

TITAN CAPITAL MANAGEMENT MONTHLY INVESTMENT REPORT

PRESIDENT'S SCHOLARS JANUARY 2023

Portfolio Managers: Margaret Truong, Jacquelyn George, German Romero

PERFORMANCE SUMMARY

TCM President's Scholars Fund vs. 70/30 Index as of January 31, 2023

\$198,592.32

Combined Portfolio Performance	1-Month Return as of Jan-2023	3-Month Return since Oct-2022	YTD Return since Dec-2022	FTD Return since Jun-2022	3-Yr. Return as of Jan-2023	Since Inception Nov-2018	Sharpe Ratio (vs. 10yr Tsy) (inception)	Information Ratio (inception)
TCM President's Scholars	5.18%	3.86%	5.18%	7.41%	4.16%	8.50%	0.42	-0.09
70% R1000, 30% BAGG index	5.61%	6.12%	5.61%	6.55%	6.56%	8.92%	0.47	n/a
Difference:	-0.44%	-2.26%	-0.44%	0.86%	-2.41%	-0.41%	-0.05	
Asset Allocation Attribution:	-0.29%	-0.41%		Upside Capture: 98%		Tracking error: 4.50%		
Returns greater than 1 year are annualized				Downside capture 99%		< Since inception		



PERFORMANCE and RISK STATISTICS by ASSET CLASS

Stock Performance	1-Month Return as of Jan-2023	3-Month Return since Oct-2022	YTD Return since Dec-2022	FTD Return since Jun-2022	3-Yr. Return as of Jan-2023	Since Inception Nov-2018	Sharpe Ratio (vs. 10yr Tsy) (inception)	Information Ratio (inception)	Weighted Average Stock Statistics as of January 31, 2023	Beta	Price / Earnings
President's Scholars Stocks	6.48%	3.68%	6.48%	9.30%	5.97%	10.85%	0.45	-0.15	TCM Pres. Scholars	1.01	38.20
R1000/S&P 500 Index*	6.70%	5.94%	6.70%	9.16%	10.01%	11.81%	0.49	n/a	Russell 1000 Index	1.00	22.00
Difference:	-0.22%	-2.26%	-0.22%	0.14%	-4.04%	-0.96%	-0.04		Difference:	0.01	16.20

