



Performance Report 2017-2018

Bell Tower Capital Management

Compiled By:

Chad Ritchie - Managing Director

Austin Brantley - Director of Equities

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Letter from the Managing Director

Bell Tower Capital Management has had a truly monumental year. This year we've seen the club, and its members, grow in many ways. We've seen our members putting tremendous effort into their pitches and valuations. In-depth research was done on each and every company, and various valuation techniques were used to arrive at a fair value. By the end of the year nearly every stock pitch was utilizing the Discounted Cash Flow Model, which was encouraging to see. Additionally, our members were asking questions about the companies and assumptions used in the valuations. These questions helped to highlight some glaring issues, and allowed our members to make the most informed decisions.

Throughout the 2017-2018 academic year, Bell Tower Capital Management purchased 10 securities. Additionally, we sold two of our holdings. It is interesting to note that we purchased 9 of our 10 stocks in the spring semester. I believe this could partially be attributed to the volatility we've experienced in the past few months. With the market volatility we've seen, many companies and their corresponding valuations became a lot more attractive. I believe our club's purchasing trend was a positive sign. It showed that when valuations were high and markets were soaring, as we saw throughout the fall semester and into January, our members were stingy on what they were willing to purchase. But, once volatility hit at the beginning of February, our members realized that this would be an opportunistic time to purchase certain securities, some of which were now trading down for the first time in months. Seeing our members collectively recognize this was encouraging to see, and I believe ultimately helped protect Bell Tower Capital Management. While we are a club focused on long-term value, being responsible in when we purchase securities, and at what valuations, is still very important, and this year showed that our members recognized this. Additionally, for the first time in our history, we sold securities this year. Both stocks were trading down at the time, and had shown fundamental changes in their respective companies that weren't present at the time of purchase. I believe this was a positive sign that our members recognized the risk that these companies were posing to our portfolio, and voted accordingly. Overall, I believe our members have shown tremendous progress this year, and it has been reflected in the securities we've bought and sold. Additionally, I feel we did a very good job avoiding companies that didn't meet Bell Tower Capital Management's investment objectives.

This semester we began the implementation of our classroom training and lectures for prospective members, with our primary lesson being on the Discounted Cash Flow Model. I believe this really benefited our applicants, as well as our existing members. At the end of this semester, as we've done previously, we required a stock pitch from our prospective members. Through this process, we actually admitted two new members at the end of this semester, both of which showed tremendous dedication and I expect will do great things for this club. As is always the case, we'll also be losing members this semester as well. Bell Tower Capital Management has seven seniors who will be graduating, including myself. All of these students made great contributions to this organization, but we're very excited to see where they go from here and what they'll be able to accomplish. While it will be difficult to fill the void of these members, we have many bright and ambitious students willing to take on the challenge. Austin Brantley, our current Director, will be taking over my position as Managing Director. Austin has been very dedicated to Bell Tower Capital Management from the start, and he'll do a tremendous job of continuing to grow and improve this club. Additionally, we'll have John Saavedra, currently an associate, taking over as the new Director. I can't say enough about John as well, and I really believe these two will do a great job of leading this club moving forward.

Last, but certainly not least, I am thrilled to announce that Bell Tower Capital Management will be receiving \$140,000 to fund our portfolio! I would first like to say thank you so much to NC State and the people who helped to make this a dream come true. It is hard to describe just how much this means to me and the other members of our club. We've worked so hard to see Bell Tower Capital Management grow, and to see our hard work payoff is truly amazing. We couldn't have achieved this without the contributions of each of our members over the years. So while I am sad to be leaving our great organization, I am very excited to see where Bell Tower Capital Management will go from here! I expect we'll continue to make strides in improving our researching and valuation process, our portfolio management process, and ultimately continue to grow our members. Because in the end, the most important part of our organization is our members and we're hoping Bell Tower Capital Management's continued improvement will further develop our members and prepare them for their future careers. We believe doing so will benefit both our members and Bell Tower Capital Management moving forward.

