



**B
CAPITAL
FUND**

MONTHLY REPORT

FEBRUARY-MARCH 2023

WWW.BCAPITALFUND.COM

Table of contents

Letter to stakeholders	3
Organizational chart	4
Portfolio and Investment strategy	5
Portfolio analysis	10
Macroeconomic analysis	13
Crypto analysis	17
Risks	20

Letter to stakeholders

Dear B Capital Stakeholders,

B Capital is an investment fund run by Bocconi students that invest in stocks and obligations with an initial equity of 1 mln US dollars.

The main goal of the fund is to manage the money by diversifying the portfolio and to maximize the returns over the medium to long term.

We aim to achieve these numbers by adopting Macro investment strategies and analysis, combined with the experience and knowledge of the Portfolio Department.

Based on our knowledge we always aim to enrich our investment strategies and to grow experience by keeping informed and studying the market, in addition to the preparation that our university provides us.

Our team is composed by five different departments, each one with precise instructions and duties, and operates according to the rules of a specific statute.

If you want to get in touch with the fund, you can fill out the form on the website www.bcapitalfund.com or you can contact us directly on the various social accounts such as LinkedIn or Instagram.

We appreciate your confidence, and we are sure that we can increase the fund's investments.

Sincerely,

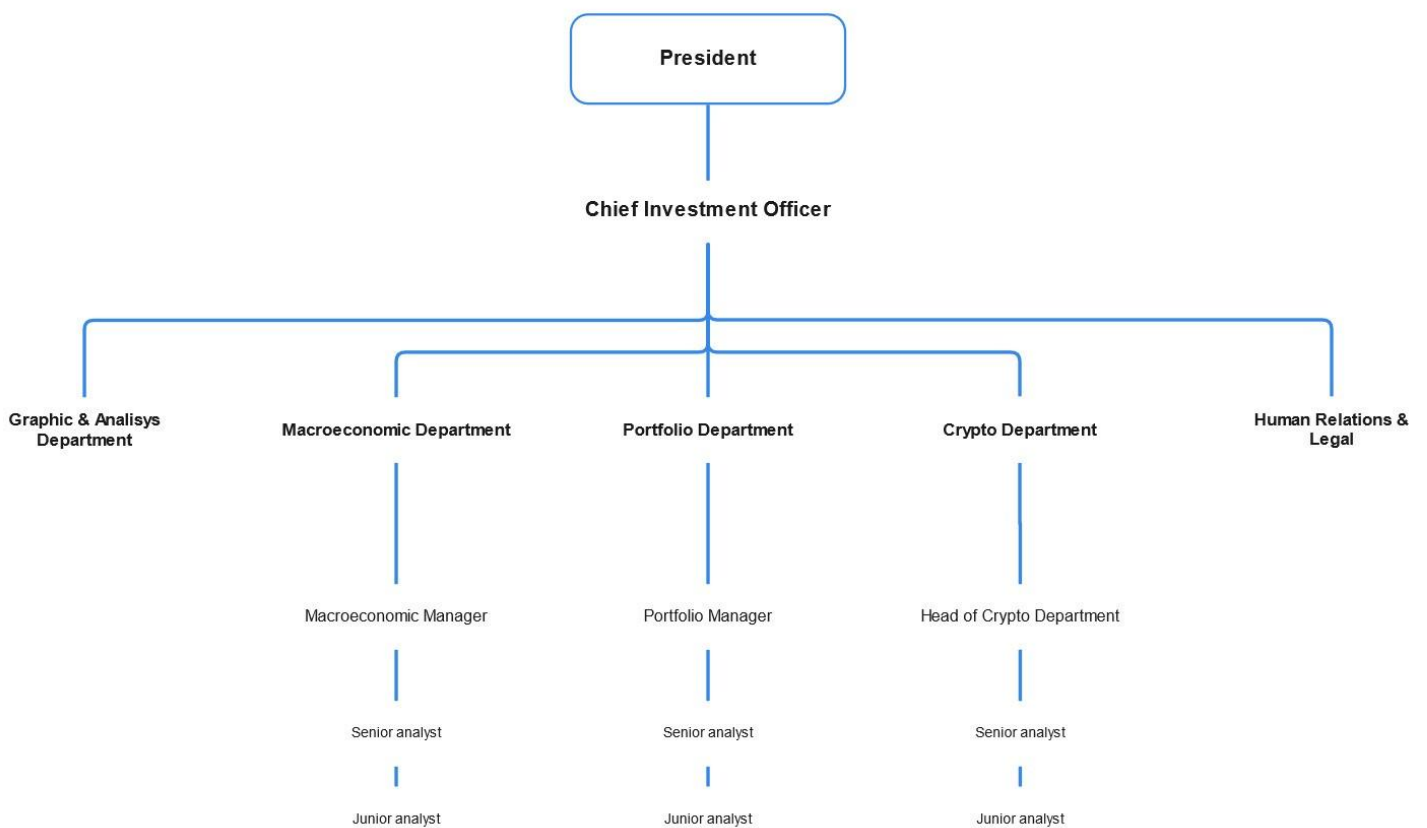
President
Roberto Restelli



Vice-President
Eraldo Bausano



Organizational chart



Portfolio and Investment strategy

Kind investors,

Welcome back to our monthly report about the development of B-Capital. It is our pleasure to guide you through our operations and explain the investment strategies we adopt and the results these will yield.

In June we registered a solid +5% after a tuff month for the markets and for our positions in banks. The Portfolio team decided to liquid our positions in: UniCredit, Intel and Oracle, by reaching good target price and to balance our portfolio on the bank sector.

The fund managed to recover our position in UniCredit and to make an acceptable return on it, and we will consider a sell-out on Citigroup in the following months.

The performance was influenced by the positive trends of the markets that followed in the last days of May, and they gained the maximums relative to 12 months thanks also to large cap of technology and by the theme of AI and the containment and recovery of the banking sector after the March crisis.

