

INTRODUCTION

During the quarter that ended on September 30, 2023, the GW Investment Institute (GWII) began the 2023 fall semester, sent a student team to compete in Cornell’s Women in Investing Conference in Boston, and held the inaugural Ramsey Scholars Investment Summit. The following commentary was written by William Ahrens, a GWSB undergraduate student graduating in 2025 with a double major in Accountancy and Finance.

MARKET COMMENTARY



Will Ahrens

During the quarter, markets remained dynamic in response to the Federal Reserve’s evolving macroeconomic policy and heightened geopolitical tensions. On the domestic front, a high inflationary environment compounded with a strong labor market has influenced investor expectations of the Federal Reserve’s potential interest rate increases, with Federal Reserve officials signaling a single hike remains. While the outlook for future rate changes remains uncertain, the federal funds rate remains steady within a target range of 5.25% - 5.50%.

Notable performances were observed in the Energy (11.33%) and Communication Services (2.84%) sectors. Upstream and supermajor companies played a central role in the standout performance of the Energy sector throughout the period. However, other sector equity returns remain depressed, facing a continued inflationary and uncertain environment returning: Utilities (-10.10%), Real Estate (-9.65%), Information Technology (-5.84%), Materials (-5.25%), Healthcare (-3.06%), and Financial Services (-1.60%). The Consumer Staples (-6.61%) and Consumer Discretionary (-5.00%) sectors remained negative throughout the quarter as companies and investors evaluated the impact of glucagon-like peptide 1 (GLP-1) drugs on consumer habits, spending, and consumption.

Overall for the quarter, the GWII’s Student Investment Funds, in the aggregate, underperformed the benchmark with a return of -4.6% vs. -3.3% for the S&P 500 while outperforming the benchmark year over year at 24.5% vs. 21.6% for the S&P 500.

PERFORMANCE AS OF SEPTEMBER 30, 2023

Rate of Return (%)

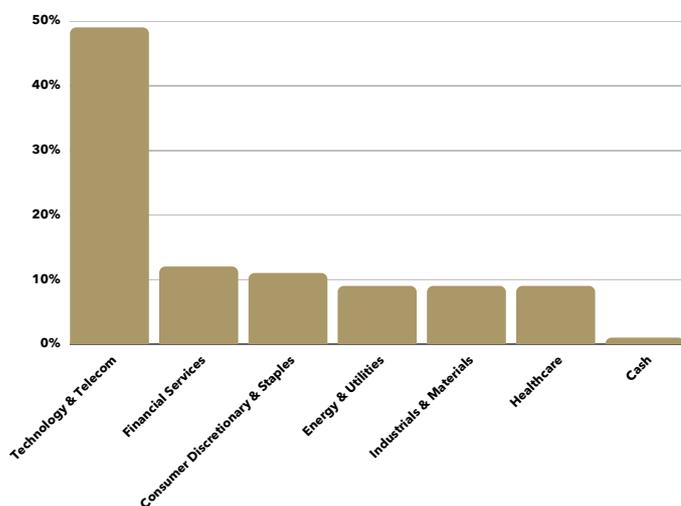
SIF	Market Value (mill)	1 Month	3 Month	Fiscal Year to Date	Calendar Year to Date	1 Year	3 Year	5 Year	10 Year	Since Inception	S&P 500 Since Inception	FNERTR Since Inception	Inception Date
GW Ramsey	\$4.308	-6.2	-4.0	-4.0	20.3	28.0	9.7	11.9	11.4	9.8	9.5	-	30-Apr-05
GW Phillips	\$2.554	-4.8	-5.4	-5.4	14.8	20.5	7.3	9.0	11.8	11.2	12.7	-	31-Oct-08
GW Real Estate	\$0.137	-7.2	-7.6	-7.6	-7.3	-7.5	1.5	0.9	-	0.6	-	3.2	30-Jun-17
GW Quant	\$0.094	-4.8	-2.6	-2.6	14.6	21.2	-	-	-	-1.0	-4.3	-	31-Dec-21
GWII SIFs Total	\$7.093	-5.7	-4.6	-4.6	17.7	24.5	8.7	10.6	11.5				
Benchmark data													
SPX Index		-4.8	-3.3	-3.3	13.1	21.6	10.1	9.9	11.9				
FNERTR Index		-7.0	-8.3	-8.3	-5.6	-1.7	2.7	2.8	6.2				

