LaPorte Fund

August 2025 - December 2025

Fund Managers

Connor Ambler
Scott Boyer
Parker Burns
Milind Chaturvedi
Selena Cruz Rodriguez
Kacie Honoski
Clay Hopland
Christian Lane
Carlie Norman
Luis Saldierna

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COLLEGE *of* BUSINESS & TECHNOLOGY
EAST TENNESSEE STATE UNIVERSITY

Center for the Study of Finance
https://www.etsu.edu/cbat/center-finance/

PERFORMANCE COMPOSITION AND SUMMARY

PURPOSE

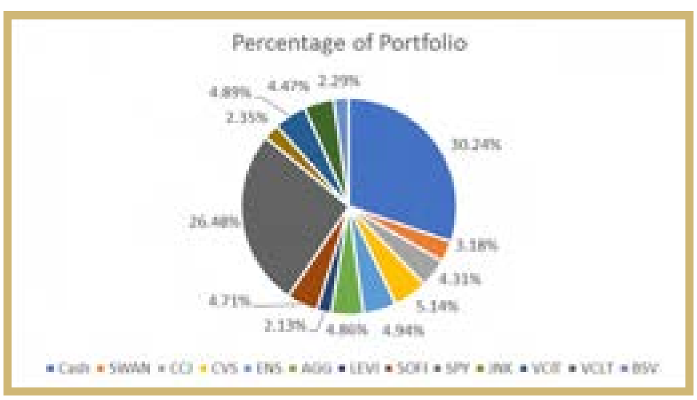
The primary purpose of the Citizens Bank Tri-Cities Foundation funds for ETSU (The LaPorte Fund and The Citizens Bank Fund) is educational in nature and will provide real-world portfolio management experience to ETSU students by allowing them to apply financial theory to practice.

OBJECTIVE

The investment objective is to see a positive return by outperforming an identified equity/bond benchmark while maintaining relevant and comparable risk/return metrics. The objective is not simply to outperform the benchmark, but to do so on a risk-adjusted basis as well. The portfolio will be actively managed but within a range of the benchmark equity/bond allocation and add value both through security selection, sector rotation, and varying the equity/bond allocation mixes within 10% absolute bonds.

PORTFOLIO PURCHASES FALL 2025

SYMBOL	Quantity	Date Purchased	Amount Invested	Current Value	Return
Cash				$31,169.62	
SWAN	100	10/30/2025	$3,282.29	$3281.47	-0.02%
CVS	68	9/17/2025	$5,051.03	5,293.12	4.79%
CCJ	50	11/17/2025	$4,174.00	$4,442.50	6.43%
ENS	35	9/23/2025	$3,865.75	$5,095.30	31.81%
AGG	50	9/11/2025	$5,031.98	$5,007.68	-0.48%
LEVI	100	10/29/2025	$2,065.50	$2,192.00	6.12%
SOFI	160	9/23/2025	$4,680.80	$4,854.45	3.71%
SPY	40	9/11/2025	$26,301.47	$27,297.20	3.79%
JNK	25	9/11/2025	$2,443.67	$2,427.38	-0.67%
VCIT	60	9/11/2025	$5,069.24	$5,039.00	-0.60%
VCLT	60	9/11/2025	$4,702.79	$4,610.10	-1.97%
BSV	30	9/11/2025	$2,369.99	$2,364.17	-0.25%
Total			$100,000.00	$103,073.99	3.07%



Laporte Fund Managers
BIOGRAPHIES

Connor Ambler

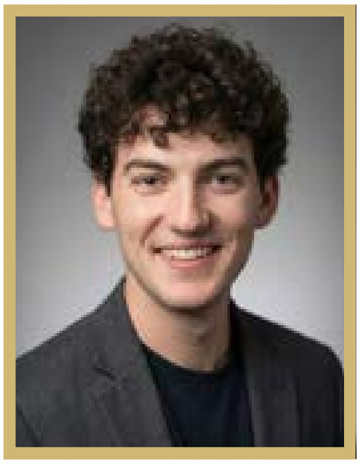
Connor is from Knoxville, Tennessee, and is currently a senior at East Tennessee State University, majoring in Finance with a concentration in Corporate Finance. This is his first semester as a manager on the LaPorte Fund. During his time at East Tennessee State University, he has been a member of the Kappa Sigma fraternity, serving as its treasurer for an academic year. He worked closely with the philanthropy and fundraising chairs within the fraternity. This December he will be graduating with his Bachelor's.

Scott Boyer

Scott Boyer is a senior at East Tennessee State University from Mount Juliet, Tennessee, pursuing a Bachelor's in Finance with a concentration in Financial Services, and set to graduate in May. He currently works as a teller at Eastman Credit Union where, along with school, he has gained hands-on experience in customer service, investing, and daily financial operations. Scott plans to become a financial advisor after graduation and will pursue the CFP, SIE, Series 7, and Series 66 certifications to further his career in financial planning. He is dedicated to helping others achieve their financial goals and is passionate about continuous learning and professional growth.

Parker Burns

Parker Burns is from Greeneville, Tennessee and is a graduating senior from East Tennessee State University majoring in Finance with a concentration in Real Estate. He previously completed an internship with Northwestern Mutual, gaining client communication and financial planning concepts. He plans on pursuing a career in the banking industry after graduation and is focused on beginning his professional path in the financial industry.



Milind Chaturvedi

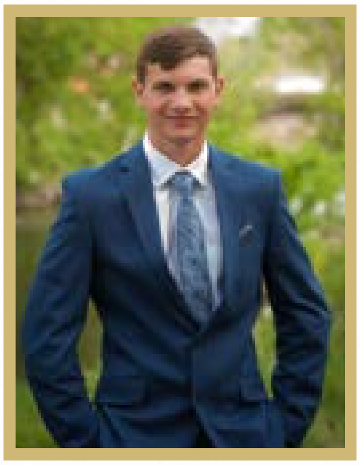
Milind Chaturvedi is a senior double-majoring in Finance and Economics at ETSU. With a keen interest in private investing, he is particularly focused on the venture capital landscape. As a Technology Advancement Assistant at LaunchTN, he has gained hands-on experience by supporting due diligence for the organization's InvestTN fund.

Selena Cruz Rodriguez

Selena Cruz Rodriguez is from Morristown, Tennessee. She is a Senior at East Tennessee State University, majoring in Finance with a concentration in Corporate Finance. She transferred from Walters State Community College with her Associate of Science in Finance. Her professional background includes roles such as Debt Collector at Account Resolution, Front Desk Receptionist for First Choice Tax and Insurance, and Program Facilitator at Coalition for Kids. Through these roles, she developed skills in handling payments, managing sensitive information, performing administrative tasks, and providing customer support. She is set to graduate in December 2025 and plans to pursue a career as a credit analyst or financial analyst.

