



**B  
CAPITAL  
FUND**

**MONTHLY REPORT**  
FEBRUARY-MARCH 2023

[WWW.BCAPITALFUND.COM](http://WWW.BCAPITALFUND.COM)

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## 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](http://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,

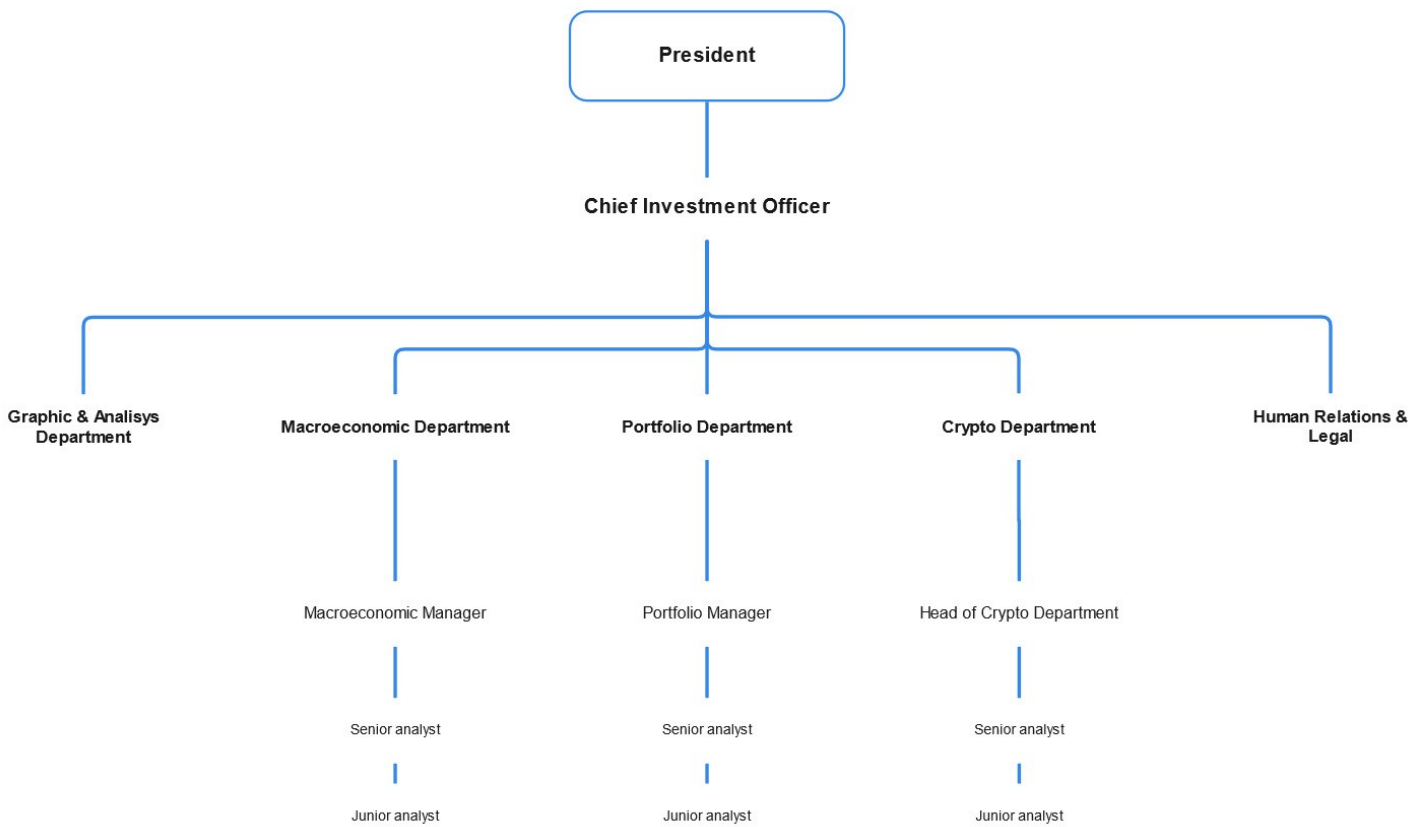
President  
Roberto Restelli



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.

Between April and May the fund has suffered its second big drop, caused by the consequences of the market on the bank sector, in fact the two biggest losses on these two months were Citigroup (-13,08%) and UniCredit (-6,23%).

