MARCH 2023

QUARTERLY FUND UPDATE

PUBLICATION BY

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EXECUTIVE SUMMARY

1M: -3.57% ▼ 3M: 0.53% ▲ 12M: +2.73% ▲

Recent market troubles have impacted the Fund's portfolio performance with negative 1 month returns. Much of the gains that were reported in the October report have been accounted for and the value of the Fund's 52-week performance is almost the same as this time in 2022. The performance of each sector within the fund is drastically different with the Industrials & Natural Resources (INR) holdings seeing 64.3% 52-week absolute return, whereas the stocks in the Technology, Media & Telecommunications sector have seen a -1.2% 52-week absolute return.

The Healthcare and Pharmaceutical sector (HCP) has proven to be a strong and defensible investment option throughout Q4 2022 and is expected to have a positive outlook for 2023. Healthcare products remain essential goods and prices are more inelastic, resulting in the sector outperforming other market areas.

The Technology, Media and Telecommunications (TMT) sector has recently experienced significant workforce layoffs, however, with recent market volatility, strong technology stocks are continuing to outperform the wider market. The development of generative AI technology has also opened up new areas of investment and is an area that the Fund believes has growth potential.

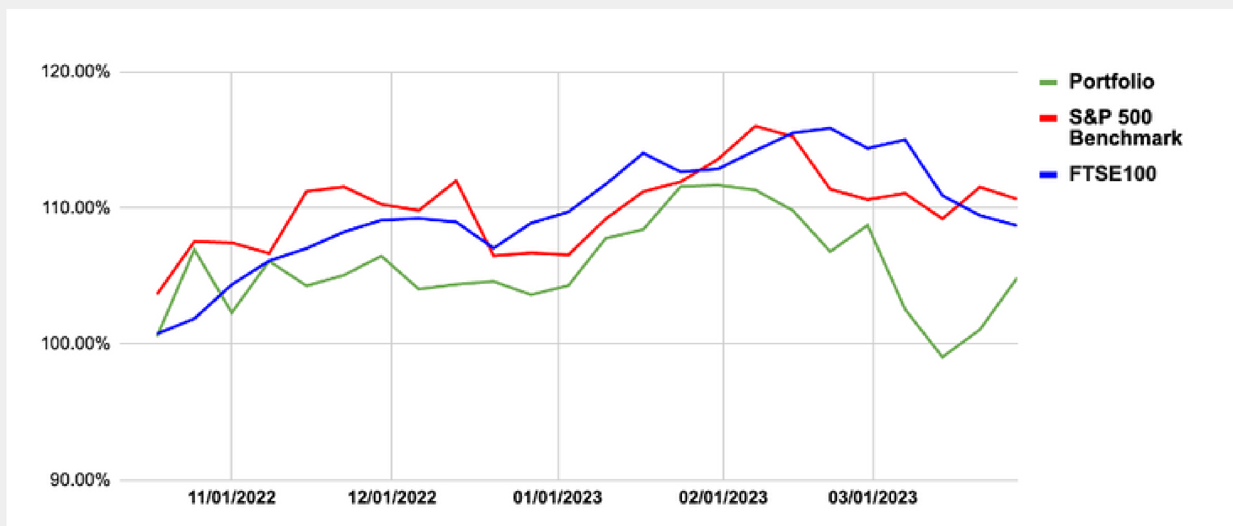
Emerging Markets (EMK) growth was depressed by geopolitical risks, regulatory uncertainty, and Covid lockdowns in 2022, but there is potential for a more positive outlook in 2023 with the recovery of emerging markets mostly linked to China and the Asian markets reopening trade. Some commodity-exporting EM's remained resilient despite regulatory changes. However, emerging markets are still facing challenges such as weaker global growth, geopolitical concerns, and disinflation in the coming quarters.

In 2022, the Financial and Professional Services industry successfully navigated unprecedented levels of uncertainty, but recent shocks such as the collapse of Silicon Valley Bank and the buyout of Credit Suisse have triggered major concerns. Banks have changed their strategy following the 2008 financial crash and so the impact of such may be limited.

The Industrial and Natural Resources (INR) sector as a whole had a varied 2022. A similar scene has characterised the first months of 2023 with the sector underperforming due to low oil prices and general market concern. Challenges such as supply chain delays and volatile energy prices are expected to persist throughout 2023, but new policies in the EU and US may provide the much needed financial support for new technologies and projects in the sector.

Though consumer spending power is forecasted to decline in 2023, some industries within the Consumer Goods and Services (CGS) sector are expected to perform well. Given the potentially challenging macro environment, the consumer discretionary sector's defensive growth profile may fare better than other industries.