This trend affected our portfolio by increasing the worth of our positions with important gains in ENEL, ISP and Buzzi Unicem.

We will remain on a long-term vision on the positions that are still open, except for the bank sector that we are currently studying and considering all the opportunities.

We also remain willing to open new positions in case of opportunities offered by the markets in the coming months.

(See the potential investments and opportunities studied by the portfolio team in the following pages)

ISP, UNICREDIT, CITIGROUP

In June, the bank sector has recovered since the SVB and Credit Suisse crisis that happened in March.

ISP started regaining the points lost during the last 2 months, making near +14%. We will continue holding IPS believing it is one of the most undervalued banks in the market, retaining our target price of 3\$.

Citigroup was bought as an “underdog” and undervalued stock that we believed could perform decently in the near-medium term. Unfortunately, this did not happen because of the SVB and Credit Suisse crisis that affected the banking sector. In these months the stock did not recover, in addition to the non-performing loans situation in USA. For this reason, the portfolio team has decided to liquidate the stock in July to limit losses.

Unicredit performed well in June, steadily rising from slightly less than 19 Euros per share to more than 21. Its performance was in line with that of the broader banking sector. According to some valuations, Unicredit is still undervalued and offers some potential for extra returns. In our opinion, the stock is still offering some limited upside.

ENEL

Enel has performed really good in June, reaching a 6.17 price, becoming the most profitable position of this month (not considering Oracle's sale).

Our target price remains the same as the previous months, at more than 7.00 per share.

We like the strategy and business moves that the management is doing with the new CEO Flavio Cattaneo, by decreasing the debt and selling irrelevant assets.

INTEL

Intel ended June more or less the way it started, oscillating in the 29-31 band price. We closed our position in Enel at around 32 Dollars per share, in light of what we believe will be the ending, or at least a slowdown, to the recent boom in tech stocks. Intel is in no way an overvalued company for our standards, and we may reinvest in it in the future if the right circumstances arise.