*Equity index changed from S&P 500 to Russell 1000 beginning July 2022

Returns greater than 1 year are annualized

Dividend yield: 2.25% 1.62%

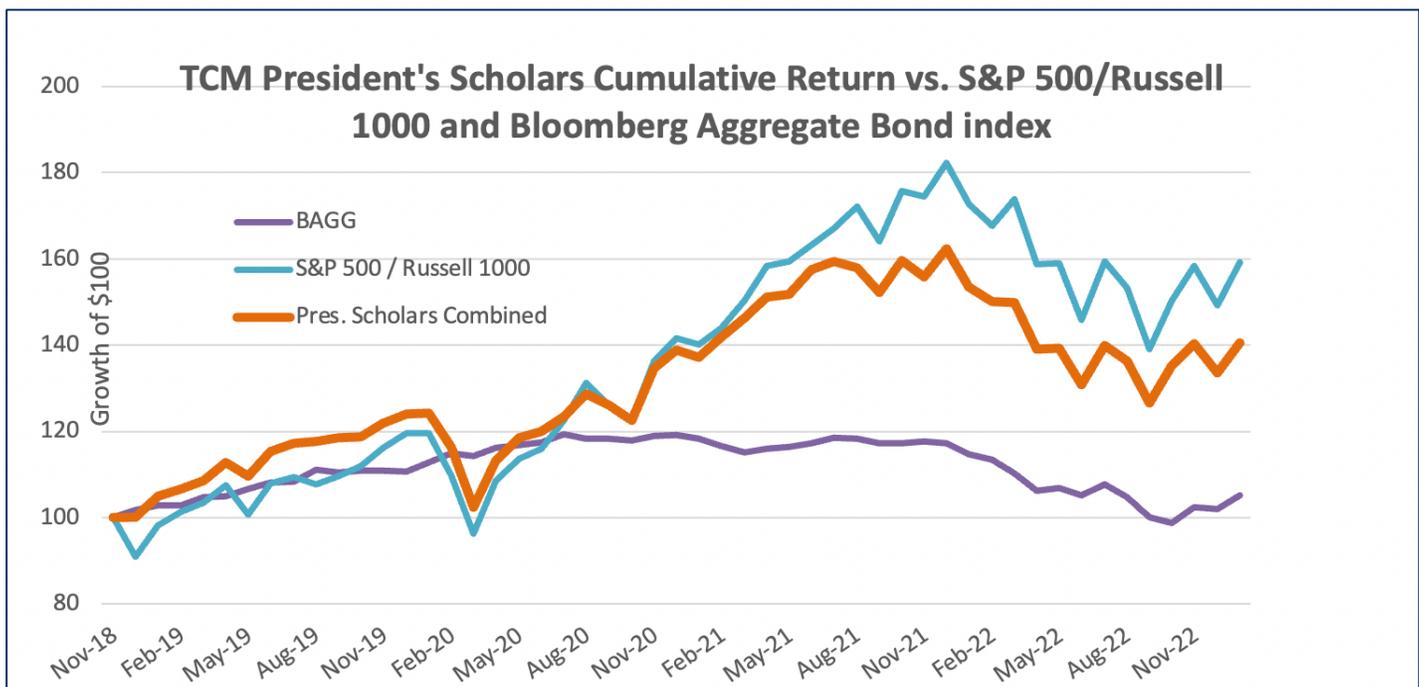
Bond Performance	1-Month Return as of Jan-2023	3-Month Return since Oct-2022	YTD Return since Dec-2022	FTD Return since Jun-2022	3-Yr. Return as of Jan-2023	Since Inception Nov-2018	Sharpe Ratio (vs. 10yr Tsy) (inception)	Information Ratio (inception)	Weighted Average Bond Statistics as of January 31, 2023	Duration	Credit Quality
President's Scholars Bonds	3.00%	3.32%	3.00%	-1.38%	-4.30%	-1.55%	-0.61	-0.43	TCM Pres. Scholars	4.34	A
Bloomberg Aggregate Bond Index	3.08%	6.39%	3.08%	0.01%	-2.32%	1.22%	-0.16	n/a	Bloomberg Aggregate	6.33	AA
Difference:	-0.08%	-3.08%	-0.08%	-1.39%	-1.98%	-2.77%	-0.46		Difference:	-1.99	n/a

Returns greater than 1 year are annualized

Yield-to-maturity: 4.81% 4.30%

MONTHLY HIGHLIGHTS

- The President's Scholars portfolio modestly lagged the benchmark in January with the return of +5.18% versus the benchmark of 5.61%.
- For the equity segment, though overweight to healthcare hindered the performance, the security selection offsets this impact contributing positive attribution to the portfolio by +0.47%.
- For fixed-income segment, the portfolio's return lagged slightly behind the benchmark by -0.08%. The 10-year Treasury fell from 3.88% in December 2022 to 3.52% in January 2023. The portfolio's duration is 2 years shorter than the benchmark, stalling the rise in price as interest rates fell.

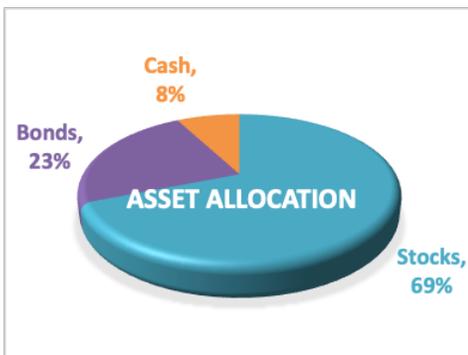


ECONOMIC/MARKET REVIEW

As noted in the monthly highlight, the 10-year Treasury note yield fell from 3.88 percent at the end of December to 3.52 percent at the end of January, from a combination of lower inflation expectations and reduced expectations for Fed tightening, with rising market probabilities of Fed easing this year. As the portfolio's duration is two years shorter than the benchmark of 6.33, the potential of rising the price is limited. We will position new funds for fixed income segment at longer duration.

