
CREST CAPITAL

CREST CAPITAL

STOCK MARKET GAME

Monta Vista High School
21840 McClellan Rd, Cupertino, CA 95014
Vikram Menon

April 8th, 2026

Table of Contents

I. OVERVIEW

From September 9th to December 6th, 2025, Crest Capital grew a $100,000 portfolio to **$166,982.25**, a net **gain of $66,982.25**, through a phased, research-driven strategy spanning stocks, bonds, and mutual funds across **seven economic sectors**, balancing bold positioning with risk management.

$66,982.25
in profit

60.98%
above S&P 500

S.M.A.R.T. Goals

Beat the Market Outperform the S&P 500 by at least 20%

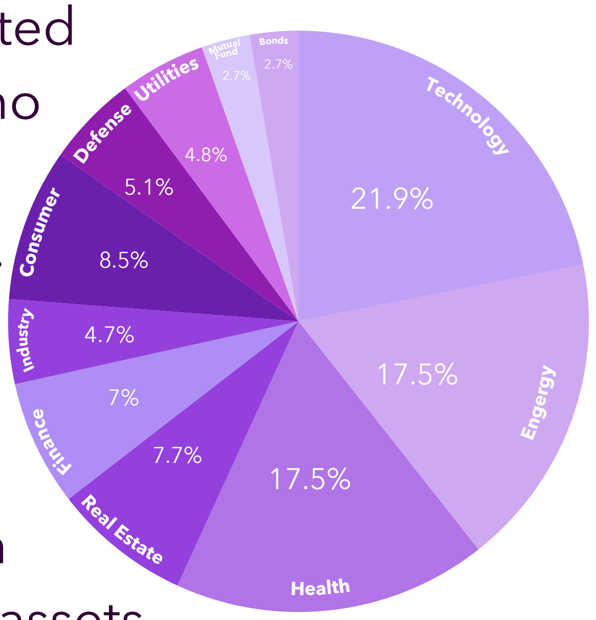
Manage Risk Maintain sector diversification & follow beta scores

Consistent Research Conduct market research and strategy

Portfolio Diversification

Sector Diversification We invested across seven distinct sectors so no single sector's downturn could significantly impact the portfolio.

Asset Diversification We held mutual funds and U.S. Treasury bonds alongside long and short positions, balancing momentum trades with lower-risk stabilizing assets.



Research & Trading Framework

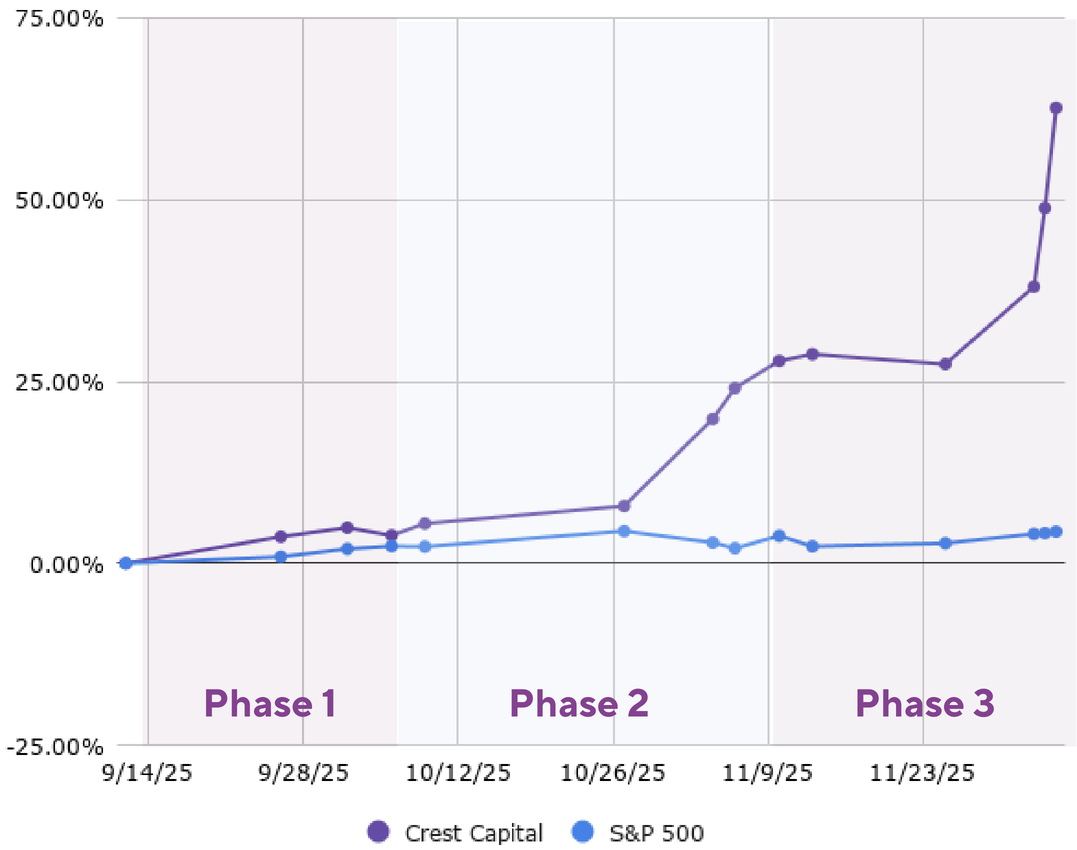
S — **Screen:** Flagged stocks showing unusual price movement/volume spikes

C — **Confirm:** Validated each candidate using RSI and support/resistance levels

A — **Allocate:** Positioned sizes so no single sector exceeded 30% of total equity.