ORACLE

We decided to liquidate our Oracle holdings towards the end of June, having benefited from an almost 36% rally in the share price since we first bought. Such a good performance in less than three months has proven too difficult to refuse, therefore we sold our position when we believed that the momentum in tech stocks was slowing in pace. Although we may have missed on some extra gains, the return we managed to collect went far beyond our expectations.

BUZZI UNICEM GROUP

Buzzi finally started to gain in June, after 2 stationary months. In the Q1 of 2023 the revenues were at 955.9 mln and changes in exchange rates had a positive impact of 27.6 mln (in Russia +57.3% due to ruble revaluation). The net financial position is positive by 279.2 mln with a good construction spending in the U.S. and a good expansion in Brazil and Mexico of +19,5%.

The only obstacle is the situation between Russia and Ukraine where Buzzi has factories and multiple businesses, but we remain long on this position believing that it could perform well in the next months with a target price of 27-28.

POTENTIAL INVESTMENTS:

Constellation Energy (CEG)

Constellation Energy runs the most extensive nuclear capacity in the United States and produces electricity without carbon emissions in both the United States and Canada.

The utility sector is not known for its growth stocks, however CEG has shown an increase in share price of 54% in the past year and 26.5% revenue growth.

BofA analysts see an attractive free cash flow profile for CEG, but the stock's momentum may pause in the medium term after the impressive performance.

(Consideration: neutral but keep under consideration)

SolarEdge Technologies (SEDG)

SolarEdge Technologies is a large producer and seller of direct current optimized investor systems for photovoltaic installations. By taking a long-term perspective, many investors see high margins of growth in green energy companies.

It must also be mentioned that the 2022 Inflation Reduction Act extended the 30% residential solar Investment Tax Credit through 2032, as a major tailwind for the solar industry.

Analysts believe SEDG to have great opportunities to grow its margins as its Mexico facility ramps up production. Forecasts predict 58.2% revenue growth and 126.3% EPS growth in 2023.

(Consideration: buy with \$393 price target)

T-Mobile (TMUS)

T Mobile is currently the largest US wireless carrier and provides services to more than 100 million customers.

Two years after its merger with Sprint, T-Mobile is growing its postpaid phone business faster than ever. The companies raised its merger synergies guidance. The company had previously estimated merger-related cost savings of \$5.4 billion to \$5.6 billion. The new estimate is \$5.7 billion to \$5.8 billion.

For such reason this is one of the two stocks that are currently on both BofA's Growth 10 list of top growth stocks and its Value 10 list of the best value stocks.

(Consideration: buy with \$175 price target)

Amazon (AMZ)

2022 has been a tough year for Amazon. Through the end of the last Q3, Amazon lost \$8 billion on its e-commerce business worldwide. The company has also announced plans to lay off up to 20,000 employees across distribution centers, IT departments and executive staff.

Since January 1st the company's stock price has fallen by 50%, that's the bad news.

The good news is that a challenging 2022 positions Amazon for a better 2023. The profit comparisons will be easier, for one. More importantly, Amazon's CEO Andy Jassy is focused on streamlining the company's cost structure, since the company has always spent money in areas that aren't profitable.

On top of this, Amazon's stock price looks cheap right now relative to its history.

(Consideration: buy with \$140 price target)

STMicroelectronics (STMI)

ST is an Italian-Switzerland based semiconductor company, it develops and manufactures discrete and standard commodity components, and application-specific integrated circuits for analog, digital and mixed-signal applications.

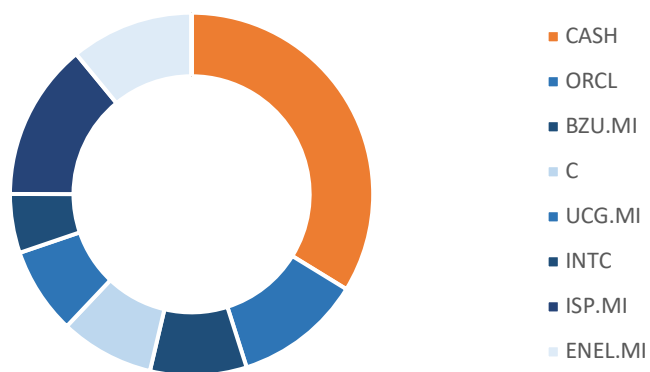
The Portfolio team has studied and considered this position since January 2023 thanks to its profitable revenues (up to +16 bln) and its stock exchange run during the last months.