TOP POSITIONS AND CHARACTERISTICS

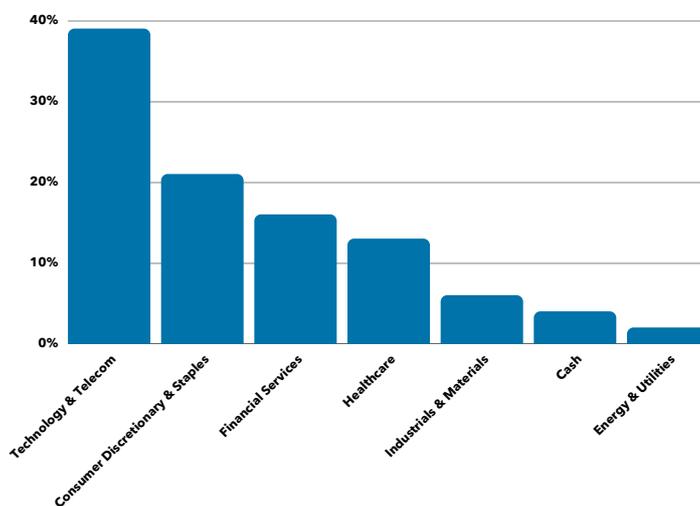
SIF	Port. Company 1	Port. Company 2	Port. Company 3	Port. Div Yield	Port. P/E
GW Ramsey SIF	Nvidia (NVDA) 12.78%	Apple (AAPL) 12.24%	Microsoft (MSFT) 7.33%	1.26	22.37
GW Phillips SIF	Apple (AAPL) 16.98%	Fortinet (FTNT) 6.43%	Costco (COST) 5.84%	1.34	25.29
GW Real Estate SIF	Prologis (PLD) 8.42%	Camden Property (CPT) 7.17%	Avalonbay (AVB) 5.76%	4.45	-
GW Quant SIF	Vanguard S&P 500 (VOO) 47.93%	Arista Networks (ANET) 5.66%	Alphabet (GOOGL) 5.00%	1.62	22.69

SECTOR DISTRIBUTION

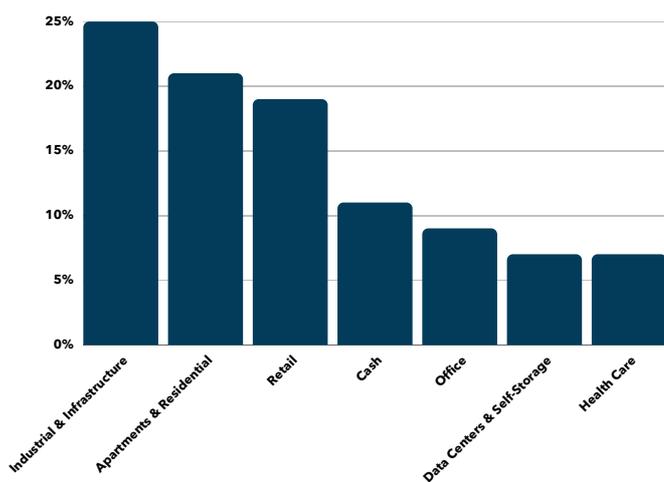
GW Ramsey SIF



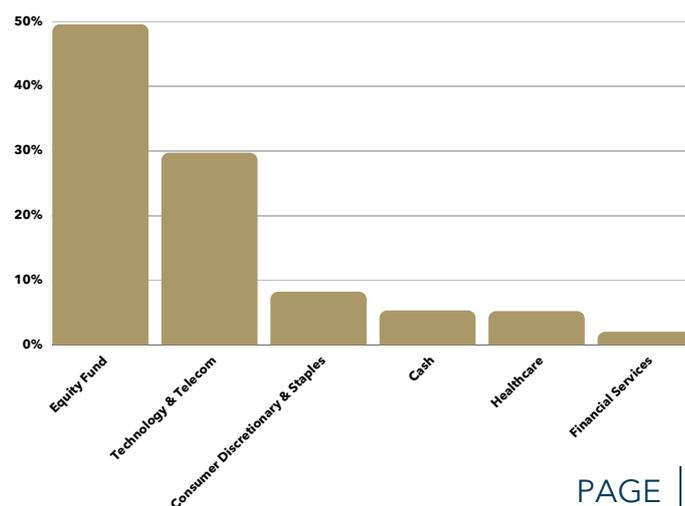
GW Phillips SIF



GW Real Estate SIF



GW Quant SIF



ABOUT THE GW INVESTMENT INSTITUTE

The GW Investment Institute teaches students at George Washington University how to think about investing and how to invest. GWII shares market insights and research, links students to industry and industry professionals, and provides a platform where our students, alumni, and friends connect.

Undergraduate and graduate students learn by doing - they serve as analysts and portfolio managers, managing over \$7 million in university endowment funds across four student investment funds (SIF). The objective of these funds is to preserve and grow the capital through long-only investments in publicly-listed companies in the U.S. The GWII courses cover: equities, real estate, venture capital, and quantitative investing. Students analyze companies using the GWII Framework of BMPB: Business, Management, Price/Valuation, and Balance Sheet. The newly launched Quant SIF allocates capital based on quantitative models built by our students.

GWII was founded in 2005 with a seed donation of \$1 million by Russell and Norma Ramsey to establish the GW Ramsey Student Investment Fund. From the payout associated from the fund, \$266,000 has been awarded to 66 exceptional students.

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Note: Affiliation is for identification purposes only and does not necessarily constitute institutional endorsement.

Disclaimer: Performance figures are provided by Strategic Investment Group and are not audited. Numbers have been adjusted for cash infusions/outflows. Benchmark, fund characteristics, and sector distribution data are from Bloomberg. REIT sector distribution data is from NAREIT.