N — **Navigate:** Entered trades only when all conditions aligned. Emotionless

Crest Capital vs S&P 500



Timeline

Phase 1:	Phase 2:	Phase 3:
Foundation Tech + Bio Stocks % return: +7.75%	Expanding 6 Sectors of Stocks % return: +24.98%	High Risk Trades 7 Sectors + Shorts % return: +24.14%
Sep 9th - Oct 11th	**Oct 11th - Nov 18th**	**Nov 18th - Dec 5th**

Conclusions & Findings

Crest Capital exceeded our **66.98% growth** target, outperforming the **S&P 500 by over 61%**. Going forward, we would shift toward lower-risk positions.

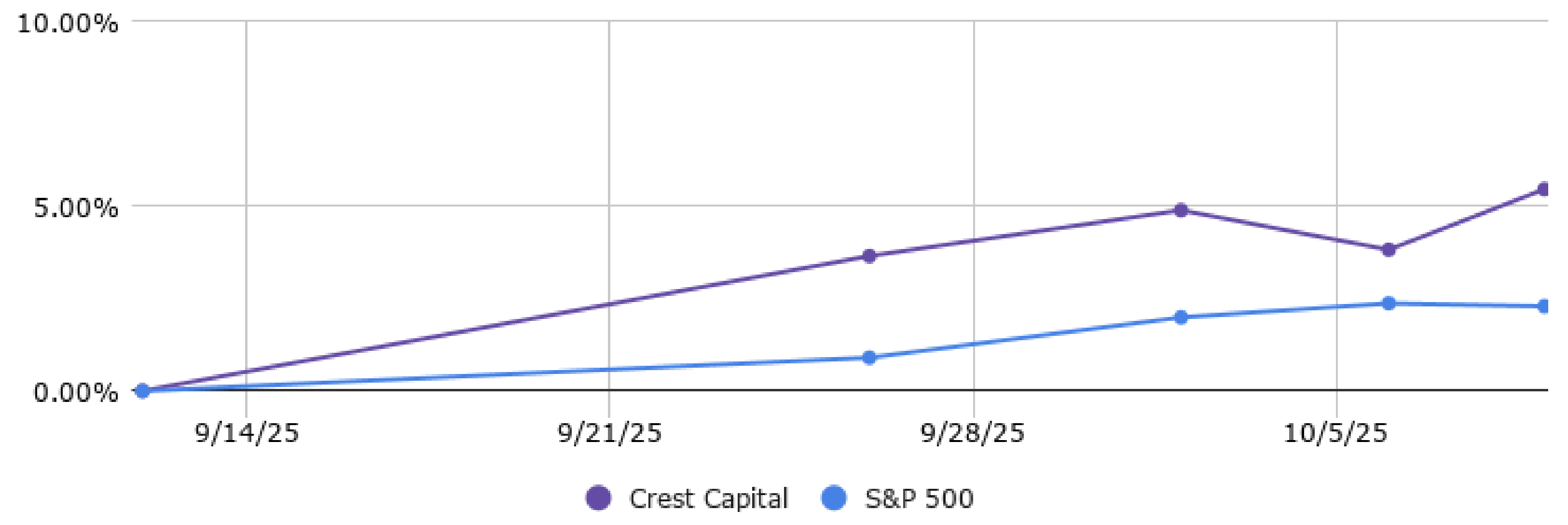
II. ANALYSIS OF PERFORMANCE

Overview

From **September 9th to December 5th, 2025**, Crest Capital grew from $100,000 to $166,982.25, generating a total return of **66.98% against the S&P 500's 5.19%**, an outperformance of over 61 percentage points. Performance **accelerated across all three phases** with no single phase producing a net loss. Phase 1 returned +7.75%, Phase 2 +24.98% driven by GEO and HOOD, and Phase 3 +24.14% led by CLSK, RKLB, and MARA, against the S&P's +0.61%, +2.19%, and -1.07% respectively. Across all **20 positions**, the portfolio finished **17 for 20 with an 85% win rate**, averaging -$973 on losses and +$4,116 on winners. This consistency across phases, sectors, and both long and short positions confirms that Crest Capital's results were the **product of disciplined, repeatable execution** rather than concentration in a single trade or market condition.