The fund will consider a buy-in in case of a drop of price in this segment of the market to aim to a long-term vision on this stock.

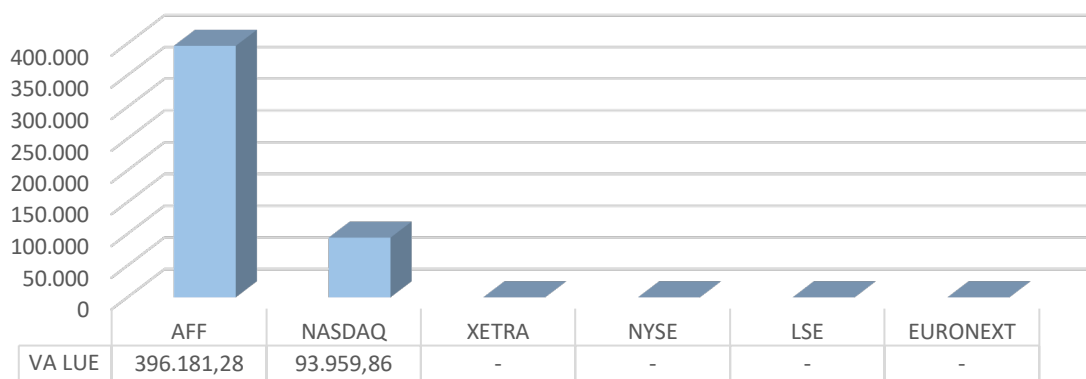
(Consideration: buy with \$40-43 price target)

