT operations of companies across industries.

Growth within Software (cont.)

Within the infrastructure as a service market, we can except to see the fastest growth in the database and systems software segments. Information technology initiatives such as mobility, automation, and the rise of big data will drive utilization of the cloud. The growth within the infrastructure software industry will provide opportunities for companies like ServiceNow, Palo Alto, Oracle, and Splunk. With the rise of the cloud, we've seen tremendous growth within cybersecurity as the importance of protecting data is crucial to businesses. This shift will benefit companies such as Palo Alto and Fortinet that provide software-defined wide area networks (SD-WAN), endpoint detection and response (EDR), identity and access management (IAM), and cloud gateway.

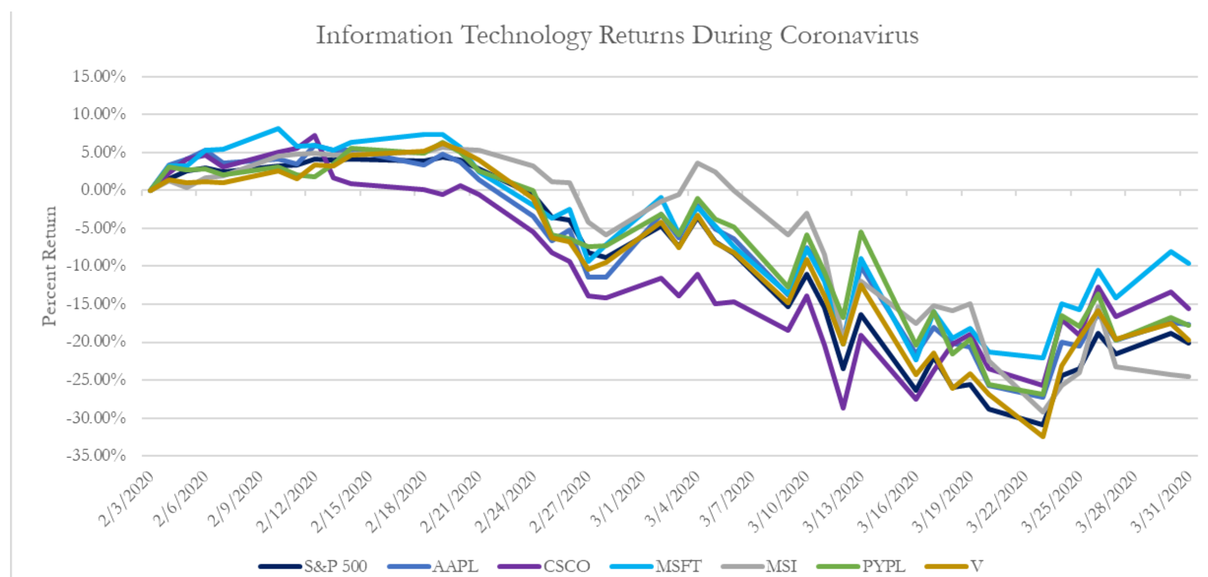
Risks within Information Technology

One of the most significant market trends is the rise of the public cloud. We expect this trend to continue. However, we may start to see the first signs of slowdowns in growth driven by increased global uncertainty. There is a strong possibility that companies, especially those with increased sensitivities to economic downturns, delay the purchase of new technology products or systems. IT budgets have become tighter in many corporations and the economic uncertainty will likely cause further cuts. Along with global macro uncertainty and tightening IT budgets, we've seen major disruptions in supply chains beginning with the trade war with China and exasperated by the rise of the coronavirus. Tariffs on Chinese imports and sanctions on Huawei will continue to cause some customers to temporarily pause IT spending until there is increased clarity and certainty within the supply chain.

"Over the last year, many of you have heard me talk about the resilience of the global macro environment. However, on our last earnings call, we indicated hat we had begun to see some weakness and that weakness continued throughout Q1 and was more broad based. While the main challenges continue to be service provider an emerging markets, this quarter we also saw relative weakness in enterprise and commercial."
Chuck Robbins—CEO, Cisco Systems Inc.
Q1 2020 Earnings Call, November 13, 2019

Sector Coronavirus Report

Information Technology Holdings Since February 3, 2020



Over the past two months, businesses across the globe have suspended operations in an attempt to prevent the spread of COVID-19. Coronavirus is going to have a large impact on the entire IT sector, but hardware will likely struggle the most as they will experience issues on both the supply and demand sides. Over the last decade, China has become responsible for over 20% of hardware manufacturing. As the coronavirus has forced these manufacturers to suspend operations, the supply chain has struggled to recover. The impact on shipments is expected to last until the third quarter of 2020, resulting in a 5% decrease in units shipped. Although these manufacturers have resumed operations, they are still experiencing some of the lingering effects of the temporary shutdown which results in major supply chain disruptions for companies like Apple. Prior to the coronavirus, Apple was expected to release their first 5G compatible phone in 2020 but was forced to delay the release as the coronavirus shutdown some of the major iPhone assemblers such as Hon Hai and Pegatron. In addition to a slowdown for Apple, hardware segments of Microsoft, HP, and Dell will struggle as well.

Although the coronavirus is going to negatively impact all of the technology sub-segments, semiconductors should fare better than hardware, due to its exposure to the cloud. In the first quarter of 2020, we except semiconductors to experience issues on both the supply and demand sides. As we get into the second and third quarters of 2020, supply issues should be resolved, but demand may still struggle especially from corporate IT and consumers. Chip manufactures for mobile phones like Qualcomm, Skyworks, and Qorvo will experience a decrease in demand as phone sales decrease. Automobile manufacturing is expected to slowdown, resulting in decreased demand for auto chip manufacturers NXP and Texas Instruments. Cloud spending is more resistant to an economic slowdown, as companies like Amazon, Google, and Microsoft continue purchasing cloud equipment. This spending will help companies like Intel, AMD, and Nvidia.

Out of all of Information Technology, software is the most resistant to an economic slowdown due to its recurring revenue and the mission-critical nature of software products. Software companies have the highest gross margins of any technology company as they have very little expense in terms of cost of goods sold. As people continue to work from home, dependable software is integral to allowing a business to function remotely. Companies like Microsoft, Oracle, VMware, and Checkpoint are well positioned due to the stickiness of their revenue. Payment processing companies like Visa, Mastercard, and PayPal are well positioned for two reasons. People have the ability to online shop as they are stuck at home, and they should rebound quickly once people begin to leave their places of residence again.

Information Technology Trade Report

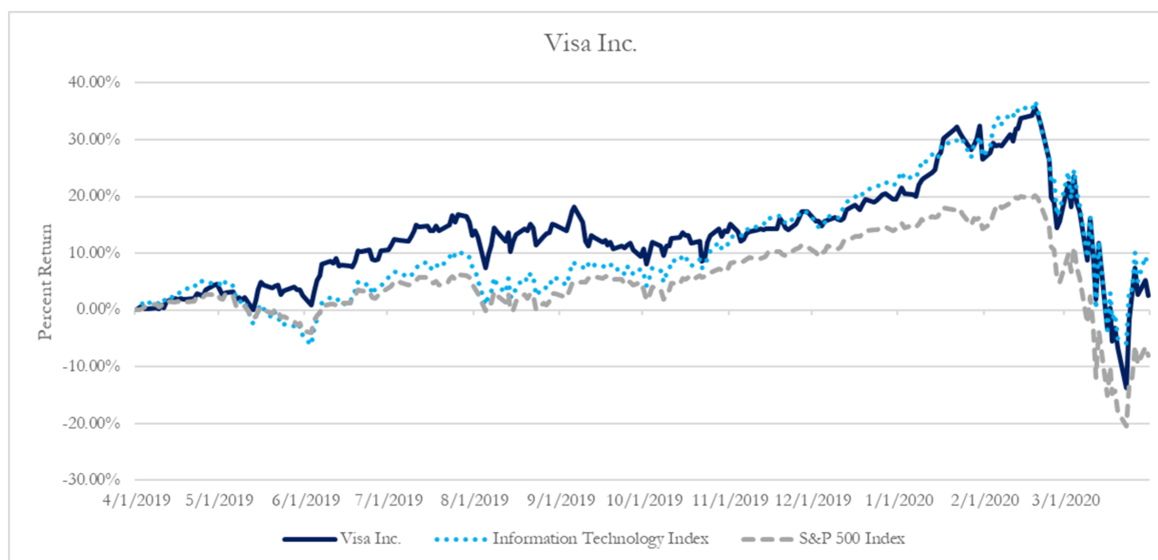
Date	Company	Ticker	Buy/Sell	Amount
9/23/2019	Microsoft Corp.	MSFT	Buy	$32,782.37
9/23/2019	Visa	V	Buy	$61,223.75
9/23/2019	Arista Networks	ANET	Sell	$65,830.85
10/23/2019	Fortinet Inc.	FTNT	Buy	$87,049.06
10/23/2019	Oracle Corp.	ORCL	Sell	$87,166.78
1/17/2020	Fortinet Inc.	FTNT	Sell	$17,935.40
2/5/2020	Brooks Automation Inc.	BRKS	Buy	$75,535.36
2/5/2020	Cisco Systems Inc.	CSCO	Buy	$75,128.58
2/5/2020	Visa	V	Buy	$172,783.97
2/5/2020	Microsoft Corp.	MSFT	Sell	$321,043.17
2/14/2020	Brooks Automation Inc.	BRKS	Buy	$568,584.64
2/14/2020	Cisco Systems Inc.	CSCO	Buy	$57,030.15
2/14/2020	Fortinet Inc.	FTNT	Sell	$113,898.63
3/4/2020	Apple Inc.	AAPL	Sell	$34,917.85
3/4/2020	Visa	V	Sell	$35,090.32
3/4/2020	Cisco Systems Inc.	CSCO	Sell	$35,181.52
3/25/2020	Facebook Inc.	FB	Buy	$49,560.07

Information Technology Trade Report (Continued)

Date	Company	Ticker	Buy/Sell	Amount
3/27/2020	Paypal Holdings Inc.	PYPL	Buy	$8,891.92
3/30/2020	Microsoft Corp.	MSFT	Buy	$136,818.02
3/30/2020	Apple Inc.	AAPL	Sell	$29,790.86
3/30/2020	Brooks Automation Inc.	BRKS	Sell	$99,104.03

Visa Inc. (NYSE: V) Data Processing and Outsourced Services

Shares	Weight in Portfolio	Weight in Sector	Annual Return
1,019	5.65%	22.31%	2.45%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.93	$161.12	$216.67	34.48%



Company Description

Visa operates the largest global payments network. Visa facilitates commerce through the transfer of value and information between consumers, merchants, financial institutions, businesses, strategic partners and government entities. Visa's payment system include 3.3 billion credit and other payment cards in circulation in over 200 countries. Visa licenses its name to member institutions to issue and market their own Visa products and utilize the VisaNet payment authorization, processing, and settlement services.

Investment Rationale

Visa has reported consistent revenue growth, aided by a global shift away from cash and toward electronic payments. This growth in electronic payment processing has been a beneficiary of retail e-commerce and more global supply chains. Visa has demonstrated a commitment to innovation by introducing offerings such as their tap-to-pay system, which allow customers to make transactions without swiping or inserting their cards into payment processing systems. Visa's technological advancements have also led to compatibility with applications such as Apple Pay and Google Pay. These offerings make it easier and more convenient for customers to use their Visa card will continue to allow Visa to dominate the global payment processing market.

