



**CATTOLICA
INVESTMENT
CLUB**

WHERE KNOWLEDGE TAKES YOU PLACES

ANNUAL REPORT

November 6th, 2023 - November 6th, 2024

Prepared By
Gustave Lecomte & Ilaria Savignoni

info@cattolicainvestmentclub.it
<https://www.cattolicainvestmentclub.it/>

TABLE OF CONTENTS

ASSET SUMMARY.....	3
ASSET DETAILS.....	6
Portfolio Assets Held.....	6
Synopsis Of Individual Assets.....	9
ACTIVITY DETAIL.....	13
Assets Bought.....	13
Assets Sold.....	15

ASSET SUMMARY

Last year provided a truly unique backdrop for geopolitical tension, central bank intervention, energy market swings, and a change in investor sentiment, all factors considered highly influential in our portfolio decisions and performance. Each event had to be monitored closely and strategically adjusted within the Cattolica Investment Club's portfolio to reap the maximum returns possible while managing risks. Since the inception of our portfolio last year, we managed to produce a 53.26% return, compared to 26.41% from the S&P 500.

Geopolitical tensions from the Israel-Hamas conflict in October 2023, in addition to the ongoing war between Ukraine and Russia, have further sustained European and US defense spending. These events led us to purchase defense holdings – Lockheed Martin, Northrop Grumman, Boeing, and General Dynamics – as NATO and allied countries increased their budgets in response to growing security concerns. This sector provided stability and growth, which helped hedge against market volatility due to global unrest.

It was changes in policy that were most crucial, especially those in central banks, with the US Federal Reserve and the European Central Bank holding rates steady, then cutting them in the latter half of this year. These cuts, in support of economic growth, served to inflate valuations of high-growth technology stocks. Target positions were maintained in large-cap technology stocks such as Apple, Microsoft, and Alphabet, as it was perceived that these might be the beneficiaries of the favorable conditions due to strong cash flows and commanding market positions. In Europe, the rate cuts by the ECB, amidst high energy prices, bring up fears of a recession. To that end, we balanced high-growth technology investments with steady, dividend-paying stocks in the healthcare and defense sectors. Tech stocks fared particularly well, buoyed by the optimism around AI and growing investor confidence as rates are expected to continue falling.

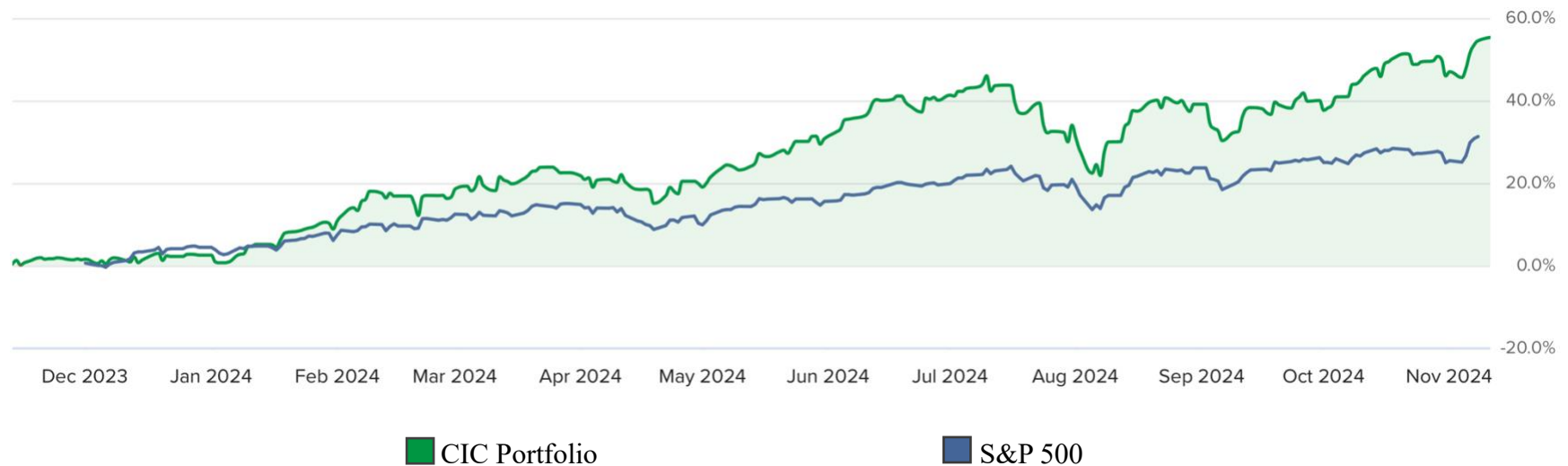
PORTFOLIO SUMMARY	November 6, 2024	November 6, 2023
Net Cash Equivalents	0.92	982.64
Net Portfolio Assets held	1,497.11	-
Net Portfolio Value	\$1,498.03	\$982.64