Portfolio analysis

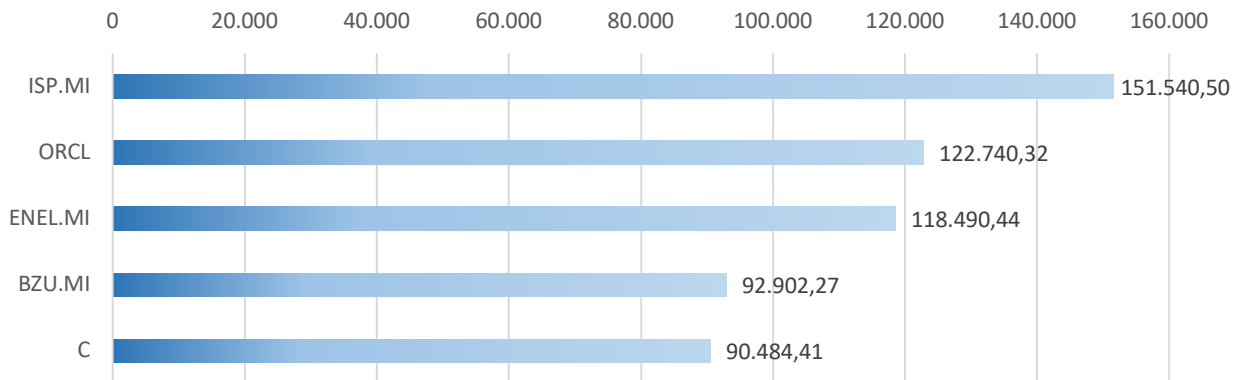
ASSET PROPORTIONS



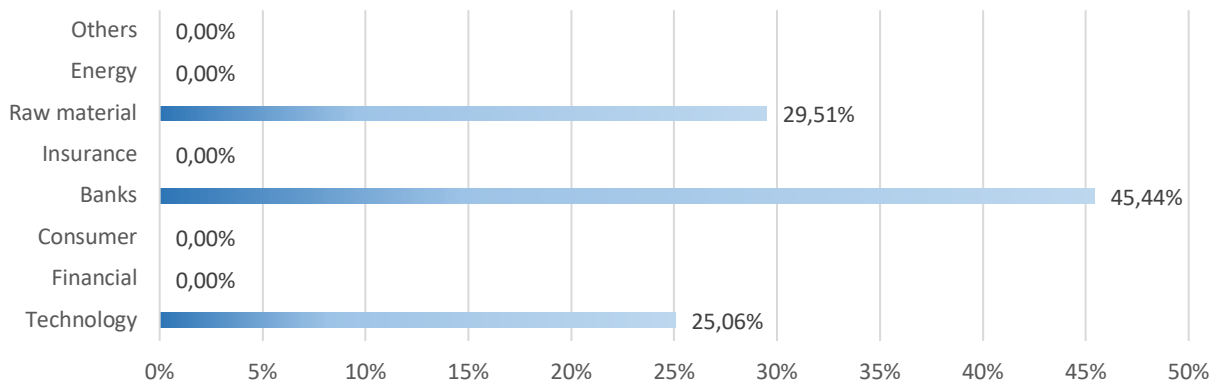
MARKET EXPOSURE



TOP 5



SECTOR ALLOCATION

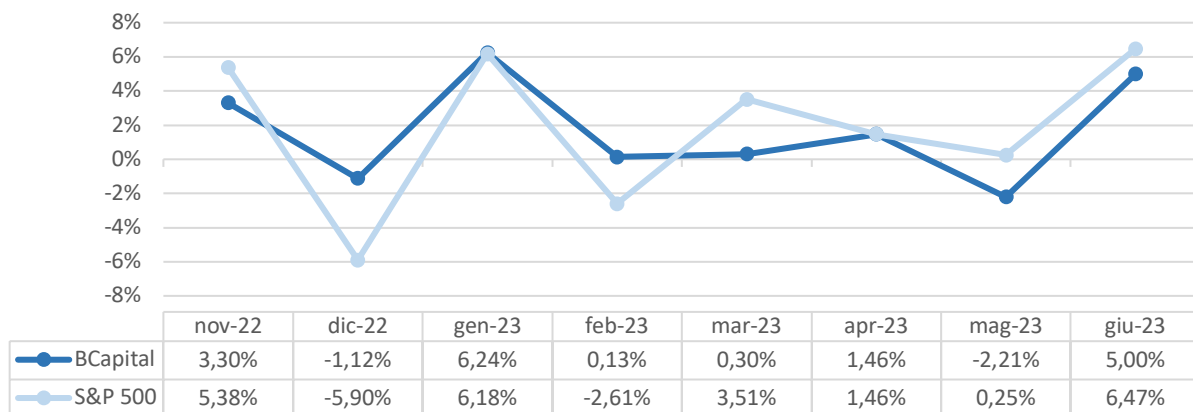


CURRENT HOLDINGS	SECTOR	CURRENCY	MARKET	SHARES	OPEN PRICE	LAST PRICE	COST	MARKET VALUE	G/L	G/L %
BZU.MI	Raw material	USD	AFF	4339,20	21,45	22,95	93075,84	99584,64	6508,80	6,99%
C	Banks	USD	NASDAQ	2044,38	50,92	45,96	104100,00	93959,86	-10140,14	-9,74%
ISP.MI	Banks	USD	AFF	71085,70	2,11	2,41	150253,84	171046,41	20792,57	13,84%
ENEL.MI	Raw material	USD	AFF	20345,20	4,90	6,17	99650,79	125550,23	25899,44	25,99%

