

Mid-Term Report

Team name: MapleTree Capital

Otis ID: 37257

School Name: Colégio Santa Cruz

Finalized team members names: Eduardo Leão, Felipe Silvestri, Felipe Teixeira, Guilherme Suranyi, Isabela Carvalho, Renato Prado

When presented with Reshma Sohoni, our first attitude was to trace a profile according to her career option, social background, and personal preferences. To shape a successful investment portfolio, the group firmly believes that an individualized analysis is essential to achieve her own goals as an investor.

With that mindset, we developed two main strategies. The first one consisted of a software which compared all of her tweets to a database organized by the group. It consisted of words with aggressive and conservative meanings that were later used by the software to decide whether the client is aggressive or conservative. As a way to guarantee the veracity of the results, a second approach was also done. A manual profile was traced taking into consideration pieces of information about her company, SeedCamp, the sectors SeedCamp invests in and also her personality. All of that based on her social media posts and the interviews she gave. After a deep research, we concluded that the client is inclined towards a more aggressive portfolio.

Besides comprehending her profile, the group needed to understand the macroeconomic scenario of the United States, which is our investment focus. To do so, we analyzed some pivotal financial and economic metrics to determine the phase the U.S. economy is on the business cycle. Among other data, the group examined the Real GDP growth, the yield curve, the inflation rate, unemployment rate and purchasing Managers' Index. We came to the outcome that the U.S. economy is heading towards not only a deceleration but also a recession.

Having decided the client's posture on investment and the macroeconomic scenario for the upcoming years, it was time to determine suitable sectors to invest. For each specific sector, we established which of them are less cyclical and, therefore, less responsive to periods of

economic slowdown. Healthcare, consumer staples, energy, technology, financial services, and utilities were the ones chosen.

A wide range of companies was available, making it necessary to elect some parameters to guide us in our selection. Firstly, we delimited industries according to the areas of interest of Reshma. A technological mindset permeated the choice of all of them. For instance, in the Healthcare sector, the group prioritized biotechnology and personalized healthcare services, while, in Financial Services, we opted to invest in FinTech companies. Other than that, an innovative and unique perspective was vital to the development of our portfolio.

In this sense, we aimed for companies that have the potential of impacting society positively in the long run. As a way to achieve that, we allocated our client's money in corporations whose principles are aligned with at least one of the Sustainable Development Goals (SDG). Such is the relevance of this topic that our group thinks it incorporates the current socio-environmental concerns an enterprise ought to consider.

Even though a quantitative analysis is not the most crucial parameter for value investing, the team's scrutiny is also positioned according to financial metrics, namely: price-earnings, earnings per share, EBITDA, the enterprise multiple and price to book value index. Until now, the businesses that have performed the best are Tivity, Abbvie, XXXXXXXXXXXXXXXXXX.

In terms of team dynamics, we arranged weekly meetings in which each participant presented to the group the task attributed in the prior reunion. The sectors were designated bearing in mind individual strengths and interests in the various fields. Our coach mentored and guided us with a more experienced point of view.

All in all, we are looking forward to seeing how our unique strategy will develop in the next few weeks.