Competitors

Mastercard Incorporated (NYSE: MA)

Global Payments Inc. (NYSE: GPN)

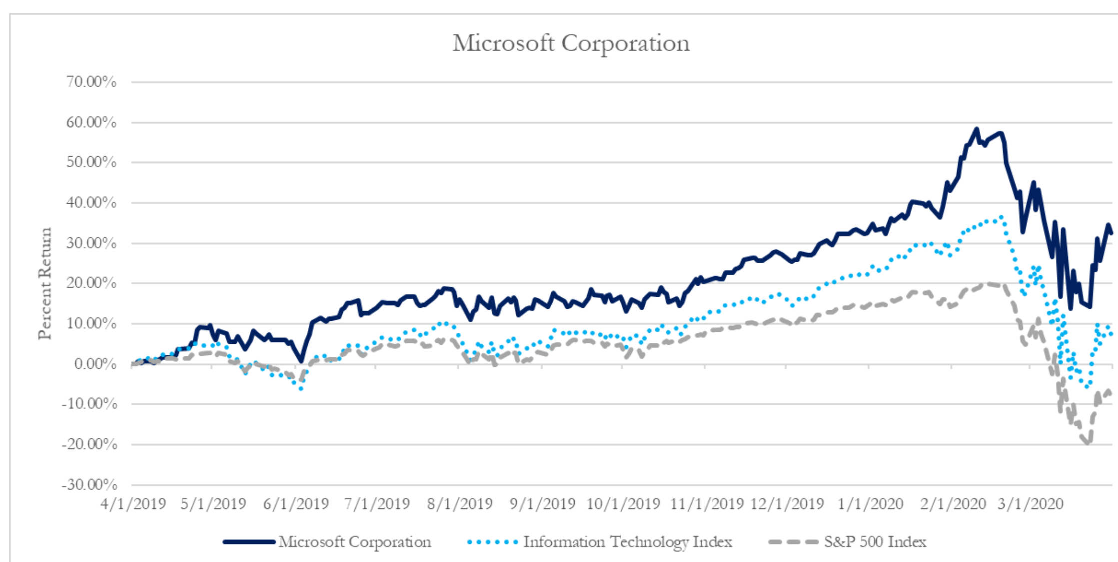
Fiserv, Inc. (NasdaqGS: FISV)

Analyst Coverage

Jack Streicher

Microsoft Corporation (NasdaqGS: MSFT) Systems Software

Shares	Weight in Portfolio	Weight in Sector	Annual Return
610	4.65%	18.34%	32.51%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.09	$157.71	$189.54	20.18%



Company Description

Microsoft Corporation is a technology company that develops, manufactures, licenses, supports, and sells a range of products such as consumer electronics, personal computers, gaming systems, computer operating systems, productivity products, a professional social media platform, and intelligent cloud solutions. Microsoft's business lines are divided into three business segments: Productivity and Business Processes, Intelligent Cloud, and More Personal Computing.

Investment Rationale

Microsoft has experienced significant growth in recent periods as the company has shifted its strategy toward sticky, subscription-based revenue streams, especially for its widely popular Office 365 productivity software offerings. Microsoft is a leading provider of cloud-based computing services, and the company has continued to make significant investments in its intelligent cloud segment. Azure, Microsoft's marquee cloud based solutions product, has continued to report impressive growth and capture market share. Azure and the intelligent cloud segment will soon become Microsoft's largest source of revenue as cloud computing is the next big wave of innovation sweeping across the economy. Microsoft is well positioned to capitalize on market trends.

Competitors

Apple Inc. (NasdaqGS: AAPL)

Alphabet Inc. (NasdaqGS: GOOG.L)

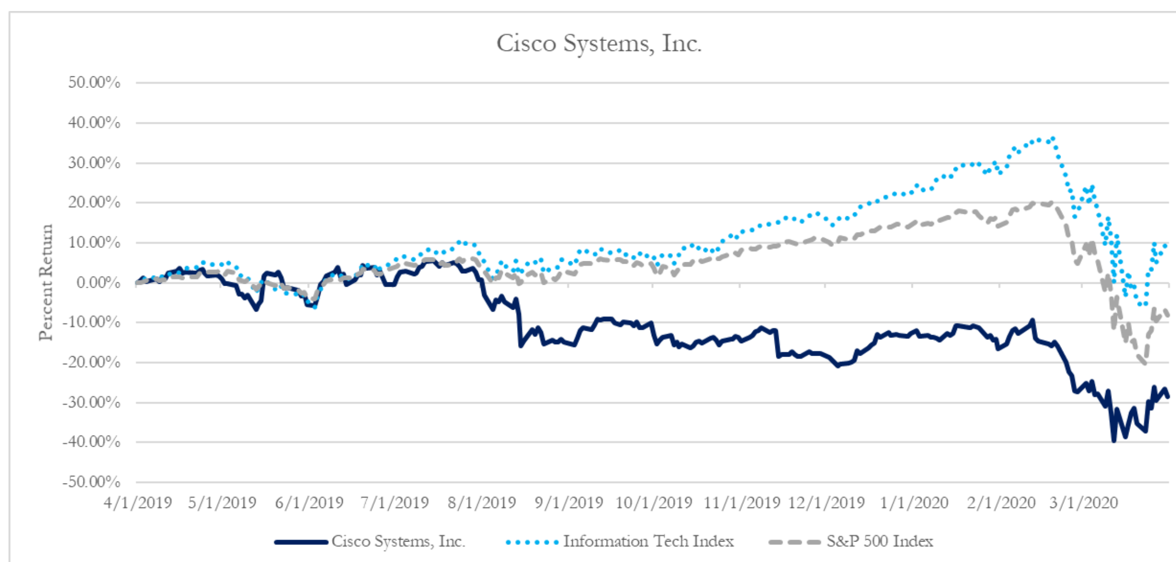
International Business Machines Corporation (NYSE: IBM)

Analyst Coverage

Jack Streicher

Cisco Systems, Inc. (NASDAQ: CSCO) Communications Equipment

Shares	Weight in Portfolio	Weight in Sector	Annual Return
3,367	4.56%	17.98%	-28.50%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.20	$39.31	$53.18	35.28%



Company Description

Cisco Systems, Inc. designs, manufactures, and sells interest protocol based networking products related to the communications and information technology industry. They offer routing and switching products that interconnect public and private wireline and mobile networks. Cisco has a line of data center products to supplement their core operations. Additionally, they market and sell cybersecurity products. It sells its products directly to businesses, as well as through channel partners, such as systems integrators, service providers, other resellers, and distributors.

Investment Rationale

Cisco has been able to increase their market share to 50.1% in the past fiscal year. This has primarily been because of the inability of competitors to match their pricing models on their product packages. In addition to the router and switching segment, a 43% of revenue comes from software and cloud based solutions. This high-growth area is being flooded with competition from hardware companies, but Cisco's unique software focus will give a competitive advantage in penetrating the cloud market Finally, Cisco has gone through a restructuring phase, which should allow more efficient margins.

Competitors

Arista Networks Inc. (NYSE: ANET)

Motorola Solutions Inc. (NYSE: MSI)

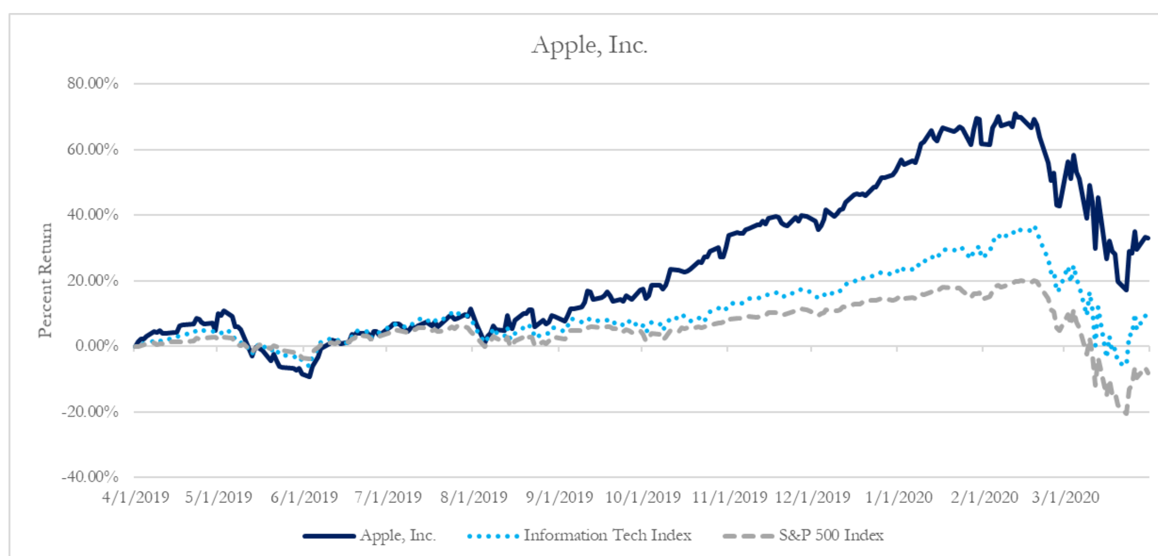
Juniper Networks Inc. (NYSE: JNPR)

Analyst Coverage

James Kelin

Apple, Inc. (NASDAQ: AAPL) Technology Hardware, Storage, and Peripherals

Shares	Weight in Portfolio	Weight in Sector	Annual Return
483	4.23%	16.69%	32.97%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.29	$254.29	$346.80	36.38%



Company Description

Apple, Inc. designs, manufactures, and markets mobile communication, media devices, and personal computers. Outside of their core product line of iPhone, iPad, and Mac, Apple also sells operating systems. Apple has expanded their software platforms with AppleCare support services, Apple Pay, and Apple TV. They directly serve consumers, businesses, educational institutions, enterprise, and government customers across the globe. The company sells its products through its retail and online stores, third-party cellular network carriers, wholesalers, and other retailers.

Investment Rationale

Apple maintains a significant advantage over their competitors due to their ability to interconnect devices for various uses. This allows for simple integration of core Apple Products into an individual's lifestyle. It allows for sticky revenues, as consumers have become tied to Apple products and switching to competitors would be a significant interruption. In addition to focusing on developing their devices, Apple has supplemented revenue through the popularity of AirPods, Apple Watch, Apple Music, and Apple TV. Apple has been working to increase their devices' 5G potential better than their competitors. Finally, the anticipated release of a low-cost iPhone is expected to broaden their market domestically and internationally.

Competitors

Microsoft (NASDAQ: MSFT)

Samsung Electronics (KOSE: A005930)

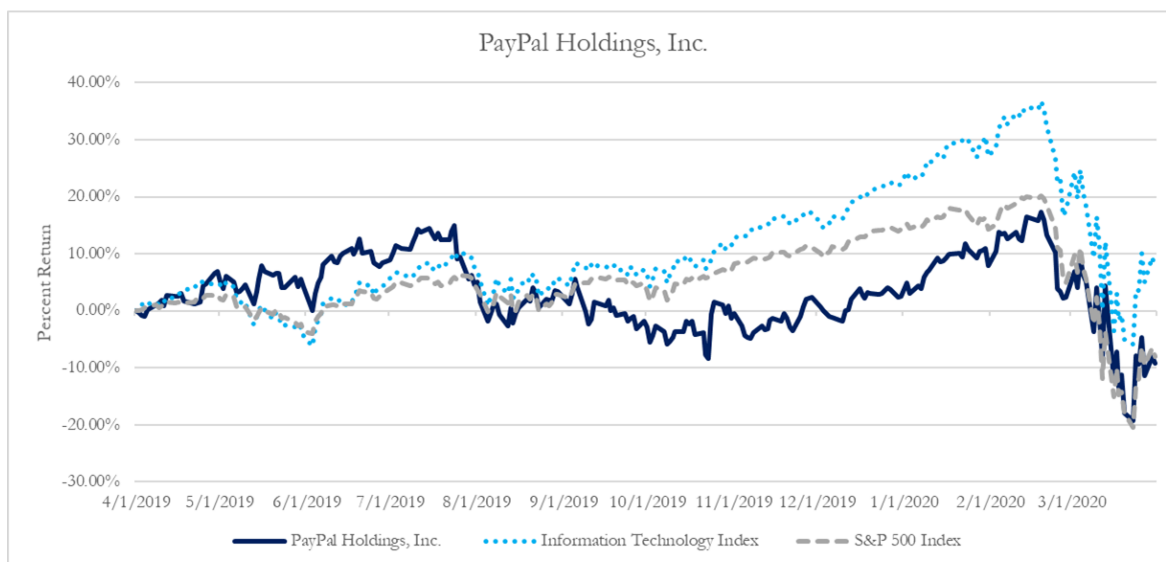
HP Inc. (NYSE: HPQ)

Analyst Coverage

James Kelin

PayPal Holdings, Inc. (NasdaqGS: PYPL) Data Processing and Outsourced Services

Shares	Weight in Portfolio	Weight in Sector	Annual Return
1,050	3.46%	13.66%	-9.29%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.92	$95.74	$115.11	20.23%



Company Description

PayPal is a technology platform that facilitates digital payments for consumers and merchants across the world. The company's payment platform allows customers to transfer funds from multiple sources including a customer's bank account, credit card, or PayPal account. Different from other payment services providers, PayPal focuses more on the peer-to-peer market. PayPal has nearly 270 million active accounts including 21 million merchant accounts across more than 200 markets. Its payment solutions include PayPal Credit, Braintree, Venmo, Xoom, and iZettle products.

