

# STOIC CAPITAL

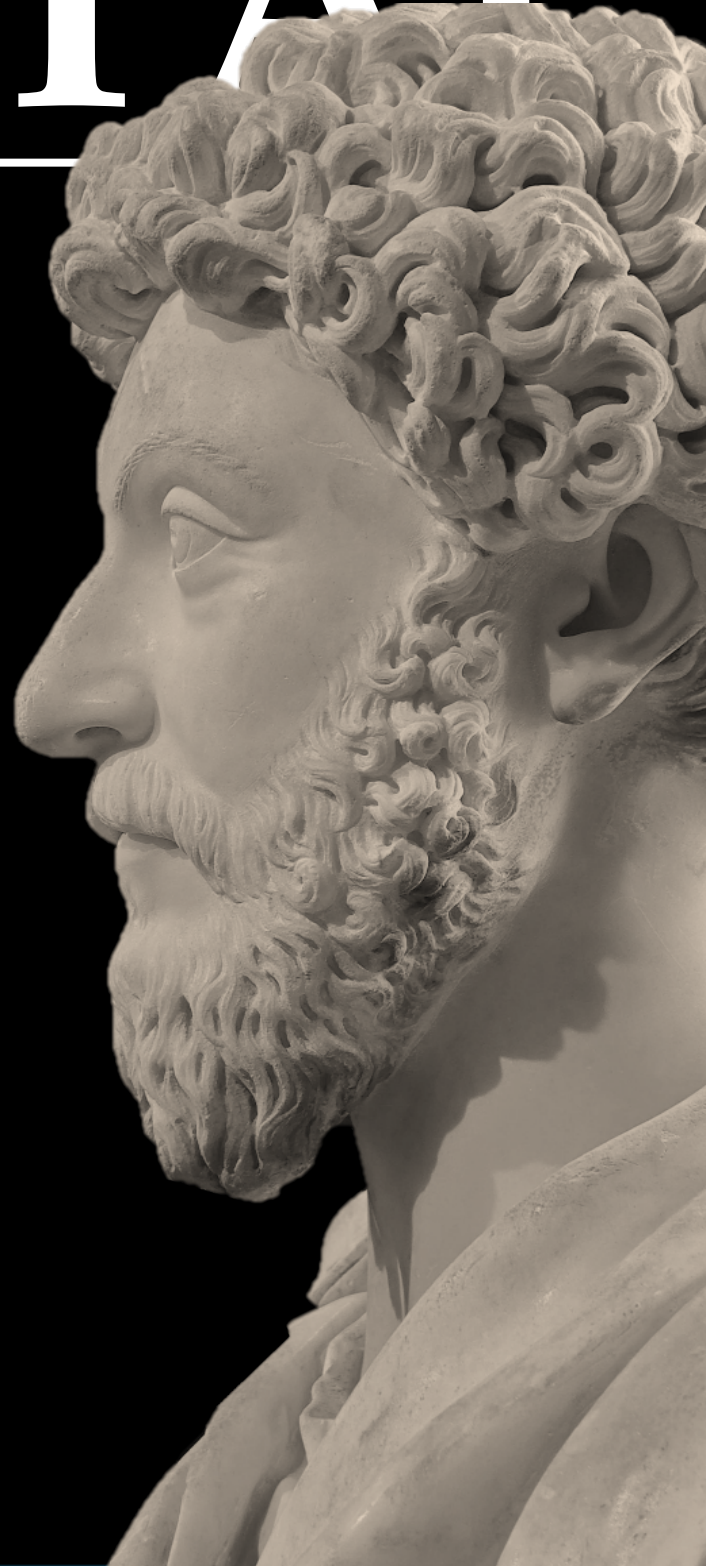
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## Quarterly Report