This trend also influenced our biggest position on ISP, that went to +0,86%, leading us almost to a loss on another position in the banking portfolio.

Although in April the performance was in a solid positive return, in May the fund has suffered the persistent inflation with the consequence of the increase in interest rates, and the drop in investments in both Europe and US.

This led to the biggest loss of performance, since the fund was launched in November, of -2,21%. The performance was influenced by the negative trend of banks and other sectors that make up the portfolio, such as raw material for Enel and Buzzi Unicem and technology for Intel.

Thanks to the diversification we gained 6% more with Oracle, leading the stock to be the best performer for these 2 months.

The Portfolio team decided to hold all the positions in banks, believing in an uptick and possible profit in the coming months and to focus more the analysis and the research in companies in the technology sector similar to those already in the portfolio by trying to make profit to raise the fund's performance. We will also consider a selloff in case of big profit in short amount of time to raise more capital and more investments.

## **ISP, UNICREDIT, CITIGROUP**

Although the bank sector suffered a lot in these two months, and it's the biggest loss of the fund's performance, we strongly believe in a holding strategy, trying to recover our position and to make profit.

The sector is influenced by new decisions on interest rates and the monetary policy of Eurozone and US, but the most from the Credit Suisse and SVB crisis. We believe that new investments plan in Europe and United States will stir the financial situation and will also affect the interest rates, that will have a stop or a slowdown in the next months, and the recent news of the acquisition of Credit Suisse by UBS will calm the banking sector by bringing confidence for new investment and economic stability.

## **ENEL**

Enel has performed decently in the months of April and May, moving from around 5.50 and getting above 6.00. We remain bullish on ENEL, setting our target price more than 7.00. Following the election of the Board of Directors and of the new management, which did not bring any particular surprise, we have kept our good opinion on ENEL as a company, which we believe will be capable of delivering good cash flows and sustain its high dividend. We like the current strategy of shedding assets in markets which are not fundamental to ENEL's business, allowing the company to gradually reduce its mountain of debt.

## **INTEL**

Intel has performed nicely as well, with its stock price moving from around 24 to 28. Intel's turnaround strategy is still in its infancy, but losses are starting to diminish and the path to profitability seems to become more feasible as time passes. In particular, we believe that chipmakers like Intel can take advantage of the current geo-political climate, with Europe and America rushing to secure chip-making capabilities by offering large subsidies to chip-making firms. Intel looks well-positioned to exploit these subsidies to modernize its factories and expand its footprint around the Western hemisphere.

## **ORACLE**

Oracle's stock price has risen from 92 to about 105 in the months of April and May, alongside other tech stocks. The tech sector has performed well in the last period, and we expect it to recoup some of the losses registered in the previous year (2022). We think that Oracle is a stable company with good margins and stable or growing revenue that can offer a lot of upside potential.

## **BUZZI UNICEM GROUP**

Buzzi Unicem did not satisfy our analysis on the performance due to the negative trend of Piazza Affari.

We close May with a -0,19% which, however, does not worry us at all.

The first quarter of the year is above expectations with a +19,5% due to a rise of the prices, and with changes in exchange rates had a positive impact of 27.6 million.

We will maintain our position on Buzzi focusing on a mid-long-term vision on a target price of 25.