Thank you,
Chad Ritchie
Managing Director of Bell Tower Capital Management

Overview

Inception: Bell Tower Capital Management was created as an undergraduate, student-run, investment management team within the Poole College of Management. We knew there were students interested in this kind of responsibility but the infrastructure didn't exist. We believed The Investors' Association had the students capable of making this happen and, as the leaders of the organization, we decided to create Bell Tower Capital Management. As mentioned earlier, the creation of this group moved very quickly from idea to reality. Poole College administration quickly got on board and put us in front of the NC State Endowment Board of Directors. With this kind of exposure, we were encouraged to grow quickly. We created a structure for the organization based off of similar organizations at other universities and investment banks. We tried to take the best aspects and combine them. We believe we have created a lasting team structure and that Bell Tower Capital Management will become one of the things that makes NC State extraordinary.

Portfolio Goals: In terms of the fund itself, we have set up some basic goals and guidelines. The portfolio aims to outperform the S&P 500, while maintaining equal or less risk. It will do so by focusing solely on undervalued, US Equities or ADRs. The portfolio will consist of 30 to 40 stocks, spanning all sectors, with market caps greater than \$1 billion. To avoid over-weighting, no individual stock will hold more than 5% weight. If less than 30 stocks are held, a S&P 500 ETF will be held to index the remaining cash.

Team Members (Major, Graduation Year)

Managing Director

Chad Ritchie: Double Major in Economics and Business Administration - Finance, 2018

Director of Equities

Austin Brantley: Business Administration - Finance, Minor in Accounting, 2020

Associates

Matthew Carr: Business Administration - Finance, 2018

John Saavedra (Secretary): Double Major in Economics and International Studies - Global Sustainability and Development, Double minor in French and Computer Programming, 2020

Peyton Sell: Business Administration - Supply Chain, Minor in Accounting, 2018

Allan So: Business Administration - Finance/Marketing, Minor in Economics, 2018

Analysts

Myles Coleman: Business Administration, 2019

Devin Farrell: Double Major in Economics and Business Administration - Finance, 2021

Manu Gargeya: Double Major in Biomedical Engineering and Economics, 2018

Matthew Hendrick: Business Administration, 2020

Todd Howard: Management First Year, 2021

Brandon Makovicka: Business Administration - Supply Chain, 2019

Marc Navia: Business Administration - Information Technology, 2019

Emeka Okafor: Double major in Economics and Chinese Studies, 2020

Pete Renda: Economics, 2018

Charles Wong: Business Administration - Finance, 2018

Admitted Applicants

Ben Hawley: Physics, 2021

Adam Turner: Economics, 2021

Portfolio Performance (11/22/16 - 5/5/2018)

Holdings Performance Overview

Name	Ticker	Price	Shares	Position	Cost Basis	P/L (Ex. Dividends)
CVS Health Corp.	CVS	\$63.10	514	\$32,433.40	\$37,799.56	-14.20%
Cracker Barrel	CBRL	\$165.45	240	\$39,708.00	\$39,302.40	1.03%
Starbucks	SBUX	\$57.68	657	\$37,895.76	\$38,299.68	-1.05%
iShares Russel 1000	IWB	\$148.21	2030	\$300,866.30	\$261,662.11	14.98%
Lazard Ltd.	LAZ	\$52.86	867	\$45,829.62	\$37,749.18	21.41%
Electronic Arts	EA	\$123.64	349	\$43,150.36	\$30,673.61	40.68%
Medtronic	MDT	\$81.08	467	\$37,864.36	\$36,435.34	3.92%
Allegiant Travel	ALGT	\$159.95	238	\$38,068.10	\$38,199.00	-0.34%
Gilead Sciences	GILD	\$65.42	497	\$32,513.74	\$33,477.92	-2.88%
Skechers	SKX	\$28.67	1183	\$33,916.61	\$33,399.38	1.55%
Signature Bank	SBNY	\$128.25	294	\$37,705.50	\$40,000.00	-5.74%
NextEra Energy	NEE	\$164.09	306	\$50,211.54	\$46,459.98	8.07%
Cerner Corp	CERN	\$57.24	749	\$42,872.76	\$47,939.37	-10.57%
Facebook	FB	\$176.61	272	\$48,037.92	\$47,809.44	0.48%
Universal Health Services	UHS	\$117.77	408	\$48,050.16	\$48,001.20	0.10%
Royal Dutch Shell	RDS.A	\$69.84	769	\$53,706.96	\$47,898.30	12.13%
BlackRock	BLK	\$520.40	88	\$45,795.20	\$47,949.30	-4.49%
Ventas Inc.	VTR	\$53.15	957	\$50,864.55	\$47,983.98	6.00%
Advanced Auto Parts	AAP	\$116.67	431	\$50,284.77	\$48,000.25	4.76%
Anheuser-Busch InBev	BUD	\$97.44	454	\$44,237.76	\$47,034.40	-5.95%
Total Gain:						11.40%