Andrew Grignano | Danny Huang  
June 2025

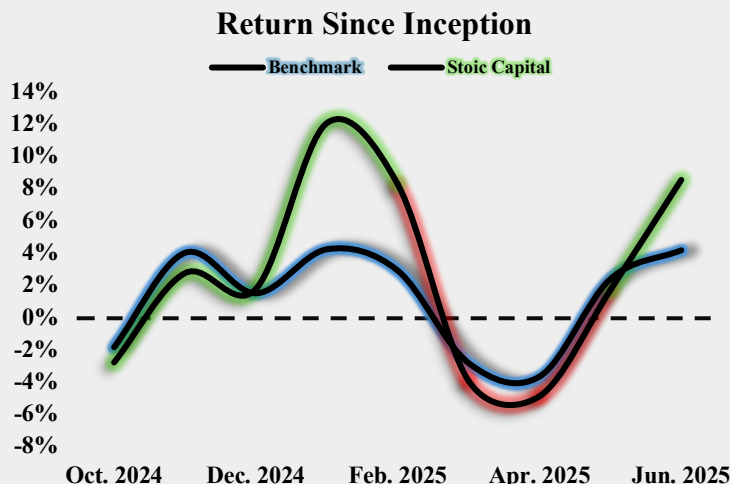
Return Since  
Inception: +8.30%

Benchmark  
Return: +3.83%



## I. THE NUMBERS

Stoic Capital has returned **8.30%** since our November 2024 inception. In this same time, our benchmark VOO Index (Vanguard S&P 500 ETF) has returned only 3.83%, reflecting a **2.16x greater return in our portfolio**.



## II. ABSTRACT

The beginning of 2025 has unravelled both monumental green days and historical bearish streaks for the markets. After a weak February and shaky March, the Trump Administration's "Liberation Day" in early April catalyzed the worst week-long market decline since 2020 followed by a once-in-a-lifetime 10% surge. In this time, market volatility and uncertainty have most definitely reached a climax and are thus a rigorous test to Stoic Capital's ideology and success. May's steady recovery saw our portfolio move in lockstep with our overall benchmark, before finally exceeding it in early June—a testament to the durability of our methods. Looking forward, we look to continue to deploy diligent research and trading to outpace and outperform the broader market.

## III. KEY STATS

**14.94%**

MAX DRAWDOWN

Despite the VIX index clocking record volatility in 2025, our downside has remained similar to the market despite significant alpha generated. This is reflected by our max drawdown of 14.94%, compared to the market's 14.46%, characterizing similar-to-market losses backed by double-market returns.

**0.49**

SORTINO RATIO

Natural yet significant drawdowns in our Novo Nordisk and Arista Networks positions during April's market crash have depleted our Sortino ratio from 3.7 to 0.49. This is, however, nearly double the broader market 0.26. We prefer to cite the Sortino Ratio as a method of risk-adjusted return as it measures excess returns against harmful downside volatility, rather than Sharpe ratio's use of general volatility.

**0.33**

SHARPE RATIO

Similarly, our Shape ratio has fallen from 1.20 to 0.33, nearly double the market's 0.17. This indicates a significantly higher risk-adjusted return to the market, strengthening our risk profile and highlighting our returns measured against risk.

## IV. NEW ACQUISITIONS & OPEN POSITIONS

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**Company:** Meta Inc. (META)

**META INC.**

**Realized Return:** +9.06%

META | + 9.06%

### Underlying Trend & Catalyst

- Meta is riding a durable trend in digital advertising efficiency, driven by its vast troves of high-quality user data and increasingly cost-effective AI tools that enhance ad targeting and monetization.
- Unlike many peers, Meta's performance is less tied to broader AI hype, with upside catalysts including new product rollouts like the Meta AI app and strong earnings momentum.



**FORTINET INC.**

FTNT | - 4.91%



**Company:** Fortinet Inc. (FTNT)

**Realized Return:** - 4.91%

### Underlying Trend:

- Fortinet is positioned to capitalize on the rapidly expanding U.S. cybersecurity market—projected to more than double by 2032—by leveraging its proprietary security processing units (SPUs), high-return business model, and a growing mix of recurring service revenue. Its strong international footprint and sustained revenue growth reinforce its exposure to a durable, long-term demand trend for integrated, high-performance network security.