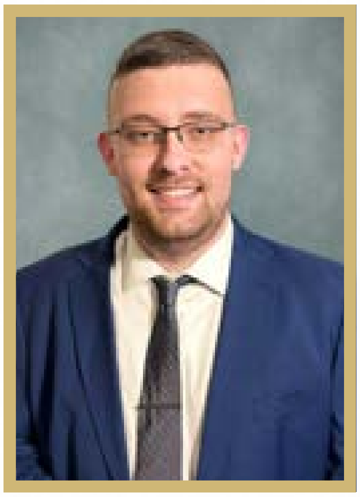
Kacie Honoski

Kacie Honoski is a graduating senior at East Tennessee State University majoring in Finance with a concentration in Real Estate. She maintains a 3.5 GPA and serves as the Vice President of Event Management for Sigma Kappa, where she oversees planning and coordination of chapter events. Kacie is passionate about real estate and looks forward to building a career that blends her financial skills with her interest in property and development.



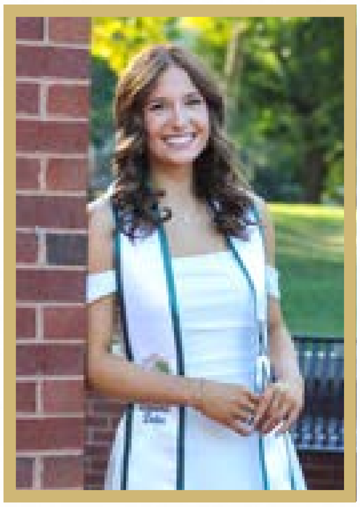
Clay Hopland

Clay Hopland is from Elizabethton, Tennessee, and is a senior at East Tennessee State University, majoring in Finance with a concentration in Financial Services. This is his first semester as a LaPorte Fund manager for ETSU, where he is responsible for managing the newly allocated funds. On campus, he is actively involved with the ETSU Climbing Club. Following graduation in the spring of 2026, he plans to pursue a law degree to further expand his expertise at the intersection of finance and law.



Christian Lane

Christian Lane is a senior completing a BBA with a double major in finance and accounting at East Tennessee State University, pursuing a concentration in Corporate Finance and Investments. He also holds an Associate's Degree in Engineering from Southwest Virginia Community College. Originally from Council, Virginia, he is graduating Summa Cum Laude in December 2025 and plans to return home to apply his education toward strengthening and improving Southwest Virginia. An Eagle Scout and guitarist for the Remnant Collective worship group, Christian stays rooted in his faith, his family, and his hometown community.



Carlie Norman

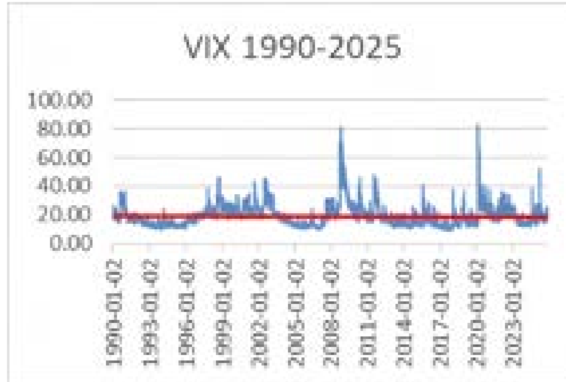
Carlie Norman is currently a senior at East Tennessee State University from Memphis, Tennessee. She will be receiving her Bachelor's in Finance with a concentration in Corporate Finance & Investments this December. Her role in the LaPorte Fund is to manage and market the progress of the LaPorte Fund. On campus, she currently serves as Kappa Delta Sorority's Vice President and as a College of Business and Technology Ambassador. Upon graduation, Carlie will be taking Level 1 of the CFA exam and will begin her career in Bank Examination with the State of Tennessee's Department of Financial Institutions.

Luis Saldierna

Luis Saldierna is a senior Corporate Finance major at East Tennessee State University, graduating in December. He co-manages the LaPorte student-managed portfolio, focusing on security selection, sector allocation, DCF/comparable valuation, and Excel-based financial modeling, and regularly presents investment ideas to faculty and industry partners. Alongside his studies, he works full time as a supervisor in debit card fraud operations, leading a team that applies KYC and Regulation E to investigate suspicious activity. Luis is pursuing roles in corporate finance analysis and risk, where he plans to combine his investment and fraud-risk experience to support data-driven financial decisions.

MARKET OUTLOOK

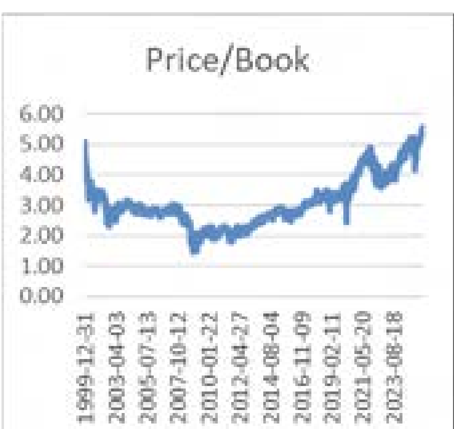
PE ratios for S&P 500 firms, Source: Finviz.com

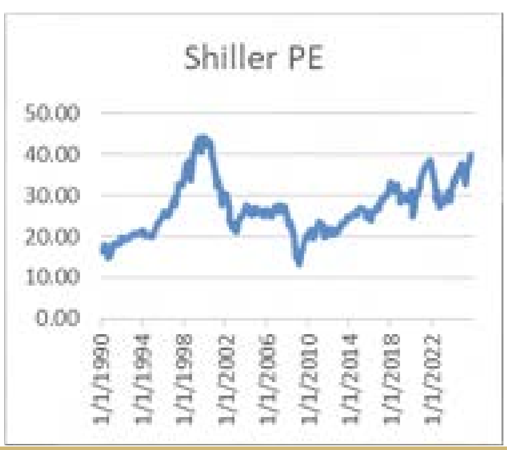


Most major valuation measures show that the S&P 500 is currently richly valued. The index is trading around 6,600 at the time of writing, and key ratios such as Price/Sales, Price/Book, and the Shiller P/E are all near record highs. This means investors are paying much more for each dollar of revenue, book value, and long-term earnings than they typically have in the past. These elevated levels do not guarantee a decline, but historically they have appeared during periods when markets were priced aggressively, and future returns were more modest, and in some periods negative.