Historical and Benchmark Performance

Fund/Index	YTD	Since Inception
Bell Tower Capital Management	0.78%	11.40%
S&P 500 Index	1.01%	20.90%
Russell 1000 Index	1.26%	22.00%

BTM Actual Return: 11.40%

BTM Sharpe Ratio: 0.15

BTM Standard Deviation: 5.10%

S&P 500 Index Return: 20.90%

S&P 500 Index Sharpe Ratio: 1.21

S&P 500 Index Standard Deviation: 8.50%

Portfolio Beta: 0.901

Portfolio Alpha: -7.20%

Portfolio Risk Profile

As we have focused on throughout Bell Tower Capital Management's existence, returns are only part of the story when it comes to managing a portfolio. If you're achieving great returns, but taking on excessive amounts of risk, than those returns aren't as great as they might appear on the surface. As of the end of this semester, Bell Tower Capital Management has achieved a return of 11.40%. Additionally, we have returned 0.78% year-to-date. Our total returns have underperformed that of our new benchmark, the S&P 500, and our year-to-date returns have just slightly underperformed that of our benchmark. While we haven't managed to beat the S&P 500, it is a relief to see that we have a lower standard deviation and beta. It would be alarming to see us underperforming and taking on more risk, especially as a value driven portfolio, but fortunately this is not the case. Ultimately, the goal of this portfolio is to beat our benchmarks with equal or less risk. The Sharpe Ratio is a measure of risk-adjusted returns, specifically, it is a ratio of portfolio returns minus a risk free rate to the portfolio's standard deviation. Lower portfolio standard deviation indicates less risk and more predictable returns. A Sharpe Ratio of 1 would indicate risk and returns equal in proportion to that of the market while anything above that is better than the market. With our Sharpe Ratio of 0.15, this would indicate that we have not been performing well compared to the risk we've taken on. The S&P 500, on the other hand, has achieved a 1.21 Sharpe Ratio. Therefore, we're underperforming our benchmark on both raw returns and risk-adjusted returns. While this is disappointing, we don't believe it is alarming. With Bell Tower Capital Management holding only 20 securities, our portfolio's return can be easily impacted by just one or two poor performers. Therefore, with the volatility we've seen throughout this semester, our portfolio and its individual securities have really been fluctuating. As a result, a few securities, one of which we sold, have really declined which increased our standard deviation and reduced our returns. While this isn't meant to serve as an excuse, our portfolio inherently has more security-specific risk, and I believe this has been reflected in our returns versus our benchmark. Additionally, with Bell Tower Capital Management being focused on long-term value, we aren't overly concerned by short-term fluctuations in the market, so long as nothing fundamentally changes in our holdings. While Bell Tower Capital Management is still too young to make any firm conclusions, I believe through our thorough research and valuations, we've picked securities that will allow us to outperform our benchmark, on a risk-adjusted basis, in the long-run. We look forward to continuing to work on our research and valuation process, as well as our portfolio management process, so that we may achieve our portfolio's objectives.