CHANGE IN PORTFOLIO VALUE	November 6, 2024	November 6, 2023
Securities Transferred In/Out	-	-
Income and Distributions	8.01	-
Change in Securities Value	515.39	-
Net Change in Portfolio Value	\$523.40	-

The energy crisis and commodity volatility complicated matters further. Higher prices for oil increased the cost of production and logistics for companies of all stripes, but direct exposure in our portfolio was limited due to our technology, healthcare, and defense focus. Holdings in companies like Nvidia (NVDA) benefited from continued demand for AI chips due to sustained demand even amid higher component costs. In addition, healthcare companies such as Eli Lilly (LLY) and Novo Nordisk (NVO) also proved resilient, through steady demand for basic health services which was largely unaffected by fluctuations in energy and commodities costs.

For most of the year, sector dynamism – such as in technology and AI – offered avenues of growth. These areas moved fast and placed an intense demand for the products offered by Nvidia and Microsoft, leaders in these respective markets. Health care stocks offered a defensive counterweight in offering steady returns when demand for chronic disease treatments continued higher.

Portfolio Performance

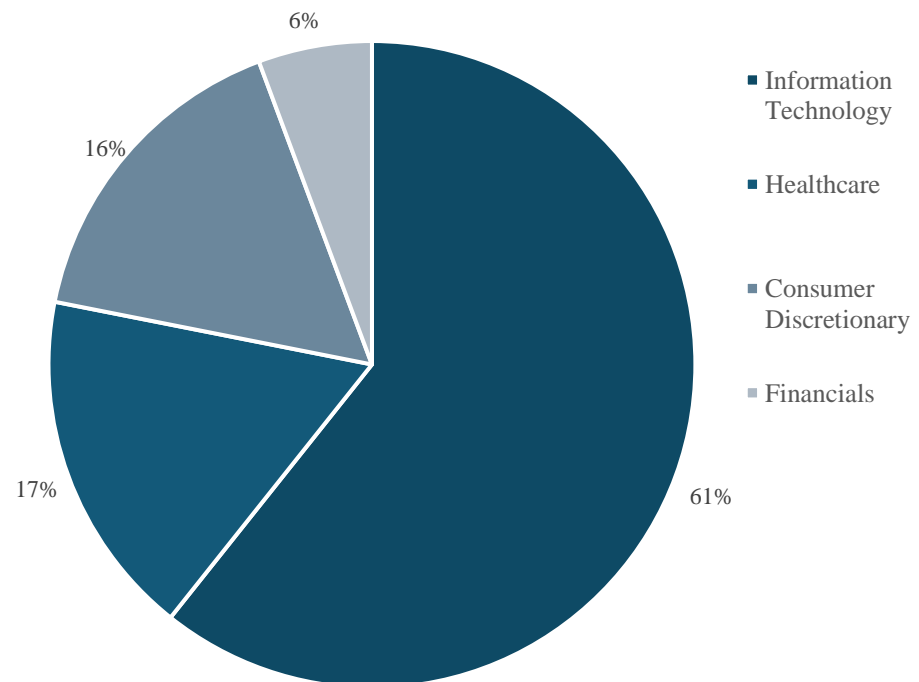


A renewed enthusiasm for large-cap stocks emerged in the latter part of the year, driven by Donald Trump’s return to the political arena and his pro-business stance. Anticipation of potential regulatory relaxation and pro-growth policies created a favorable environment for large-cap stocks, especially in technology and defense. Our investments in large caps like Apple, Microsoft, and Google saw gains as investor sentiment increasingly favored well-established companies with market leadership and resilience.