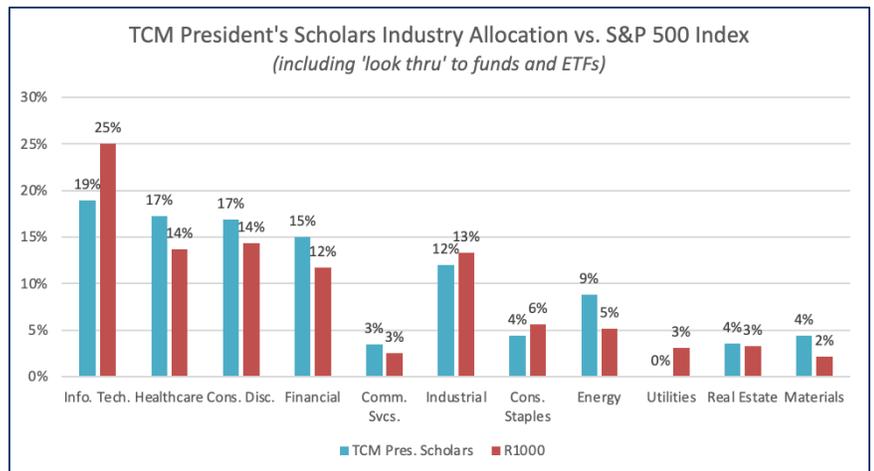
The US economy ended the year on a resilient note with real GDP likely to have posted a solid advance in Q4, but final demand is visibly softening with real-time economic indicators suggesting a slowdown is well underway. Personal consumption expenditures spending remained positive throughout the year, although it slowed as the year progressed, showing the consumers 'optimistic about the market after the tough year in 2022. The job market remained strong at 3.4% unemployment rate – much lower than at the same time in 2019.

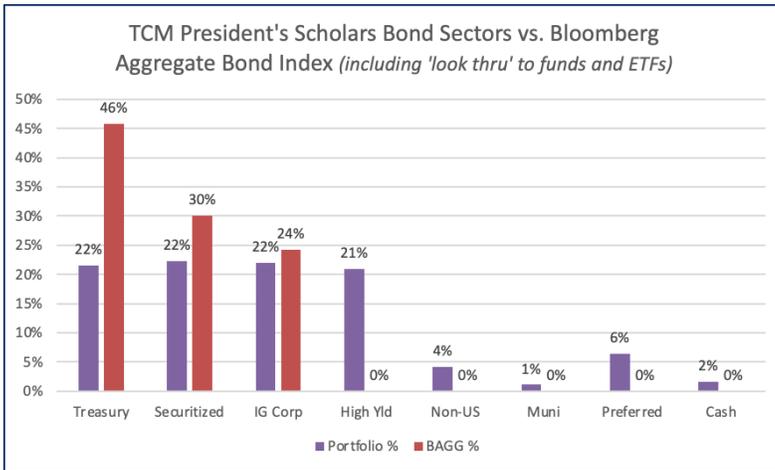
PERFORMANCE COMMENTARY AND INVESTMENT OUTLOOK



The futures market has 79.4% confidence in interest rates reaching 525 bps by the May 3rd Fed meeting. This may come as result of the stickiness of inflation as it only decreased from 6.5% to 6.4% in January. As such we believe there will continue to be heightened volatility in the equities market and would rather have a more cautious approach. We will work to move our portfolio allocation to 70% equities and 30% fixed income. We are looking to change allocation among sectors within both the equity and fixed income segments of the portfolio.

The largest over/underweight in equity segment is -6% in Information Technology. The rest of our sector weights are relatively close to the benchmark. Our only change made during January was a sell of Disney which previously comprised 2.07% of the portfolio. The sell was based on Disney+ burning cash regardless of being the largest business segment by revenue, expensive theme parks amid a potentially softening economy, and lack of confidence in returning CEO Bob Iger. The equity segment lagged +6.48% vs. the Russell 1000 Index return of +6.7%. President's Scholars' Consumer Discretionary sector was the strongest contributor with securities such as Carnival Cruise Lines (CCL) and Chewy (CHWY) outperforming their peers.