Phase 1: Building the Foundation

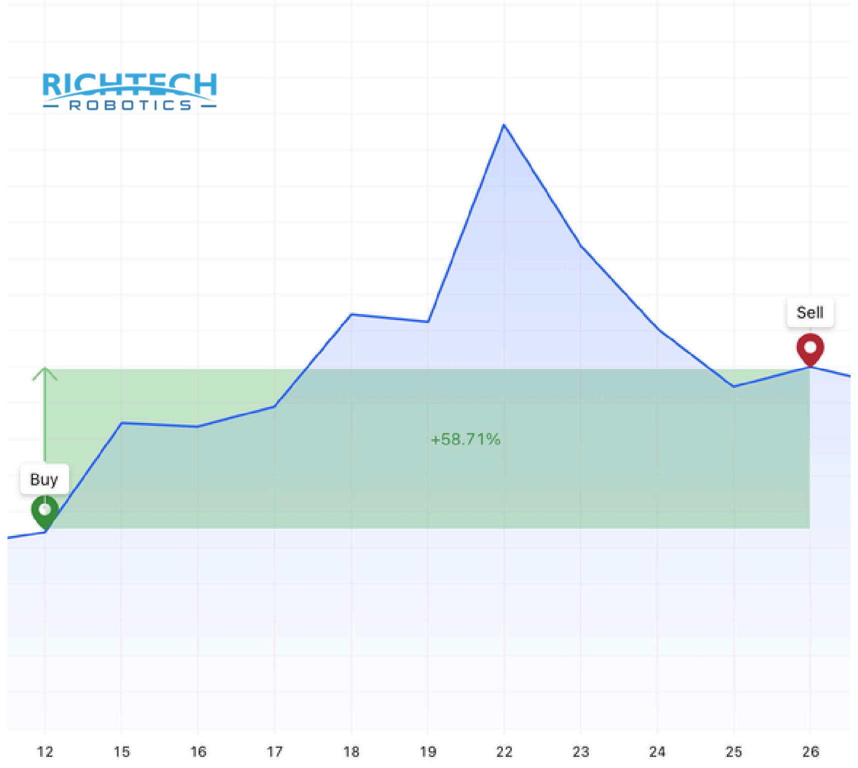
Ticker	Type	Initial Investment	Date Bought	Date Sold	Profit/Loss	Percent Return
RR	Long	$7,750.00	9/12/25	9/26/25	+$4,550.00	+58.71%
RXRX	Long	$8,640.00	9/15/25	10/2/25	+$2,328.00	+26.94%
APP	Short	$10,164.00	9/24/25	10/6/25	-$693.00	-6.82%
CIFR	Long	$13,608.00	9/29/25	10/9/25	+$1,568.00	+11.52%



Phase 1 was about **validating the strategy before committing serious capital**. With no prior performance to reference, the priority was testing whether **technically-timed entries** in macro-supported sectors could generate consistent returns above the benchmark. We kept position sizes **conservative and concentrated** on four **high-conviction setups** in Tech and Bio-Tech where RSI signals, moving average trends, and macro tailwinds all aligned clearly. Three of four trades were profitable, and the one loss, APP, became the competition's most **instructive lesson on the risk of shorting** into confirmed momentum without a breakdown signal. As the graph shows, Crest Capital pulled ahead of the S&P 500 almost immediately.

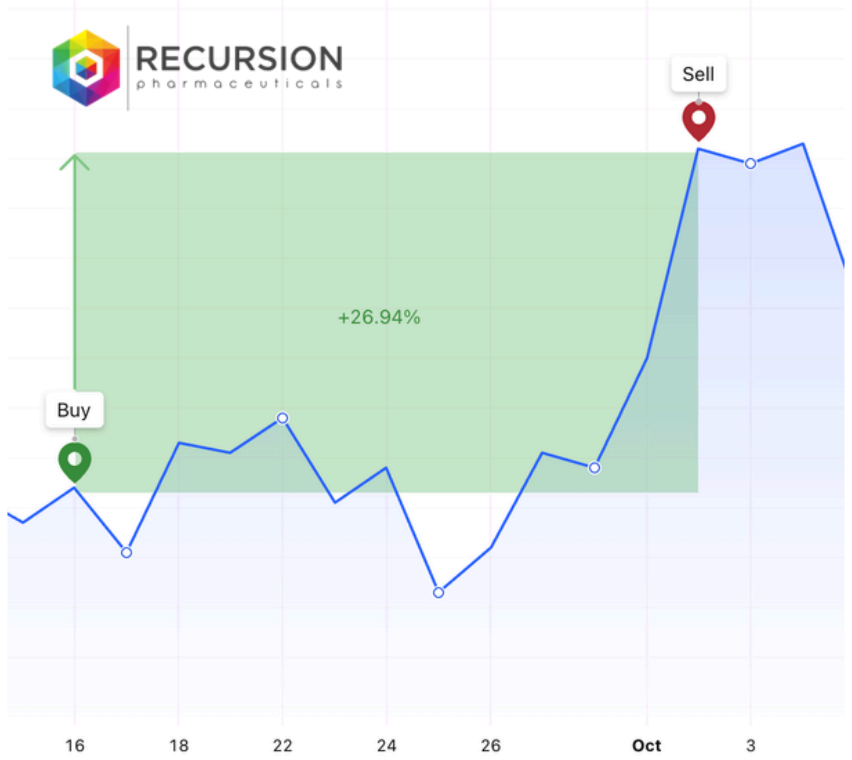
II. ANALYSIS OF PERFORMANCE

Richtech Robotics (RR)



Richtech Robotics was a **small-cap robotics company with growing traction** in food service automation, trading at $3.10 on September 12th. We identified it as **undervalued** relative to sector momentum with **near-term catalysts** in enterprise deployment, entered a long position, and staged our exits, selling 5,000 shares at $6.73 and 4,000 at $4.95, returning +58.71%.