Portfolio Breakdown



11/30/2016
Equity Research
 Consumer Staples

CVS Health Corporation

(CVS)

Price (11/15/2016) \$75
 Fair Value \$140
 52-Week Range \$69 – \$107
 Market Cap (US\$ m) \$80,000

Analyst Information
 Axel Francois
 aefranco@ncsu.edu

Company Overview

CVS Health Corporation is an integrated pharmacy healthcare provider. As such, it distributes healthcare products through pharmacies and clinics at both an institutional and an individual level. Its main competitors are **UnitedHealth Group Inc**, **Express Scripts Holdings Co** on the institutional side and **Walgreens Boots Alliance Inc** and **Rite Aid corp** on the individual side. It is the second largest company in both the Health Care Plans industry and the drugstore industry.

Year	2014	2015	2016	2017E	2018E
EPS	3.96	4.63	4.95	5.50	6.15
P/E	24.9	22.1	15.2	13.7	12.2
Revenue(mil)	139,367	153,290	178,196	188,675	200,349
P/B	2.9	2.9	2.2	2.1	2.1
ROE	12.24%	13.94%	16.10%	18.40%	17.38%
ROA	6.37%	6.24%	7.60%	7.83%	7.92%



11/30/2016

Equity Research
Consumer Discretionary

Starbucks Corporation

(SBUX)

Price (11/25/2016) \$57.43
Fair Value \$64
52-Week Range 50.84-63.19
Market Cap (US\$ m) 83.58B

Company Overview

Starbucks Corporation is a worldwide leader in specialty coffee including the purchase and roasting of coffees. Starbucks also sells tea, fresh food, and consumer packaged goods through its retail stores and other channels, such as grocery chains. Despite operating over 25,000 stores worldwide and possible saturation of the American markets, Starbucks maintains large potential growth in both its international markets, consumer packaged goods, and subsidiary brand names.

Analyst Information
Robert Sawyer
rssawyer@ncsu.edu

Year	2014	2015	2016	2017	2018
EPS	1.35	1.82	1.90	2.10	2.46
P/E	30.3	33.0	30.7	25.9	20.7
Revenue	16,447	19,162	21,316	23,150	25,440
P/B	3.8	4.7	4.0		
ROE	42.4%	49.7%	48.2%		
ROA	18.6%	23.8%	21.1%		



11/29/2016

Equity Research

Consumer Discretionary/Restaurants

**Cracker Barrel Old Country Store Inc.
(CBRL)**

Price 11/28/2016 \$162.00
Fair Value \$250
52-Week Range \$118 – \$172
Market Cap (US\$ m) 3.9 Bil

Company Overview

Cracker Barrel Old Country Store Inc. runs a restaurant and store concept unlike any other. Serving southern comfort food and having a general store makes Cracker Barrel unique. The restaurant industry is very competitive so there are countless competitors but some of the main ones would be Darden Restaurants (Olive Garden, Longhorn Steakhouse and Red Lobster) and Bloomin' Brands (Outback Steakhouse). This company has seen its stock triple in the last 5 years and this trend will continue as Cracker Barrel is underestimated by investors.

Analyst Information
Alexander Simpson
asimpso@ncsu.edu

Year	2015	2016	2017	2018E	2019E
EPS	6.85	7.91	8.23	8.95	9.77
P/E	17.9	19.8	20		
Revenue	2,842	2,912	2,920	2,980	3,110
P/B	5.7	7.1	7.18		
ROE	30.72%	35.56%	36.42		
ROA	10.9%	12.32%	13.26%		



Medtronic

(MDT)

Price (2/15/2017) 77.70
1-Yr Fair Value 85.20
52-Week Range 69.35-89.27
Market Cap (US\$) 105.7B

Company Overview

Medtronic is a Minneapolis based medical technology company operating under four major segments: Cardiac and Vascular, Restorative Therapies, Minimally Invasive Therapies, and Diabetes. Medtronic operates in over 160 countries and is the largest company in the medical devices industry among competitors such as Abbott Laboratories, Stryker Corp, and Boston Scientific. Medtronic's combination of financial stability, economic moat in heart technologies, growing demand of current products, and introduction of new products provides value for shareholders moving forward.