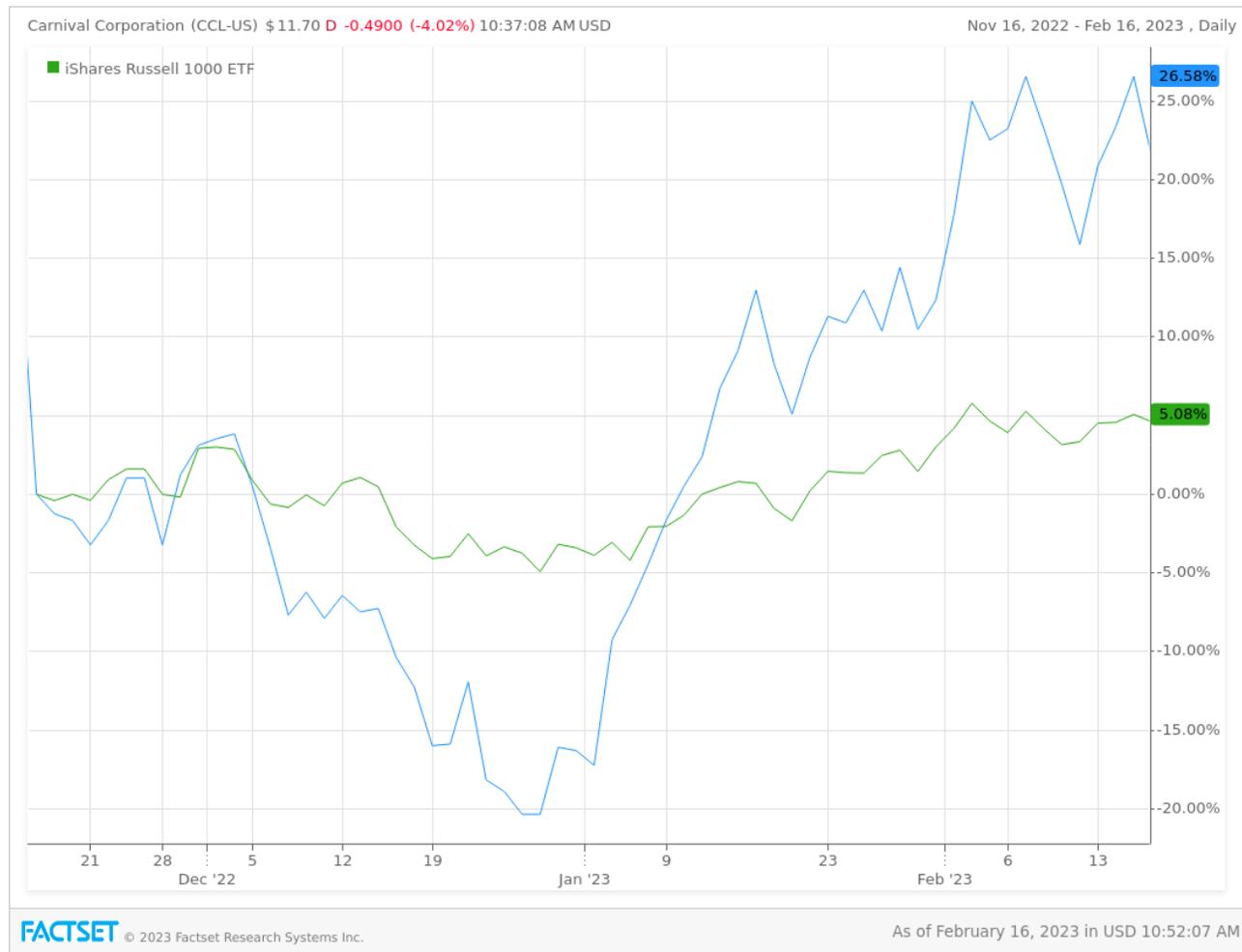


The largest over/underweight in our fixed income segment is Treasury at a 24% compared to the benchmark. The fixed income segment returned -3.00% in contrast to the Bloomberg Aggregate Bond Index return of 3.08%. Global X U.S. Preferred (PFFD) was the leader for the month with a return of 11.62%. Our PFFD position invests in preferred stocks and, therefore, has the most volatility. A January stock market rally proved beneficial to us. A significant amount of PFFD's holdings is in financials. We will monitor the fund closely amid rising interest rates.

For our fixed income segment, we have two primary

focuses: raising the average duration and reducing High Yield weight. Our average duration is currently 4.34 years, which is 68% of the benchmark. Based on our conviction of slowed rising of interest rates in 2023, raising duration is desirable. Thus, we would like to bring our average duration up to 75% of the benchmark. Additionally, our weight in High Yield is currently 21%. While this high weight has given us a lower duration, diversification, and generous returns previously, we believe that its future return no longer justifies its volatility and risks. Therefore, we are working on reducing our exposure to High Yield.