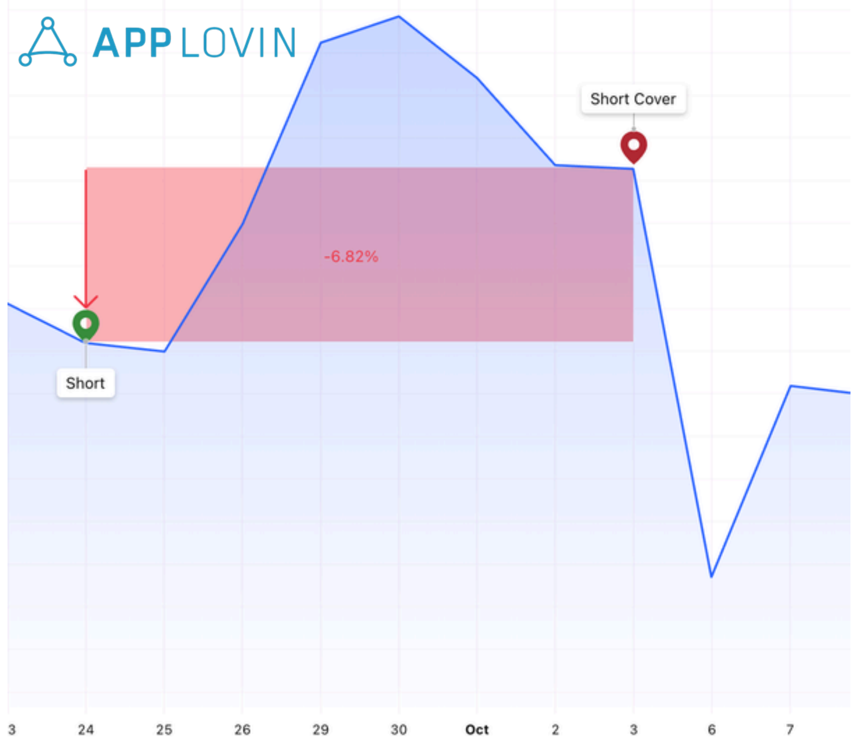
Recursion Pharmaceuticals Inc (RXRX)



Recursion Pharmaceuticals caught our attention in late September as sector rotation **accelerated into AI-driven biotech.** The stock broke out above prior resistance on above-average volume, signaling **institutional accumulation.** We entered long, held through early October, and exited once momentum weakened, capturing +26.94% while avoiding the consolidation that followed.

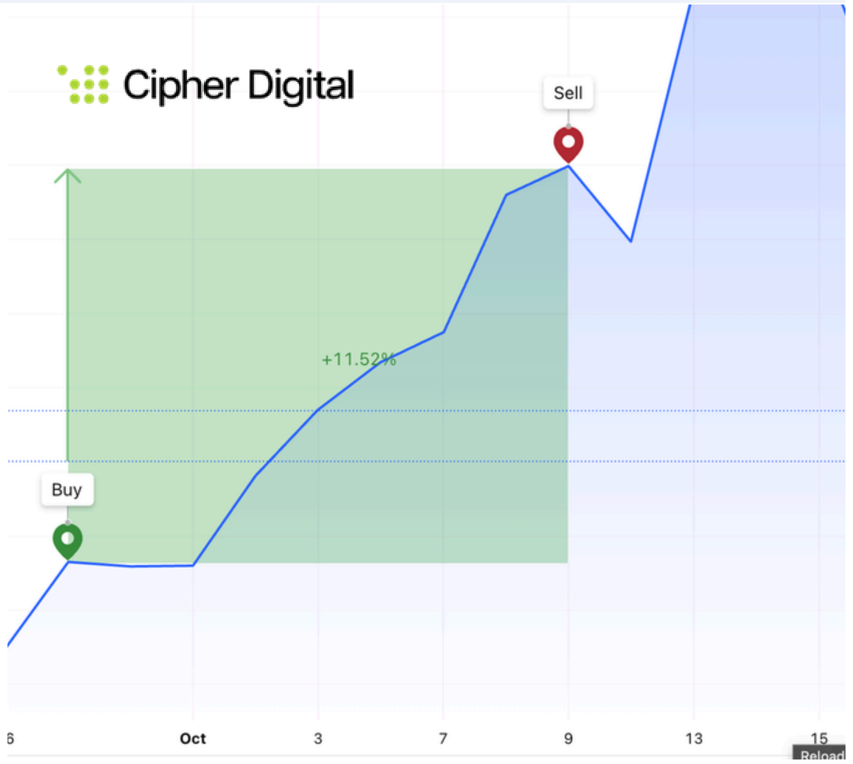
Applovin Corp (APP)

Applovin had surged on ad-tech sentiment with **RSI in overbought territory,** so we shorted expecting mean reversion. Persistent institutional accumulation negated the bearish setup, and we **covered quickly** at -8.62%. The trade tightened our short entry criteria, requiring **confirmed structural breakdown** rather than fading a stock still in an uptrend.



Cipher Digital Inc (CIFR)