The challenge with these metrics is that they only reflect what investors are willing to pay today. They do not explain the assumptions behind those prices, such as expectations for earnings growth, interest rates, or overall risk sentiment. One way to see how quickly those assumptions can change is through the volatility index (VIX), which tends to spike when investors become more uncertain. Even small jumps in VIX can reflect a sudden increase in the required return investors' demand, which can significantly reduce market valuations. When valuations are already stretched, these shifts become more impactful and leave less cushion if conditions change.

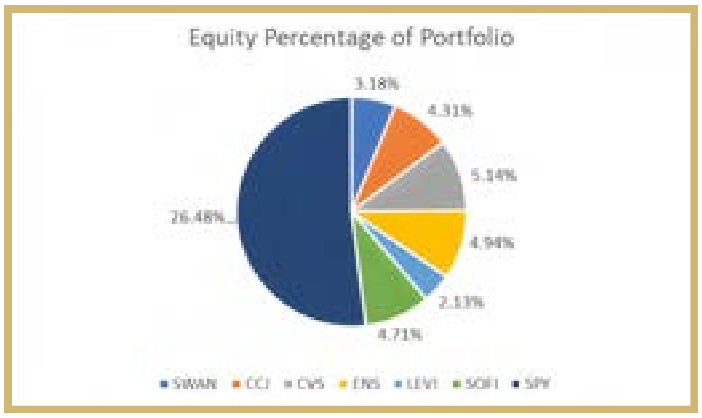
Because valuations are high and the market is more sensitive during these periods, small shifts in sentiment or economic expectations can cause larger-than-normal swings in prices. To manage this risk, our fund is entering the market gradually rather than investing all capital at once. Spreading purchases over time reduces the chance of allocating the entire portfolio at a potential peak, smooths the entry price, and provides a more disciplined approach in a high-valuation environment.





EQUITY SELECTIONS

80% Projected Allocation Percentage, currently at 46%



GUIDELINES

Asset Allocation

The portfolio shall be invested in a mix of equities, bonds, ETFs, both domestic and inter- national relevant to the benchmark chosen. Cash should be minimized and invested in short-term bonds as needed. Cash should be kept to less than 5%. It may be used for short-term tactical moves as opportunities arise. Benchmark will be basedon broad basedasset allocation ETFs.

Diversification

The portfolio should consistof a minimum of 20 single issue equity holdings unless combined with broad market ETFs such as SPY or QQQ. Formula for minimum number of stocks is (Tot. Amt. in equitiesminus Amt. in equity ETFs)/(Total Amt. in equites/20). Narrowly defined ETFs (such as IYG, which is a subsector within Financials) should be considered as a single issue.

Sector diversification is recommended, and single issues should be spread across multiple sectors). At the time of any purchase, no single issue should exceed 5% of the total value of the portfolio unless the security itself is greater than 5% of the market, (in 2025, 3 equities have greater than 5% weightin S&P 500). After purchase, no security shouldexceed 10% of the total value of the portfolio and should be rebalanced appropriately.

Market Capitalization

For equities, micro stocks shouldbe limited to less than 5% of the portfolio. Micro stock is one with less than $50 million in market capitalization.

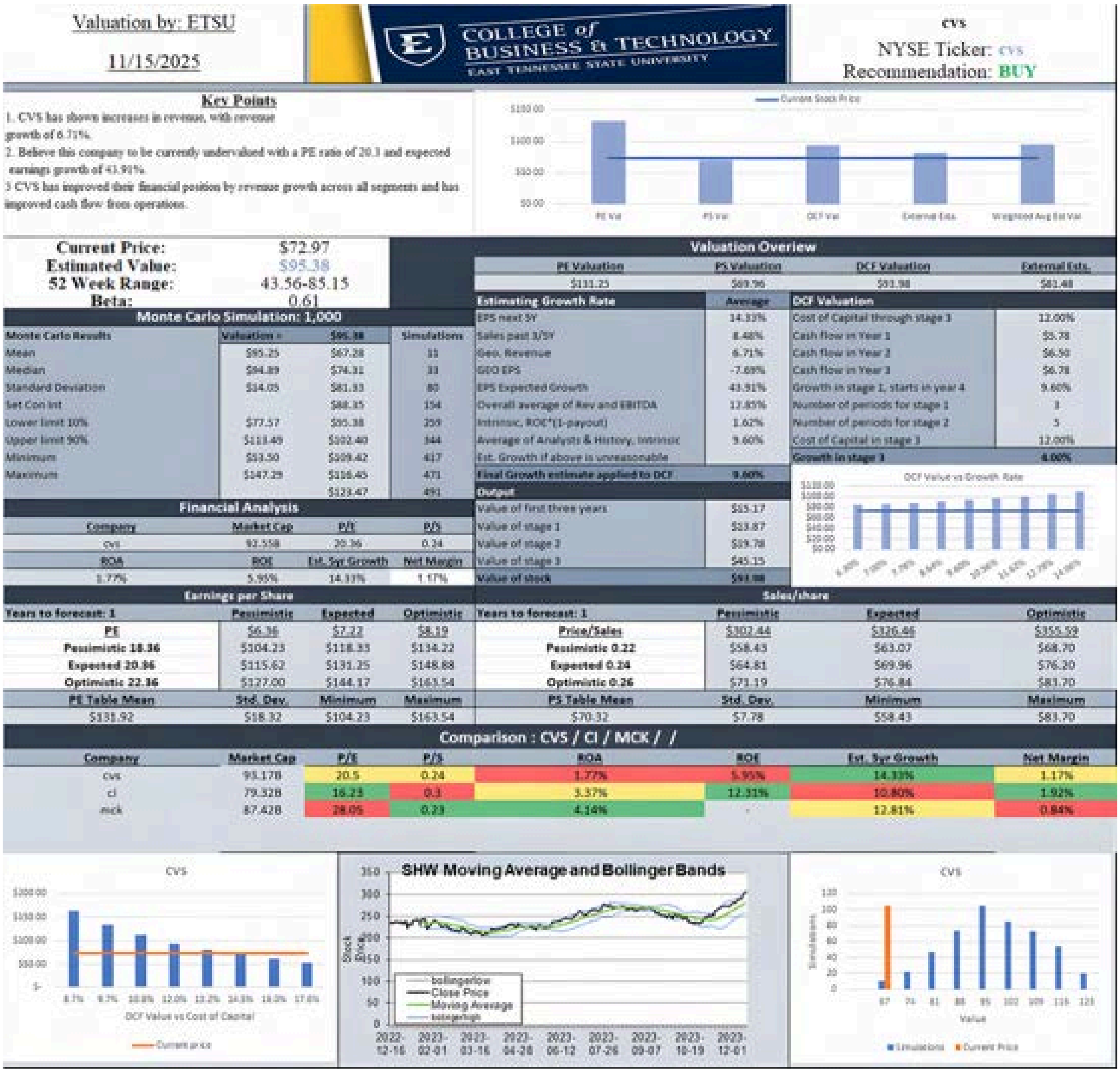
Exchange Trade Funds

Exchange Traded Funds (ETFs} may be purchased in the portfolio with the same minimum market capitalization requirements as above.More non-traditional ETFs such as those that used leverage should be limited to no more than 10% of the portfolio and only with advisor oversight who has knowledge of how these funds operate.