6 MONTH PORTFOLIO PERFORMANCE RELATIVE TO S&P 500 AND FTSE 100



A recent decline in our portfolio comes as financial sector holdings decrease in price due to interest rate hikes and FPS instability.

MARKET OUTLOOK

Interest Rates and Inflation

The Fed raised the target range for the fed funds rate by 25bps to 4.5%-4.75% in its February 2023 meeting, dialling back the size of the increase for a second straight meeting but still pushing borrowing costs to the highest since 2007. US treasury yields have declined considerably, while the 2-year yield posted its largest three-day decline since 1987 to 4.05 (over 0.5% decrease since). This displays an indication of negative investor sentiment and worry about the US core and consumer inflation. Recently released data shows annual inflation has declined to 6.0% from 6.4% in January, while the Core CPI, which excludes volatile food and energy prices, is seen at 5.5% from 5.6%. The Fed looks to stabilise the market with a 2% inflation rate, though higher rates will likely tilt the economy into a recession this year.

In the United Kingdom, the Bank of England raised their interest rate by 0.5 percentage points to 4%. An increase in this rate will be decided upon during the Bank of England's Monetary Policy Committee (MPC) meeting next week, though it is generally thought to remain at its current level. This comes as average inflation in the United Kingdom is expected to be 3.9% in the next 12 months. Among the G20 nations, the UK is the only one to have seen a decrease in its overall economy (-0.2%) due to the Ukraine war's impact on supply chains and energy costs.

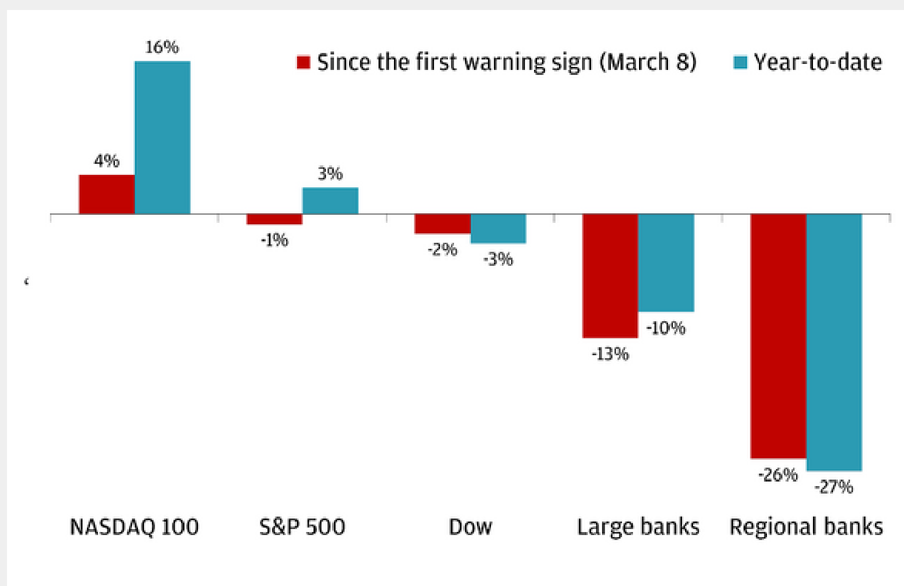
In Europe, the European Central Bank (ECB) is continuing to raise interest rates in line with their plan set out last year. Amid financial sector instability, the regulator raised interest rates by 0.5% on the 16th March, judging that inflation poses a higher threat than fear in financial markets. However, following the announcement the ECB did not signal any further hikes to come, a potential indication that the central bank may pause increasing interest rates for the moment. The rising interest rates have been deemed as positive for European banks, and aided the 7.6% return on equity in 2022, the highest for over a decade.

Financial Sector Instability in US Markets

Two major US banks experienced a sudden outflow of deposits, Silicon Valley Bank (SVB) and First Republic. SVB was hurt by its investment in US government bonds where the inverse relationship to interest rates caused a significant loss in value. The bank sold bonds at a loss with little cash on hand, while tech CEOs and founders withdrew quickly from the $209 billion bank. This marked the largest failure of a bank since the 2008 financial crisis. Soon after this collapse First Republic, which specialises in private banking and wealth management, experienced a similar bank run due to liquidity fears. The majority of SVBs and First Republics' deposits were uninsured because they exceeded the $250,000 Federal Deposit Insurance Corporation (FDIC) insured limit-the maximum amount depositors can retrieve in the event of a bank failure. Some 70% of First Republics deposits had been uninsured, leading to speculation and fear of a collapse. This trend has been reflected in their share price which has decreased ~77.8% since March 8. These bank woes are inevitable given interest rate hikes, where regional banks have been hit the hardest. For instance, the KBW Nasdaq Regional Banking Index has sunk ~17.2% since March 8. Smaller regional banks with a less sizable deposit base tend to have greater risk in their balance sheet when compared to larger established institutions.