SOLD HOLDINGS	SECTOR	CURRENCY	MARKET	SHARES	OPEN PRICE	CLOSE PRICE	COST	MARKET VALUE	G/L	G/L %
UCG.MI	Banks	USD	AFF	4657,30	19,12	21,58	89047,58	100481,25	11433,67	12,84%
ORCL	Technology	USD	NASDAQ	1159,57	88,05	119,53	102100,00	138603,21	36503,21	35,75%
INTC	Technology	USD	NASDAQ	1802,28	28,02	32,15	50500,00	57943,43	7443,43	14,74%

TOTAL G/L OF THE YEAR	B CapitalFund	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
13,55%	2022											3,30%	-1,12%
	2023	6,24%	0,13%	0,30%	1,46%	-2,21%	5,00%						

S&P 500 COMPARISON



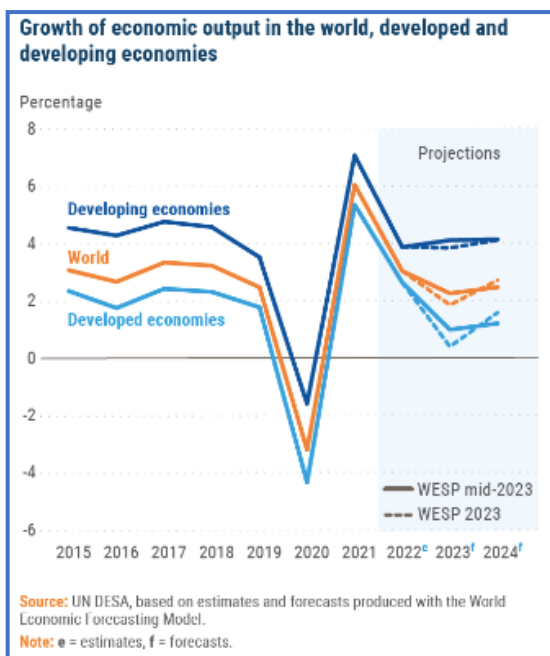
The fund's performance is compared to S&P 500 index as it is the main benchmark in financial markets.

Macroeconomic analysis

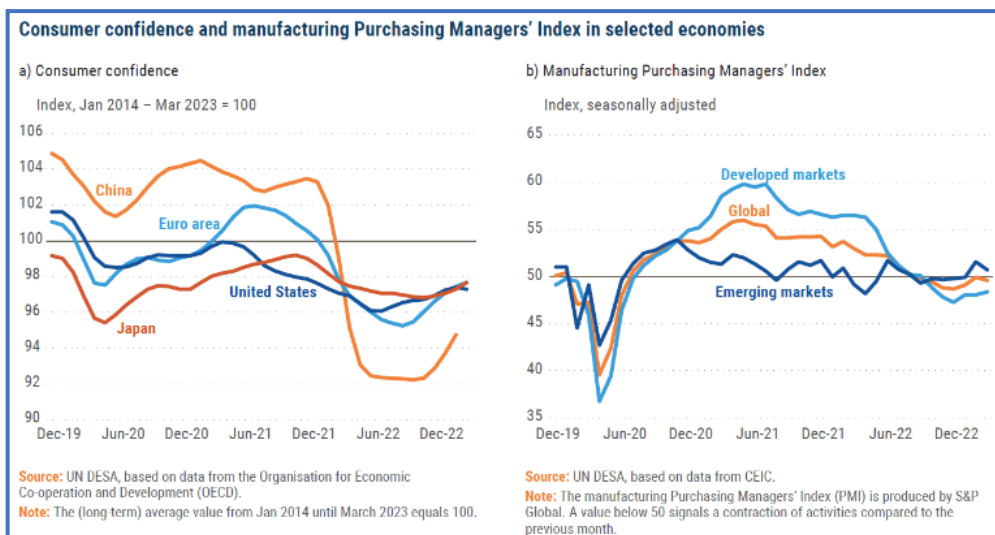
A quick outlook on the state of global growth and consumer confidence

While economic prospects remain subdued, the global growth slowdown in 2023 will likely be less severe than previously anticipated, mainly due to improved household spending in the United States and the European Union, the recovery in China, and no reversals to the earlier forecast for India.