Therefore, the macroeconomic configuration this year puts a premium on portfolio management that is disciplined in the same measure as it is dynamic. Through efficient exploitation of sector rotations and positioning of our portfolio in emerging long-term trends in the technology, defense, and healthcare sectors, we were able to navigate with assurance a quite complex market environment while maximizing growth potential. With these strategic changes, we aligned ourselves not only with global market dynamics but also investors' sentiment, hence, maintained a calculated portfolio set towards sustainable growth. We hope to find similar opportunities next year as we’ll have twice the amount of capital to operate with, compared to this past year, thanks to external funding.

Sector Diversity as of November 6, 2024

	Total	% of assets
Information Technology	\$908.73	60.70%
Healthcare	\$260.64	17.41%
Consumer Discretionary	\$242.63	16.21%
Financials	\$85.11	5.68%

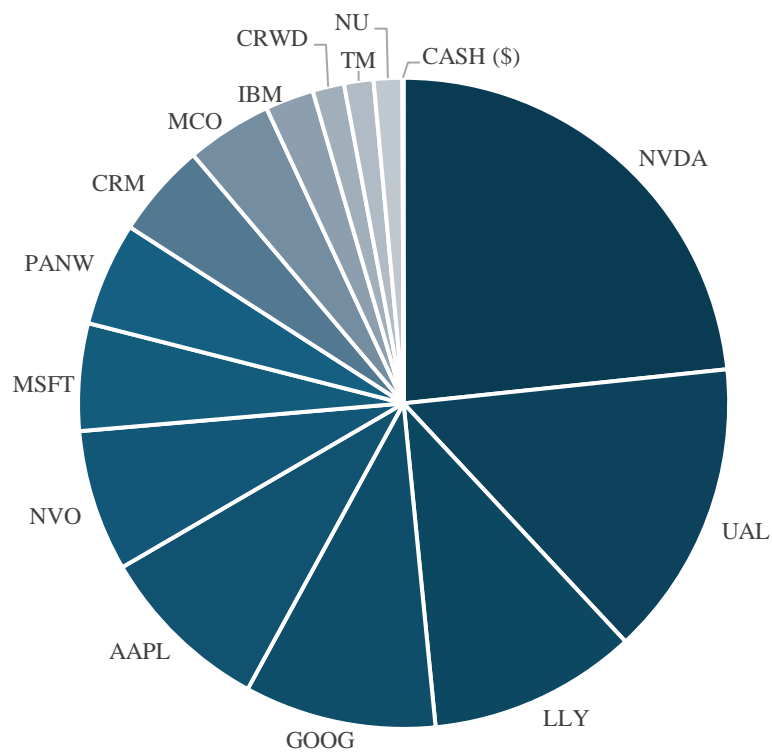


ASSET DETAILS

PORTFOLIO ASSETS HELD

Value as of November 6, 2024

	Total	% of assets
NVIDIA Corp	349.46	23.33%
United Airlines Holdings Inc	220.74	14.74%
Eli Lilly And Co	155.28	10.37%
Alphabet Inc	142.66	9.52%
Apple Inc	129.6	8.65%
Novo Nordisk	105.36	7.03%
Microsoft Corp	79.79	5.33%
Palo Alto Networks Inc	77.04	5.14%
Salesforce Inc	70.53	4.71%
Moody's Corp	63.91	4.27%
IBM	36.16	2.41%
Crowdstrike Holdings Inc	23.49	1.57%
Toyota Motor Corp	21.89	1.46%
Nu Holding Ltd	21.2	1.42%
Cash	0.92	0.06%
Net Portfolio Value	\$1,498.03	100.00%



PORTFOLIO ASSETS HELD

Equities	Symbol	Quantity	Current Price/ Current Value	Average Cost/ Cost basis	Unrealized Gain/(-) Loss	Dividends	Return %
NVIDIA Corp	NVDA	2.400	145.61 349.46	47.24 113.38	236.09	0.06	208.25%
United Airlines Holdings Inc	UAL	2.520	87.58 220.74	49.41 124.53	96.20	-	77.24%
Palo Alto Networks Inc	PANW	0.200	385.18 77.04	245.03 49.01	28.03	-	57.21%
IBM	IBM	0.169	213.60 36.16	151.04 25.57	10.59	1.39	41.41%
Salesforce Inc	CRM	0.230	306.90 70.53	219.75 50.50	20.03	0.18	39.67%
Eli Lilly And Co	LLY	0.200	776.38 155.28	582.99 116.60	38.68	1.01	33.18%
Alphabet Inc	GOOG	0.800	178.33 142.66	133.93 107.14	35.52	0.32	33.15%