Bank stocks have underperformed this year, the graph below displays a summary of performance of equity indexes as relative to bank performance YTD and since March 8.

EQUITY INDEX PERFORMANCE, %



(SOURCE: J.P. Morgan Private Bank/Bloomberg Finance L.P. Data as of March 23, 2023)

European Bank Woes

Risk among European banks is often managed differently to that of US financial institutions, where risks are often lesser being hedged and covered. Though in the past two weeks fear in the American financial sector has been reflected across Euro markets. Along with SVB, the collapse of Credit Suisse has created a ripple effect in markets. Credit Suisse's failure is contrary to the Swiss reputation for stability, with the company experiencing an $8 billion loss in the fiscal year of 2022 (largest since 2008). A string of scandals including the failed backing of Archegos Capital Management, lost the company a large amount of money and reaffirmed the narrative that the company didn't have a firm grip on its affairs. This has been reflected in their share price of -72.4% YTD. On March 19th, UBS agreed to buy Credit Suisse for more than $2 billion in a deal organised by Swiss authorities to maintain stability. Part of the deal included the Swiss National Bank agreeing to offer a $100bn liquidity line to UBS. These dramatic measures have been fast tracked in order to maintain the country's economic stability. Following the collapse of Credit Suisse, other banks across Europe have experienced turmoil from France's BNP Paribas and Société Générale to Spain's BBVA and Britain's Barclays.

Labour Markets

The US unemployment rate hit record lows in early 2023, at 3.4% in January and increased slightly to 3.6% in February. These levels were below market expectations and the lowest levels since May 1969. The unemployment rates remain similar to our analysis in October 2022 (3.5%). These reports come on the heels of a sharp decline in jobless claims and a larger-than-expected increase in the level of job openings at the end of 2022, indicating that the US is still experiencing a tight labour market. These indications align with the Fed's path of hiking interest rates. A higher unemployment rate could serve as a counterbalance to inflationary pressures by easing the tight labour market and reducing the upward pressure on wages. This may maintain a balance between job creation and price stability - crucial for the long-term health of the economy.

In light of these factors, financial markets are likely to experience increased uncertainty and potentially heighted volatility as investors attempt to navigate the complex interplay between the rate hikes, inflation, and the tight labour market. The prospect of further rate increases by the Fed may lead to a more cautious investment environment.

The UK unemployment rate remains close to its lowest level in almost half a century, at 3.7% between November 2022 and January 2023. The constricted labour market will prompt the Bank of England to continue its efforts in tightening monetary policy. Analysts predict that unemployment will continue to rise in the coming months as persistent higher interest rates and uncertainty surrounding the economy could see firms pause hiring. As a result, markets in the UK may face increased volatility and subdued returns as the rate hikes and unemployment rates impact corporate earnings and investor sentiment, with investors focusing on companies with strong fundamentals that can better withstand the headwinds associated with higher interest rates and a slowing economy, as the predicted recession looms.

Currency & Exchange Rates

In Q4 2022, the British pound staged a recovery, gaining 11% against the US dollar after losing 15% of its value in the first nine months of the year. During Q1 2023, the pound vs dollar has remained relatively stable, fluctuating between 1.21 and 1.24. The UK chancellor’s announcement that the UK would avoid a recession in 2023 provided a further temporary boost to the pound's value. However, as the market approaches a Federal Reserve interest rate decision, investors are closely watching for any hints regarding the future trajectory of US monetary policy. A hawkish stance from the Fed and suggestions that further interest rate increases might be on the horizon, putting downward pressure on the Pound as investors seek higher returns with the US dollar.

The possibility of policy divergence between the Fed and the Bank of England (BOE) adds to uncertainty surrounding the pounds' trajectory. Furthermore, concerns about the global financial banking system might lead to an increased demand for the US dollar, as investors seek it out as a safety asset. This dynamic could potentially overshadow other factors impacting the pound’s performance.

SECTOR OVERVIEW & PERFORMANCE

Healthcare & Pharmaceuticals (HCP)

The Healthcare and Pharmaceutical sector remains strong and defensible throughout Q4 2022 and has a strong outlook for 2023. The HCP sector accounts for 43.27% of the Fund's portfolio value. The sector has outperformed other areas in the market partly due to its defensive nature in current market conditions. Healthcare products are often essential goods and as a result prices are more inelastic. This is evident in its weighted portfolio return of 4.07% while the S&P 500 share price is negative ~ 11.5% in the past year. In 2022 - the S&P Healthcare index outperformed and was down 4%, compared to the broader S&P 500's nearly 20% decline. Higher risk groups such as the biotech and medical device segments underperformed.