The world economy is predicted to pick up some momentum, expanding by 2.5% in 2024, with inflationary pressures gradually easing. This rate is, however, well below the longer-term (2000–2019) average growth rate of 3.1%. As structural challenges such as scarring from the pandemic, subdued investment, mounting debt vulnerabilities and funding shortages remain unaddressed, the world economy is facing the risk of a prolonged period of subpar growth.



Consumer and business sentiment slightly improved in recent months in most major economies, helped by lower international food and energy prices. But confidence levels remain far below their long-term averages. Manufacturing activity, as measured by the Purchasing Managers' Index, appears to have bottomed out. Meanwhile, global financial markets have remained largely resilient despite ongoing banking sector turmoil in the United States and Europe.



As such, keeping inflation and interest rates fixed, improved global growth for 2023 reflects three main factors:

- 1) China's strong exit from the pandemic and re-opening of the global part of its economy (Argument discussed in previous report)
- 2) In the United States, consumer spending and non-residential investment have held up better than expected, prompting an upward revision of the growth forecast to 1.1% in 2023. However, amid tightening financial conditions and further adjustments in house prices, consumer spending is projected to soften, weighing on growth prospects in 2024
- 3) In Europe, lower gas prices and resilient consumer spending, especially on services, have prevented the sharp slowdown that had been forecast in January. The European Union's economy is now projected to grow by 0.9% in 2023 (as of June 2023)

Stimulating global growth, there is international trade, which is expected to grow at a modest pace

Global trade is expected to remain under pressure in the forecast period. The baseline scenario projects that the volume of global trade in goods and services will grow by 2.3% in 2023, slightly higher than the previous forecast of near zero growth. This upward revision reflects improved GDP growth projections for the world's largest economies. However, the lingering effects of COVID-19, rising geopolitical tensions, and monetary tightening will continue to hold back global trade, although supply chain constraints and high shipping costs have eased. Trade in services experienced faster growth than trade in goods, supported by further recovery in travel and tourism sectors. International tourism is set to consolidate its recovery in 2023, backed by pent-up demand, particularly from Asia and the Pacific as destinations and markets open up. The World Tourism Organization (UNWTO) estimates that international tourism arrivals could reach 80 to 95% of pre-pandemic levels in 2023.

... that said, medium term fiscal outlook remains challenging

In 2022, fiscal trends across the world were driven by continued economic recovery from the COVID-19 crisis, the impact of unexpected inflation on debt dynamics (which particularly benefitted developed economies), and tighter fiscal stances as pandemic-related support measures were phased out. Average fiscal deficits and public debt levels as a share of GDP declined for a second consecutive year in both developed and developing countries. Commodity producers, especially oil-rich countries, experienced particularly large improvements in fiscal performance. Global public debt stood at an estimated 92.1% of GDP in 2022, 7.6 percentage points below the 2020 level, but still notably higher than the pre-pandemic level of 84.3%.

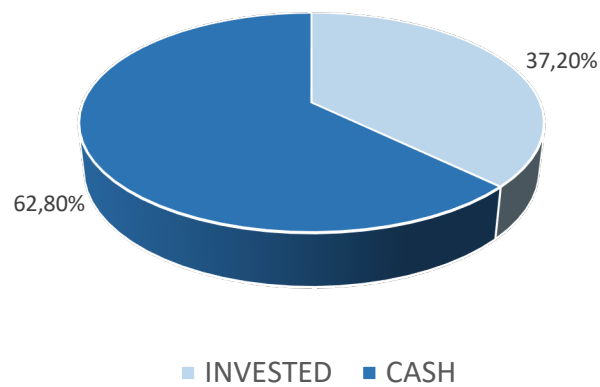
These aggregate short-term trends should not obscure an increasingly challenging fiscal outlook, especially for developing countries facing weak and diminished growth prospects. The aggressive tightening of global monetary policy since early 2022 has significantly exacerbated fiscal and debt

vulnerabilities and further constrained fiscal space in many countries, especially in sub-Saharan Africa, South Asia, and Latin America and the Caribbean. Borrowing costs have risen sharply and the strong dollar has pushed up the costs of dollar-denominated debt. In Africa, external debt service as a share of government revenue has risen sharply, while access to development assistance and private finance has diminished. Financing constraints will limit the ability of governments to invest in education, health, sustainable infrastructure and energy transition and accelerate progress towards sustainable development, while threatening to push a growing number of countries into default.