Purchased 68 Shares for $77.81 on 9/17/2025
Estimated value of $95.38 suggests a 23% upside

- Diversified across retail, pharmacy, and insurance
- Defensive industry, healthcare demand is recession-proof
- Undervalued vs peers
- Dividend paying with growth potential
- Long-term strategy: expanding digital health and care delivery
- Strong fit for balanced portfolio
- Positioned to deliver returns and stability in healthcare

CVS combines defensive strength with undervalued growth potential.



Valuation by: ETSU
11/15/2025

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cvs
NYSE Ticker: cvs
Recommendation: BUY

Key Points
1. CVS has shown increases in revenue, with revenue growth of 6.71%.
2. Believe this company to be currently undervalued with a PE ratio of 20.3 and expected earnings growth of 43.91%.
3 CVS has improved their financial position by revenue growth across all segments and has improved cash flow from operations.

Current Price:	$72.97
Estimated Value:	$95.38
52 Week Range:	43.56-85.15
Beta:	0.61

Monte Carlo Simulation: 1,000

Monte Carlo Results	Valuation =	$95.38	Simulations
Mean	$95.25	$67.28	11
Median	$94.89	$74.31	33
Standard Deviation	$14.05	$81.33	80
Set Con Int		$88.35	154
Lower limit 10%	$77.57	$95.38	259
Upper limit 90%	$113.49	$102.40	344
Minimum	$53.50	$109.42	417
Maximum	$147.29	$116.45	471
		$123.47	491

Financial Analysis

Company	Market Cap	P/E	P/S
cvs	92.55B	20.36	0.24
ROA	**ROE**	**Est. 5yr Growth**	**Net Margin**
1.77%	5.95%	14.33%	1.17%

Valuation Overview

PE Valuation	PS Valuation	DCF Valuation	External Ests.
$131.25	$69.96	$93.98	$83.48

Estimating Growth Rate	Average
EPS next 5Y	14.33%
Sales past 3/5Y	8.48%
Geo. Revenue	6.71%
GEO EPS	-7.69%
EPS Expected Growth	43.91%
Overall average of Rev and EBITDA	12.85%
Intrinsic, ROE*(1-payout)	1.62%
Average of Analysts & History, Intrinsic	9.60%
Est. Growth if above is unreasonable	
Final Growth estimate applied to DCF	**9.60%**
Output	
Value of first three years	$15.17
Value of stage 1	$13.87
Value of stage 2	$19.78
Value of stage 3	$45.15
Value of stock	**$93.98**

DCF Valuation	
Cost of Capital through stage 3	12.00%
Cash flow in Year 1	$5.78
Cash flow in Year 2	$6.50
Cash flow in Year 3	$6.78
Growth in stage 1, starts in year 4	9.60%
Number of periods for stage 1	3
Number of periods for stage 2	5
Cost of Capital in stage 3	12.00%
Growth in stage 3	**4.00%**

DCF Value vs Growth Rate

Earnings per Share

Years to forecast: 1	Pessimistic	Expected	Optimistic
PE	$6.36	$7.22	$8.19
Pessimistic 18.36	$104.23	$118.33	$134.22
Expected 20.36	$115.62	$131.25	$148.88
Optimistic 22.36	$127.00	$144.17	$163.54
PE Table Mean	**Std. Dev.**	**Minimum**	**Maximum**
$131.92	$18.32	$104.23	$163.54

Sales/share

Years to forecast: 1	Pessimistic	Expected	Optimistic
Price/Sales	$302.44	$326.46	$355.59
Pessimistic 0.22	$58.43	$63.07	$68.70
Expected 0.24	$64.81	$69.96	$76.20
Optimistic 0.26	$71.19	$76.84	$83.70
PS Table Mean	**Std. Dev.**	**Minimum**	**Maximum**
$70.32	$7.78	$58.43	$83.70

Comparison : CVS / CI / MCK / /

Company	Market Cap	P/E	P/S	ROA	ROE	Est. 5yr Growth	Net Margin
cvs	93.17B	20.5	0.24	1.77%	5.95%	14.33%	1.17%
ci	79.32B	16.23	0.3	3.37%	12.31%	10.80%	1.92%
mck	87.42B	28.05	0.23	4.14%	-	12.81%	0.84%