PORTFOLIO ASSETS HELD (continued)

Equities	Symbol	Quantity	Current Price/ Current Value	Average Cost/ Cost basis	Unrealized Gain/(-) Loss	Dividends	Return %
Apple Inc	AAPL	0.581	222.72 129.60	181.37 105.54	24.06	0.62	22.80%
Moody's Corp	MCO	0.139	461.14 63.91	405.32 56.18	7.73	0.29	13.76%
Microsoft Corp	MSFT	0.190	420.18 79.79	390.46 74.15	5.64	0.30	7.61%
Novo Nordisk	NVO	1.000	105.36 105.36	100.88 100.88	4.48	1.45	4.44%
CrowdStrike Holdings Inc	CRWD	0.073	320.00 23.49	316.19 23.21	0.28	-	1.21%
Nu Holdings Ltd	NU	1.410	15.03 21.20	15.76 22.22	-1.02	-	-4.60%
Toyota Motor Corp	TM	0.125	175.15 21.89	186.33 23.29	-1.40	1.43	-6.02%
Toal Net Portfolio Value			\$1,498.03	\$982.64	\$515.39	\$8.01¹	52.45%

¹ Additional dividends collected from sold assets, i.e. NOC, \$0.19, and LMT, \$0.32, ORCL, \$0.32, GD \$0.13

SYNOPSIS OF INDIVIDUAL ASSETS

NVIDIA Corp (NVDA)

NVDA remains a key and core part of our portfolio because it is the primary GPU supplier for AI infrastructure, the most intensely competitive area with explosive demand. The stock has been soaring, with NVDA's leading position in supplying AI-critical microchips positioning it to gain thanks to AI adoption intensifying across industries, along with future technologies whose pricing rebounds are expected.

Eli Lilly And Co (LLY)

We added LLY at the end of 2023 as we see an upside due to the company's strong market position and promising growth prospects from new products, including a high-potential anti-obesity drug and a future Alzheimer's treatment. These promise long-term sustainable revenue growth across fast-growing health markets. FDA approval risks are a challenge, but the competitive advantage and market leadership make the company worthy of inclusion for both short-term strategic growth and financial gains in the long run.

IBM (IBM)

Our investment in IBM was triggered by the strategic change that rejuvenated the growth prospects of the company into Hybrid Cloud and AI. This is in large part due to IBM's successful acquisition of Red Hat (acquired in 2019), which turned the ageing tech giant into an important solution provider of hybrid cloud solutions. Moreover, the fact that it pays consistent dividends and generates stable cash flows makes IBM a less volatile investment than our other technology positions. Though IBM's legacy businesses are challenged, its strategic pivot to cloud and AI solutions does provide a route back to sustainable growth.

Palo Alto Networks Inc (PANW)

One of the first investments we made was in PANW because of the growing significance of cybersecurity. The company has been very strong in terms of financial resilience, having attained profitability in the year 2023 and sustaining a very healthy liquidity and debt position. Since becoming profitable, the valuation multiples of the company have surpassed the median of the industry – a signal of confidence among investors regarding future growth. Given the turbulence in the market, PANW's performance has been strong, with similar performances by its competitors. Its solid fundamentals and positive momentum in the market make us believe that its stock still has margin to grow in the future.

SYNOPSIS OF INDIVIDUAL ASSETS (continued)

Apple Inc (AAPL)

Reasons for our AAPL position include its unmatched market leadership and robust cash flows that give resilience in the face of rapid economic changes. With AAPL continuing to innovate in its products, having strong brand loyalty, and diversified revenue streams, it only cements its spot within our portfolio as a stable, long-term tech investment. We think these defensive characteristics, when combined with growth, provide a well-rounded balance to some of our more volatile positions.

Salesforce Inc (CRM)

We invested in CRM in May 2024 after an attractive dip in its share price. During that period, CRM's stock slid considerably due to revenue coming in slightly below expectations along with conservative guidance. This was despite the fact that the company had beaten expectations for its EPS. From a fundamental standpoint, such a dramatic market reaction felt exaggerated. CRM has historically been a profitable and resilient company, so this "weak" guidance could prove to be a merely transitory phase rather than the start of a more continuing decline. This price drop gave us an opportunity to purchase a quality business at a discount and with a strong upside.