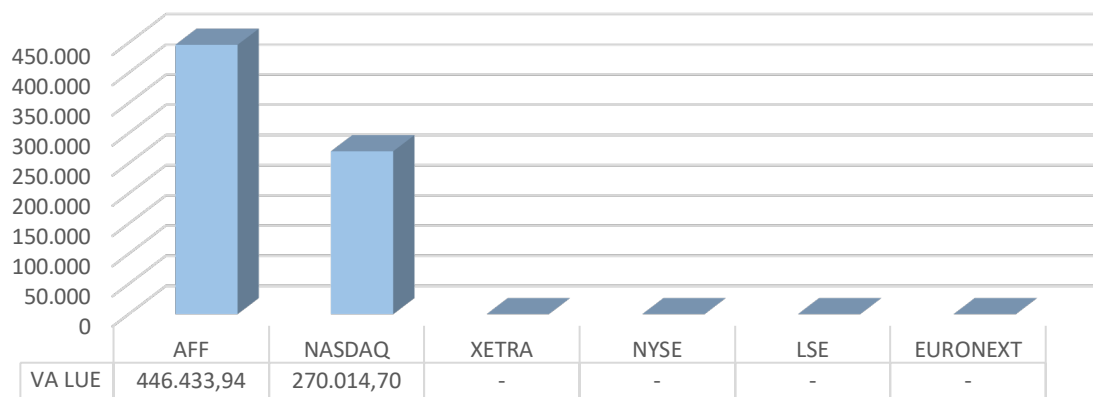


# Portfolio analysis

## ASSET PROPORTIONS

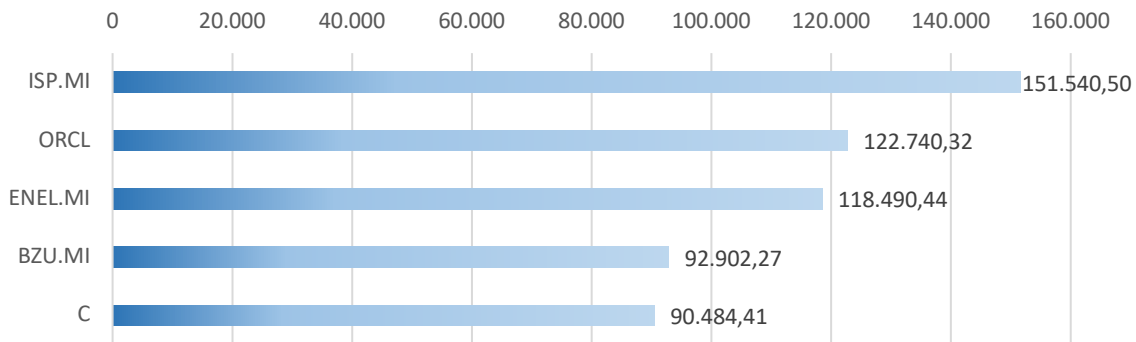


## MARKET EXPOSURE

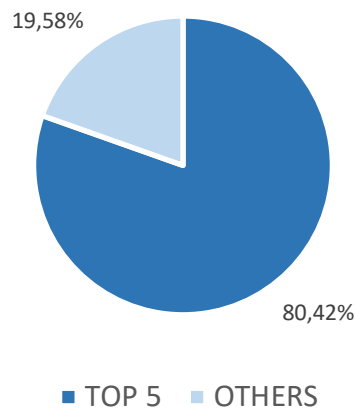




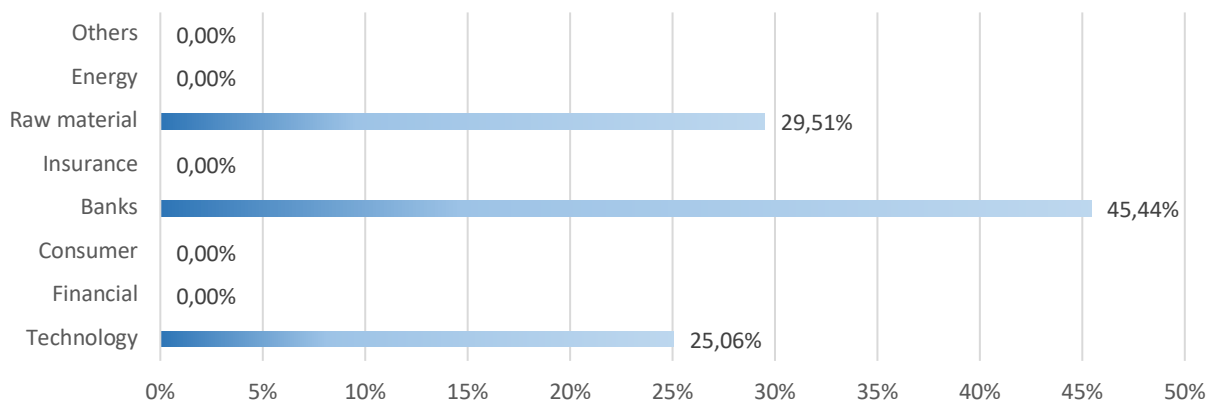
### TOP 5



### INFLUENCE OF TOP 5



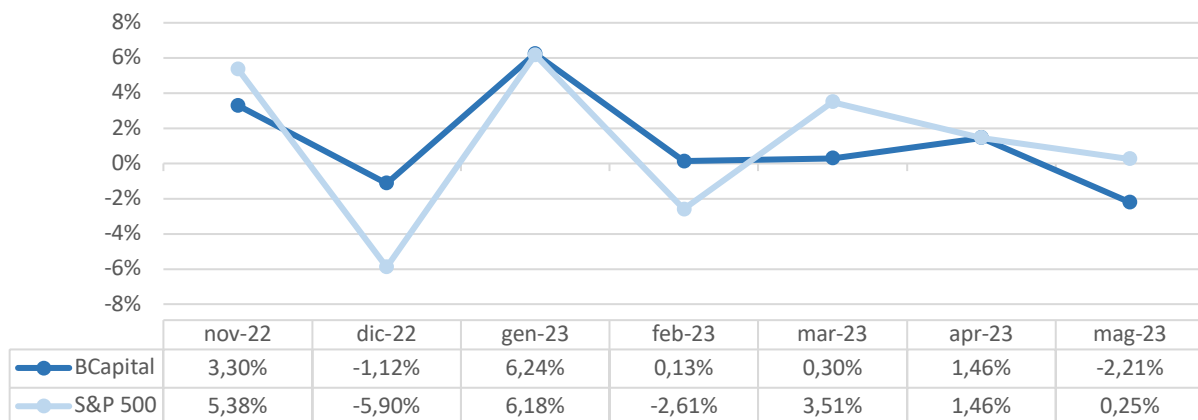
### SECTOR ALLOCATION



CURRENT HOLDINGS	SECTOR	CURRENCY	MARKET	SHARES	OPEN PRICE	LAST PRICE	COST	MARKET VALUE	G/L	G/L %
ORCL	Technology	USD	NASDAQ	1159,57	88,05	105,85	102100,00	122740,32	20640,32	20,22%
BZU.MI	Raw material	USD	AFF	4339,20	21,45	21,41	93075,84	92902,27	-173,57	-0,19%
C	Banks	USD	NASDAQ	2044,38	50,92	44,26	104100,00	90484,41	-13615,59	-13,08%