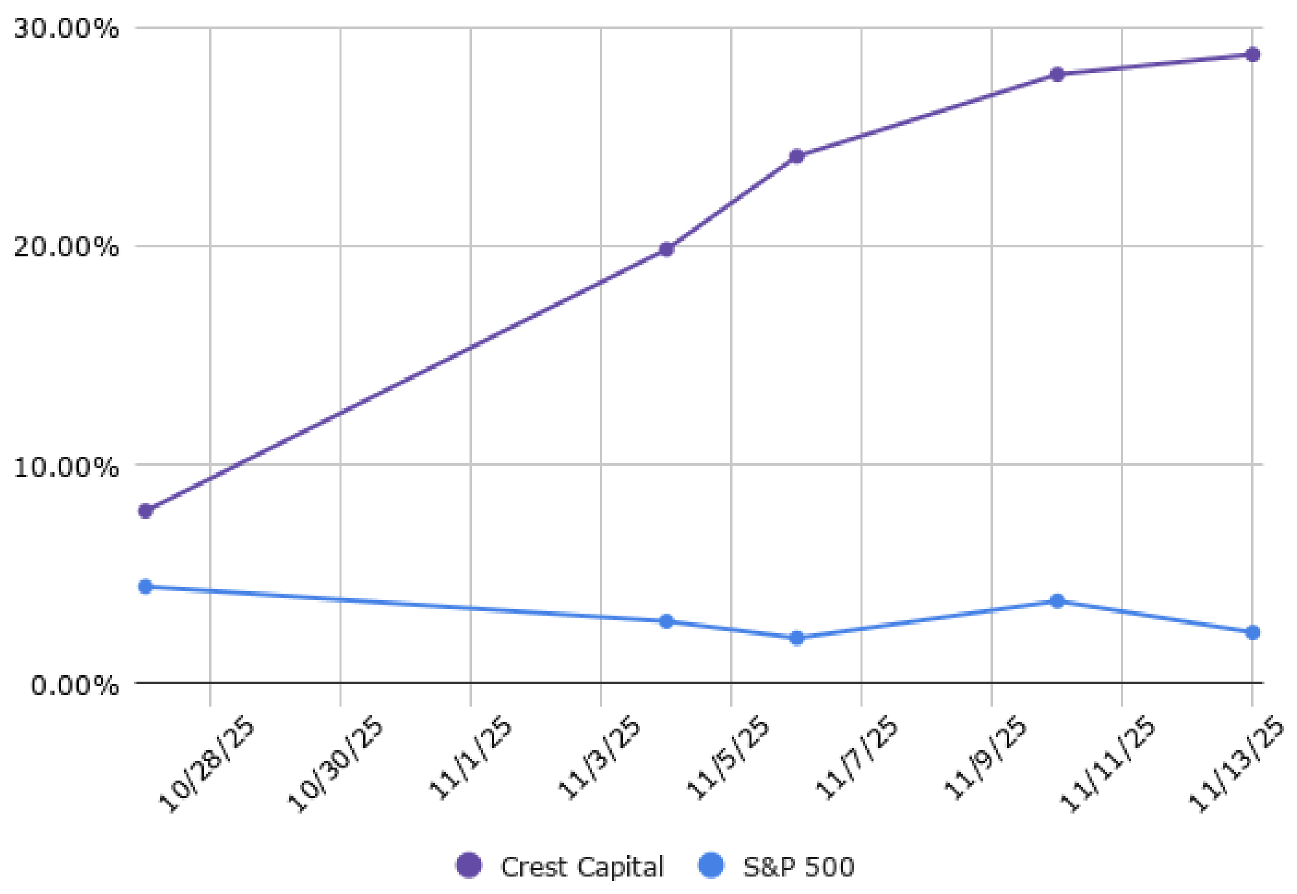
As Bitcoin rallied toward all-time highs in early October, **crypto mining equities surged** alongside it. We identified Cipher Digital as a **high-beta miner with expanding hash rate capacity,** strong relative strength, and volume confirmation. We entered long on October 8th and exited on October 13th as the mining-to-Bitcoin premium began compressing.



II. ANALYSIS OF PERFORMANCE

Phase 2: Scaling Up

Ticker	Type	Initial Investment	Date Bought	Date Sold	Profit/Loss	Percent Return
SMCI	Short	$15,280.00	10/13/25	10/24/25	+$4,544.00	+29.74%
GEO	Long	$30,240.00	10/15/25	11/6/25	+$10,400.00	+34.39%
NVAX	Short	$11,760.00	10/21/25	11/7/25	+$3,472.00	+29.52%
HOOD	Long	$27,360.00	10/21/25	11/5/25	+$5,448.00	+19.91%
WMT	Long	$14,144.00	11/3/25	11/13/25	+$768.00	+5.43%
VST	Long	$18,920.00	11/3/25	11/13/25	-$1,300.00	-10.53%