SECURITY SPOTLIGHT – CARNIVAL CRUISE LINES (CCL)



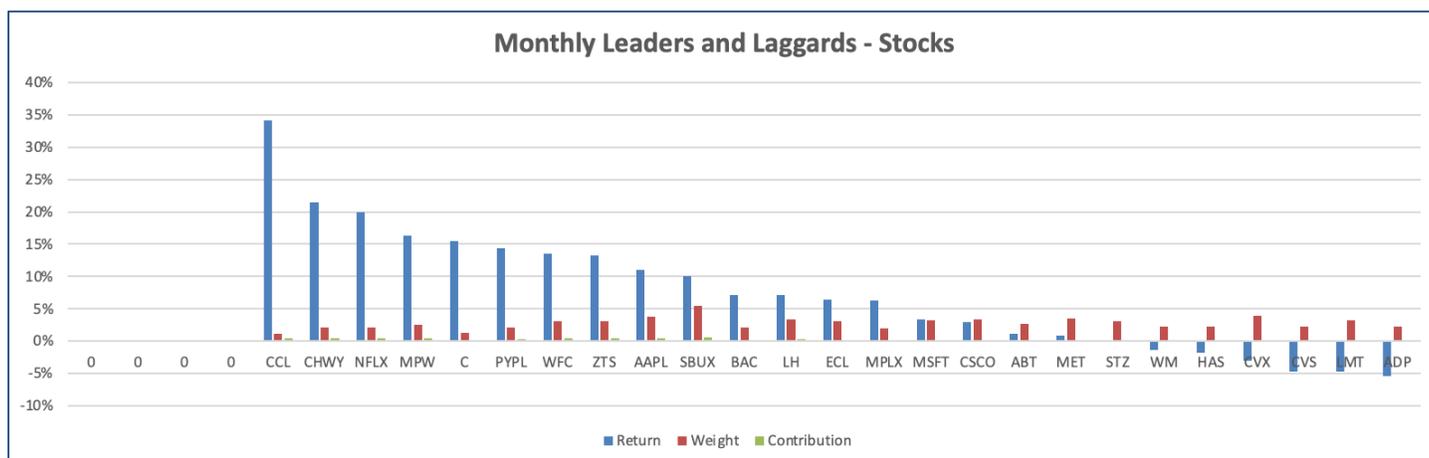
Carnival Corporation (CCL) had its tough last year, plunging -47.51% since February 2022, though this was offset by a +7.83% MTD gain. Despite the relaxation of COVID-19 rules throughout 2022, CCL has failed to demonstrate gains, which has a lot to do with two things: the persistently pessimistic economic outlook in consumers' minds and the company's asset maintenance expenditures. Indeed, the cost on asset maintenance was more than sales generated: \$5.5B in sales for \$8.5B in COGS in 2020, \$1.9B in sales for \$3.9B in COGS in 2021, and \$12.1B in sales for \$11.1B in COGS in 2022. CCL is burning its free cash flow to sustain the business, causing the FCF yield to plunge to -64.07%.

As 2023 has begun, the cruise industry has seen a strong start with increased bookings and lessened cancelling. This comes as a positive sign for the company after slow years since COVID-19 started – hurting cruises more than any other travel entity. Taking advantage of the current travelling demand, Carnival has upgraded features on its cruise ships including onboard WIFI internet access plans at a reasonable ticket price. This sounds attractive to customers. But we believe that the company will drive itself into a over-levered balance sheet that will not be manageable due to **1)** high operating costs as fuel, service workers, and food costs have risen faster than the demand for cruise travel, so upgrading the cruise's features will not bring any value to lower the debt; **2)** shortage in workforce means the company will cut back on services, making the cruise experience less appealing to customers, challenging the company's sales; **3)** the company has a highly levered balance sheet – roughly triple since 2019; the strategy of expending more on unnecessary features instead of cutting back expenses or increasing sales will hurt the company in the long-term.

Despite how trendy Carnival's stock is in the current market, President's Scholars managers decided to exit this position due to the long-term risks noticed above.

LEADERS AND LAGGARDS

EQUITY



LEADERS

Carnival Corporation. (CCL) [+34.12%]