Three key drivers for healthcare are outlined by JP Morgan Private Bank - technology, public funding, and demographic pressure. For instance, the global healthcare cloud computing market is expected to grow by $42.21 bn during 2023-2027 at a CAGR of 20.5. Data processing power is also noted to be cheaper and accelerates growth in the segment. The US government has continued to invest in research which acts as a catalyst for idea generation. Lastly, demographics have a positive impact on healthcare with an ageing population both in the United States and United Kingdom. In developed countries, individuals over the age of 60 in 2040 are expected to grow from 326 million to 405 million. This trend will correlate with a greater reliance on Medicare - as McKinsey and Co. estimates the government EBITDA margins of the government healthcare segment will be 50% larger than that of the commercial segment in the United States by 2026.

As of March 23rd the average price-to-earnings ratio in the healthcare segment is 27.8, as compared to a more inflated price segment such as technology with an average P/E of roughly 30.

Technology & Telecommunications (TMT)

Technology and telecommunications represents 10.4% of current holdings with a weighted 52-week return of -0.12%. By comparison we outperform Invesco QQQ ETF, where their 1Y share price is negative roughly 12%. Tech stocks have recently been trading at fairer multiples in the market - where QQQ has rebounded nearly 5% in the past month. The segment has been riddled with job cuts with almost 140,000 being laid off from companies in 2022, and this year as of March, more than 100,000 tech employees have lost their job in the US. Layoffs are often the last resource used by companies to cut costs in the short term, though this comes as a result of over-hiring during the onset of COVID-19. Rapid growth experienced by tech companies during COVID-19 was the result of dependence on cloud systems and digital platforms in the absence of in-person interactions. Market conditions have posed a threat to profit where U.S. consumer spending on tech is expected to fall 2.4% in 2023 as inflation and rate hikes impact performance. Regardless, it provides a solid buying opportunity as P/E ratios normalise and tech stocks provide a defensive position through financial sector turmoil. FANG stocks (Facebook, Apple, Nvidia, and Google) have outperformed the S&P 500 by the widest margin in years following SVB's collapse. These companies often have relatively low debt, a lot of cash, reliable income streams, and management that is trusted by Wall Street. Currently FANG's stocks average P/E currently sits at 25.04x, in line with the sector average.

Developments in a category of artificial intelligence, generative AI, have opened up new areas of investment in the sector. ChatGPT, an AI-driven chat search engine, was for instance backed by Google for $10 billion. Companies see this technology as a method of increasing efficiency among employees in the office, while other tech companies have integrated it into their own services such as Bing's search engine. ChatGPT and similar platforms enhance user experience, reducing the time to find specific pieces of information while cutting down the amount of ads displayed. Currently in its early stage, future versions of ChatGPT will provide users with drafts of videos as well as 3D files. Regulation is a key concern, though expect this technology to become more common as policies become more defined.

Emerging Markets (EMK)

2022 saw geopolitical risks, regulatory uncertainty and Covid lockdowns depressing emerging markets growth, but 2023 may provide a more positive outlook as these risks are discounted for. The recovery of emerging markets will be mostly linked to China, and the Asian reopening trade which is overdue. Further policy support from Central Banks is also expected, providing potential upside for EMK stocks. The MSCI Emerging Market Index, designed to represent the equity market performance of EMKs, saw a 9.16% increase in Q4 outperforming the S&P 500s increase of 4.38% in the same period. This is significant as EMK stocks rallied in the final quarter of the year following significant losses in earlier months.

During February, market perceptions of the Fed's tightening trajectory shifted and consequently, emerging markets currencies and equities have sharply depreciated during this month. There is variation across these markets, as some commodity-exporting EM's remained resilient to the change, as prices for industrial metals supported their current accounts. Emerging markets in Asia appeared to respond to this news most negatively. China's imports remain weaker than hoped for and market concerns remain over the pace of China's reopening and its significant impact on neighbouring economies.

Emerging market growth in 2023 has been slower, with markets expected to remain below pre-pandemic trading. Weaker global growth and tightening of the financial environment has seen the stresses of 2022 remain during the first months of 2023. Geopolitical concerns remain unresolved and represent two-sided risks for EMKs in 2023, notably the elections in Turkey and Argentina, two key domestic political events, may adversely affect their economies. Furthermore, disinflation is forecasted for the coming year, but EM central banks may start easing but it is expected that most look to keep rates higher for longer.