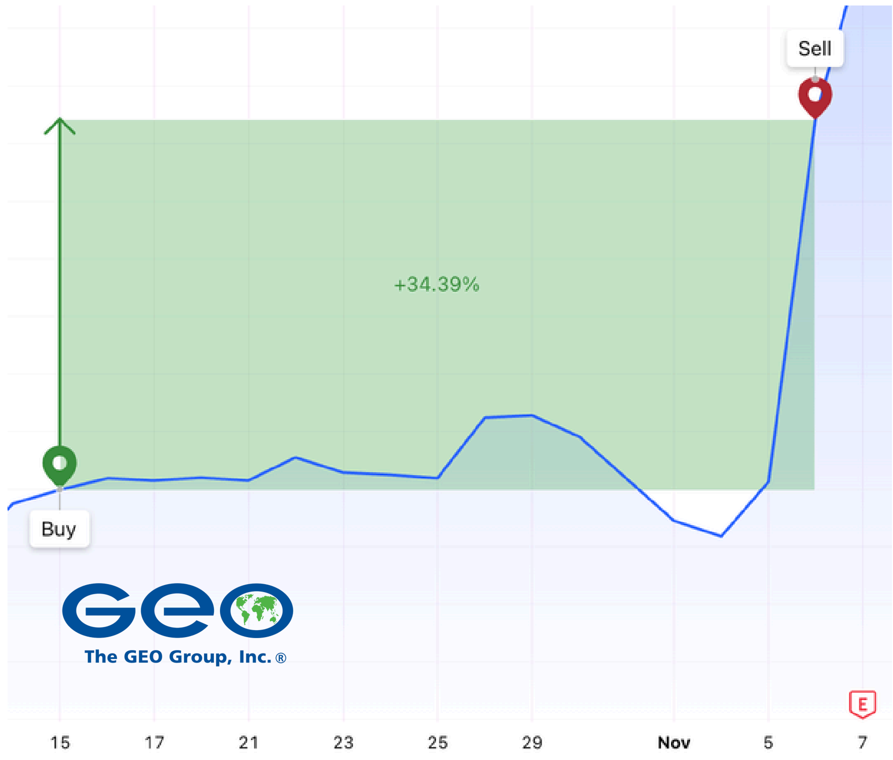
Building on Phase 1's validation, **Phase 2** focused on **scaling position sizes**, **broadening sector exposure, and deploying both sides** of the market simultaneously for the first time. **Position sizes grew significantly**, with GEO and HOOD representing the largest allocations to date at $30,240 and $27,360 respectively, reflecting growing confidence in the research process. The phase **spanned six trades** across Real Estate, Financials, Bio-Tech, Utilities, and Consumer Services, a major step forward in **diversification** relative to Phase 1. **Crest Capital accelerated away from the S&P 500** in a near-straight upward trajectory, climbing from +7.75% to nearly +29% while the S&P remained flat between 2-4% throughout the period. The widening gap each week reflected **returns distributed across multiple positions rather than a single trade**. Five of six trades were profitable, generating a net gain of **$26,983.58 and a phase return of +24.98%** against the S&P's +2.19%**.** GEO led at +34.39% on a government contract catalyst, SMCI and NVAX returned +29.74% and +29.52% on the short side, and HOOD delivered +19.91% on surging retail activity. The one loss, VST at -6.87%, came from holding a macro-sensitive position through an abrupt rate shift with no predefined exit plan, an **execution gap directly addressed in Phase 3**.

II. ANALYSIS OF PERFORMANCE

Super Micro Computer Inc (SMCI)

Super Micro Computer was **under pressure** in mid-October as **margin compression and execution concerns weighed** on sentiment. We shorted on October 13th, and the **thesis was confirmed** when SMCI slashed Q1 revenue guidance from $6 billion to $5 billion, sending the stock down nearly 8%. We covered as downside momentum tapered, capturing +29.74.

Geo Group Inc (GEO)



GEO Group caught our attention in mid-October as **private prison operators** attracted **speculative inflows** ahead of the U.S. election, with immigration enforcement expectations **driving sector repricing.** We entered long on October 21st and held through early November as the election outcome reduced political risk.

Novavax (NVAX)

Novavax rallied sharply on **vaccine partnership speculation,** but the move **lacked** fundamental grounding amid declining **revenue and margin pressure.** We shorted on October 17th with RSI overbought and volume weakening, covering around November 5th as selling pressure ran its course, capturing +29.52%.

Robinhood Markets Inc (HOOD)

Robinhood caught our attention in late October as **rising volatility and surging options** activity ahead of the election **drove retail trading volume.** We entered long as the stock broke out of a multi-week base on **above-average volume** and exited on November 1st as it approached near-term resistance, capturing +19.91%.

II. ANALYSIS OF PERFORMANCE

Walmart Inc (WMT)

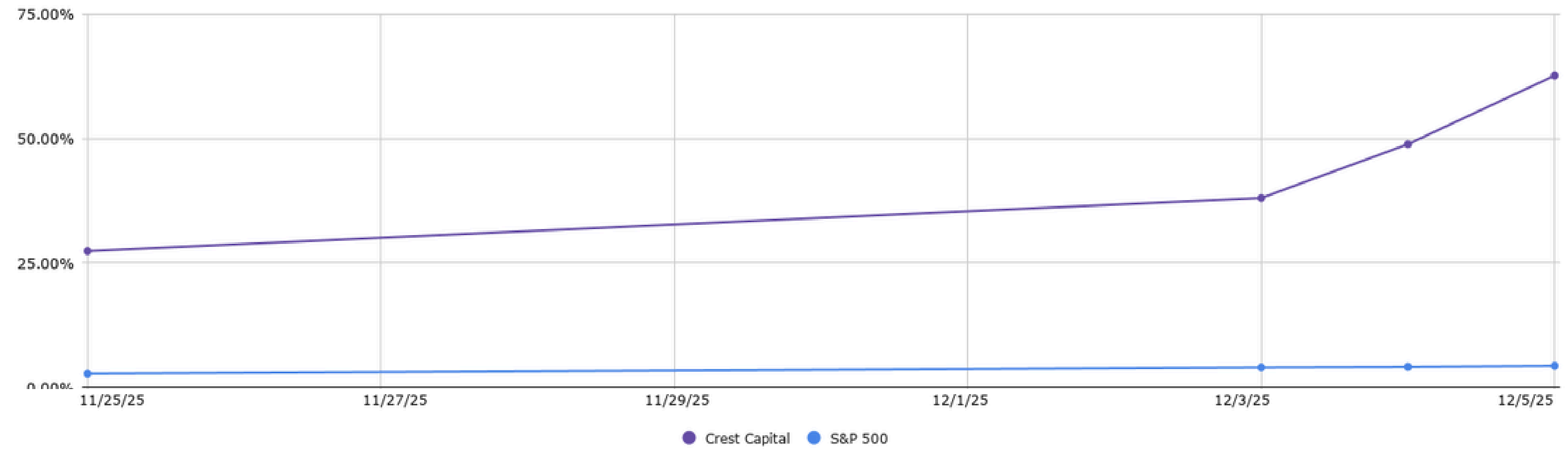
Walmart was consolidating near support in late October with **improving relative strength and holiday season demand** building alongside consistent analyst upgrades on its **e-commerce expansion.** We entered around October 29th as a **low-volatility long** to balance higher-risk positions elsewhere, holding through mid-November before exiting as momentum flattened near resistance.