Investment Rationale

As retail e-commerce sales steadily increase across the globe, digital payment platforms will continue to grow in use and importance. PayPal has made a series of strategic acquisitions to expand their platform and offerings for peer-to-peer transactions and customer-to-merchant payment transactions. PayPal has made partnerships with merchants such as EBay, Walmart, Facebook, and Uber to encourage their customers to utilize PayPal as their preferred method of payment. PayPal continues to focus on the accessibility of their services, given their heavy reliance on peer-to-peer payment transfers. Despite new completion products from individual banks, individuals have remained with the PayPal suite of services.

Competitors

Fiserv, Inc. (NasdaqGS: FISV)

Mastercard Incorporated (NYSE: MA)

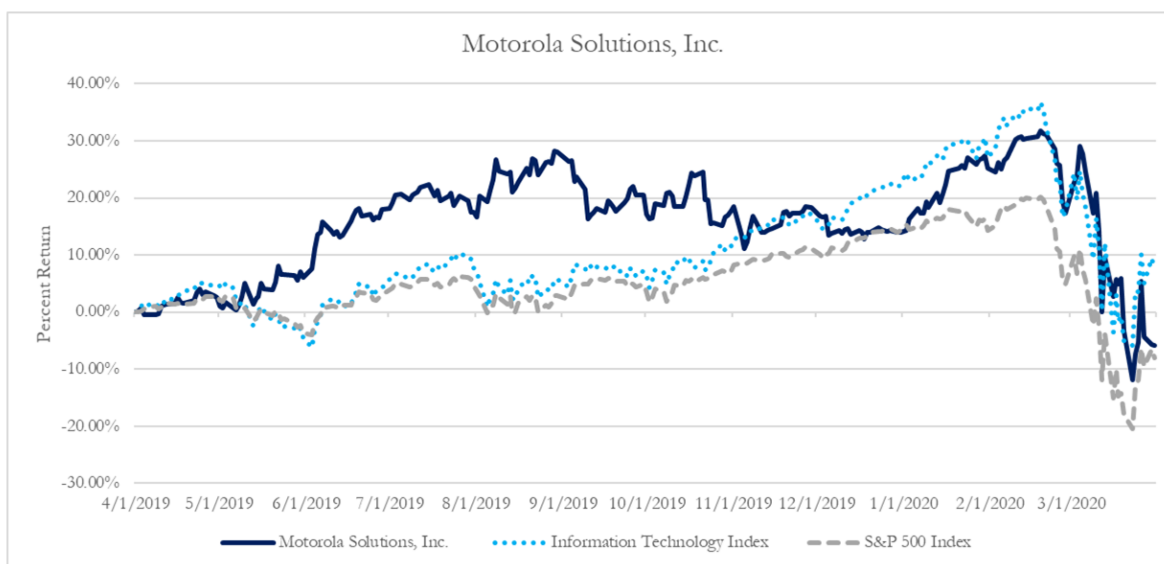
Visa Inc. (NYSE: V)

Analyst Coverage

Jack Streicher

Motorola Solutions, Inc. (NYSE: MSI) Communications Equipment

Shares	Weight in Portfolio	Weight in Sector	Annual Return
610	2.79%	11.02%	-5.94%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.51	$132.92	$236.52	77.94%



Company Description

Motorola Solutions primarily provides mission-critical communication solutions to government, public safety, and first responder agencies. However, they also provide product offerings for use by commercial and industrial clients. Some of Motorola Solutions' product offerings include two-way portable and vehicle-mounted radios, video cameras, network video management software, command center software, and unified communications applications. The Motorola cell phone line was spun off to Lenovo in 2011 and the companies remain separate, despite sharing the Motorola name.

Investment Rationale

Motorola Solutions has made a strategic shift in strategy through investments and acquisitions in order to transform itself from a low-margin equipment provider into a more profitable software and managed services provider. Motorola Solutions has been the major supplier of land mobile radio (LMR) in the public safety market, holding more than 80% market share. Motorola Solutions' respected reputation and customer loyalty among public safety clients uniquely positions themselves to gain business in the more profitable software and services segment with existing hardware clients. They are the only company that offers a seamless all-encompassing ecosystem of public safety communication products including LMR units, command center management software, and AI-powered video surveillance software.

Competitors

Axon Enterprise, Inc. (NasdaqGS: AAXN)

Hytera Communications Corporation (SZSE: 002583)

Hangzhou Hikvision Digital Technology Co. (SZSE: 002415)

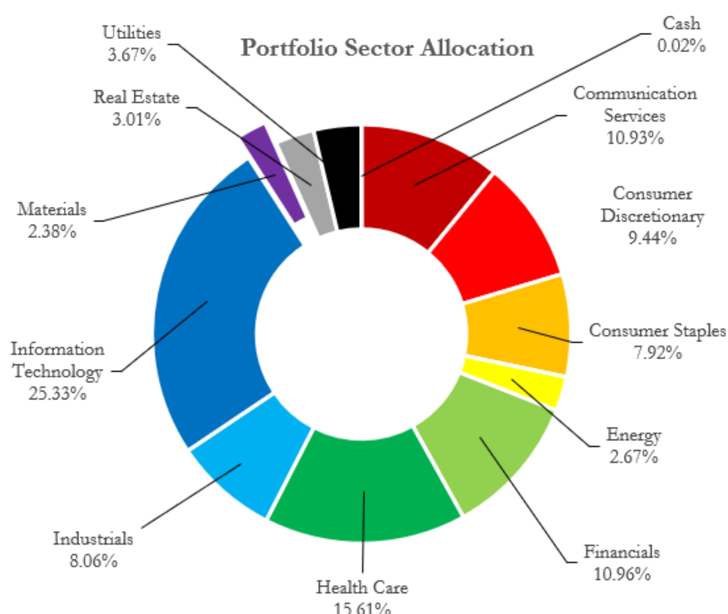
Analyst Coverage

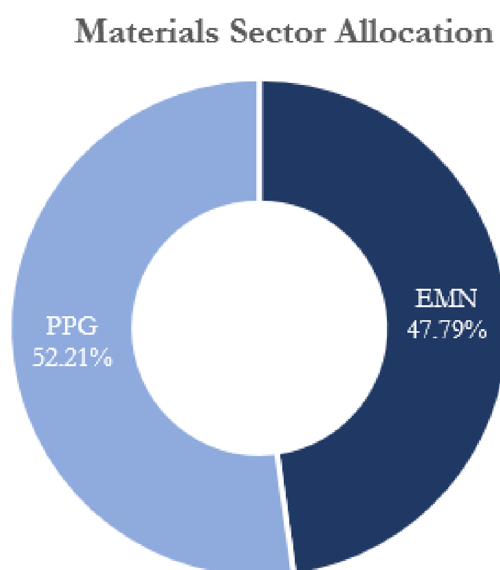
Jack Streicher

Materials Sector Report

Holdings as of March 31, 2020

Company	Ticker	Subsector	Weight in Sector	Weight in Portfolio	Market Value	Annual Return
PPG Industries	PPG	Chemicals	52.21%	1.24%	$36,031.60	-26.81%
Eastman Chemical	EMN	Chemicals	47.79%	1.14%	$32,978.64	-40.68%





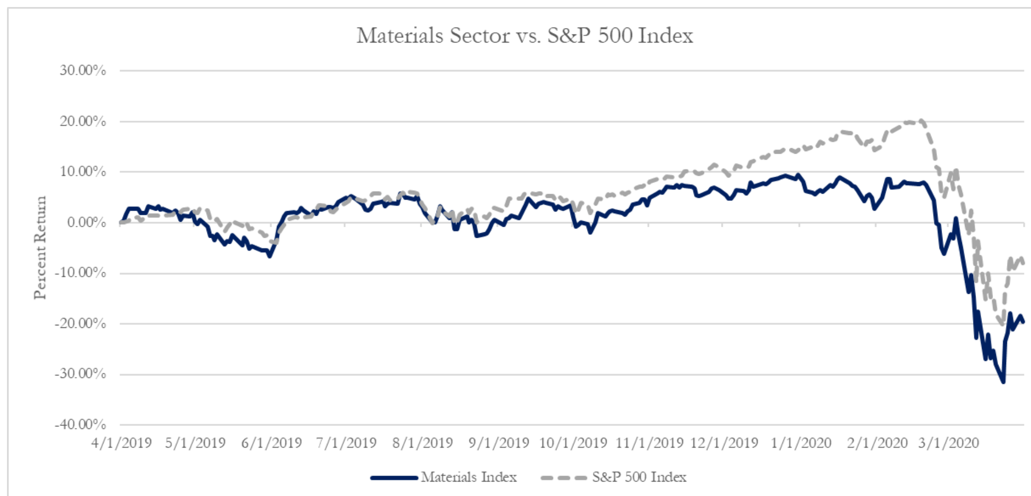
Materials Sector Overview

The D'Artagnan Capital Fund currently holds equity in two stocks in the materials sector of the S&P 500. The materials sector is currently made up of 5 sub-sectors. PPG and Eastman Chemical are both in the chemicals sub-sector.

Over the last fiscal year we have placed trades to sell out of Vulcan Materials and West Rock. Vulcan's sell was due to lack of confidence in the U.S. building market as well as large impacts on the U.S. and China trade war. West Rock's sell was due to lack of further conviction in the stock and belief that it could not reach it's previous intrinsic value after re-evaluation

Sector Overview	
DCF Sector Return:	-22.35%
Benchmark Sector Return:	-17.70%
DCF Sector Weight:	2.41%
Benchmark Weight:	2.64%
Asset Allocation:	0.02%
Security Selection:	-0.12%

Sector Team	
Sector Manager:	Sean Vickery
Sector Analyst:	Alex Nemechek



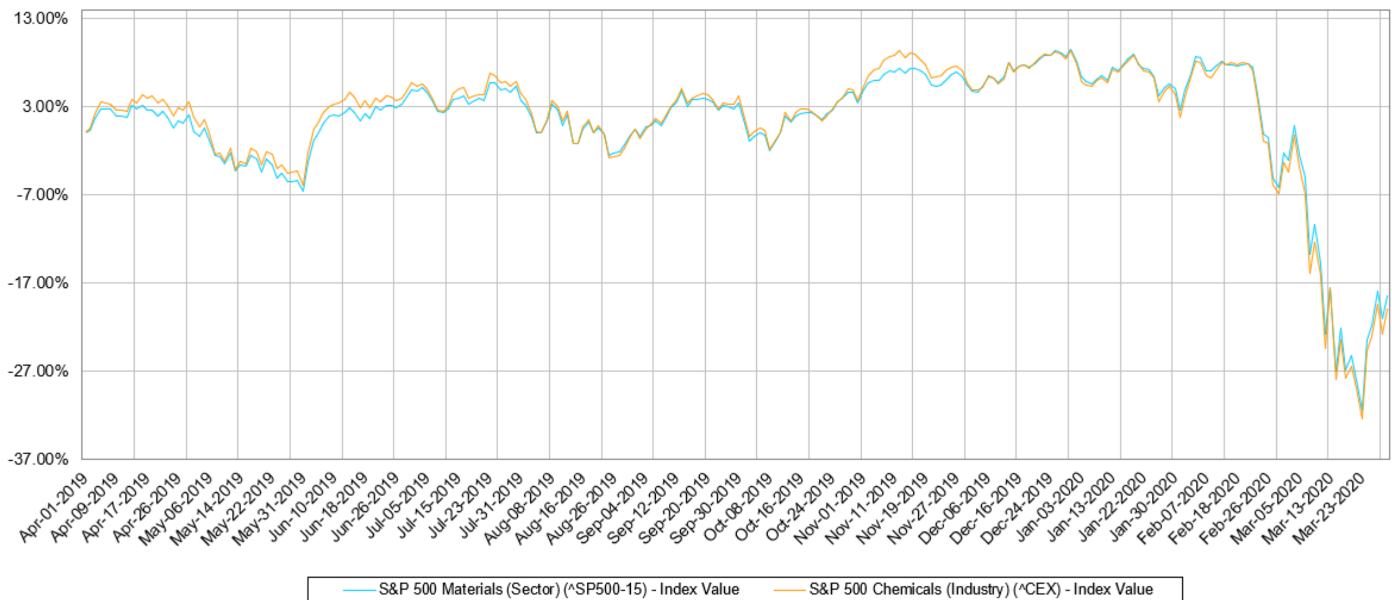
Industry Analysis

Over the past fiscal year we have made four trades in the materials sector. The four trades were to sell out of Vulcan Materials and West Rock and to buy into Eastman Chemical and PPG. These trades give us more confidence in long-term growth as we see these two companies having a strong pipeline as well as good fundamentals to succeed in the near and long-term future. With PPG looking to emerge in the special coating industry as well as being a prime customer selection for industrial painting, we believe they will continue growing. With Eastman's vision for a sustainable future, we see them entering the market on post-consumer recycled content (PCR) and with other strong innovations, Eastman is planning for a strong future in a safer and cleaner production.