Analyst Information
Robert Sawyer
rssawyer@ncsu.edu

Year	2015	2016	2017	2018	2019
EPS	4.28	4.37	4.56	5.00	5.38
P/E	46.5	23.8	25.6		
Revenue(\$B)	20.3	28.8	29.0		
P/B	2.1	1.9	2.1		
ROE	7.36	6.72	8.28		
ROA	3.70	3.43	4.17		



2/16/2017

Equity Research
Financials/Capital Markets

Lazard Ltd

(LAZ)

Price (2/14/17) \$43.30
Fair Value \$53.44
52-Week Range \$26.21-44.35
Market Cap (US\$ m) 5670

Company Overview

Lazard is a company that follows and focuses on two businesses: Financial Advisory and Asset Management. Holding global operations on both sides, they advise on financial matters including M&A, restructuring, capital raising, along with active management of investment portfolios.

Analyst Information
Austin Brantley
abrantl2@ncsu.edu

Year	2013	2014	2015	2016	2017E
EPS	1.21	3.20	7.40	2.92	3.26
P/E	46.3	21.9	6.2	13.8	13.3
Revenue(B)	2.06	2.36	2.4	2.38	2.47
P/B	4.8	10.8	5.17	4.3	
ROE	28.3	67.45	97.65	34.8	
ROA	5.34	13.47	25.23	9.9	



3/1/2017

Equity Research
Consumer Discretionary

Electronic Arts Inc

(EA)

Price (2/27/2017) 86.98\$
Fair Value 120\$
52-Week Range 61.1 – 88.28
Market Cap (US\$ m) 26,800

Analyst Information
Axel Francois
aefranco@ncsu.edu

Company Overview

Electronic Arts is one of the world's largest third-party video games publishers. Its main competitors are Activision-Blizzard, Ubisoft, Nintendo, Microsoft, Sony, Square Enix, Sega, or Capcom, to list the largest ones.

It owns some of the most well-established and profitable video game franchise, including the sims, FIFA, Madden, Battlefield, Star Wars games.

Year	2014	2015	2016	2017	2018
EPS	0.03\$	2.69\$	3.50\$	4.01\$	
P/E	37.6	27	20.3	21.6	
Revenue	3,575	4,515	4,396	4,626	
P/B	5.5	6.8	6.7	7.5	
ROE	0.34%	32.06%	35.95%	39.63%	
ROA	0.15%	14.75%	17.52%	18.32%	



Gilead Sciences Inc.

(GILD)

Price (3/28/17) \$67.10
Fair Value \$91.96
52-Week Range 65.4-103.1
Market Cap (US\$ m) \$87.7B

Analyst Information
Robert Sawyer
rssawyer@ncsu.edu

Company Overview

Gilead Sciences is a biotechnology company that researches, produces, and sells pharmaceutical drugs. Gilead innovates in areas of need but currently produces drugs for HIV, HCV, Liver diseases, hematology/oncology, inflammation/respiratory. Based out of Foster City, CA, Gilead is one of the largest biopharmaceutical companies and operates in over 30 countries. Gilead is currently undervalued due to concerns regarding competition and patent expiration of high margin HIV/HCV drugs.

Year	2014	2015	2016	2017E	2018E
EPS	7.35	11.91	9.94	7.53	
P/E	16.7	9.3	6.6	8.9	
Revenue(M)	24,890	32,639	30,390	22,500	
P/B	10.4	8.3	5.6		
ROE	90.32%	106.6%	72.16%		
ROA	42.34%	41.87%	24.81%		



3/28/2017

Equity Research

Consumer Cyclical/Footwear & Accessories

Skechers

(SKX)

Price 3/28/2017 29.96
 Fair Value \$60-\$70
 52-Week Range 18.81-34.20
 Market Cap (US\$ m) \$4,700

Company Overview

Skechers is an American lifestyle and performance footwear company for men, women and children. Headquartered in Manhattan Beach, California, the brand was founded in 1992. A global leader in the performance and lifestyle footwear industry, Skechers USA, Inc. designs, develops and markets more than 3,000 styles for men, women and children. Their biggest competitors are Nike, Under Armour, Adidas, Foot Locker, etc.