**Company:** Blackstone Inc. (BX)

**BLACKSTONE**

**Realized Return:** - 12.53%

BX | - 12.53%

### Underlying Trend:

- America's largest alternative asset (AA) dealer has a pivotal stake in the future of investing itself considering the explosion in AA investment.

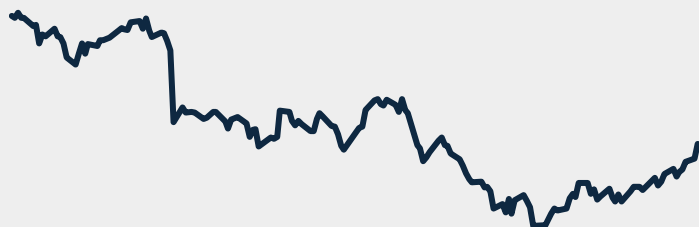
### Catalysts:

- Recovering macro backdrop + AA market size growth; Recovery makes PE deal environment more certain.



**NOVO NORDISK A/S**

NVO | - 7.94%

**Company:** Novo Nordisk (NVO)**Realized Return:** - 7.94%**Underlying Trend:**

- 50% of the aggressive weight loss treatment duopoly, ongoing battle with Eli Lilly for dominance (Wegovy, CagriSema).

**Catalysts:**

- Recovery in the ebb and flow of the pharma duopoly.
- Alzheimer's treatment pipeline, news releases on CagriSema.

**Company:** Arista Networks (ANET)**Unrealized Return:** - 6.25%**Underlying Trend:**

- Global leader in high-speed networking and data centre infrastructure. Shakedown under Jan. 2025 selloff.

**Catalysts:**

- Hyperscale CapEx growth and corresponding returns via deals with Microsoft and Meta + the Stargate Project has yet to be priced in.

**ARISTA NETWORKS**

ANET | - 6.25%

**V. A NOTE ON NOVO NORDISK**

Shares of Novo Nordisk have officially halved from their summer 2024 highs of ~\$150, now hovering in the \$60-70 range. This is largely credited to Eli Lilly's rapid advancements in the weight loss therapy market, initially being catalyzed by a 20% decline in reaction to the release of mediocre trial results in December 2024. To us, this presents not a significant decline, but rather a key opportunity to exploit a gaping market inefficiency. Notably, we believe that Novo Nordisk's decline is a severe overreaction to what is ultimately meaningless news, as its current price would imply the company has seen negative growth in the last two years despite record sales and earnings.

The problem behind Novo Nordisk's trading is that analysts view the aggressive duopoly of the weight loss market (Novo v.s. Eli Lilly) as a zero-sum game, wherein if one player makes an advancement, the other loses. This mindset is reflected by Eli Lilly's sharp surges upon the release of poor news for Novo Nordisk and vice versa. The theory, however, ignores the critical truth that both competitors can advance simultaneously: for instance, Eli Lilly's Mounjaro treatment performing 0.5% better than Novo's rival product should not materialize a *sixty percent decline* in their stock price.

With the stock now trading at historically low valuation multiples, it is clear that Novo Nordisk's price is a reflection of irrational sentimentals, not empirical fundamentals. The 100 year-old company remains as effective and as well-run as ever, thus its decline presents a key opportunity to buy a triple-A company at a steep bargain.

## VI. QUARTERLY PERFORMANCE

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- 2.47%

Q / Q Return

Despite doubling market returns, our max drawdown in this record bear streak remains significantly greater than the benchmark drawdown in this time, reflecting natural concentration risk in growth stocks.

- 24.41%

Q / Q Max Drawdown

- 17%

Benchmark Drawdown

## VI. ABOUT DURABLE TRENDS

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Our current growth-oriented strategy emphasizes companies backed by “durable trends.” That is, to say, we buy into companies who lead highly-profitable and enduring global trends. What we have realized, however, is that our understanding of what makes a durable trend is not an accelerator to our growth, but rather a hindrance to the companies we research. Looking forward, we hope to enrich our definition of what exactly makes a durable trend, focusing on not just buying into the surface-level of global innovation, but identifying a greater number of solid businesses behind it.

Handwritten signatures of Danny Huang and AG Grignano.