What's Changing

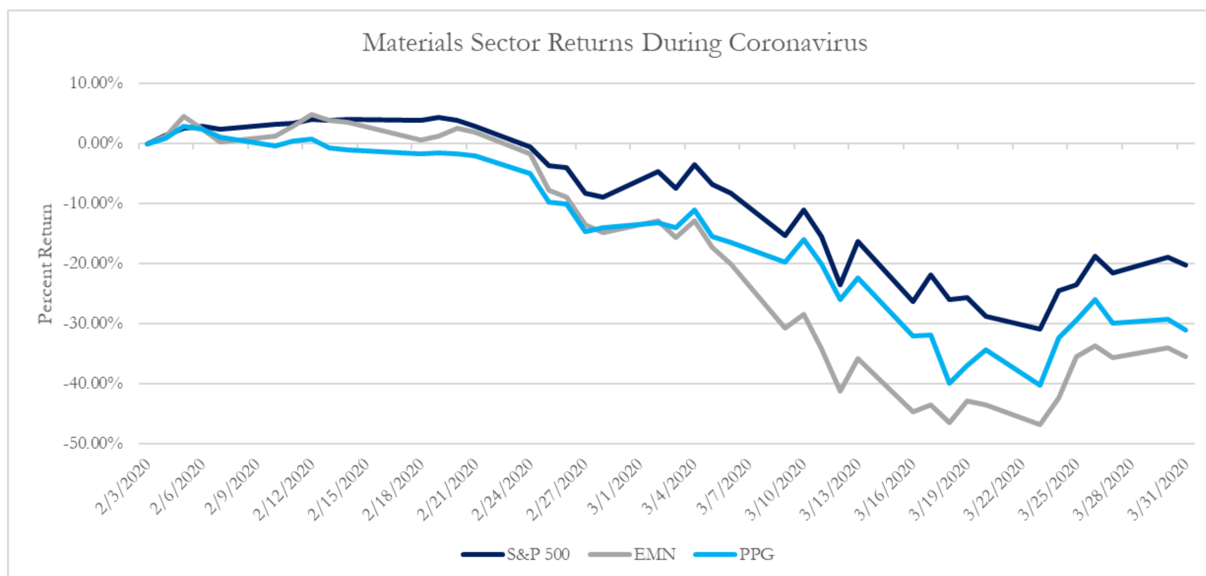
The materials sector has been volatile over the last fiscal year. With trade tensions between China and the United States as well as outbreaks of the coronavirus, the majority of the Materials sector has seen a large decline, along with the rest of the market. With the majority of the materials sector conducting business overseas with China. Many U.S. based firms have already decided to cut back on spending in the Asian markets, resulting in drops in revenues and stock price. While Eastman has a large presence in the Asian market, their business in North America and Europe give us strong convictions that they will continue to grow. Along with that, PPG has strong holds on the North American and European markets which gives them the opportunity to continue to grow. However, the D'Artagnan Capital Fund is still looking into companies with more North American and European based markets to combat these current conditions.

As mentioned above, the materials sector as seen a turbulent annual period with caused by trade war tensions and the coronavirus outbreak. However, we view that the companies we hold as those with strong potential to continue to grow. One effect that could change over the nest annual year is the presidential election. With the republicans having a pro-U.S. attitude and focusing spending on the United States we see little room for growth within the materials sector. If a democratic candidate were to win, we could see a possible conclusion to the trade war, opening up the Asian market to all materials sector and seeing a rise for not only PPG and Eastman, but for all companies within the materials sector.



Materials Coronavirus Report

Materials Holdings Since February 3, 2020



PPG and Eastman have both underperformed against the S&P 500 in the past two months. PPG's underperformance is in large part because they are currently struggling to find new business deals. A large part of their business revolves around finding deals with large manufacturers. For example, Boeing and Spirit Airlines have reached contracts with PPG in the past to design windshields and electronically dimmable systems for windows. With PPG's large aerospace coatings and transparency coatings, they continue on with these contracts, but with the recent events involving COVID-19, PPG cannot pursue new business opportunities in these segments.

Eastman's segments are nearly split equally between additives and functional product, advanced materials, chemical intermediates, and fibers. Due to this, any drop in these segments results in a hit on the company's revenue. One hit that has taken a toll on Eastman is there Tire Additive sub-segment., having recently expanded into China. COVID-19 has played a large part in their lack of over seas business, resulting in Eastman's stock price taking a hit. Eastman's manufacturing presence is the key element to the additives and functional product segment. With the loss of business overseas with their tire additives, Eastman's effectiveness in international markets has become clear. Along with that, roughly 50% of Eastman's revenue comes from Europe, Middle East, Africa, and Asia Pacific. With the travel bans and restrictions to other companies, Eastman has been unable to perform as much business outside the U.S. than they typically do. With this, Their revenue and stock price has reflected this difficult time.

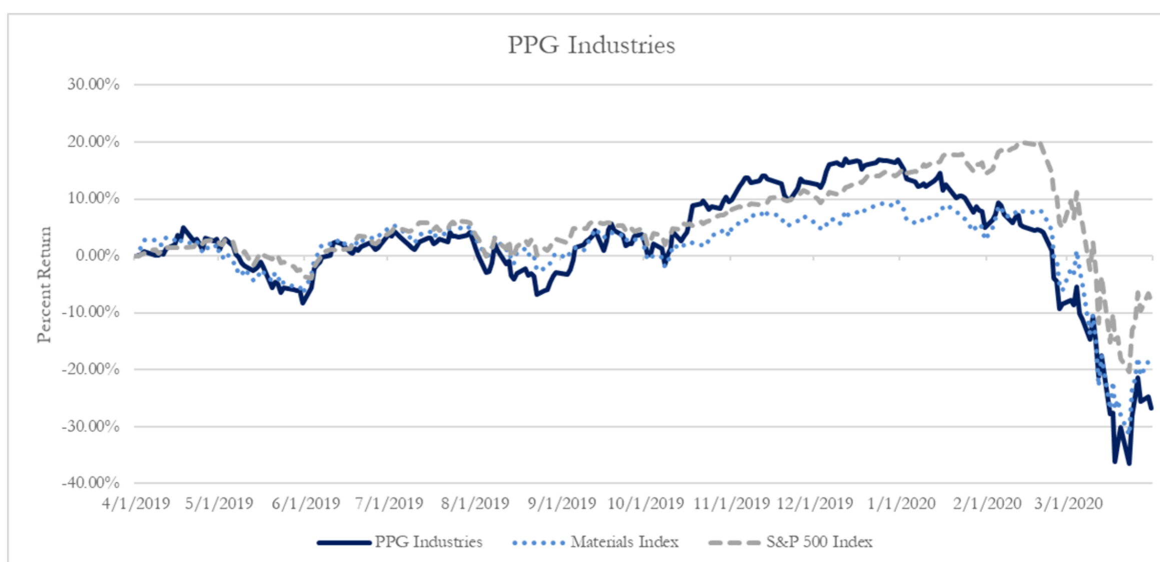
Eastman and PPG still have a lot of room to grow. Despite COVID-19 playing a huge part in these company's stock price downfall, there is still strong conviction that PPG and Eastman can bounce back. Despite this, the D'Artagnan Capital Fund will continue to monitor these companies, and search for more companies that can perform well under these circumstances.

Materials Trade Report

Date	Company	Ticker	Buy/Sell	Amount
9/25/2019	Westrock Co.	WRK	Buy	$20,102.19
9/25/2019	Vulcan Material Co.	VMC	Sell	$46,987.72
10/9/2019	Eastman Chemical Co.	EMN	Buy	$40,049.12
1/22/2020	Eastman Chemical Co.	EMN	Sell	$1,840.71
1/22/2020	Westrock Co.	WRK	Sell	$5,352.00
2/19/2020	Westrock Co.	WRK	Sell	$51,919.84
2/20/2020	PPG Industries Inc.	PPG	Buy	$51,428.29
3/27/2020	Eastman Chemical Co.	EMN	Buy	$7,236.03

PPG Industries (NYSE: PPG) Specialty Chemicals

Shares	Weight in Portfolio	Weight in Sector	Annual Return
431	1.24%	52.21%	-26.81%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.28	$83.60	$135.70	62.32%



Company Description

PPG Industries, Inc. manufactures and distributes paints, coatings, and specialty materials in the United States and internationally. PPG operates in two business segments, Performance Coatings and Industrial Coatings segments. The Performance Coatings segment provides coatings products for automotive and commercial, light industrial and specialty coatings. Such coatings are also used for airplanes. The Industrial Coatings segment provides adhesives and sealants for the automotive industry; metal pretreatments and related chemicals for industrial applications.

Investment Rationale

PPG Industries continues to look for opportunities to add to their existing offerings through acquisitions. PPG has acquired 50 companies in the past decade. These acquisitions allow them to incorporate new technologies in production methods and further diversify product portfolio and expand geographical footprint. PPG management plans on acquiring between 4-5 companies per year 2020 and continue this strategy in future years. PPG has positioned themselves to fully take advantage of a rebound in industrial demand after a volatile 2019, which saw sales volumes drop significantly. PPG partially offset the decline in sales volume through the implementation of aggressive cost restructuring and higher overall sales prices.

Competitors

The Sherwin-Williams Company (NYSE: SHW)

Celanese Corporation (NYSE: CE)

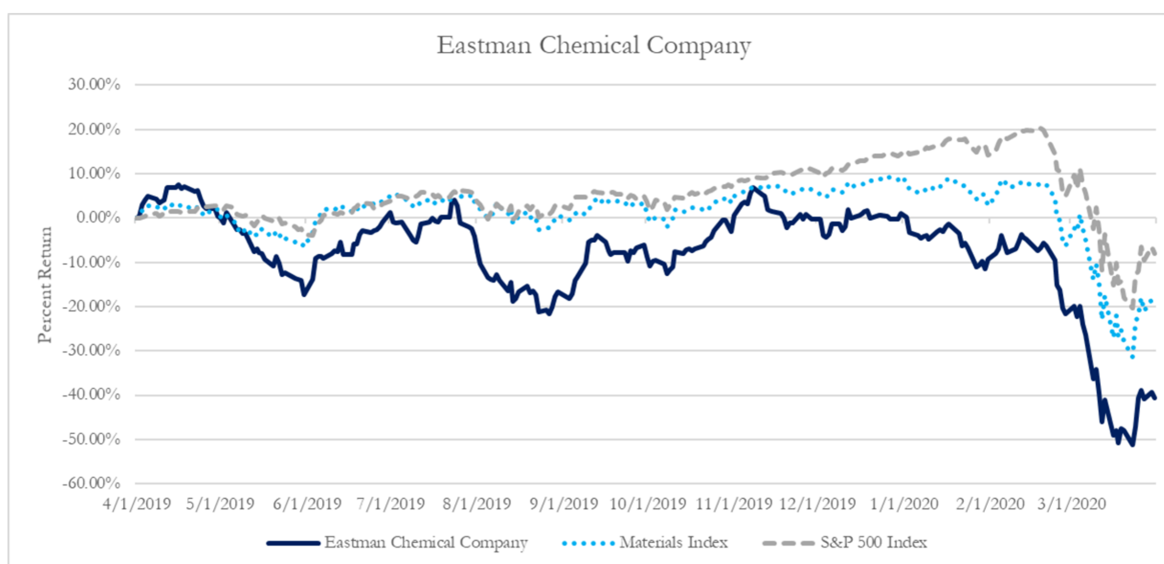
Ecolab Inc. (NYSE: ECL)

Analyst Coverage

Alexander Nemechek

Eastman Chemical Company (NYSE: EMN) Diversified Chemicals

Shares	Weight in Portfolio	Weight in Sector	Annual Return
708	1.14%	47.79%	-40.68%
Beta	**Current Price**	**Target Value**	**Growth Potential**
1.28	$46.58	$88.32	89.61%



Company Description

Eastman Chemical Company provides a broad range of advanced materials, additives, specialty chemicals, and fibers used in the manufacturing of consumer products. As a leader in the diverse chemical market, Eastman focuses on delivering technology-based solutions and maintaining safety and sustainability standards. Products offered from Eastman include a variety of different resins, polymers, derivatives, plasticizers and rubber additives. These outputs are then used in the manufacturing process of rubber tires, plastic products, textiles, paints, coatings and other products.