CVS
DCF Value vs Cost of Capital

SHW Moving Average and Bollinger Bands

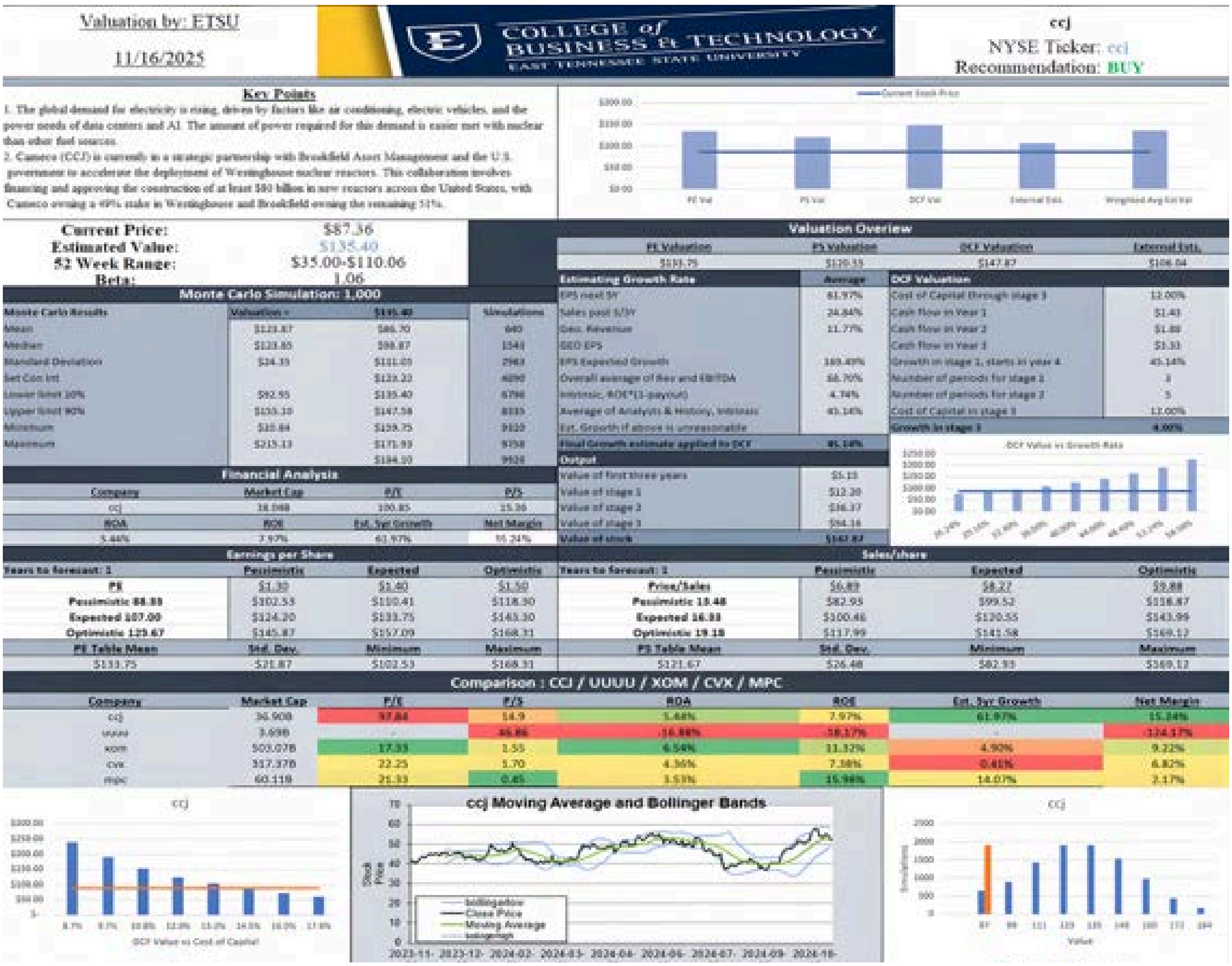
CVS

Cameco

Purchased 50 Shares for $83.46 on 11/17/2025
Estimated value of $135.40 suggests a 62% upside

- Holds a dominant competitive position with high-grade, low-cost uranium assets that outperform most global peers.
- Well-positioned for an expanding nuclear energy market driven by global decarbonization and energy-security demands.
- Maintains strong financial discipline, supported by long-term contracts that stabilize revenues even in volatile markets.
- Structural supply shortages in uranium favor producers like Cameco, creating potential for higher long-term pricing and strong margins.

Cameco Corporation combines strong infrastructure with a quickly growing market for large returns.



SoFi

Purchased 160 Shares for $29.26 on 9/23/2025
Estimated value of $31.16 suggests a 21% upside

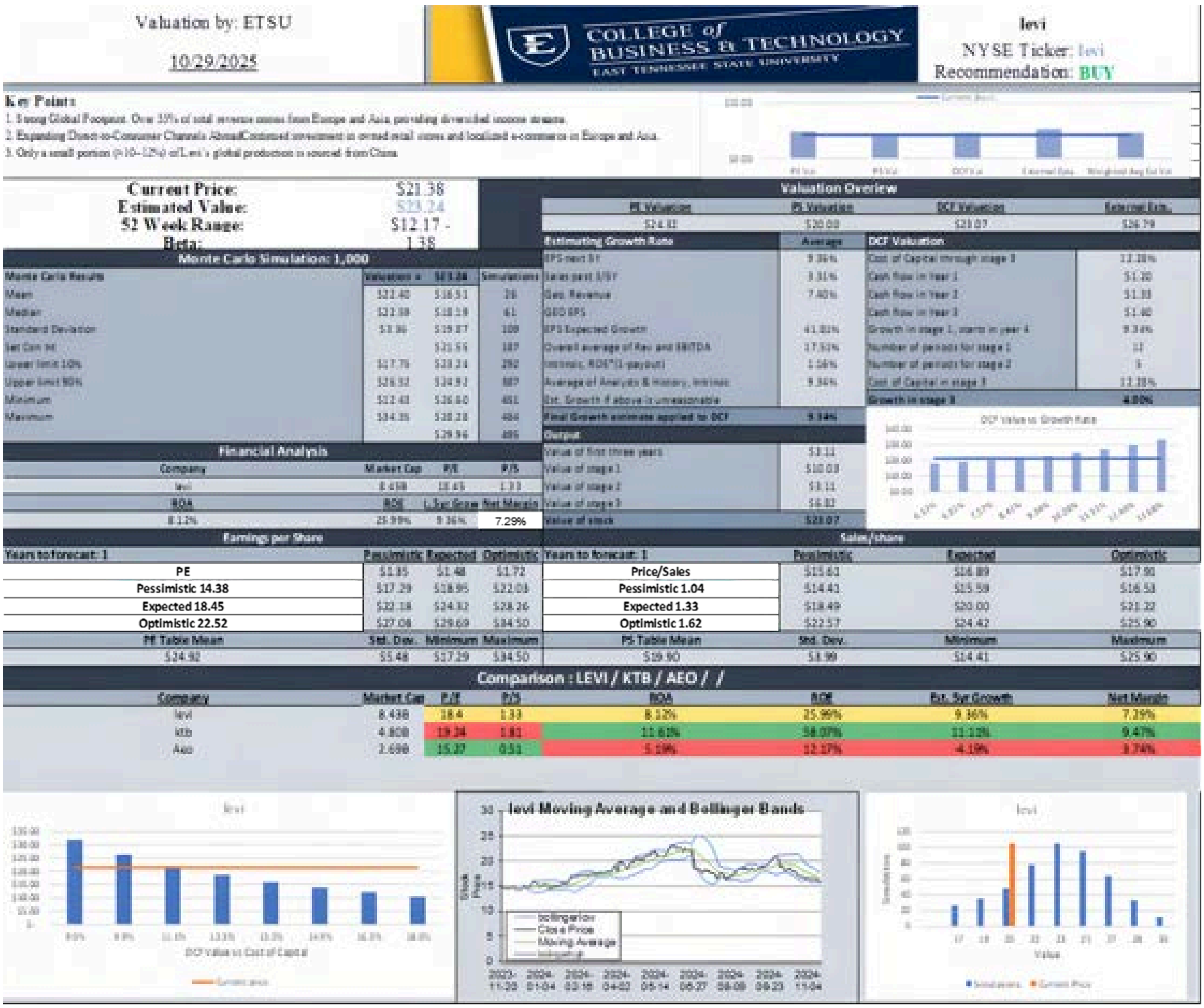
- SoFi has strong member growth they are continuing to increase their user base rapidly; millions of new members are joining annually driving higher cross selling opportunities.
- They have diversified revenue streams generating revenue from multiple segments and reducing reliance on a single line of business and creating more stable long-term growth.
- Their bank charter advantage helps them fund loans with low-cost deposits instead of expensive third-party funding, improving net interest margins and profitability.
- They have ongoing profitability improvements consistently improving margins, reducing losses, and moving toward sustained profitability.