Financial & Professional Services (FPS)

The Financial and Professional Services sector accounts for 14% of the Fund's portfolio, with a varied performance across the holdings resulting in a 52-week absolute return of 0.95%. Within the portfolio, the winners Evercore (16%), Allianz SE (13.8%) and Goldman (8.5%) performed relatively well despite the challenging macroeconomic background that has faced the Financial and Professional Services sector in recent years. In 2022, the industry demonstrated its ability to successfully navigate unprecedented levels of uncertainty, and moving into 2023 there was renewed confidence within the FPS sector as stocks recovered from previous lows as a result of the market instability and inflationary pressures.

The last few weeks have triggered concerns of a 2008-style precipice for the industry as the shock collapse of Silicon Valley Bank, the downgrade to junk status of First Republic Bank and the buyout of Credit Suisse by UBS. Recession has been forecast by Central Banks and analysts alike, however, there are significant differences today compared to previous times of financial trouble. The banking sector has more capital and liquidity, as management dedicated the post-crisis years to improving their balance sheet strength. Most banks are expecting the slowdown of the economy to impact on the pace of capital returns to shareholders, rather than raising fresh capital from shareholders. With the recent shocks to the banking crisis, insurers will have to take stock over their exposure to the banking sector and the bonds they hold. It is predicted that most will have "minimal" exposure to SVB, First Republic, and other banks that have been downgraded as a result.

The STOXX 600 Bank index is a benchmark that tracks the performance of 42 major EU and UK banks. As of the current year, the index has performed relatively well, up by 5.53% year-to-date. However, the recent near-collapse of Credit Suisse caused volatility in the European banking sector, resulting in a dip in the index. Following the announcement of the emergency rescue deal between UBS and Credit Suisse European markets ticked up, but investors remain cautious, assessing the impact of the crisis on the financial and

Industrials & Natural Resources (INR)

The Industrials and Natural Resources account for 24.9% of the Fund's portfolio. The Fund's holdings in this sector have seen a 52-week absolute return of 64.32% and a weighted return of 13.73%. Gains in the INR sector were mostly due to energy, with sector heavyweights such as Exxon posting record profits in 2022, aided by rising inflation and Russia's invasion pushing oil prices up, with Exxon shares up 37.4%. Similarly, Cheniere Energy shares have increased by 29% as the natural gas company capitalised on the energy sector's impressive outperformance in 2022.

Oil and gas stocks were golden and the place to be in 2022, and the industry entered 2023 with its healthiest balance sheet yet. Continued opinion of strong momentum as the market drivers energy underinvestment and accelerated energy transition looked promising in early 2023. However, in Q1 2023 the Oil-Energy sector is down 12.2%, underperforming compared to the S&P 500's loss of 5.94%. Recent crises in the banking sector have unsettled the broader economy and oil prices fell to their lowest levels in over a year. The global energy benchmark, Brent crude, fell to $70.12 its lowest level since December 2021.

The challenges of supply chain delays and volatile energy prices that characterised the Industrial and Natural Resources sector in 2022 are expected to persist in 2023, leading to continued economic uncertainty. However, the dislocation of 2022 fostered innovation in digital technologies, supply chain visibility, and materials innovation. Furthermore, new policies brought forth in the EU and US may provide concrete financial support for new technologies and projects allowing for growth in INR stocks.

Consumer Goods & Services (CGS)

Currently the fund's holdings consist of 10.94% consumer discretionary stocks with a 52-week weighted return of 5.22%. The 1Y return of the S&P 500 Consumer Discretionary Index was negative 24.67%, while YTD it has performed well with a price return of ~8.86%. Consumer spending power is forecasted to drop at a 0.5% annualised rate in the second and third quarters of 2023 - representing the first back-to-back quarterly decline in spending since 2020. Fed tightening cycles which increase rates lead to a decline in borrowing and retail spending, which then triggers a market reaction circling back and impacting the public. This weaker spending power has changed the way consumers approach retail spending. The need to get more for their money will chip away consumer's loyalty as they explore new avenues for greater perceived value. Companies such as Walmart and Costco with cheap and inelastic products often perform well in recessionary periods. Given consumer discretionary defensive growth profile in a potentially challenging macro environment, it may fare better than other sectors. Stocks representing luxury and premium products such as LVMH, have performed well with a share increase YTD of ~17.20%. Customer demand by wealthier individuals is not as affected by macroeconomic conditions while their pricing power has been solid.

INVESTMENT SOCIETY INSIGHTS

ESG: Sustainability as a Valuable Investment Opportunity

Santiago Castro

The St Andrews Investment Society is committed to remaining at the forefront of responsible investing. In May 2020 we established the Vision 10 initiative, through which we pledge that by 2025, 75% of our equity holdings will have an ESG rating of AA+ or more.

We aim to integrate ESG at the core of our investment strategy not only because of responsibility, but because ESG investing represents a valuable opportunity for capturing substantial long term return. We believe that given the current macroeconomic environment, corporations transitioning to sustainability will be able to create more value from business models that are planned to thrive for the longer term and that can withstand value-eroding climate and geopolitical risks.