Investment Rationale

Eastman Chemical Company has expanded further in the Chinese market with the opening of their tire additives division in Shanghai. This lab will increase engagement with Chinese manufacturers and increase the efficiency of their rubber production. The bolt-on acquisition of INACSA in the third quarter of 2019 will help offset a decline in Eastman's fiber offerings and expand the geographical reach of this segment. Eastman's 2019 introduction of next-generation bioplastic and copolyester product lines will join the Glass Polymer family of cosmetic materials. These new offerings will be especially profitable, given Eastman's unique recycling technology.

Competitors

Westlake Chemical Corporation (NYSE: WLK)

Celanese Corporation (NYSE: CE)

LyondellBasell Industries N.V (NYSE: LYB)

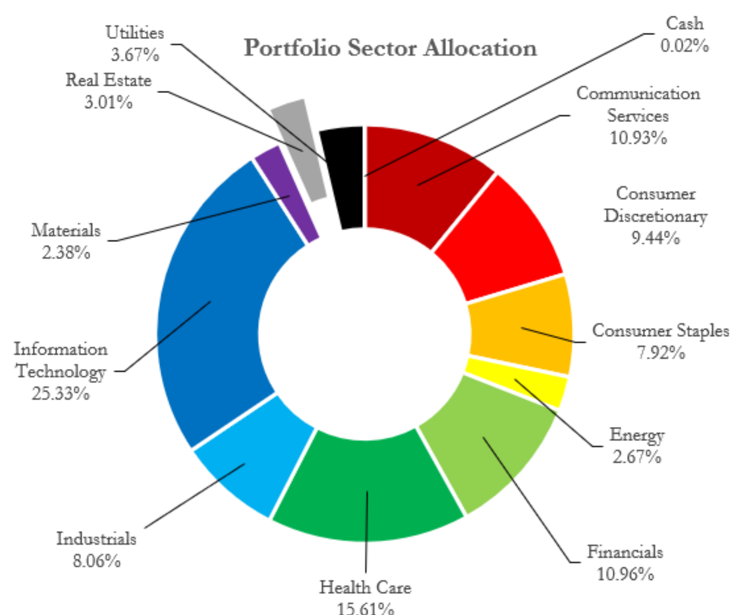
Analyst Coverage

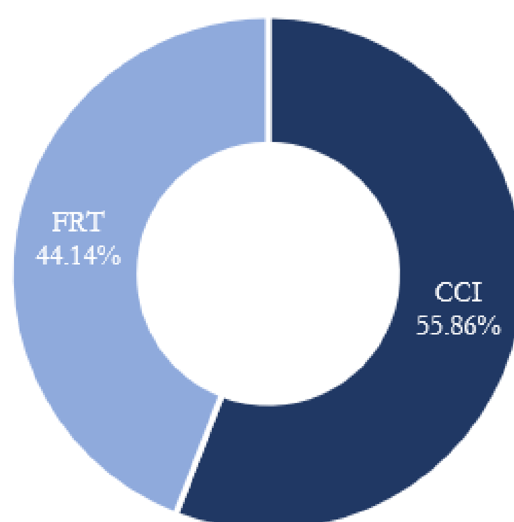
Alexander Nemechek

Real Estate Sector Report

Holdings as of March 31, 2020

Company	Ticker	Subsector	Weight in Sector	Weight in Portfolio	Market Value	Annual Return
Crown Castle Intl. Corp.	CCI	Infrastructure	55.86%	1.68%	$48,807.20	12.81%
Federal Realty Investment	FRT	Retail	44.14%	1.33%	$38,3.37.37	-45.88%



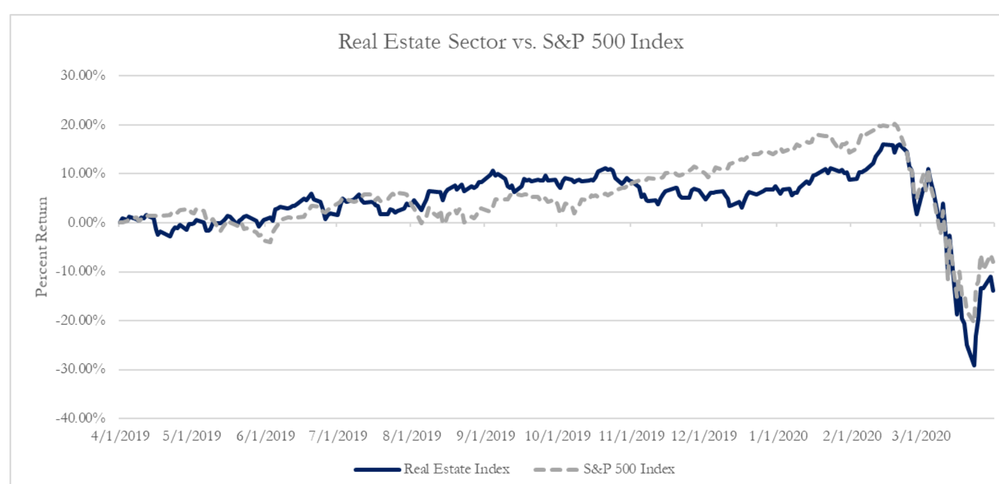


Real Estate Sector Overview

The D'Artagnan Capital Fund currently has two REIT holdings. Crown Castle which has been held since September and Federal Realty Investment Trust which was acquired in the most recent period. Crown Castle is a cell-tower REIT that is the market leader in small-cell towers which are integral to the rollout of 5G networking. Federal Realty Investment Trust is a retail REIT that is strategically developing mixed-use retail properties to adapt to the "retailpocalypse" where consumers are moving away from brick-and-mortar retail shopping. The Fund has strong conviction in these firms and believes that they are undervalued by the market.

Sector Overview	
DCF Sector Return:	2.25%
Benchmark Sector Return:	-11.09%
DCF Sector Weight:	3.18%
Benchmark Weight:	3.07%
Asset Allocation:	0.00%
Security Selection:	0.40%

Sector Team	
Sector Manager:	Jason Zacharkiewicz
Sector Analyst:	Harrison Caplan



Industry Analysis

After historically high returns for most subsectors in 2019, there were doubts whether REITs would continue to grow at the same rate in future periods. Thus far, it does not appear that this will hold true in 2020. As shown on Table 1, equity REITs have returned –5.85% through February. However, holding true to their stable and non-volatile nature, REITs outperformed the S&P 500 benchmark of –8.27%. It is important to consider the types of properties included in the REIT when estimating future performance. As shown in Table 2, infrastructure REITs have maintained a slight positive return even in difficult market conditions. Data center and self-storage have reported minimal negative returns due to its lack of exposure to coronavirus related difficulties. The infrastructure subsector, for instance, is relatively unaffected by these factors since the expansion and rollout of 5G networks must happen regardless. However, other subsectors such as lodging, diversified, and retail have been severely impacted by coronavirus related factors and have struggled to remain profitable.

Table 1: REITs vs. Broad Market Indexes
February 28, 2020

Index	Total Returns (%) 2019	2019: YTD	2020: YTD
All Equity REITs	28.66	12.18	(5.85)
Dow Jones U.S. Total Stock Market	30.90	12.42	(8.30)
S&P 500	31.49	11.48	(8.27)
Russell 2000	25.52	17.03	(11.36)

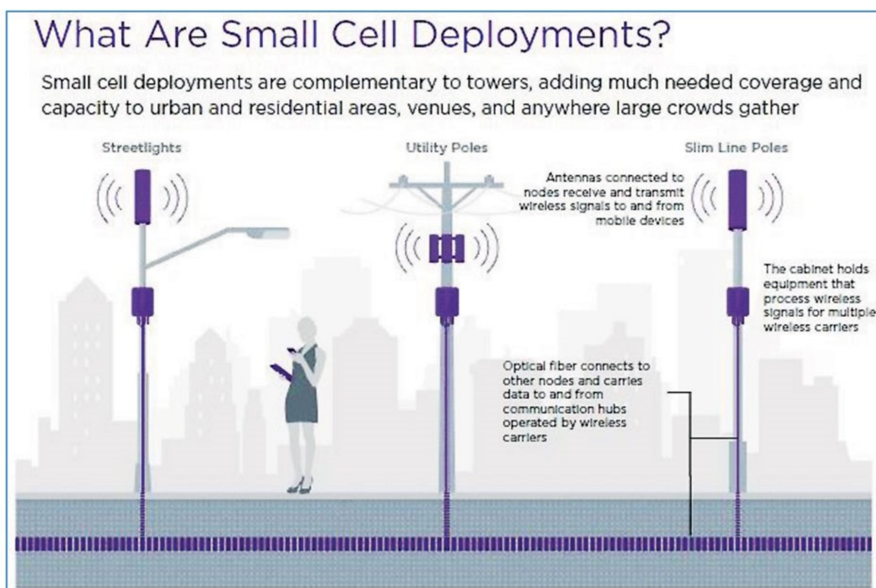
Source: FTSE Nareit U.S. Real Estate Index Series, FactSet.

Table 2: FTSE Nareit U.S. Real Estate Index Series
February 28, 2020

Index	Constituents	Market Cap ($M)	Total Returns (%) 2019	2019: YTD	2020: YTD
Headline					
All REITs	218	1,248,941	28.07	11.97	(5.78)
Composite	200	1,209,477	28.21	11.92	(5.81)
Real Estate 50	50	919,696	29.22	11.57	(4.80)
Investment Sector					
All Equity	163	1,134,047	28.66	12.18	(5.85)
Equity	154	917,742	26.00	12.56	(6.90)
Mortgage	37	75,429	21.33	8.02	(5.13)
Property Sector/Subsector					
Office	18	90,479	31.42	16.87	(9.65)
Industrial	13	109,695	48.71	16.69	(5.60)
Retail	33	146,359	10.65	11.49	(10.58)
Shopping Centers	18	49,474	25.03	15.24	(13.57)
Regional Malls	7	45,492	(9.13)	9.41	(14.00)
Free Standing	8	51,393	24.76	10.52	(3.97)
Residential	21	176,772	30.89	12.04	(3.90)
Apartments	15	128,098	26.32	11.93	(4.74)
Manufactured Homes	3	26,125	49.09	11.88	(0.54)
Single Family Homes	3	22,549	44.30	13.35	(2.87)
Diversified	16	52,598	24.10	12.14	(10.50)
Lodging/Resorts	15	33,969	15.65	17.34	(23.25)
Health Care	17	115,191	21.20	9.68	(4.98)
Self Storage	5	56,235	13.70	5.25	(2.46)
Timber	4	25,583	42.00	14.13	(14.88)
Infrastructure	5	190,723	41.95	9.70	1.07
Data Centers	5	87,346	44.21	12.67	(1.57)
Specialty	11	49,096	27.39	13.57	(3.85)
Home Financing	23	52,340	17.20	6.32	(4.28)
Commercial Financing	14	23,090	32.10	12.49	(6.98)

Source: FTSE Nareit U.S. Real Estate Index Series.

What's Changing



Source: Crown Castle

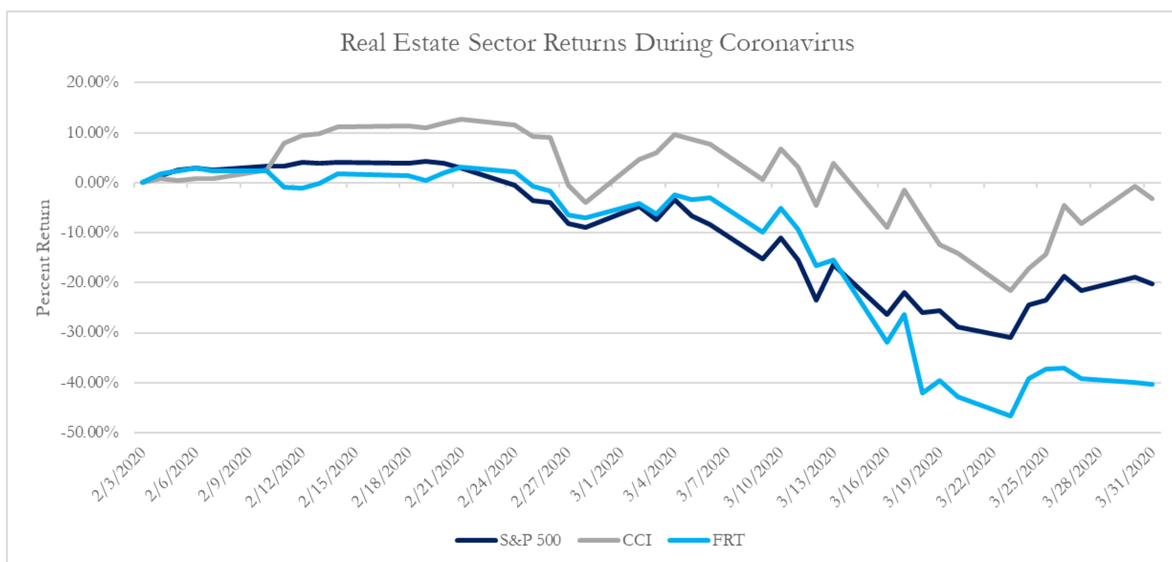
For the real estate sector, 2019 was a year that saw historically high returns with some subsectors even reaching 40%+ return for the year. REITs certainly benefitted from the extremely bullish market of 2020 and the increase in demand and spending that helped many subsectors. There were several subsectors of REITs that outpaced the overall market and can be expected to see strong growth moving forward. To describe what makes this differentiation in a single word: technology. Infrastructure, data centers, and industrials are three of the most dynamic subsectors and are heavily impacted by the integration and evolution of technology.