Cameco Corporation combines strong infrastructure with a quickly growing market for large returns.

Purchased 100 Shares for $20.655 on 10/29/2025
Estimated value of $23.24 suggests a 5.83% upside

- Levi produces its products in 30+ countries, with no single country accounting for more than ~20% of total volume.
- Continued investment in owned retail stores and localized e-commerce in Europe and Asia.
- ·Only a small portion (≈10–12%) of Levi's global production is sourced from China.
-
- ·Double-digit DTC growth in key markets (UK, Germany, Japan, India).

LEVI expanding DTC strategy and diversified global supply change makes it a steady conservative pick.



Valuation by: ETSU
10/29/2025

COLLEGE of BUSINESS & TECHNOLOGY
EAST TENNESSEE STATE UNIVERSITY

levi
NYSE Ticker: levi
Recommendation: BUY

Key Points
1. Strong Global Footprint: Over 35% of total revenue comes from Europe and Asia, providing diversified income streams.
2. Expanding Direct-to-Consumer Channels AbroadContinued investment in owned retail stores and localized e-commerce in Europe and Asia.
3. Only a small portion (≈10–12%) of Levi's global production is sourced from China.

Current Price:	$21.38
Estimated Value:	$23.24
52 Week Range:	$12.17 -
Beta:	1.38

Monte Carlo Simulation: 1,000

Monte Carlo Results	Valuations	$23.24	Simulations
Mean	$22.40	$18.51	26
Median	$22.38	$18.19	61
Standard Deviation	$3.36	$19.87	109
Set Con Int		$21.56	187
Lower limit 10%	$17.75	$23.24	292
Upper limit 90%	$26.92	$24.92	887
Minimum	$12.43	$26.60	461
Maximum	$34.35	$28.28	484
		$29.96	495

Financial Analysis

Company	Market Cap	P/E	P/S
levi	8.45B	18.45	1.33

ROA	ROE	L.5yr Grow	Net Margin
8.12%	25.99%	9.36%	7.29%

Valuation Overview

PE Valuation	PS Valuation	DCF Valuation	External Est.
$24.92	$20.00	$23.07	$26.79

Estimating Growth Rate	Average
EPS next 5Y	9.36%
Sales past 5/5Y	3.31%
Geo. Revenue	7.40%
GEO EPS	
EPS Expected Growth	41.81%
Overall average of Rev and EBITDA	17.51%
Intrinsic, ROE*(1-payout)	1.56%
Average of Analysts & History, Intrinsic	9.34%
Est. Growth if above is unreasonable	
Final Growth estimate applied to DCF	9.34%
Output	
Value of first three years	$3.11
Value of stage 1	$10.03
Value of stage 2	$3.11
Value of stage 3	$6.82
Value of stock	$23.07

DCF Valuation	
Cost of Capital through stage 3	12.28%
Cash flow in Year 1	$1.30
Cash flow in Year 2	$1.33
Cash flow in Year 3	$1.40
Growth in stage 1, starts in year 4	9.34%
Number of periods for stage 1	12
Number of periods for stage 2	5
Cost of Capital in stage 3	12.28%
Growth in stage 3	4.00%

DCF Value vs Growth Rate

Earnings per Share

Years to forecast: 1	Pessimistic	Expected	Optimistic
PE	$1.35	$1.48	$1.72
Pessimistic 14.38	$17.29	$18.95	$22.03
Expected 18.45	$22.18	$24.32	$28.26
Optimistic 22.52	$27.06	$29.69	$34.50
PE Table Mean	Std. Dev.	Minimum	Maximum
$24.92	$5.48	$17.29	$34.50

Sales/share

Years to forecast: 1	Pessimistic	Expected	Optimistic
Price/Sales	$15.63	$16.89	$17.90
Pessimistic 1.04	$14.41	$15.59	$16.53
Expected 1.33	$18.49	$20.00	$21.22
Optimistic 1.62	$22.57	$24.42	$25.90
PS Table Mean	Std. Dev.	Minimum	Maximum
$19.90	$3.99	$14.41	$25.90