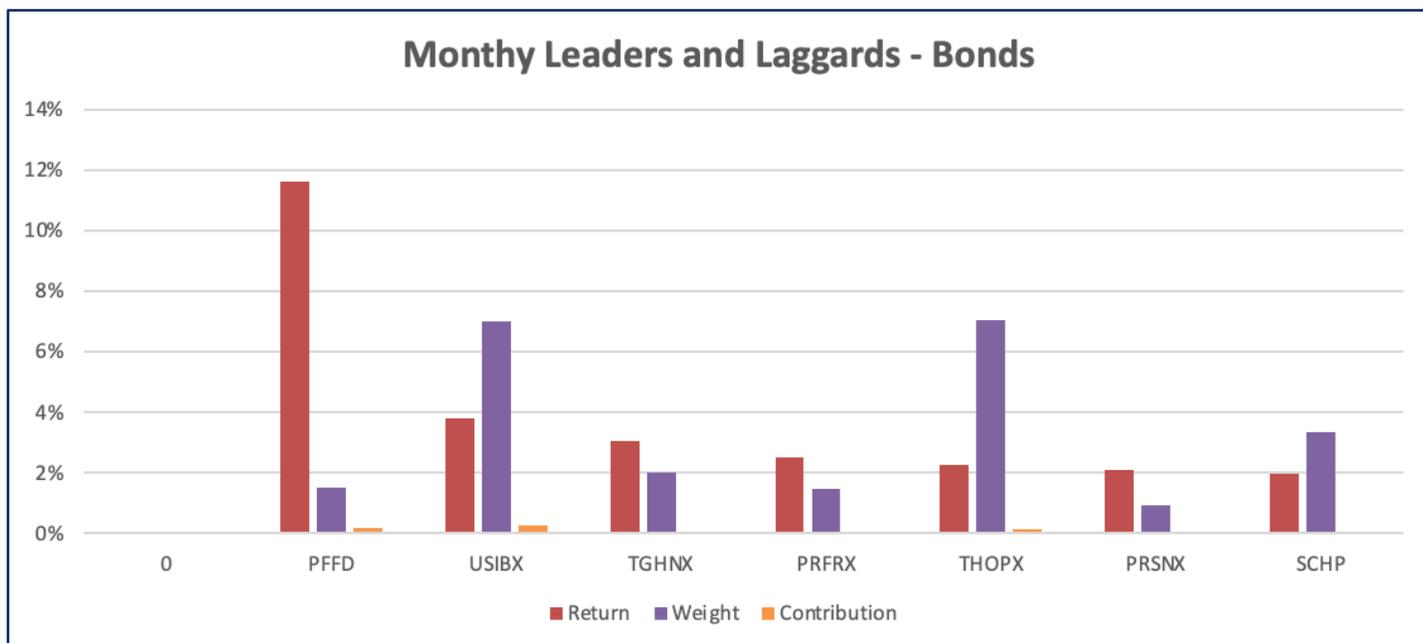
- The cruise industry has seen a strong start in 2023 regarding bookings. This comes as a positive to the industry because of COVID 19 pandemic that has hurt cruises more than any other travel entity.
- Carnival stated that they will be increasing the suggested room gratuities for customers starting April 1, 2023, as well as onboard WIFI internet access plans. This increase will be \$16 per guest per day for standard cabins and \$18 per guest per day for suite guests. The last time CCL adjusted the recommended daily gratuities was in April 2022 and was an increase of only \$0.50. CCL's Social plan for WIFI will increase to \$12.75 per day up from \$10.20 per day while the premium plan will increase to \$18.70 per day up from \$17.

LAGGARDS

Automatic Data Processing (ADP) [-5.46%]

- An article in the WSJ on 2/11 painted MPW in a bad light; the article stated that its largest operator Steward (19% of MPW's portfolio) piled up \$800 million in losses between 2017 and 2020. However, Steward losses do not translate to MPW losses, and Steward has continued to pay rent in full to MPW.
- The stock price was down 5% over the 2-day period following the article's publication, with no other material news.
- We plan to hold MPW due to increasing demand for medical services from an aging population, plus its high dividend yield of 5.58%.

BONDS



LEADERS

Global X U.S. Preferred (PFFD) [+11.62%]

- Due to its preferred stock exposure, PFFD continues to be the most volatile fund in the fixed income segment with volatility favoring us in January.
- This volatility is mitigated by the fund's generous yield of 5.81% compared to 2.33% for the Barclay's Aggregate Bond index. The fund is also negatively correlated with Treasury returns, which we expect will suffer as interest rates rise.
- Given the fund's significant holdings in financial companies such as WFC, BAC, C, DHR, and JPM, which we expect to underperform in a contractionary economic environment, we will monitor this fund closely.

LAGGARDS

Schwab U.S. TIPS ETF (SCHP) [+1.97%]

- The CPI spiked by 0.5% in January, the highest rise since October. Shelter played the biggest role in the spike with food, gasoline, and natural gas also contributing.
- With inflation persisting amid Fed rate hikes, demand for inflation-hedging ETFs such as SCHP is expected to remain.
- We plan to hold our TIPS exposure until at least the end of the second quarter hoping data begins to show the economy cooling off.