Alphabet Inc (GOOG)

We invested in GOOG because of its leading position in digital advertising and its growing participation in AI related activities, a common theme for many of our tech holdings. Furthermore, GOOG's core advertising business still generates formidable cash flow, which instills stability within the constantly evolving tech sector. While the competition for AI is well underway, GOOG has enjoyed a privileged position given the vast resources of data at its disposal, an established infrastructure, and solid research capabilities. The above, combined with long-term growth prospects, represented an attractive addition to our portfolio.

Novo Nordisk (NVO)

NVO seemed like an attractive buy given its strong position in the health care industry with its breakthrough treatments in diabetes and obesity, both of which are a growing concern globally. NVO's innovative pipeline and reputation for clinical excellence continue to promise growth opportunity in the future, especially in the fast-growing market for obesity. This potential aligns well with our portfolio's defensive health care strategy.

SYNOPSIS OF INDIVIDUAL ASSETS (continued)

United Airlines Holdings Inc (UAL)

Our decision to invest in UAL stemmed from the belief that the airline industry, though severely impacted by the pandemic, was still on a recovery path. When we evaluated UAL in April 2024, its stock was down 48% from its April 2019 price but showed strong positive momentum. Looking at various metrics, we deemed the stock as undervalued. In addition, anticipating favorable quarterly results, we purchased UAL shares ahead of its earnings report, which ultimately exceeded expectations. Despite potential risks, like increased FAA safety regulations and dependence on Boeing planes, we believe these factors are unlikely to hinder long-term performance, a belief backed by a position built over time.

Moody's Corp (MCO)

We initiated and later increased our position in MCO given its strong competitive position in the credit-rating market dominated by a triopoly (MCO included). This allows them to have stronger control over pricing and benefit from very stable returns, which have topped the S&P 500 on a historical basis. Despite its secular nature, its growing Moody's Analytics business, along with rate cuts expected to ramp up demand for credit ratings, will positively impact the share price in the medium to long term.

Microsoft Corp (MSFT)

Our investment in MSFT last summer was justified by weak stock performance, which presented us with an opportunity to buy at a discounted value. Despite the tech giant reporting a 20% growth in revenue in its Q4 earnings, its share price dipped. This was driven by investor concern over expenses totaling \$19 billion in infrastructure investments related to AI developments. We did expect the stock to bounce back once the market digested this short-term sacrifice, realizing the strategic importance of these investments over the long term. A commitment from MSFT to AI and cloud expansion positions it as a leader in the digital economy, with these investments likely to bring in substantial growth in the future.

SYNOPSIS OF INDIVIDUAL ASSETS (continued)

Nu Holdings Ltd (NU)

NU was our last investment of the year, and we intend to increase our position in the near future. This presents a compelling growth opportunity, as digital banking demand is rising all over South America. With rapid growth in these markets, NU has become one of the world's largest digital banking platforms, with up to 104.5 million customers as of Q2 2024. It has seen a continued increase in profitability, with net interest income continuously expanding, which could set the firm up for long-term success. Political instability in these markets may be a significant obstacle to the company's operations, but no alarms have gone off so far. Further positive performance announced in its next earnings call on November 13 may continue to drive its stock price higher.

Toyota Motor Corp (TM)

We initiated a position in TM in December 2023, believing the company is well-ahead with its solid-state battery technology that would enable longer range, rapid charging, and lower costs. This makes TM one of the leaders of the automobile industry regarding this innovative technology, with production scheduled for 2026. We believe this will lead to significant future market share gains. Although the short-term challenges in the auto sector prompted a partial profit-taking from recent gains, our position in TM is maintained given the expected growth in demand for EVs once improved economic conditions are met.

CrowdStrike Holdings Inc (CRWD)

Our initial investment in CRWD was opportunistic, as its stock suffered from a severe decline due to its IT outage in July, allowing us to invest in a great business at a steep discount. Since turning profitable in 2024, CRWD has maintained multiple profitability, liquidity and solvency metrics in great condition, which reassures investors as the stock has been rallying since its summer dip. Over an entire year the share has risen 68.50%, a greater performance than our other holding, PANW. We project that our investment will become more profitable starting next calendar year and will then consider dumping one between CRWD and PANW due to business similarities.