UCG.MI	Banks	USD	AFF	4657,30	19,12	17,93	89047,58	83500,73	-5546,84	-6,23%
INTC	Technology	USD	NASDAQ	1802,28	28,02	31,51	50500,00	56789,97	6289,97	12,46%
ISP.MI	Banks	USD	AFF	71085,70	2,11	2,13	150253,84	151540,50	1286,65	0,86%
ENEL.MI	Raw material	USD	AFF	20345,20	4,90	5,82	99650,79	118490,44	18839,66	18,91%

TOTAL G/L OF THE YEAR	B Capital Fund	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
8,14%	2022											3,30%	-1,12%
	2023	6,24%	0,13%	0,30%	1,46%	-2,21%							

### S&P 500 COMPARISON

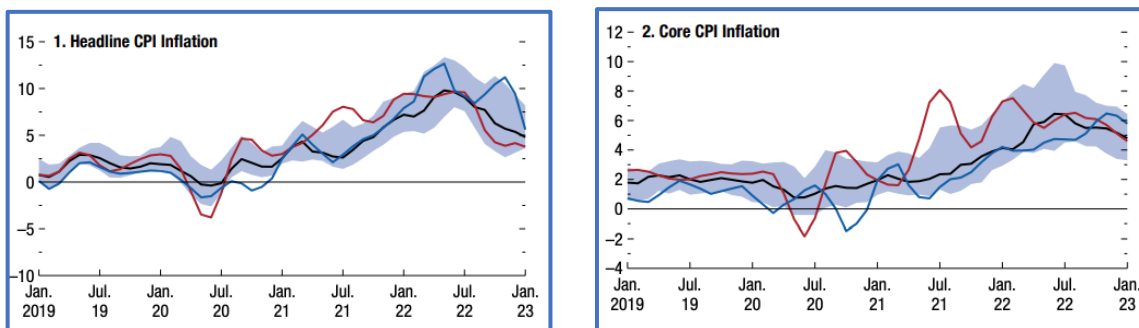


The fund's performance is compared to S&P 500 index as it is the main benchmark in financial markets.