In this Q2 report, we want to share our ESG insights to highlight why we think investing in ESG-related equities is a valuable opportunity for capturing greater value.

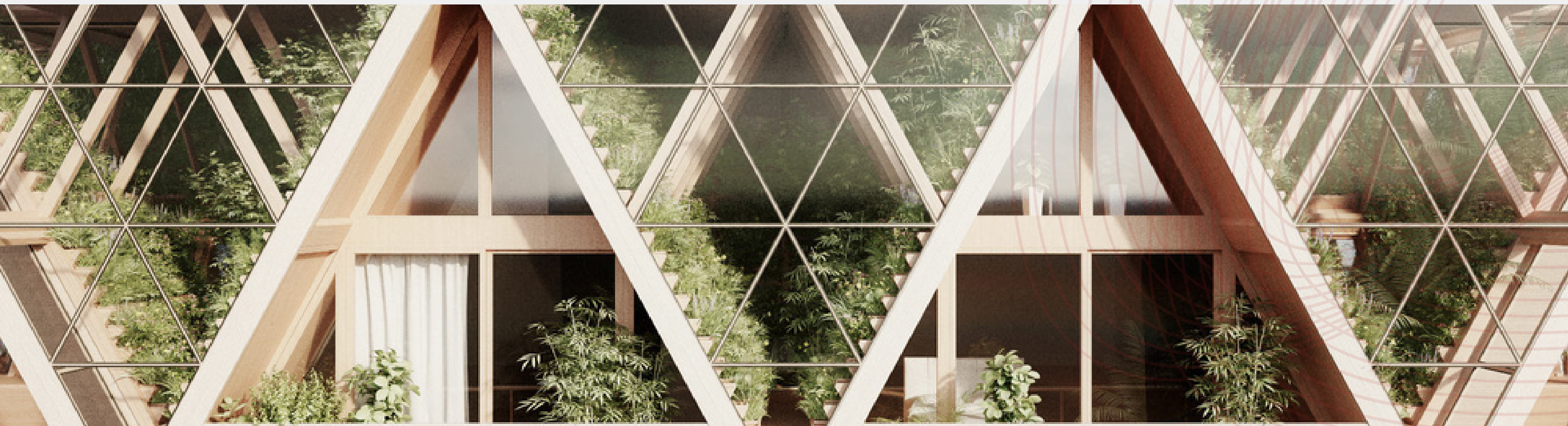
Sustainability: Why it is important

Sustainability in corporate terms means meeting a firm's needs without compromising its ability to meet these needs in the future. Every firm's need is to create value for both its shareholders, and its stakeholders: its clients. If a company's business model generates indirect negative externalities like pollution or health issues to its stakeholders, its customers will eventually realise, shifting to other options and preventing the firm from creating value in financial and non-quantifiable ways. Additionally, if a firm does not utilise its finite resources sustainably, it will eventually run out of them. Hence, being unable to produce in the future, value creation for shareholders will not be possible.

Some could argue that these scenarios may not be as plausible, though taking a a car manufacturing company for instance: given public legislation in the UK, the US and the EU, newly sold cars in these regions cannot be powered solely by fossil fuels after 2035. Therefore, if a car company does not transition to a sustainable business model and starts producing hybrid or electric vehicles, then its business model is finite, and unable to create value in these regions after 2035. A sustainable business model then, is a model that enables a firm to create value indefinitely, and this is the single reason why finding sustainable companies to invest in has become instrumental for capturing returns.

What are the catalysts and risks we should look out for?

Sustainability has become so aligned to market change, that according to PWC's 26th annual CEO survey, up to 40% of Chief Execs across the globe do not consider that their companies will be viable in less than 10 years because of these main reasons: Changes in consumer demand and legislation, energy security, and climate and geopolitical risks. Therefore, corporations best protected against these issues will probably represent the best ESG investment opportunities.