APPENDIX

PORTFOLIO HOLDINGS

TCM President's Scholars Portfolio as of 1/31/2023 Portfolio market value: \$198,592
 Doesn't match combined portfolio

Fixed-Income Mutual Funds and ETFs														
Ticker	Description	Quantity	1/31/2023	Purchase	Credit	Bond Sector	Sub-Sector	Duration	YTM	% Bond	% Total	Mkt. Value	Cost	
PFFD	GLOBAL X U.S. PREFI	137.00	21.620	25.870	BBB-	Preferred	Diversified	6.33	5.82%	6.42%	1.49%	\$2,962	\$3,544	
SCHP	SCHWAB US TIPS ET	125.00	52.810	57.485	AAA	Treasury	Treasury	6.88	9.79%	14.30%	3.32%	\$6,601	\$7,186	
PRSNX	T. ROWE PRICE GBL	194.13	9.550	11.370	A+	Non-US	Developed Mkt	7.33	3.32%	4.02%	0.93%	\$1,854	\$2,207	
TGHNX	TCW HIGH YIELD BON	661.02	6.040	6.750	BB-	High Yld	Diversified	4.34	5.05%	8.65%	2.01%	\$3,993	\$4,462	
THOPX	THOMPSON BOND FU	1399.90	9.970	10.960	BBB	Diversified	Diversified	1.89	3.84%	30.24%	7.03%	\$13,957	\$15,343	
PRFRX	T. ROWE PRICE FLOA	313.81	9.170	9.560	B+	High Yld	Diversified	0.52	5.41%	6.23%	1.45%	\$2,878	\$3,000	
USIBX	USAA INTERMEDIATE	1499.00	9.280	10.810	A	Diversified	Diversified	5.57	3.21%	30.14%	7.00%	\$13,911	\$16,204	
Fixed Income Portfolio Characteristics:								A-	4.34	4.81%	100%	23%	\$46,155	\$51,946

Equity Positions													
Diversified Equity ETFs or Mutual Funds													
Ticker	Description	Quantity	1/31/2023	Purchase	P/E	Stock Sector	Industry	Beta	Div. %	% Stock	% Total	Mkt. Value	Cost

Communication Services													
Ticker	Description	Quantity	1/31/2023	Purchase	P/E	Stock Sector	Industry	Beta	Div. %	% Stock	% Total	Mkt. Value	Cost

NFLX	NETFLIX	12	353.86	540.52	26.210	Comm. Svcs.	Entertainment	1.28	0.00%	3.10%	2.14%	\$4,246	\$6,486
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Consumer Discretionary													
Ticker	Description	Quantity	1/31/2023	Purchase	P/E	Stock Sector	Industry	Beta	Div. %	% Stock	% Total	Mkt. Value	Cost

HAS	HASBRO INC	73	59.17	79.16	19.870	Cons. Disc.	Leisure	0.75	4.73%	3.15%	2.18%	\$4,319	\$5,778
SBUX	STARBUCKS	100	109.14	75.01	37.040	Cons. Disc.	Restaurants	0.90	1.94%	7.97%	5.50%	\$10,914	\$7,501
CHWY	CHEWY	93	45.06	83.41	n/a	Cons. Disc.	Internet Retail	0.65	0.00%	3.06%	2.11%	\$4,191	\$7,757
CCL	CARNIVAL CORP	203	10.81	14.98	n/a	Cons. Disc.	Travel Services	2.14	0.00%	1.60%	1.10%	\$2,194	\$3,041

Consumer Staples													
Ticker	Description	Quantity	1/31/2023	Purchase	P/E	Stock Sector	Industry	Beta	Div. %	% Stock	% Total	Mkt. Value	Cost

STZ	CON STELLATION BRJ	26	231.52	163.54	384.620	Cons. Staples	Beverages	0.98	1.38%	4.39%	3.03%	\$6,020	\$4,252
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Energy													
Ticker	Description	Quantity	1/31/2023	Purchase	P/E	Stock Sector	Industry	Beta	Div. %	% Stock	% Total	Mkt. Value	Cost

CVX	CHEVRON CORP	45	174.02	109.30	9.730	Energy	Oil & Gas Integ	1.19	3.26%	5.72%	3.94%	\$7,831	\$4,918
MPLX	MPLX	112	34.92	33.76	8.540	Energy	Oil & Gas Mids	1.45	8.87%	2.86%	1.97%	\$3,911	\$3,782

Financials													
Ticker	Description	Quantity	1/31/2023	Purchase	P/E	Stock Sector	Industry	Beta	Div. %	% Stock	% Total	Mkt. Value	Cost