Vistra Corp (VST)

Vistra **was a top performer** in the AI power infrastructure theme driven by data center electricity demand. We entered long around November 3rd, but **Q3 revenue** came in nearly **20% below consensus** on derivative losses and a plant outage. We exited at -10.53%, highlighting the **risk of holding macro-momentum** names through earnings without a hard stop-loss.

Phase 3: Bold Execution

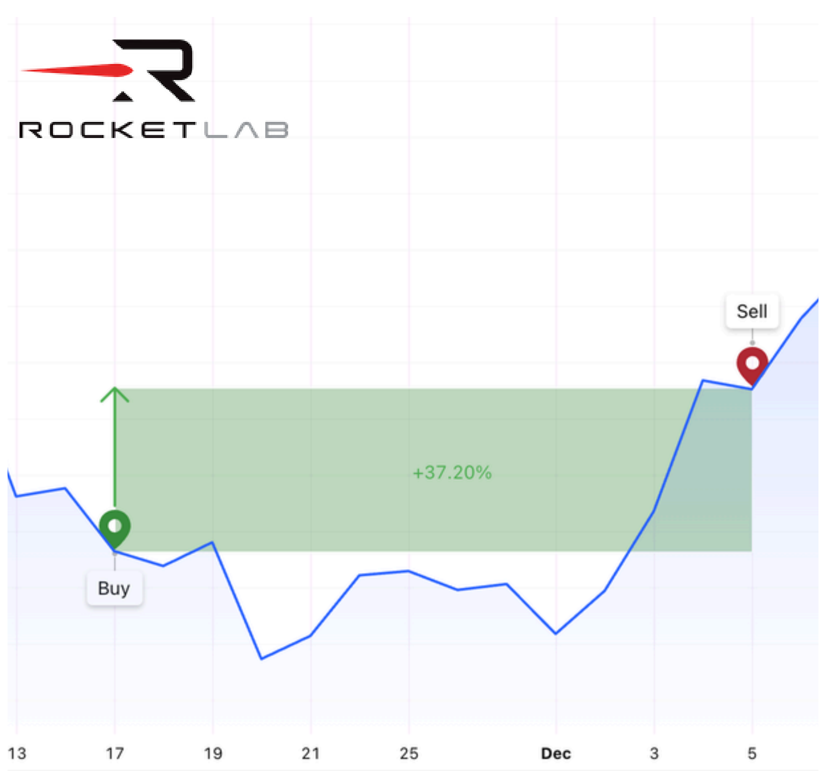
Ticker	Type	Initial Investment	Date Bought	Date Sold	Profit/Loss	Percent Return
RKLB	Long	$18,600.00	11/17/25	12/5/25	+$6,920.00	+37.20%
MARA	Short	$29,760.00	11/17/25	12/4/25	+$7,560.00	+25.40%
PLTR	Long	$20,160.00	11/18/25	12/4/25	+$3,360.00	+16.67%
ANF	Long	$19,175.00	11/19/25	12/3/25	+$2,314.00	+12.07%
LLY	Long	$47,700.00	11/17/25	11/27/25	+$3,339.00	+13.48%
CLSK	Short	$39,060.00	11/18/25	12/3/25	+$9,610.00	+24.60%
MSTR	Long	$19,750.00	11/17/25	11/25/25	-$925.00	-4.68%



With refined risk controls and larger position sizes, Crest Capital entered its **most aggressive stage,** targeting high-conviction setups across seven sectors and compounding into a strong final return.

II. ANALYSIS OF PERFORMANCE

Rocket Lab Corp (RKLB)



Rocket Lab was being **revalued** from a launch provider into a full-stack space and defense company, with **successful Electron launches and growing government contracts** driving institutional interest. We entered long on November 17th and held through early December as **investor confidence expanded,** exiting on December 5th as the stock approached extended levels and capturing +37.20%.

MARA Holdings Inc (MARA)

MARA had **surged alongside Bitcoin's run** to all-time highs, but by mid-November Bitcoin was pulling back sharply, dragging MARA down even more steeply as a **leveraged proxy.** Rising mining costs squeezing margins **reinforced the short thesis.** We entered on November 17th and covered on December 4th as the crypto retreat ran its course, capturing +25.40%.

Palantir Technologies Inc (PLTR)

Palantir entered our radar in mid-November after reporting **Q3 earnings that beat across the board,** with revenue up 63% year-over-year and **U.S. commercial revenue more than doubling.** We entered long on November 18th during the post-earnings consolidation and exited on December 4th as the stock approached resistance, capturing +16.67%.