1. Changes in consumer demand and legislation

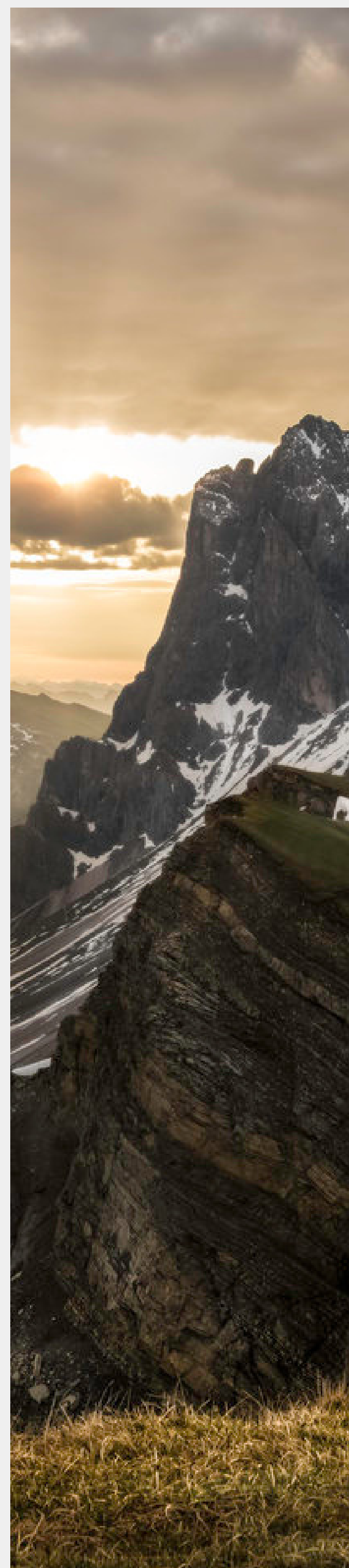
As briefly mentioned before, many consumers are growing awareness and changing preferences for goods, services and firms that have greener operations and positive impacts: According to PWC, in 2022, 81% of institutional investors in the US and Europe wanted to expand their capital allocation into ESG investments.

With this demand, many governments are pushing legislation forward to support ESG, an example of this is the Inflation Reduction Act in the US, which gives significant tax credits to firms capturing carbon and producing hydrogen. Additionally, the EU and UK governments have published mandatory disclosure requirements for sustainable investments. These standards will act as a global guide to provide consistent and verifiable sustainability and climate-related disclosures.

Thus, corporations that keep these regulations and changing demand in mind, and identify how they can create value for a society that is wanting a green transition in the future will be most benefited. Companies that have a business model planned for the longer term and those who have the experience first will represent the greatest investment opportunity, according to PWC. Think of clean energy companies that have years of experience and technological developments meeting this growing demand.

With these trends, global ESG corporate bond issuance is expected to rise 8% in 2023 compared to the previous year, reaching a total volume of 1.6 billion USD, as firms seek financing to decarbonise. Many firms are still in the process of transitioning, so look out for those that are making the necessary investments to ensure their long-term survival.

2. Energy security: the need for green energy



With the Russian invasion of Ukraine and inflation, traditional energy prices went up substantially across the globe during 2022. This highlighted the need for companies and countries to ensure they have a stable and secure supply of energy.

This has importantly accelerated the demand for cleaner energies as companies seek to decarbonise and find cheaper sources of power. In the short-term, firms that produce more stable sources of power like Liquified Natural Gas outside of Russia, will be benefitted as entities wish to meet their energy demand without Russian dependence. Russian gas supplies have already decreased 80% in 2022. In the longer-term companies supplying clean energy will see the greatest rewards: Hydrogen demand is expected to rise from a current level of 50 mega tonnes to a range between 300 to 500 Mt by 2050. Hydrogen production costs will decrease by around 50% through 2030, and then continue to fall steadily at a slightly slower rate until 2050.

Finally, additional players might arise in unforeseen areas as firms start decarbonising. Companies will focus not only on their sources of power but also in every step of their production process, as fund managers argue: "There are businesses producing bio-based alternatives to petrochemicals that are helping the chemicals and industrials sectors to decarbonise, for example via solutions that enable washing machines to run at lower temperatures or that improve crop yields. Engineering and simulation software is another underappreciated area, from a decarbonisation perspective: buildings and infrastructure generate a significant amount of carbon emissions and waste, and specialist software companies are creating smart solutions to make these industries much more carbon-efficient." (Ninety One, 2023). Investing early in these growing industries that promote a green transition could represent valuable return opportunities.

3. Climate and supply chain risks

As climate change starts unfolding, there are firms whose supply chains might be at risk due to the locations they are at: they can have operations in countries more susceptible to natural disasters that can affect physical assets and create supply chain bottlenecks when these happen. 71% of CEOs consider that climate risks will affect their supply chains within the next 12 months, according to PWC, causing billions of dollars worth of losses: Just in 2021, floods caused losses worth more than 80 billion USD.

Hence, firms that boost supply chain resilience by relocating to closer territories to their main operations (reducing emissions), investing in technologies for automation processes and owning more steps of their production chain, will be benefitted. This is part of good governance and hence, of ESG.

Being resilient to climate risks protects value, simple as that. The Boston Consulting Group has worked with clients whose stock prices have risen 40% or more simply from creating business resilience tactics including streamlining organisational structures, automating processes and investing in energy efficiency schemes.