Technological Development in REITs

It is becoming increasingly important that REITs integrate the ever-increasing prevalence of technology into their strategy. The implementation of technology is currently disrupting the real estate market and will continue to affect these subsectors moving forward. In the infrastructure subsector, much of the movement and growth comes from cell-tower REITs such as Crown Castle of American Tower. These companies own and operate cellular towers and other wireless communications infrastructure for mobile carriers (AT&T, Verizon, T-Mobile). As carriers implement their 5G networks, small-cell towers are rapidly increasing in demand. Cell-tower REITs will likely be the major force in the REIT sector moving forward. For the data-center subsector, data consumption has increased significantly and will continue to grow thanks to the implementation of 5G networks, growth of internet of things devices, and other technological innovations that will require more data. The steep uptick in data storage demand has caused firms to turn to data center REITs in order to expand to meet market demand. There is a fair amount of uncertainty regarding the ability of data center REITs to continue to grow long-term and retain tenants. It is possible that overtime firms will develop alternative, cheaper solutions for their data storage needs. Finally, the industrial REIT subsector was also a leader in returns during 2019. While you may not think industrial REITs are traditionally associated with technology, many have adapted to the impact of online retailers on traditional brick-and-mortar stores. Many industrial REITs have found a niche by utilizing their warehouse logistic facilities for e-commerce businesses.

Real Estate Coronavirus Report

Real Estate Holdings Since February 3, 2020



The coronavirus has had an unprecedented impact on the world, and it has been reflected in the stock market. The real estate sector of the fund currently only holds two positions, Crown Castle and Federal Realty. These two companies were impacted by the pandemic in vastly different ways, and it has been reflected in their performance over the last two months.

Despite these difficult and uncertain times, Crown Castle is one stock that has been able to weather the storm better than most, especially compared to other real estate stocks. Before the outbreak made its way to the United States in February, Crown Castle had been performing extremely well and reached an all-time high of $169.06 on February 21. Soon after, amidst growing concerns of the virus spreading throughout the country, the stock dipped back near the level it sat at for most of the previous year at about $143. It rebounded slightly and fluctuated a fair amount over the next couple weeks until March 16, when it hit a low of $116.98. However, the market responded to the overreaction and rebounded to $144.40 at the end of the fiscal period. We have strong conviction in this stock throughout these uncertain times due to their status as an essential industry as they can continue to operate, construct, installing, and servicing their wireless infrastructure. A risk that Crown Castle faces is that there will be a decrease in demand from wireless providers as they may slow the rollout of their 5G networks due to economic uncertainty. However, we believe that the long term social impacts of this pandemic will lead to an increased consumer demand and reliance on wireless networks.

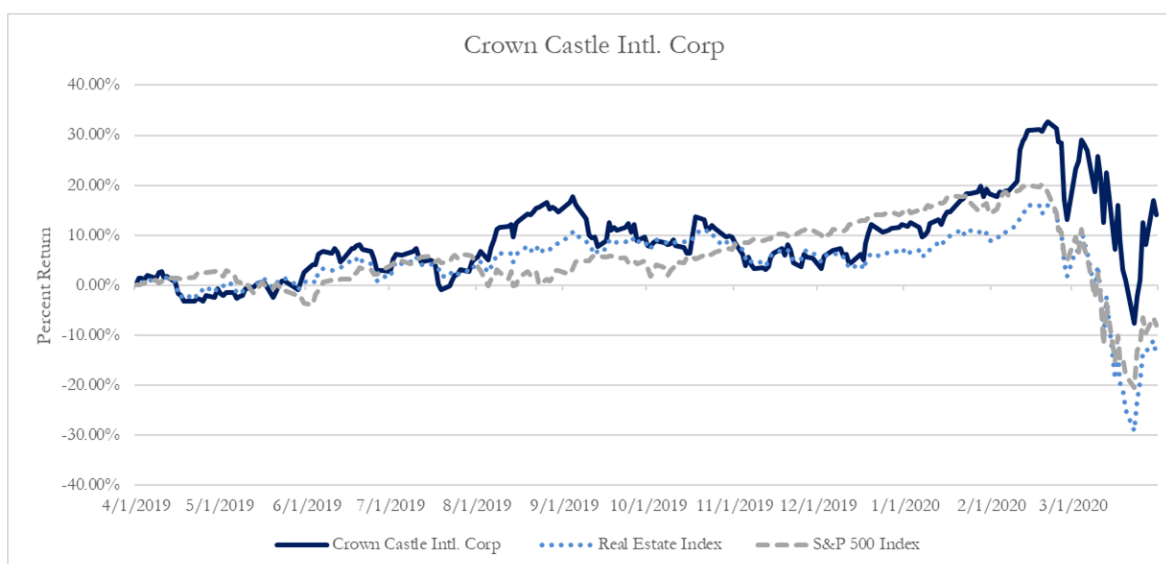
On the other hand, Federal Realty has been severely negatively impacted by this pandemic. Losing over half its value and declining consistently over the last two months, Federal Realty's share price was $74.61 at the end of our fiscal year. Operating retail and mixed-use properties, Federal Realty is extremely exposed to the quarantine and social distancing practices in place to slow the spread of the coronavirus. Many of their tenants and properties have been forced to close for the foreseeable future. Federal Realty also had a large portion of its' portfolio under re-development to become mixed-use properties as opposed to solely just retail. These tumultuous times make the future rather bleak for many of federal realty's current and would-be tenants. It is very likely that Federal Realty could struggle to find tenants to fill their new properties as well as retain tenants in their current properties in the future. For these reasons, their cash flow retention going forward looks very unsteady. We are looking to exist this position and replace it with a more stable investment.

Real Estate Trade Report

Date	Company	Ticker	Buy/Sell	Amount
9/25/2019	Equinix Inc.	EQIX	Sell	$53,575.53
9/25/2019	Crown Castle Int. Corp.	CCI	Buy	$43,534.49
2/19/2020	Federal Realty	FRT	Buy	$65,004.04
2/19/2020	Prologis Inc.	PLD	Sell	$64,496.44
2/19/2020	Prologis Inc.	PLD	Sell	$8,032.38
3/27/2020	Crown castle Int. Corp.	CCI	Buy	$3,880.98

Crown Castle Intl. Corp (NYSE: CCI) Infrastructure REIT

Shares	Weight in Portfolio	Weight in Sector	Annual Return
338	1.68%	55.86%	14.00%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.35	$144.40	$184.50	27.77%



Company Description

Crown Castle International Corp. is a Houston-based real estate investment trust (REIT) that owns, leases, and operates wireless communications infrastructure. Their operational portfolio consists of 40,000+ cellular towers, 75,000+ miles of fiber line, and nearly 65,000 5G small cells, across the United States, and Australia. This makes Crown Castle an industry leader in 5G small cell technology. Crown Castle generates a majority of their cash flows from leases on usage of their cell towers with carriers such as: AT&T, Verizon, Sprint, and T-Mobile.

Investment Rationale

Crown Castle is held due to the underestimated revenue growth from small-cell towers and Crown Castle's competitive standing in that field. The market is failing to recognize the transformational effects that 5G technology will provide, as well as to the extent that Crown Castle is going to capitalize on these trends within their small-cell segment. As additional towers are needed to enhance the 5G network, Crown Castle will be able to hold significant pricing power within the small-cell tower market. With plans for wide-scale rollout of 5G from every major wireless company in the near-future, Crown Castle is poised for spectacular growth.

Competitors

American Tower Corp. (NYSE: AMT)

SBA Communications (NasdaqGS: SBAC)

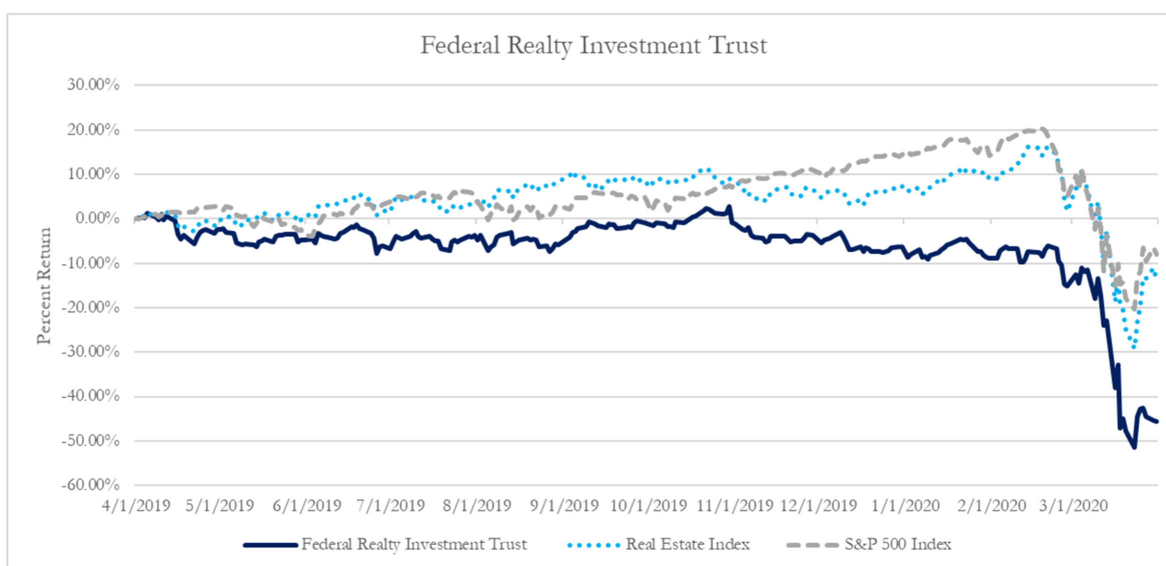
Uniti Group Inc. (NasdaqGS: UNIT)

Analyst Coverage

Harrison Caplan

Federal Realty Investment Trust (NYSE: FRT) Retail REIT

Shares	Weight in Portfolio	Weight in Sector	Annual Return
517	1.33%	44.14%	-45.63%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.54	$74.81	$226.77	203.94%



Company Description

Federal Realty Investment Trust specializes in the ownership, management, and redevelopment of retail and mixed-use properties located in densely populated and affluent communities. The company's operating portfolio consists of 23.7 million square feet across 104 properties and 2,788 residential units. These holdings are spread among eight key markets: Silicon Valley, Los Angeles, Chicago, Boston, New York, Philadelphia, Washington D.C., and Miami.

Investment Rationale

The market is undervaluing Federal Realty's redevelopment program undertaken the past couple of years. This program has been less capital intensive than peers, with Federal Realty's more modern portfolio. This modern portfolio positions Federal Realty to expand in their core markets and invest more capital into future projects. This undertaking will continue to produce mixed-use properties. This program is adding more diverse streams of cash flow with lease revenues from residential units, office buildings, and hotels. When combined with management's focus on these specific markets, Federal Realty will continue to outperform peers in rental rate growth, despite historical volatility in this area.