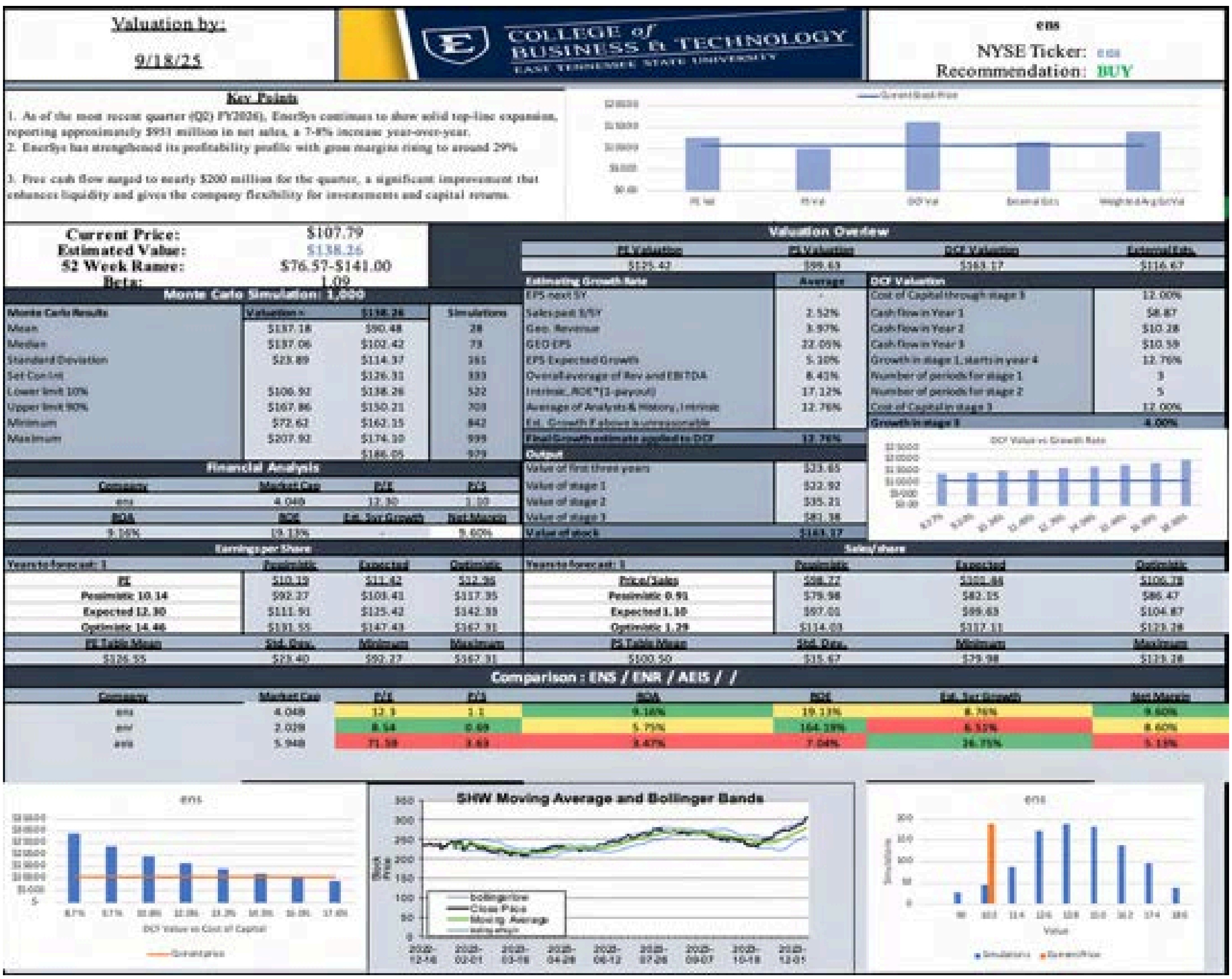
Comparison : LEVI / KTB / AEO / /

Company	Market Cap	P/E	P/S	ROA	ROE	Est. 5yr Growth	Net Margin
levi	8.43B	18.4	1.33	8.12%	25.99%	9.36%	7.29%
ktb	4.80B	19.24	1.81	11.61%	58.07%	11.12%	9.47%
Aeo	2.69B	15.27	0.51	5.19%	12.17%	-4.19%	3.74%

Purchased 35 Shares for $110.45 on 9/23/2025

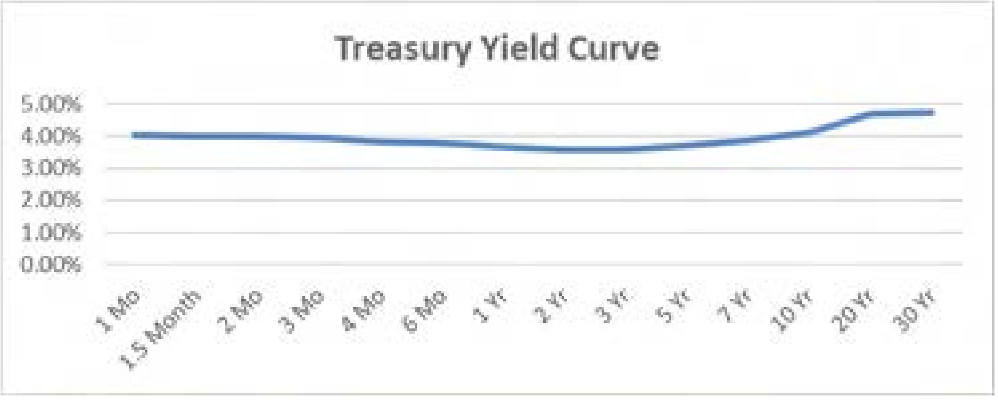
Estimated value of $138.26 suggests a 28% upside

- Focused on innovation for energy efficiency and reliability, a strong commitment to sustainability and ESG principles, and its global presence serving various critical infrastructure sectors
- EnerSys' transformation initiatives and its technology focused "EnerGize" framework have positioned the company to benefit from long-term trends such as electrification, grid modernization, and the demand for advanced battery solutions.
- It is aggressively investing in lithium-ion production: it's negotiating a $199M DOE grant to build a 5 GWh cell gigafactory in South Carolina.
- ·Q2 EnerSys continues to show solid top-line expansion, reporting approximately $951 million in net sales, a 7–8% increase year-over-year.

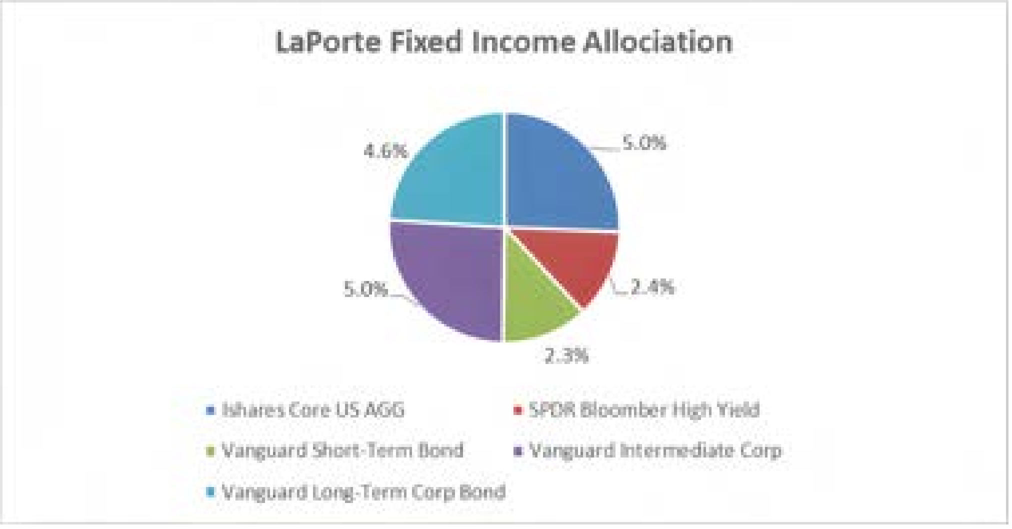


FIXED INCOME SELECTION

20% Projected Allocation Percentage



In our fixed income selection, we considered treasury yield rates, interest rates, as well as inflation to select our fixed income assets. As we expect treasury yields to rise in the upcoming future, it was declared best to invest in short-term bonds. Short-term and intermediate-term bonds carry less interest-rate risk, meaning their prices are less likely to fall when yields increase. As for long-term corporate bonds and high-yield bonds, they are longer duration bonds and benefit from falling rates due to prices rising significantly as yields drop.