Crypto analysis

INVESTMENT STRATEGY

INVESTED PERCENTAGE



CRYPTO HOLDINGS	MARKET	SHARES	OPEN PRICE	LAST PRICE	COST	MARKET VALUE	G/L	G/L %
ETH	AFF	13,37	1870,00	1740,04	25000,00	23262,50	-1737,50	-6,95%

OVERVIEW

As of June 2023, we are pleased to provide you with an update on the recent trends and developments in the crypto market, along with the performance of our fund. It is important to note that during the month of June, there were no trades executed with our assets, and we continue to maintain our position solely in Ethereum (ETH).

Overall Market Trends:

The crypto market experienced a phase of consolidation during Q2 2023, with the total market cap slightly increasing by 0.14% from March 31, 2023, to June 30, 2023. Throughout this period, Bitcoin (BTC) and Ethereum (ETH) were priced at approximately \$30,000 and \$1,900 respectively.

BTC and ETH Performance:

Bitcoin displayed some volatility in Q2 2023, ending the quarter with a gain of 6.9%. On the other hand, Ethereum staking witnessed significant growth of 30.3% during the same period, subsequent to the enabling of withdrawals. Ethereum's market price increased 4.7% during June 2023.

Stablecoin Market:

In Q2 2023, the stablecoin market share experienced a decline of 3.5%. Notably, USDC and BUSD were among the major losers in this category.

Spot Trading Volume:

Spot trading volume on centralized exchanges declined by 43.2% during Q2 2023, with Binance's market share dropping to 52%. Additionally, spot trading volume on decentralized exchanges also fell by 28.1% in the same period, with Uniswap maintaining its dominant position.

Digital Asset Selection:

Based on factors such as sustainable tokenomics, ecosystem maturity, and market liquidity, the crypto market is expected to shift towards higher quality assets like Bitcoin and Ethereum. It is worth noting that investors' inclination to accumulate altcoins may take time to fully recuperate after the deleveraging observed in 2022.

Fund Performance:

As of June 2023, our crypto fund remains invested solely in Ethereum (ETH). We have not executed any trades with our assets during this month. As a result, the fund's performance reflects the fluctuations in the price of Ethereum during this period.

Risks

FOREIGN EXCHANGE MARKETS RISK

Restrictions imposed on trading limits or restrictions on the amount by which the price of certain Foreign Exchange rates may vary during a given period, the volume which may be traded, or restrictions or penalties for carrying positions in certain foreign currencies over time may prevent trades from being executed during a given trading period. Such restrictions or limits could prevent the Portfolio Manager from promptly liquidating unfavorable positions and therefore could subject the Fund to substantial losses.

SECURITIES RISK

Investments in securities involves the following risks: Market Price Risk, Currency Risk - Investments in non-listed securities may expose the Fund to the following additional risks: Lack of Regulatory Framework, Lack of a Formal Market, Pricing and Liquidity Risks, Difficulty to realize Profits.

OTHER RISKS

Investors are to refer to the risk warnings made under the section titled Specific Risk Factors in the Offering Supplement. These risks also include Allocation of Assets, Derivatives, Futures, Options, Leveraging using derivatives, Investment Vehicles and Funds, Insolvency, Volatile Markets, Illiquidity, Sector, Counterparty, Service Providers' Limitation of Liability and Indemnity and Conflict of Interest.

Please note B Capital is run by students and not by a professional trader team, so our lack of knowledge and experience could affect our performance and our current holdings. We are not responsible for any copy trading and their consequences.