
Celani Fund Meeting

3/13/23



Objectives

- Identify all positions < \$10,000
- Analyze, either:
 - Sell?
 - Buy more?

Goal: reduce immaterial positions in the portfolio making it easier to understand & manage

Holdings Overview

\$55,000 total allocated towards holdings < \$10,000

- Kellogg Company \$10,658
- First Energy Corporation – \$9,307
- FMC Corporation - \$8,135
- Black Knight, Inc. - \$7,679
- Dow Inc. \$7,574
- Medical Properties Trust, Inc. - \$6,253
- Verizon Communications Inc. - \$6,122
- 3M Company - \$4,447
- The Boeing Company - \$3,053
- Brookfield Renewable Energy Corporation - \$1,511

Sell:

Less Familiar:

- FMC Corporation (FMC)
- Black Knight Inc. (BKI)
- Medical Properties Trust (MPW)
- Brookfield Renewable Corporation (BEPC)
- FirstEnergy Corp. (FE)

Portfolio Management:

- Verizon (VZ): Reasoning for holding would be a steady dividend

Either (or both):

- Boeing Company
- 3M

Kellogg Company (K)

- PE Ratio: 23.26 & Beta of .42
- 12M target price of \$73 (closed at \$64.26)
- Utilizing productivity & revenue growth management to combat inflation
- Looking to split into 3 companies
 - Cereal, Snacks. & Plant Based
- Portfolio holds about 9% in the consumer staples sector



Dow Inc. (DOW)

- \$50B+ in revenues with 30,000+ employees
- Manufacturing Industry leader
 - Plastic & resin, silicone, synthetic fiber, etc.
- PE Ratio: 9.27 & Beta of 1.33
- Healthy operating & EBITDA margins
- 12M target price of \$58 (Closed at \$52.40)
- Portfolio holds about 1.4% in the materials sector



Boeing V.S. 3M: Business Overview

Boeing

- **Company Background:** Boeing is one of the largest aerospace companies in the world and is known for its iconic commercial airplane models. Also, a player in the defense sector and space-related activities
- **Recent News:** Promising news that Saudi Arabia's Public Investment Fund and Boeing are closing in on an aircraft order valued at \$35 billion. (BA was apart of the largest commercial-jet order in aviation history last month, valued at \$85 billion)

3M

- **Company Background:** 3M is a multinational conglomerate, that produces a wide range of products for various industries, including healthcare, industrial, safety and graphics, electronics, and consumer goods
- **Recent News:** 3M is facing over 265,000 lawsuits in an MDL over claims its Combat Arms military earplugs were defective and caused hearing loss. (History of litigation raised against 3M i.e., PFAS or "forever chemicals" lawsuits)

Boeing V.S. 3M: Financial Overview

Boeing Ratios

- P/E: -24.5
- Inventory Turnover: .23
- ROA: -3.62%
- Dividend Yield: No dividend

3M Ratios

- P/E: 10.18
- Inventory Turnover: .85
- ROA: 12.55%
- Dividend Yield: 5.81%

Boeing Portfolio Mgt

- Beta: 1.41
- Return since purchase: -40%
- YTD return: 3.41%
- YOY return: 15%

3M Portfolio Mgt

- Beta: .96
- Return since purchase: -6.80%
- YTD return: -16%
- YOY return: -28%

Celani
Fund: 15%
Industrials

Next Steps

01

Discussion on which names we would like to keep in the portfolio (if any)

02

Vote on equity holdings to liquidate

03

Analyze *buys* in the following weeks