Competitors

Regency Centers Corp (NasdaqGS: REG)

Kimco Realty Corp. (NYSE: KIM)

Weingarten Realty Investors (NYSE: WRI)

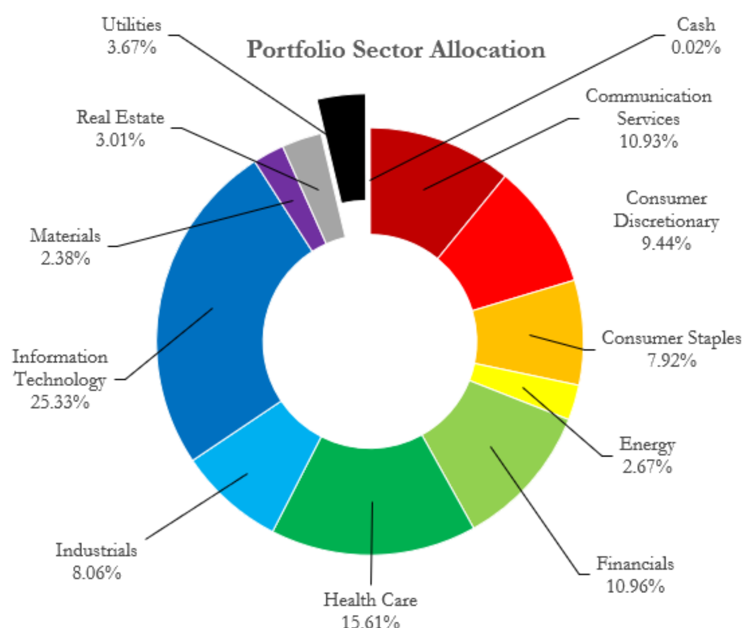
Analyst Coverage

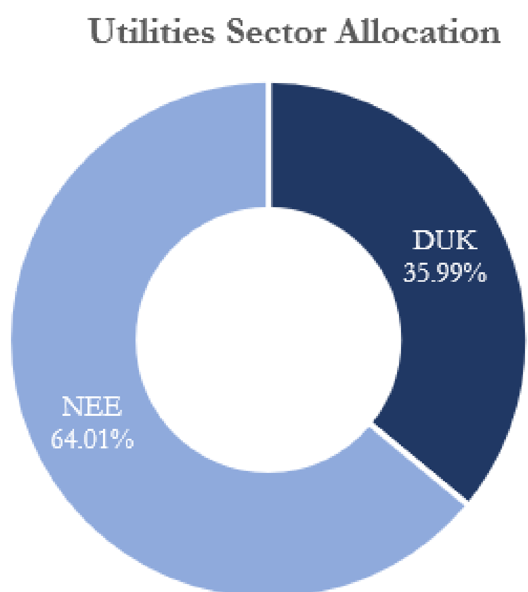
Harrison Caplan

Utilities Sector Report

Holdings as of March 31, 2020

Company	Ticker	Subsector	Weight in Sector	Weight in Portfolio	Market	Annual Return
NextEra Energy	NEE	Electric Utilities	64.01%	2.35%	$68,336.08	26.32%
Duke Energy	DUK	Electric Utilities	35.99%	1.32%	$38,418.00	-9.41%





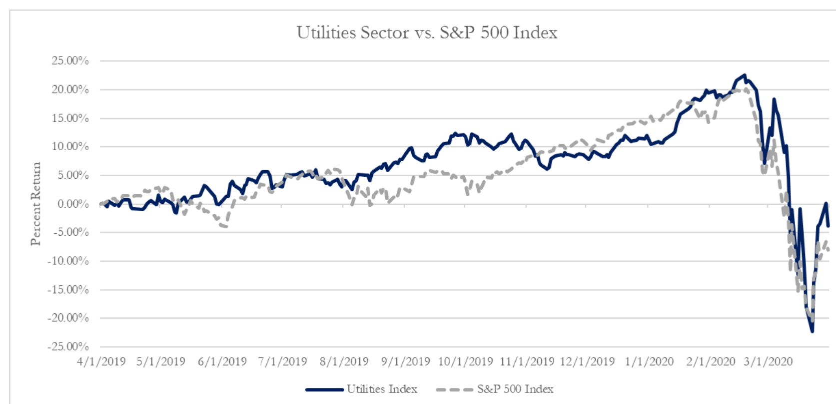
Utilities Sector Overview

The D'Artagnan Capital Fund owns equity in two companies in the Utilities Sector. Both are integrated utilities companies who's primary function is providing electricity and natural gas for their customers. Duke and NextEra are some of the largest players in the utilities sector, servicing several million customers.

The sector performed well relative to the market, thanks to the growth experienced by NextEra Energy throughout the annual period. NextEra's return is driven mainly by its expanding customer base in Florida and its commitment to renewable energy which decreases its reliance on commodities. Duke lagged behind due to an increase in petroleum prices throughout 2019 and an increase in upkeep costs at its coal burning plants.

Sector Overview	
DCF Sector Return:	13.70%
Benchmark Sector Return:	-0.70%
DCF Sector Weight:	3.53%
Benchmark Weight:	3.41%
Asset Allocation:	0.01%
Security Selection:	0.49%

Sector Team	
Sector Manager:	Brian Dechow
Sector Analyst:	Nick Frank



Industry Analysis

The rise and fall in commodity prices has shaped the profits and losses experienced by companies in the Utilities sector. Utilities companies are government regulated monopolies so prices are capped in the short run and can only be moved with government approval in most cases. Because of this most of the profit margin is made by reducing cost and buying the commodities to produce power cheaply.

Low Coal and Natural Gas Prices

Throughout 2019 and into 2020 natural gas and coal prices have fallen sharply. Natural gas has fallen 26% in 2019 while coal has fallen over 49% since April 2019. Coal was driven down in price due to the abundance of natural gas in the market, and the decrease in demand for coal throughout Europe and the United States. China still relies heavily on coal but has made a push to be more self sufficient. Because of this China is importing less coal from other countries, further pushing down demand. Natural gas also fell in price in 2019 and continued to fall throughout 2020.

Oil Prices

The largest source of power in the United States is petroleum. Oil prices in 2019 remained mostly flat throughout the year before diving due to coronavirus and the price war between Saudi Arabia and Russia at the start of 2020. The higher prices throughout 2019 led to decreased demand for those companies that operate petroleum fired power plants. The good news for such plants is that there is a chance to widen profit margins now that oil prices have fallen significantly and are likely to remain below 2019 levels throughout much of 2020.

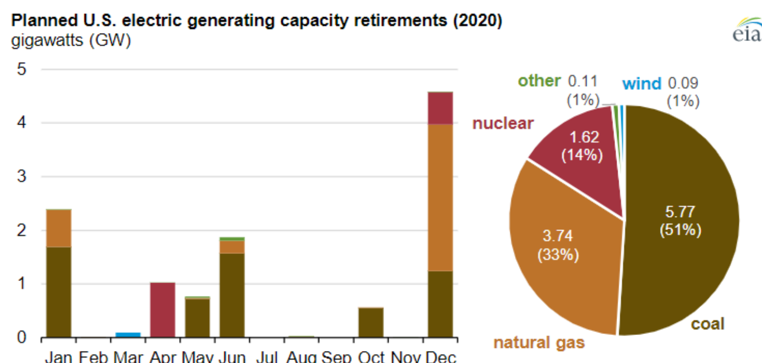
Outlook of Renewables

Generation capacity from renewable energy sources has increased during the fiscal year, driven primarily by increases in the use of solar and wind to generate electricity. Renewables provide a stable price base since they do not rely on commodities with fluctuating prices in order to generate power. As a result during times of rising commodity prices, such as was seen with oil in 2019, companies that rely in part or almost entirely on renewable energy sources are able keep costs down giving them a decided advantage over competitors who do not use renewable energy sources as widely.

What's Changing

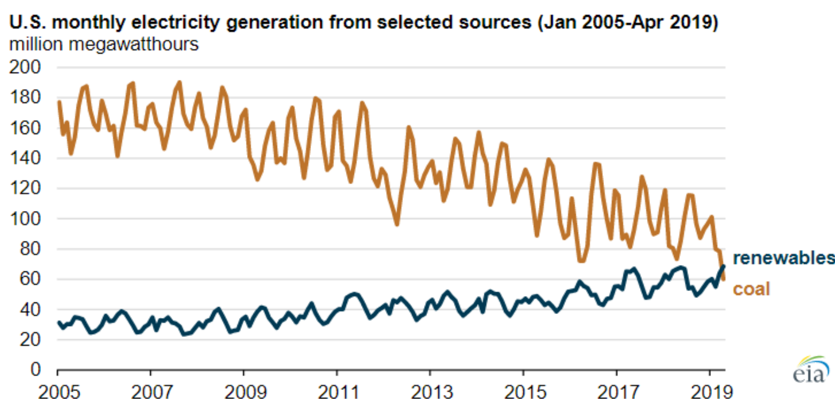
Transition Away from Coal

Coal has long been one of the largest sources of energy in the United States and around the world. However, many countries in Europe and the United States have begun to move away from it as a primary energy source. For roughly the next decade it appears coal will remain a large source of energy for the United States. However, after that it seems uncertain whether coal will still have a sizeable role in America's energy production though it will surely still be part of it. In fact, a majority the electrical production plants closed throughout 2019 and set to be closed in 2020 are coal fired.



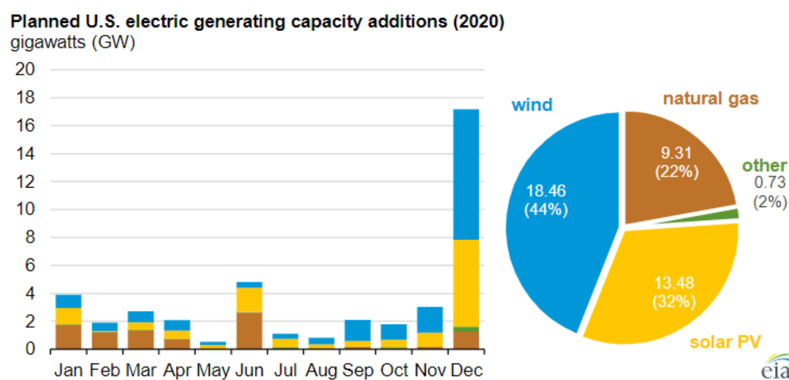
Move Towards Renewables

In contrast to the coal plants, a majority of the production capabilities set to be added in 2020 are renewable, with 76% being solar or wind. The other 24% is made up of other renewables and natural gas. This signals a major shift in the Utilities sector as renewables continue to grow year over year replacing hydrocarbon energy sources. In fact in April 2019 energy production from renewable sources over took coal production in terms as a source of energy generation in the United States with renewables making up 23% of the generation portfolio during that month compared to coals 20%. This is due to a number of factors including lower demand for power in many regions of the country throughout the spring and the fact that many coal burning plants are temporarily shutdown, or run at reduced capacity so maintenance can be performed. Nevertheless this is still a sign of the big move towards renewables that has been made and will continue into the next decade.



Future of Natural Gas

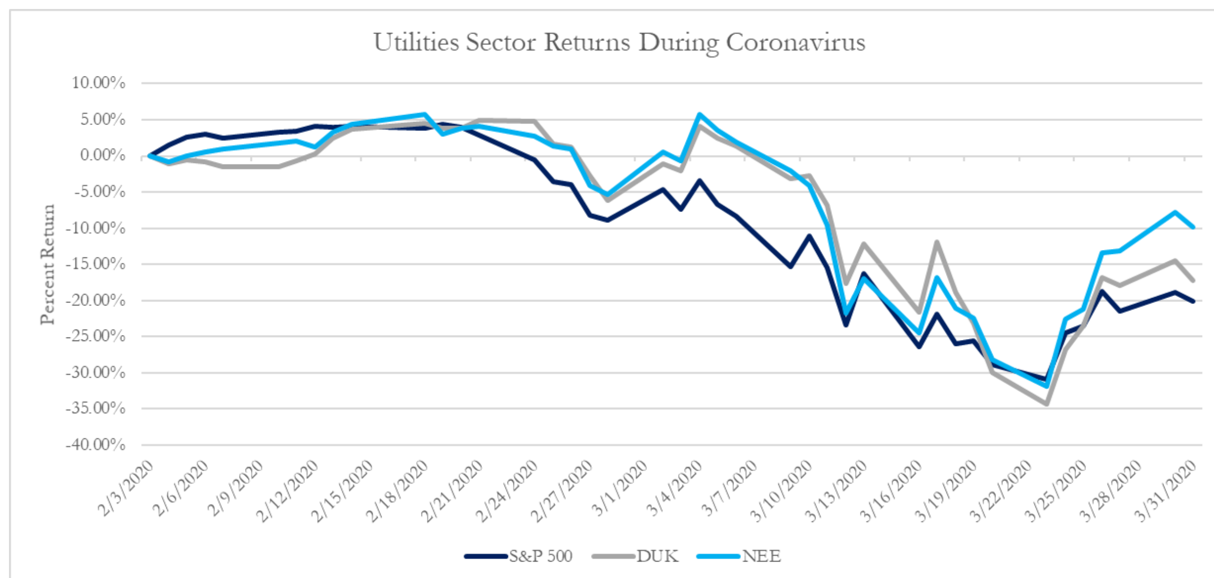
Despite making up a portion of the plant closures occurring this year, natural gas is also being used at 22% of the plants that are opening throughout 2020. This shows that of all the hydrocarbon energy sources natural gas will have a growing role in the years to come as petroleum and coal lose more and more market share. This means that there may be a rise in costs for some companies in the utilities sector as they have to transition to natural gas fired plants.