# Macroeconomic analysis

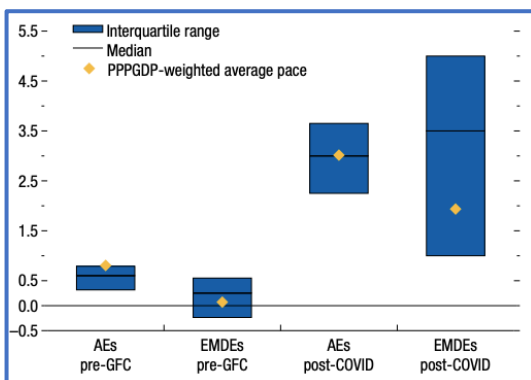
## Rate hikes declining inflation however remains elevated amid financial sectors stress

— Euro area — United States — Median



Source: Haver Analytics, IMF

Global headline inflation has been declining since mid-2022, with falls in fuel and energy commodity prices, particularly for the United States, euro area, and Latin America, contributing to this decline. However, the unprecedented global synchronous interest rate hike executed by most central banks hasn't stopped given the still high (even though decreasing) levels of core inflation (figure 2), with both inflation figures remaining at about double their pre-2021 levels on average. This more restrictive monetary policy has started to show up in a slowdown in new home construction in many countries:

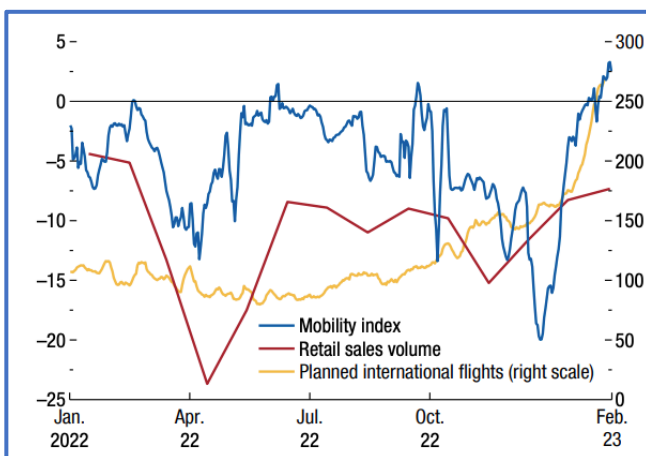


Source: Haver Analytics, IMF

**Commodity shocks unwinding contributing to inflation decline, even as Russia’s war in Ukraine persists.**

Economic activity in Europe in 2022 was more resilient than expected given the large negative terms-of-trade fallout from the war and associated economic sanctions. Large budgetary support measures for households and firms—on the order of about 1.3 percent of GDP (net budgetary cost) in the case of the European Union—were deployed to help them weather the energy crisis. European states executed a reorientation of gas flows, with marked increases in non-Russian pipeline and liquefied natural gas deliveries to Europe, resulting in oil and gas prices trending downward from their peaks in mid-2022. In our view there will be further stabilization of food and energy prices throughout the rest of the year, even if sustaining lower prices will largely depend on the absence of further negative supply shocks. As a consequence of this there will also be an obvious re-stabilization of energy companies’ profits.

**China’s economic reopening**



Source Natural Bureau of Statistics of China; Wind Data Service; and IMF

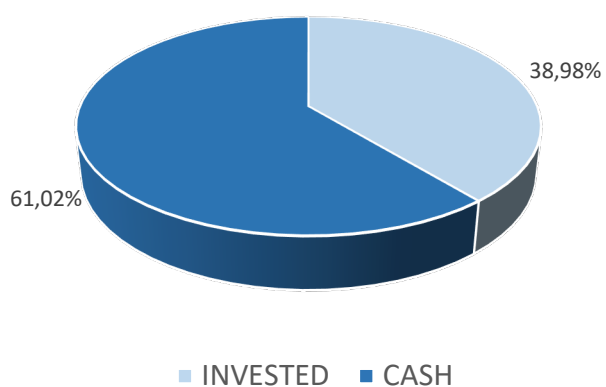
With the country ultimately deciding to lift off its restrictions and zero-COVID policy in 2022, multiple large outbreaks led to declines in mobility and economic activity in the fourth quarter of 2022 due to the disease’s direct effects on human health and heightened fears of contagion. This also resulted in strong economic consequences for the country throughout the entirety of last year, with supply disruptions also returned to the fore, even if temporarily, leading to a rise in

supplier delivery times. Declining property sales and real estate investment posed a drag on economic activity last year. There remains a large backlog of pre-sold unfinished housing to be delivered, generating downward pressure on house prices, which price floors have so far limited in some regions. As opposed to the rest of the world's central banks, the Chinese Central Bank has responded with additional monetary easing so to stimulate economic activity and recovery and with other government initiatives such as tax reliefs and new vaccination targets. As COVID-19 waves subsided in January of this year, mobility normalized, and high-frequency economic indicators picked up, as such the reopening and subsequent growth of China's economy will generate great spill overs for the country itself and its major trading partners.