Analyst Information

Chad Ritchie
 caritchi@ncsu.edu

<i>Year</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>TTM</i>
<i>EPS</i>	.36	.91	1.52	1.58	1.58
<i>P/E</i>	37.6	21.4	20.9	14.3	18.4
<i>Revenue</i>	1,854	2,387	3,159	3,577	3,577
<i>P/B</i>	1.6	2.3	3.6	2.4	2.9
<i>ROE</i>	6.07	13.84	19.30	16.61	16.61
<i>ROA</i>	3.99	9.00	12.46	10.97	10.97





3/29/2017

Equity Research

Allegiant Travel Company/Industrials/Airlines

Allegiant Travel Company
ALGT

Price 3/28/17 \$161.5
Fair Value \$230
52-Week Range \$122 - \$184
Market Cap (US\$ m) 2,690

Company Overview

Allegiant Travel Company is a Holding company that runs a couple subsidiaries, namely Allegiant Air. The majority Allegiant's operations run through Allegiant Air while they have a small portion of operations in other travel options like hotels, rental cars, and other travel related bundles. Large competitors include American Airlines, Delta and United Continental. Smaller and more similar competitors in the "Low Cost Carriers" include Southwest Airlines, JetBlue and Spirit Airlines. Allegiant focuses on getting customers in small markets to popular vacation spots, namely Florida, New Orleans, and Las Vegas with a bargain price.

Analyst Information
Alexander Simpson
asimpso@ncsu.edu

Year	2015	2016	2017	2018	2019
EPS	12.97	13.23	10.76	12.49	
P/E	17.0	11.8	12.1	13.66	
Revenue	1,262 mil	1,363 mil	1,530 mil	1,710 mil	
P/B	8.4	6.3	5.6		
ROE	68.26%	52.9%	52.9%		
ROA	16.94%	14.41%	14.41%		



Signature Bank

SBNY

Price 9/11/17 134.13
Fair Value 166
52-Week Range 113.53-164.2
Market Cap (US\$ m) 6.9 billion

Company Overview

Signature bank provides a multitude of personal and business banking products and services. This includes brokerage, asset management, along with insurance services and products. It is key to note that signature bank focuses primarily on the New York metropolitan market and they pride themselves on their relationship-based business model.

Analyst Information
Peyton Sell
Pjsell@ncsu.edu

Year	2015	2016	TTM
EPS	7.27	7.37	6.24
P/E	22.4	20.7	19.8
Revenue	1014	1190	1237
P/B	2.8	2.3	1.8
ROE	13.85	12.19	9.27
ROA	11.57	1.09	.87



Price (2/3/2018) \$155.92
Fair Value \$178.11
52-Week Range \$123.53- \$159.64
Market Cap (US\$ m) \$73,300

Company Overview

NextEra Energy Inc is an electric power company in North America. It generates renewable energy from wind and sun. The company also owns generation, transmission and distribution facilities and has investments in gas infrastructure assets. Their main competitors are Duke Energy Corp (DUK), Southern Co (SO), and American Electric Power Co Inc (AEP). NextEra Energy Inc should be bought because it can withstand a recession better than its peers. The company is currently undervalued and growing.

Analyst Information
John Saavedra
jpsaaved@ncsu.edu

Year	2015	2016	2017	2018	2019
EPS	6.06	6.25	8.89	7.72	8.21
P/E	20.54	18.88	17.85	16.68	-
Revenue (\$ mil)	17,486	16,155	16,883	-	-
P/B	2.12	2.3	2.6	-	-
ROE	12.95	12.41	16.65	-	-
ROA	3.5	3.38	4.54	-	-



2/19/2018

Equity Research

Technology - Health Info Services

Cerner Corp

(CERN)

Price (2/16/2018) \$64.22
 Fair Value \$73.27
 52-Week Range \$54.01-\$73.86
 Market Cap (US\$ m) \$21,400

Analyst Information
John Saavedra
 jpsaaved@ncsu.edu

Company Overview

Cerner Corp is a supplier of healthcare information technology and offers software, professional services, medical device integration, remote hosting and employer health, and wellness services. Their main competitors are Veeva Systems Inc. (VEEV), athenahealth Inc. (ATHN), and Medidata Solutions Inc (MDSO). We should buy this company because they are undervalued and at the top of their sector.