Fixed income Positions along with yield and maturity metrics.

Fixed Income (ETFs)	Ticker	SEC Yield	Yield to Maturity	Duration	Avg. Maturity	Expense Ratio
iShares Core US AGG	AGG	4.29	4.68	5.88	8.22	0.03%
SPDR Berg High Yield	JNK	6.52	7.29	2.91	5.03	0.40%
Vanguard Short-Term Bond	BSV	3.73	3.8	2.6	2.8	0.03%
Vanguard Intermediate Corp	VCIT	4.74	4.8	6	7.4	0.03%
Vanguard L-T Corp Bond	VCLT	5.64	5.8	12.2	22	0.03%

iShares Core US Aggregate Bond (AGG):
Purchased 50 shares at $100.64 on 9/11/2025

- Benchmark Consistency: AGG is our fixed income benchmark, making this allocation directly aligned with our strategic objective and reducing tracking error.
- Interest Rate Positioning: With a 5.88-year duration, AGG is expected to benefit from the expected 25-basis-point Fed rate cut.
- Attractive Yield: A 4.29% SEC yield and 4.68% YTM offer competitive income in today's market.
- Diversification: AGG includes U.S. Treasuries, mortgage-backed securities, and investment-grade corporate bonds.
- Low Cost: An expense ratio of 0.03% keeps costs minimal, preserving investor returns.

This investment in AGG provides a benchmark-aligned, income-generating, and rate-sensitive bond exposure within our fixed income allocation. It positions the portfolio to benefit from both yield and potential capital appreciation in a declining rate environment.

State Street® SPDR® Bloomberg High Yield Bond ETF
Purchased 25 shares at $97.75 on 9/11/2025

- It is a high-yield ETF of bonds below the investment rating of BBB with a YTM of 7.29% and YTD returns of 7.41%; compared to AGG with a yield of 3.82% and YTD returns of 6.23%.
- The higher yield of this ETF is due to the risk of these bonds defaulting, but the risk of that feels minimized with the market at an all-time high. It also has an expense ratio of 0.4% which is higher than average, but well worth it for the historical above-average returns.
- It has a duration of 2.91, so that the constantly changing interest rates of today's market will have little impact on the performance of this ETF.
- This fixed-income ETF diversifies our portfolio into the market of bonds below investment grade to diversify the risk we are taking on.

Vanguard Short-Term Bond (BSV):
Purchased 30 shares at $80.00 on 9/11/2025

- Interest Rate Sensitivity
    - BSV has maturities of one to five years, which allows the fund to be less sensitive to the rising or falling of interest rates compared to long-term ETFs such as TLT.
- Diversification: The ETF is strongly diversified with holdings consisting of U.S. Treasuries, Government agency securities, and high-quality corporate bonds, which carry low default risk and provide steady interest payments.
- Low Expense Ratio: BSV contains an expense ratio of 0.03% allowing investors to keep a greater percentage of return and less towards management fees of the fund.
- Income Consistency: BSV provides a stable and dependable income stream that helps strengthen the reliability of the portfolio.

This investment in BSV provides a stable, low-risk source of income through its diversified, high-quality short-term bond holdings. Its low expense ratio, limited interest rate sensitivity, and consistent payouts make it a reliable choice for preserving capital while earning steady returns.

Vanguard Intermediate-Term Bond (VCIT):
Purchased 60 shares at $84.49 on 9/11/2025

- High Yield: Corporate bond yields were elevated compared to the 2010-2020 period, buying VCIT when yields are high is beneficial because higher yields allow higher income distributions. Yields and prices move inversely, so buying when yields are high often means they are being bought at relatively low prices.
- Strong Credit Quality: VCIT invests in investment-grade U.S. corporate bonds, which historically offered: more stability during economic shutdown, lower default risk, better risk-adjusted returns than high yield bonds.
- Low Expense Ratio: Vanguard ETFs are known for low expense ratios. So more of the yield stays with the investor, long-term compounding is stronger, and it will outperform comparable corporate bond funds with higher fees.

Vanguard Long-Term Bond (VCLT):
Purchased 60 shares at $78.38 on 9/11/2025

- Higher Income & Yield Premium
  - VCLT offers a meaningful yield advantage over Treasuries by capturing corporate credit spreads. With investment-grade issuers (Apple, Microsoft, JPMorgan, etc.), default risk remains low, but investors are rewarded with higher coupon income.
- Balanced Positioning for Rate Cuts or Status Quo
  - If the Fed cuts rates by 0.25%, long-duration bonds (both VCLT and TLH) benefit from price appreciation. VCLT benefits more because it combines duration sensitivity plus credit spread compression as corporations refinance at lower costs. If rates stay the same, VCLT still outperforms TLH via its higher yield, while TLH provides less cushion (lower coupon income).
- Corporate Resilience Outlook
  - U.S. investment-grade corporations have healthy balance sheets, strong cash flows, and manageable debt loads.

To the LaPorte Family

Thank you for your continued support by providing us the opportunity to participate in this experiential learning program. Managing real capital through the LaPorte Fund has given us meaningful hands-on experience, a practical understanding of financial theory, development of sound decision-making in real market conditions, and practice in strengthening our analytical skills.

During the Fall 2025 period, we deployed $100,000 across equities and fixed income using both individual securities and ETFs. As of the end of the reporting period, the portfolio value rose to $103,073.99 a 3.07% return. Our performance was supported by strong contributions from holdings such as EnerSys (ENS), which returned 24.51%, and CVS Health (CVS), which provided stable appreciation. We also added positions in LEVI, SOFI, and SWAN to further diversify our equity exposure.

In the fixed income area, we invested across AGG, VCIT, VCLT, BSV, and JNK to balance duration, credit quality, and income generation. These selections helped us navigate interest-rate uncertainty while maintaining alignment with our benchmark and risk objectives.

Throughout the semester, we monitored macroeconomic trends, including interest-rate expectations and inflation pressures, and managed the portfolio with a disciplined, long-term perspective. Our allocation and cash position leave the fund well-positioned to take advantage of future opportunities.

Participating in the LaPorte Fund has been an invaluable experience. The lessons we have learned in portfolio construction, risk management, and teamwork will support us long after we leave the program. We are truly grateful for your generosity and the impact it has had on our education and professional growth.

Thank you,

The LaPorte Fund Managers

Connor Ambler, Scott Boyer, Parker Burns, Milind Chaturvedi, Selena Cruz Rodriguez, Kacie Honoski, Clay Hopland, Christian Lane, Carlie Norman, Luis Saldierna

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