# 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	1846,00	25000,00	24679,14	-320,86	-1,28%

## OVERVIEW

The crypto space experienced bullish movements. Here is an overview highlighting the underlying causes of these movements:

### **BTC ETF and Blackrock**

BlackRock, the world's largest asset management company, has shown interest in cryptocurrencies and blockchain technology in recent years.

In June 2023, BlackRock proposed a Bitcoin spot trading ETF. This ETF would allow investors to get exposure to Bitcoin without directly buying it. The filing indicates that BlackRock's iShares Bitcoin Trust will use Coinbase Custody as its custodian. However, as of the search results, the proposal has not yet received regulatory approval from the Securities and Exchange Commission (SEC)

A BTC ETF (Exchange-Traded Fund) is a financial product that allows investors to gain exposure to Bitcoin without directly owning it. It operates similarly to traditional ETFs, allowing investors to trade shares on stock exchanges. However, as of now, there is no approved BTC ETF in the United States, although there are BTC ETFs available in other countries such as Canada.

The Securities and Exchange Commission (SEC) has been hesitant to approve BTC ETFs in the US due to concerns over market manipulation, custody, and regulatory oversight. The SEC has rejected or withdrawn applications for BTC ETFs in recent years, citing concerns about the spot market for Bitcoin and the potential for market manipulation among cryptocurrency traders.

BTC ETFs in the US currently hold Bitcoin futures contracts or stocks of companies and other ETFs with exposure to cryptocurrency. Investors may choose to buy a BTC ETF instead of Bitcoin itself for several reasons:

- Some investors may feel safer getting exposure to Bitcoin in their portfolios by purchasing a professionally managed ETF rather than owning actual BTC. They may be concerned about the security risks associated with holding and storing Bitcoin, such as hacking or losing passwords or private keys needed to access their investment.
- Buying a BTC ETF can be more convenient for investors who prefer to use traditional brokerage accounts and are restricted from buying and selling cryptocurrencies on crypto exchanges.
- Investing in a BTC ETF can be a tax-efficient option for investors. For example, the VanEck Bitcoin Strategy ETF (XBTF) is structured as a C-corp, which allows it to avoid distributing long-term capital gains to investors as dividends. This approach



may lower taxable distributions and allow investors to keep more money invested in the fund.

In summary, a BTC ETF is a financial product that allows investors to gain exposure to Bitcoin without directly owning it. The SEC has been hesitant to approve BTC ETFs in the US due to concerns over market manipulation and regulatory oversight. BTC ETFs in the US currently hold Bitcoin futures contracts or stocks of companies with exposure to cryptocurrency. Investors may choose to buy a BTC ETF instead of Bitcoin itself for reasons such as convenience, security, and tax efficiency. To invest in a BTC ETF, investors need to open a brokerage account, search for the ETF's ticker symbol, and make a purchase.

The launch of a Bitcoin spot ETF by BlackRock is seen as a positive development in the quest for regulatory approval and shows the resilience of public interest in crypto.

#### **Trias Token Investment:**

One of the standout investments within our portfolio is the recent acquisition of Trias token. Trias is a revolutionary blockchain project that aims to solve the challenges of scalability, security, and privacy in the blockchain ecosystem. Our investment thesis was built upon the strong fundamentals of the Trias project and its potential to disrupt and transform the industry. We are delighted to report that our investment in Trias token has proven to be a winner, delivering outstanding returns and positioning us for significant long-term growth. Since our initial investment, the Trias token has experienced substantial appreciation in value, driven by positive market sentiment, increased adoption, and significant project milestones.

#### **FUTURE PERSPECTIVE**

As we move forward, we remain committed to diligently monitoring the performance of our investments and adapting our strategies to capitalize on emerging opportunities. While past performance is not indicative of future results, we believe that our disciplined investment approach, combined with our ongoing research and risk management practices, will enable us to continue delivering superior returns for our investors.

We appreciate your trust and confidence in our fund and its investment strategies. Our team is dedicated to maintaining the highest standards of professionalism and delivering consistent value to our investors. We will continue to keep you updated on the progress of our investments and the performance of the fund.

## 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.**