Year	2015	2016	2017	2018	2019
EPS	1.54	1.85	2.57	2.42	2.69
P/E	40.73	25.68	25.0	20.65	18.16
Revenue(\$ mil)	4,425	4,796	5,142	5,540	6,018
P/B	5.4	4.2	4.8		
ROE(%)	14.51	16.32	19.90		
ROA(%)	10.69	11.37	14.33		



(FB)

Price Feb.16 Mkt Cl \$177.36
Fair Value 215.39
52-Week Range \$132.90-195.32
Market Cap (US\$ B) \$515.231 B

Company Overview

We all know the tech giant FB, online social media and social networking service; you yourself probably has a FB. FB has over 2 million monthly active users and is at the top of the industry in managing data. We are finding in the upcoming year, increasing volatility, low interest yields, and a ballooned market valuation. The current strongest growth sector being technology, FB has the opportunity to remain bullish due to its renown popularity and increasing revenue.

Analyst Information

Charles Bryant Wong
charlesbryantwong@gmail.com

Year	{2015-12}	{2016-12}	{2017-12}	{FY+1}E	{FY+2}E
EPS	1.29	3.49	5.39		
P/E	105.3	44.4	32.9		
Revenue	\$17,928	\$27,638	\$40,653		
P/B	7.2	6.2	6.9		
ROE			23.8		
ROA			21.3		



Royal Dutch Shell PLC.

RDS.A

Price \$61.75 (3/19)
Fair Value \$71.76
52-Week Range \$50.75-\$72.43
Market Cap (US\$ m) \$263.8

Company Overview

Royal Dutch Shell is a multinational oil and gas company. Shell is headquartered in The Hague, Netherlands and incorporated in the United Kingdom. The company is the sixth largest in the world by revenue. Shell is focused on the oil and gas sector is vertically integrated to involve all portions of the industry from exploration to final retail.

Analyst Information
Manu Gargeya
mbgargey@ncsu.edu

Year	2016	2017	2018 (TTM)	2018	2019
EPS	0.60	1.16	2.6	4.93	5.2
P/E	79.22	50.69	20.46	13.8	
Revenue	272,156	272,156	290,838		
P/B	1.12	0.79	1.12		
ROE	7.36	-2.52	7.87		
ROA	0.6	1.3	2.6		



5/11/2018

Equity Research

Financials/ Asset Management

BlackRock

(BLK)

Price (3/23/18) \$521.13
 Fair Value \$838.76
 52-Week Range \$368-\$594.52
 Market Cap (US\$ m) \$84,300

Analyst Information
Devin Farrell
 djfarrel@ncsu.edu

Company Overview

BlackRock is an investment management company who provides services to larger institutions as well as individual investors. They are Based in New York City but provide services around the world. Their main competitors include Bank of New York Mellon Corp., Vanguard, State Street Corp., and Fidelity.

Year	2013	2014	2015	2016	2017
EPS	16.87	19.25	19.79	19.04	30.23
P/E		18.17	17.78	16.74	17.2
Revenue	10,180	11,081	11,401	11,155	12,491
P/B	2.02	2.18	1.98	2.13	2.60
ROE	11.31	12.24	11.97	11.01	16.32
ROA	1.40	1.43	1.44	1.42	2.26



Ventas Inc.

(VTR)

Price (4/6/18) \$50.42
Fair Value \$62.23
52-Week Range \$47.80-72.36
Market Cap (US\$ m) \$17,960

Analyst Information
Brandon Makovicka
blmakovi@ncsu.edu

Company Overview

Ventas Inc (VTR) is a healthcare REIT based out of Chicago. They specialize in senior housing and medical office buildings, which make up 59% and 31% of their property holdings respectively. Ventas is in an optimal position to capture greater market share in the lead up to the senior housing demand increase expected with the retirement of the 76 million strong baby boomer generation. Competitors include HCP Inc (HCP) and Welltower Inc (WELL).