ACTIVITY DETAILS

ASSETS BOUGHT

Date	Equities	Symbol	Quantity	Purchase Price	Proceeds	Commission
10/30/24	Nu Holdings Ltd	NU	1.41	15.76	-22.22	-0.22
8/6/24	Microsoft Corp	MSFT	0.09	400.11	-35.97	-0.36
7/19/24	CrowdStrike Holdings Inc	CRWD	0.07	313.06	-22.98	-0.23
6/10/24	GameStop Corp	GME	0.75	23.96	-18.00	-0.18
5/30/24	Salesforce Inc	CRM	0.23	217.57	-50.00	-0.50
5/24/24	Target Corp	TGT	0.10	144.60	-14.46	-0.14
5/23/24	Moody's Corp	MCO	0.07	407.10	-29.96	-0.30
5/20/24	United Airlines Holdings Inc	UAL	1.00	54.94	-54.94	-0.55
5/6/24	United Airlines Holdings Inc	UAL	0.52	51.88	-27.00	-0.27
5/2/24	Apple Inc	AAPL	0.16	172.90	-27.99	-0.28
4/12/24	United Airlines Holdings Inc	UAL	1.00	41.37	-41.37	-0.41

ASSETS BOUGHT (continued)

Date	Equities	Symbol	Quantity	Purchase Price	Proceeds	Commission
12/14/23	Moody's Corp	MCO	0.13	394.75	-51.32	-0.51
12/13/23	Boeing Co	BA	0.15	248.79	-37.32	-0.37
12/13/23	Microsoft Corp	MSFT	0.10	374.44	-37.44	-0.37
12/13/23	Symbotic Inc	SYM	1.00	49.52	-49.52	-0.50
11/27/23	NVIDIA Corp	NVDA	0.06	481.27	-29.98	-0.30
11/8/23	Alphabet Inc	GOOG	0.80	132.68	-106.14	-1.00
11/8/23	IBM	IBM	0.33	149.55	-49.99	-0.50
11/8/23	NVIDIA Corp	NVDA	0.22	462.94	-99.53	-1.00
11/8/23	Oracle Corp	ORCL	0.40	110.00	-44.00	-0.44
11/8/23	Palo Alto Networks Inc	PANW	0.20	242.60	-48.52	-0.49
11/8/23	Toyota Motor Corp	TM	0.50	184.49	-92.24	-0.92

ASSETS BOUGHT (continued)

Date	Equities	Symbol	Quantity	Purchase Price	Proceeds	Commission
11/7/23	Apple Inc	AAPL	0.60	182.30	-109.38	-1.00
11/7/23	General Dynamics Corp	GD	0.20	242.45	-48.49	-0.48
11/7/23	Lockheed Martin Corp	LMT	0.10	451.00	-45.10	-0.45
11/7/23	Northrop Grunman Corp	NOC	0.10	466.43	-46.64	-0.47
11/6/23	Eli Lilly And Co	LLY	0.20	577.99	-115.60	-1.00
11/6/23	Novo Nordisk	NVO	1.00	99.88	-99.88	-1.00

ASSETS SOLD

Date	Equities	Symbol	Quantity	Selling Price	Proceeds	Commission
8/6/24	Apple Inc	AAPL	0.18	201.66	36.30	-0.36
6/12/24	GameStop Corp	GME	0.75	30.88	23.20	-0.23
6/5/2024	Target Corp	TGT	0.10	148.06	14.81	-0.15

ASSETS SOLD (continued)

Date	Equities	Symbol	Quantity	Selling Price	Proceeds	Commission
5/30/24	Toyota Motor Corp	TM	0.25	213.43	53.36	-0.54
5/14/24	Moody's Corp	MCO	0.07	399.63	25.98	-0.26
5/7/24	Symbotic Inc	SYM	1.00	46.47	46.47	-0.47
5/6/24	Boeing Co	BA	0.15	180.88	27.13	-0.27
5/2/24	Oracle Corp	ORCL	0.40	115.34	46.14	-0.46
1/25/24	General Dynamics Corp	GD	0.10	261.16	26.12	-0.26
1/25/24	NVIDIA Corp	NVDA	0.04	622.10	23.20	-0.23
12/14/23	General Dynamics Corp	GD	0.10	251.42	25.14	-0.25
12/14/23	IBM	IBM	0.17	162.04	26.74	-0.27
12/12/23	Lockheed Martin Corp	LMT	0.10	452.39	45.24	-0.45
12/12/23	Northrop Grunman Corp	NOC	0.10	477.99	47.80	-0.48