Education

Aayush Pande & Logan Smith

Over the past year, we have made progress in improving the accessibility, engagement, and real-life applicability of our educational programs. Here are some key updates that we would like to share:

Internship Talk: In the first semester, we held an internship talk aimed primarily at 2nd and 3rd-year students. We walked them through all the stages of the internship process, including CVs, cover letters, psychometric tests, and interviews. This talk was followed by a Q&A session with students and InvestSoc alumni who have had internship experience at prestigious firms such as Goldman Sachs, Deutsche Bank, and J.P. Morgan, among others. The talk was instrumental in increasing access to knowledge about internships and provided a platform for students new to the process to get their doubts clarified before they started their applications.

Analyst Training Programs: We have made some significant changes to the way Analyst Training Programs (ATPs) are delivered. To cater to the growing size of analysts and ensure better pacing of information, ATPs were first delivered to Sector heads and then to each analyst during sector meetings. This approach not only provided essential leadership experience for sector heads but also allowed analysts to learn in smaller groups at an easier pace.

Valuation Sessions: We understand that valuations of multiple types are a crucial skill in financial sectors such as Investment Banking, Private Equity, and Equity research. To address this, we held a separate session for valuations, walking analysts through in-depth discussions behind the intuition and practicalities of valuation for them to apply and use in interviews.

All of these measures were implemented with the collection of feedback from our members since we strive to continuously improve our educational offerings to provide a more engaging and practical learning experience.

Technology

John Belcher-Heath

This year was the inaugural year of the technology section; created with the aims of boosting awareness of technology roles in finance, boosting the number of STEM students in the society and providing new quantitative focused educational content.
I can say with confidence our first goal, awareness of roles of technology in finance, was certainly achieved. We kicked off the year with a partnered event with WICS and Morgan Stanley Technology, who visited for a highly successful evening, with attendance to the main event in excess of 100 members, followed by a networking event of around 70. The opportunity gave all years direct insight into opportunities available, as well as help into how to structure applications. The next event was a similarly formatted event with G-Research, one of Europe's leading quantitative research firms. Again, this was a great hit, the section was also informed of a £2,000 grant available, which the society will pursue for the next academic year. Picking back up at the end of semester 2 reading week, the section sponsored a trading bot challenge at the STACS hackathon, the first time the society had sponsored such an event in its history. This was followed in quick succession by a discussion event from Dr. Grant Fuller from Irithmics and then a talk by Prof. Valentin Popov on Japanese Candlesticks. The final event, which is yet to happen, will be a talk and networking event with FinTech Scotland who will be bringing a range of Fife based fintech firms to visit.

Moving on to the last two goals of boosting numbers of STEM students and providing additional educational content. Around thirty students joined the new section, joining either the Junior/Quant Analysts or Quantitative Strategies group (QS from here on), headed by Oliver. Whilst we did struggle with retainment for the Python sessions, the QS group maintained a healthy number of members throughout the year, whose primary focus was to research and develop programs. Moving into next year we hope to relaunch the Python sessions with a more independent learning focus and restructure how meetings are done. It is important to note that whilst the numbers on paper appear low, there is part of the wider society which may not take part actively in weekly meetings but do regularly attend events.

Alternative Investments

Aaryan Ahuja

The Alternative Investment branch of InvestSoc was created to spark conversation around entrepreneurship and the world of alternative investments within the university. Our mission is to provide members with a comprehensive understanding of alternative investments, with a particular focus on startups and venture capital. With 4 start-ups under our wings, we have been able to successfully allow the student founders to find developers, technical co-founders and their product-market fit - all helping to build a solid minimum viable product.

We have worked with:

1. Spot - Founded by a student at the university.
2. Klank - Music-tech startup, which won the entrepreneurship centre start up competition.
3. True Alchemy - founded by a St Andrew and UC Berkeley student, trying to revolutionise nutrition and healthcare.
4. Unecto - A social media/community start up trying to create a new niche of university connectivity.

Within its first year, Alternative Investments has added 10 associates to its team and we hope to continue the expansion of the society, attracting a diverse range of students who are interested in alternative investments and entrepreneurship.

FUND MANAGEMENT TEAM:

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AOIFE DOYLE
HEAD OF INVESTOR RELATIONS

LUCAS ECKRICH
HEAD OF INVESTOR RELATIONS

GOWRI VISHWANATHAN
HEAD OF OPERATIONS

SANTIAGO CASTRO
HEAD OF ESG

SAM SHARPE
HEAD OF ESG

AAYUSH PANDE
HEAD OF EDUCATION

LOGAN SMITH
HEAD OF EDUCATION

JOHN BELCHER-HEATH
HEAD OF TECHNOLOGY

AARYAN AHUJA
HEAD OF ALTERNATIVES