Year	2014	2015	2016	2017	TTM
EPS	1.60	1.25	1.86	3.78	3.78
P/E	44.8	38.6	37.6	30.5	27.5
Revenue	2,773	3,285	3,443	3,568	3,568
P/B	2.5	2.0	2.1	2.0	1.6
ROE	5.44%	4.58%	6.48%	12.72%	12.72%
ROA	2.32%	1.92%	2.86%	5.76%	5.76%





4/9/2018
Equity Research
Automotive Parts Retailer

**Advance Auto Parts
(AAP)**

Price 4/9/2018 \$110.35
Fair Value \$140.91
52-Week Range 78.87-151.72
Market Cap (US\$ m) 8.3 bil

Analyst Information
Matthew Carr
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Company Overview

Advance Auto Parts is an automotive aftermarket parts provider that serves professional mechanics, do-it-yourself customers, and independently-owned operators. Founded in 1929, Advance Auto offers anything from engines to seat covers. They also offer services such as battery and wiper installation, charging, engine light reading, recycling, video clinics, loaner tool program, and testing services. They operate over 5,000 Advance Auto Parts, Autopart International, Carquest, and Worldpac. Their stores can also be found in countries such as Mexico, the Bahamas, and in the Pacific Islands. Currently, the company is based in Roanoke, Virginia but is moving to Raleigh, North Carolina.

Year	2014	2015	2016	2017	2018E
EPS	6.71	6.40	6.20	6.42	6.71
P/E	25.6	22.1	27.7	20.9	17.4
Revenue(Mil)	9,844	9,737	9,568	9,374	
P/B	6.0	4.6	4.4	2.3	2.4
ROE	27.98	21.14	17.02	15.02	
ROA	7.28	5.86	5.56	5.66	





5/12/2018
Equity Research
Consumer Staples

Anheuser-Busch InBev SA/NV

BUD

Price \$103.07 (4/23)
Fair Value \$119.43
52-Week Range \$101.21-\$126.50
Market Cap (US\$ m) \$184.10

Company Overview

Anheuser-Busch InBev is the world's largest manufacturer of beer. The company was formed through InBev's, a Brazilian-Belgian based conglomerate, acquisition of US-based Anheuser-Busch in 2008. AB InBev holds the plurality of worldwide beer shares with 28% of the global market.

Analyst Information
Manu Gargeya
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Year	2016	2017	2018 (TTM)	2018	2019
EPS	0.71	3.58	3.98	5.03	5.74
P/E	144.48	28.03	26.5	21.15	18.54
Revenue	45,517	56,444	56,444		
P/B	4.49	2.31	2.22		
ROE	2.19	11.11	11.11		
ROA	0.63	3.17	3.17		



Closing Remarks

What an incredibly exciting and transformative semester for Bell Tower Capital Management. This team has worked extremely hard to pride itself on fundamental improvement across the board in equity research and portfolio management. We have worked very diligently on supporting and aiding current members improvement. This past year we have seen tremendous growth in all members ability to research, screen, and value companies. We are continuing to improve our working relationship with the NC State Endowment and their specialists to further improve our success as a portfolio management team. The endowment team has worked with us to question certain methods that have been in practice previously and ameliorate them with unbiased and more efficient solutions that will be able to be maintained into the future of this organization.

As we have worked as a team to further improve our efforts, we are also extremely excited for the coming year with the addition of research support through the implementation of Bloomberg terminals. This resource will help the team as a whole be able to execute more cohesive and informational reports to an even higher degree of detail than before. Additionally, we will be increasing the number of semester meetings, nearly doubling the amount. These additional meeting times are aimed to be a more in-depth discussion regarding the performance and details of the portfolio, as well as a continuation of our classroom training sessions that first began this year. We have seen tremendous strides with members through this educational series, and are extremely optimistic at the future benefits it will continue to provide.

Going into the start of the Fall 2018 semester we are looking to continue to focus on member development, bringing the best and brightest minds at NC State to our team. I cannot speak humbly enough to the effort and dedication there was from current team members this past year and look forward to continuing to learn and grow next semester. With a path and plan in place to manage our funded portfolio, we have never been more optimistic and excited about what the future holds for Bell Tower Capital Management.

Take Good Care,

Austin Brantley
Director of Equities