BAC	BANK OF AMERICA	121	35.48	37.28	10.050	Financial	Banks-Diversifi	1.39	2.48%	3.13%	2.16%	\$4,293	\$4,510
C	CITIGROUP	48	52.22	55.56	5.990	Financial	Banks-Diversifi	1.57	3.90%	1.83%	1.26%	\$2,507	\$2,667
MET	METLIFE	96	73.02	34.53	26.650	Financial	Insurance-Life	1.07	2.73%	5.12%	3.53%	\$7,010	\$3,315
WFC	WELLS FARGO BK N	129	46.87	47.00	10.750	Financial	Banks-Diversifi	1.16	2.56%	4.41%	3.04%	\$6,046	\$6,062

Health Care													
Ticker	Description	Quantity	1/31/2023	Purchase	P/E	Stock Sector	Industry	Beta	Div. %	% Stock	% Total	Mkt. Value	Cost

LH	LAB CO OF AMER HLI	26	252.12	160.37	12.210	Healthcare	Diagnostics	1.07	0.00%	4.79%	3.30%	\$6,555	\$4,170
ZTS	ZOETIS INC CLASS A	36	165.49	102.01	37.740	Healthcare	Drug Manufact	0.72	0.78%	4.35%	3.00%	\$5,958	\$3,672
CVS	CVS HEALTH CORP	50	88.22	64.95	36.230	Healthcare	Healthcare Plai	0.68	2.49%	3.22%	2.22%	\$4,411	\$3,247
ABT	ABBOTT LABORATOR	48	110.55	66.51	24.500	Healthcare	Medical Device	0.70	1.70%	3.87%	2.67%	\$5,306	\$3,192

Industrials													
Ticker	Description	Quantity	1/31/2023	Purchase	P/E	Stock Sector	Industry	Beta	Div. %	% Stock	% Total	Mkt. Value	Cost

LMT	LOCKHEED MARTIN	14	463.26	382.59	22.010	Industrial	Aerospace & D	0.75	2.59%	4.73%	3.27%	\$6,486	\$5,356
ADP	AUTOMATIC DATA PR	20	225.81	145.80	30.120	Industrial	Staffing & Emp	0.84	2.21%	3.30%	2.27%	\$4,516	\$2,916
WM	WASTE MANAGEMEN	29	154.73	109.43	28.090	Industrial	Waste Mgmt.	0.72	1.68%	3.28%	2.26%	\$4,487	\$3,174

Information Technology													
Ticker	Description	Quantity	1/31/2023	Purchase	P/E	Stock Sector	Industry	Beta	Div. %	% Stock	% Total	Mkt. Value	Cost

AAPL	APPLE INC	52	144.29	60.02	22.340	Info. Tech.	Consumer Elec	1.22	0.63%	5.48%	3.78%	\$7,503	\$3,121
CSCO	CISCO SYSTEMS	137	48.67	41.68	17.380	Info. Tech.	Comm. Equipm	0.98	3.12%	4.87%	3.36%	\$6,668	\$5,710
MSFT	MICROSOFT CORP	26	247.81	99.47	26.800	Info. Tech.	Software	0.93	1.09%	4.70%	3.24%	\$6,443	\$2,586
PYPL	PAYPAL HOLDINGS II	52	81.49	84.05	42.190	Info. Tech.	IT Services	1.30	0.00%	3.09%	2.13%	\$4,237	\$4,370

Materials													
Ticker	Description	Quantity	1/31/2023	Purchase	P/E	Stock Sector	Industry	Beta	Div. %	% Stock	% Total	Mkt. Value	Cost

ECL	ECOLAB INC	39	154.83	143.60	38.910	Materials	Chemicals	1.00	1.36%	4.41%	3.04%	\$6,038	\$5,600
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Real Estate													
Ticker	Description	Quantity	1/31/2023	Purchase	P/E	Stock Sector	Industry	Beta	Div. %	% Stock	% Total	Mkt. Value	Cost

MPW	MEDICAL PROPERTIE	378	12.95	17.33	5.560	Real Estate	Healthcare Fac	0.87	8.95%	3.57%	2.46%	\$4,895	\$6,553
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Utilities													
Ticker	Description	Quantity	1/31/2023	Purchase	P/E	Stock Sector	Industry	Beta	Div. %	% Stock	% Total	Mkt. Value	Cost

Equity Portfolio Characteristics:								38.20	1.01	2.25%	100%	69%	\$136,986	\$113,737
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Cash plus accrued income											7.8%	\$15,455	\$15,455
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Weighted average yield: 2.67%												\$198,592	\$181,139
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