Charts Source: Energy Information Administration

Utilities Coronavirus Report

Utilities Holdings Since February 3, 2020



The COVID-19 pandemic has shut down a large portion of the United States economy including many manufacturing plants and major offices. As a result of this, demand for electrical output has fallen along with revenues in the utilities sector. The good news is that utilities are tightly controlled and do not have many fixed expenses, if less power needs to be generated then expenses across the industry will be lower as a result. This will put on hold many retirement and expansion projects with in the industry, for how long remains to be seen. Given the drop in commodities prices that has occurred, along with the pandemic, the utilities sector is well positioned to exit the pandemic just as strong as it was prior to it.

NextEra Energy has outpaced the S&P 500 and the utilities sector during the COVID-19 pandemic, this is due to NextEra's performance throughout the annual period. It did not move significantly different from the sector or the market as a whole during the pandemic. However, NextEra Energy was already outpacing the utilities sector and S&P 500 when the effects of the pandemic hit the market. Because of this, and because NextEra has no significant risk posed to it by the pandemic it was able to continue outperforming the market.

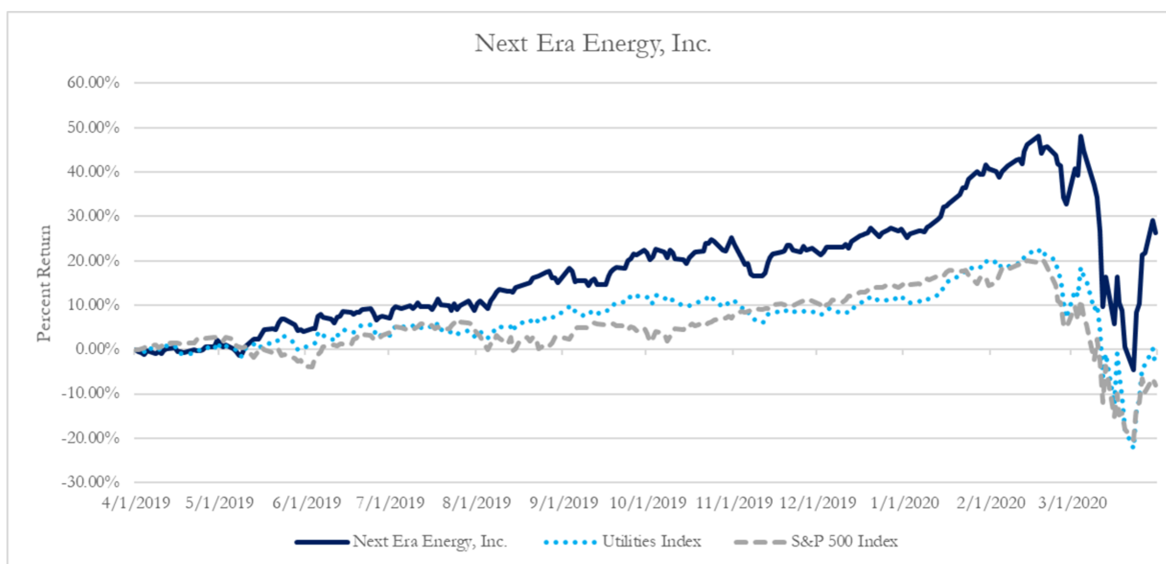
Duke Energy has underperformed both the utilities sector and the S&P 500. Similarly to NextEra this is due to Duke's performance throughout the annual period and not solely due to the pandemic. There is not a significant risk posed to Duke by the pandemic and could be in a position to actually increase net income over the coming years if it is able to take advantage of the low commodity prices currently being seen.

Utilities Trade Report

Date	Company	Ticker	Buy/Sell	Amount
2/14/2020	Duke Energy Corp.	DUK	Sell	$4,843.12
2/14/2020	NextEra Energy Inc.	NEE	Sell	$4,718.12
3/30/2020	Duke Energy Corp.	DUK	Sell	$1,578.36
3/30/2020	NextEra Energy Inc.	NEE	Sell	$1,943.12

Next Era Energy, Inc. (NYSE: NEE) Electric Utilities

Shares	Weight in Portfolio	Weight in Sector	Annual Return
284	2.35%	64.01%	26.32%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.28	$240.62	$311.45	29.44%



Company Description

NextEra Energy, Inc. generates, transmits, distributes, and sells electric power to retail and wholesale customers in North America. The company generates electricity through wind, solar, nuclear, coal, and natural gas. However, NextEra is an industry leader in renewable power generation. NextEra operates numerous electric generation facilities in wholesale energy markets. As of December 31, 2019, the company operated an energy portfolio of 27,400 megawatts, which is one of the largest in the United States. NextEra serves approximately 10 million customers, mainly in Florida.

Investment Rationale

NextEra Energy will continue to be the world leader in their focus on providing clean energy utilities. NextEra plans to invest 40 billion dollars over the next several years in order to increase solar and wind assets and improve storage capacity. The energy market should see increased demand in renewable energy, especially in these solar and wind assets. Battery demand is predicted to grow 13 times over between now and 2024. Next Era Energy is in a great position to capitalize on the changing market and influx in demand. NextEra has seen strong revenue growth and will continue to see improving efficiency. Next Era has been able to consistently produce above average dividends and their utilities market lead in renewable energy will allow them to capitalize on evolving market trends.

Competitors

Duke Energy Corporation (NYSE: DUK)

The Southern Company (NYSE: SO)

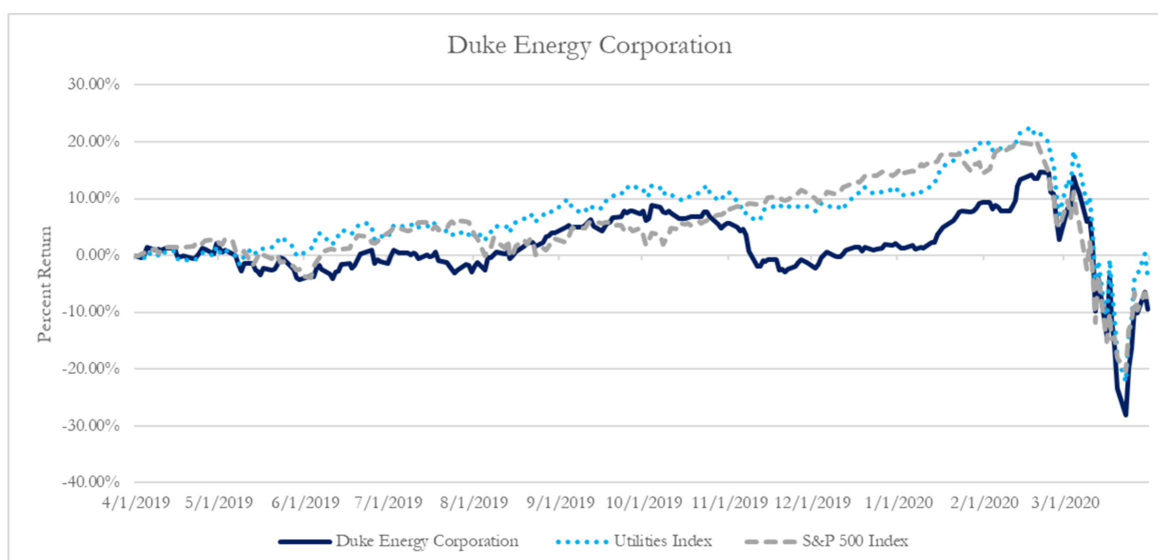
Exelon Corporation (NasdaqGS: EXC)

Analyst Coverage

Nick Frank

Duke Energy Corporation (NYSE: DUK) Electric Utilities

Shares	Weight in Portfolio	Weight in Sector	Annual Return
475	1.32%	35.99%	-9.41%
Beta	**Current Price**	**Target Value**	**Growth Potential**
0.21	$80.88	$108.00	33.53%



Company Description

Duke Energy Corporation operates as the second largest domestic utilities company. Duke's Electric Utilities and Infrastructure segment generates and sells electricity using coal, hydroelectric, natural gas, oil, renewable sources, and nuclear fuel. Their Gas Utilities and Infrastructure segment distributes natural gas to customers. Duke's Commercial Renewables segment acquires, owns, and operates wind and solar projects and sells power to utilities. electric cooperatives, municipalities, and commercial and industrial customers.

Investment Rationale

Over the last several years, Duke Energy has invested heavily in research in green energy and lowering carbon dioxide emissions. Beneficial legislation encouraging utilities firms to enter the solar panel market has allowed Duke to expand their alternative energy portfolio. Duke has also invested into improving the efficiency of their natural gas infrastructure. This efficiency boost will allow Duke to become the leader in providing low-cost natural gas to its clients. Duke Energy continues to utilize tech-based solutions to improve their control of their energy portfolio. This innovation includes things smart meters, which have now been added to a majority of customers. These smart meters allow Duke to automatically turn on and off units and measure the usage of an entire grid, allowing for automatic isolation in finding outages.

Competitors

Next Era Energy, Inc. (NYSE: NEE)

The Southern Company (NYSE: SO)

Exelon Corporation (NasdaqGS: EXC)

Analyst Coverage

Nick Frank

Final Thanks

The members of the D'Artagnan Capital Fund would like to close our annual report by thanking the following groups:

Xavier Finance Faculty

In our semesters of the D'Artagnan Capital Fund experience, we constantly drew upon the knowledge acquired in previous finance classes, especially in our prerequisite Firm Valuation classes. All students were phenomenally prepared with to excel in the Fund. We would also like to thank you for giving time to speak in your classes, in following the Fund, in attending our semi-annual and annual presentations, and for countless other ways that you support the D'Artagnan Capital Fund.

Xavier Finance Board of Executive Advisors

The DCF would like to thank Xavier's Finance Board of Executive Advisors for their support of the Fund and of Xavier's entire Finance program. We very much look forward to presenting to the BEA every semester and would like to thank you for your incredible support of the D'Artagnan Capital Fund program.

D'Artagnan Capital Fund and Xavier University Alumni

Thank you for your continuing interest, insight, and support for the D'Artagnan Capital Fund. As this manager group finishes our semester and joins the ranks of the DCF alumni and Xavier alumni, we will be guided by the great example of the continuing passion that alumni show for the Fund.

Guest Speakers to the D'Artagnan Capital Fund

The D'Artagnan Capital Fund was graced with very insightful speakers during this past year. Those who spoke at our academic forum, in class, or at events of the DCF were invaluable to the DCF experience. The D'Artagnan Capital Fund is blessed to be connected to the Cincinnati business community and was grateful to learn from our guest speakers.

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Investing in equities is speculative and involves a substantial degree of risk. Risks include, but are not limited to, the fact that the Strategy has limited operating history; volatile performance; limited liquidity with no secondary market expected and restrictions on transferring interests; potentially high fees and expenses; and a dependence on the Investment Manager, which will have exclusive authority to select and manage the portfolio's investments. Past performance is not indicative nor a guarantee of future returns.

Certain information contained herein may be "forward-looking" in nature. Due to various risks and uncertainties, actual events or results or the actual performance of the DCF may differ materially from those reflected or contemplated in such forward-looking information. As such, undue reliance should not be placed on such information. Forward-looking statements may be identified by the use of terminology including, but not limited to, "may," "will," "should," "expect," "anticipate," "target," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology.

The benchmark is presented solely for the purpose of providing insight into the portfolio's investment objectives, detailing the portfolio's anticipated risk and reward characteristics in order to facilitate comparisons with other investments, and for establishing a benchmark for future evaluation of the portfolio's performance. The benchmark presented is not a prediction, projection or guarantee of future performance. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results.

Past performance in not indicative of future results. Diversification does not guarantee investment returns and does not eliminate the risk of loss.