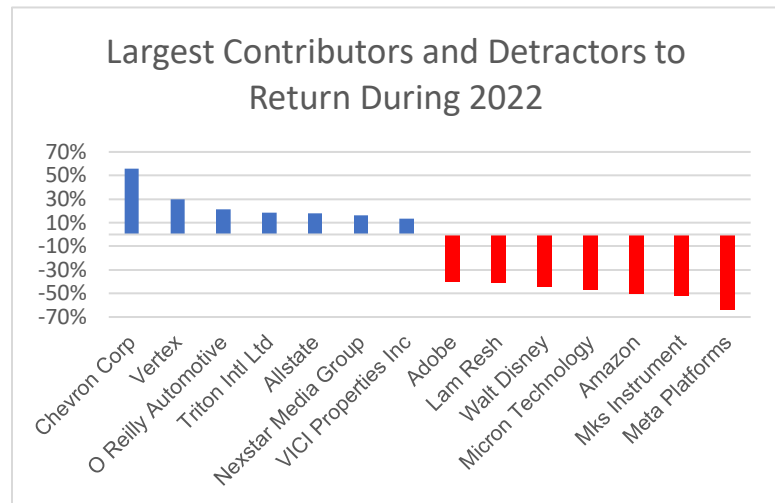


CUSP returns analysis

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The CUSP Fund return outperformed the benchmark Russell 1000 in 2022. The CUSP returned -15.5% compared to the benchmark return of -19.1%. Over this period, CUSP sector weightings were similar to the benchmark, with the main differences being slightly overweight in Staples and Industrials, slightly underweight in Technology and Energy and an no investments in Utilities.



We spend a portion of time in class evaluating how the portfolio has performed on an absolute and relative basis. As a part of the analysis, we examine the performance of our individual holdings. Since the portfolio is essentially sector-weight-matched, differences in holdings within the sectors drive portfolio returns. The accompanying table shows the seven largest contributors and detractors for the CUSP's returns over the year 2022 in terms of total return, including dividends. The three largest contributors to positive return were Chevron Corp (CVX) at 55.94%, Vertex (VRTX) at 29.77% and O Reilly Automotive (ORLY) at 21.28%. The three largest detractors were Meta Platforms (META) at -64.45%, MKS Instruments at -51.89% and Amazon (AMZN) at -50.71%. Even though the portfolio generally matches the index sector weights, individual holdings might not. For example, in April 2023, Amazon, Apple and Microsoft represented about 14.6% of the index. They made up a much smaller 7.1% of the CUSP Fund.

Over the year, we observed large losses in the Technology sector due to macroeconomic trends and large growth in our largest energy holding, Chevron. The CUSP Fund managers do not use observed returns as a definitive reason to sell a position or to add more. Rather, observed returns are utilized as an indicator of when it may be time to update coverage on a portfolio company. The University has mandated the divestment of fossil fuel companies within the next couple of years. CUSP managers chose not to make that divestment this year in part because of the performance of the sector relative to others.