Abercrombie & Fitch Co (ANF)

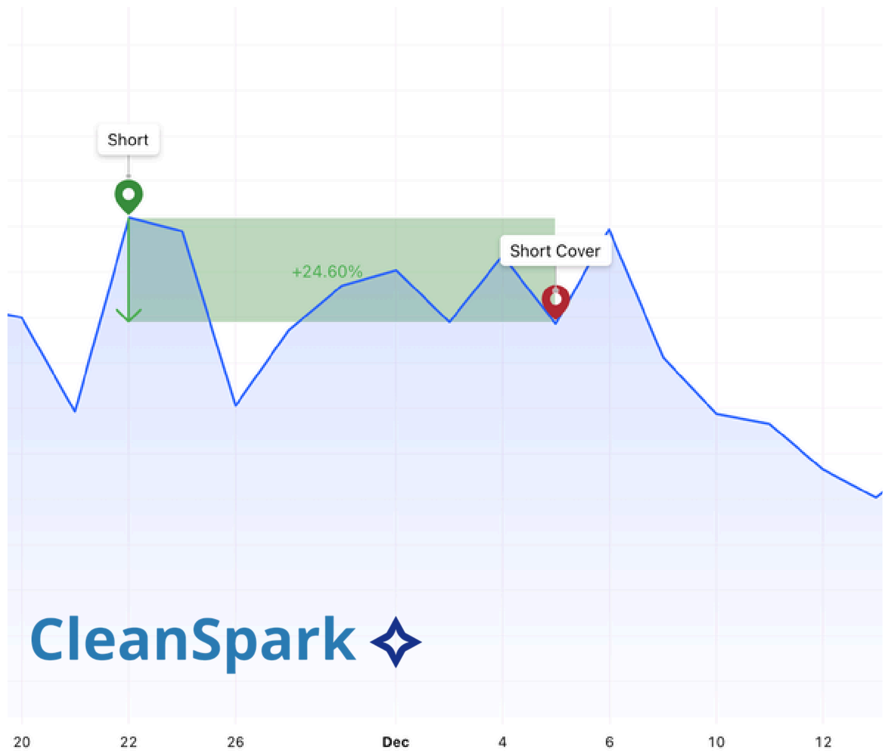
Abercrombie & Fitch was consolidating near support in mid-November with a **clear earnings catalyst ahead.** We entered long on November 19th, and **ANF beat consensus on both revenue and EPS** while raising full-year guidance. We exited as post-earnings momentum faded, capturing +12.07%.

II. ANALYSIS OF PERFORMANCE

Eli Lilly And Co (LLY)

Eli Lilly was a **high-conviction long** amid explosive GLP-1 momentum, having reported **Q3 revenue** of $17.6 billion, **up 54% year-over-year,** on blockbuster Mounjaro and Zepbound sales. We entered on November 17th and exited on November 27th as the stock showed signs of exhaustion after becoming the first pharmaceutical company to reach a **$1 trillion market cap.** The position returned +13.48%.

CleanSpark Inc (CLSK)



CleanSpark was a **high-beta leveraged proxy** for Bitcoin with a **beta near 3.8,** making it structurally compelling on the short side as **crypto sentiment deteriorated** from October's all-time highs. We entered on November 18th and held as CLSK declined steadily alongside Bitcoin, covering on December 3rd and capturing +24.60%.

MicroStrategy Inc (MSTR)

MSTR had **surged alongside Bitcoin** as an amplified proxy for the underlying asset, driven by the post-election crypto rally and growing institutional interest in Bitcoin exposure. The macro environment appeared supportive, with Bitcoin momentum strong and sentiment broadly risk-on following the election outcome. We entered long on November 17th at $413.50, **anticipating continued upside as the crypto rally extended.** However, Bitcoin **reversed sharply almost immediately after** entry, and given MSTR's high-beta relationship with the asset, the stock declined faster and more severely than the underlying move would suggest. The position had no predefined exit trigger, **leaving us exposed as the deterioration accelerated.** We exited on November 25th at $395.00, realizing a -4.68% loss of $925. The trade reinforced **two critical execution rules:** high-beta names require clearly defined exit criteria before entry, and elevated RSI at the point of entry significantly reduces the margin for error if momentum reverses.

III. RATIONALE

Overview

Our investment approach was built around the **S.C.A.N. framework:** Screen, Confirm, Allocate, and Navigate. **Technical and fundamental validation** ensured only **high-conviction trades** were entered, while disciplined sector diversification governed portfolio construction. Through this system, we developed **three trade patterns: Momentum Catalyst Surge, Exhaustion Reversal, and Macro Sector Pivot,** each providing a clear framework for timing entries and exits.

Strategic Framework

S

Screen We identified opportunities top-down, starting with macro trends, narrowing into sector strength, and adding stocks to the watchlist only if they showed a clear directional setup.

C

Confirm Each candidate required both technical & fundamental validation. RSI and MACD confirmed timing, while Beta, D/E ratio, and catalysts confirmed business grounding.

A

Allocate Capital was sized based on conviction and portfolio phase, with a strict 30% sector cap preventing over-concentration and holdings across equities

N

Navigate Trades were executed with predefined entry and exit criteria based on defined patterns. Positions were actively monitored and exited at target levels or early if thesis was invalidated.

Strategic Patterns

Fundamental Catalyst Acceleration – entering long positions in stocks with a clear company-specific catalyst driving a fundamental re-rating, before broader market recognition. Best example: GEO.

Volatility Hype Reversal – shorting stocks that have surged on speculative momentum with no fundamental justification, identified through extreme RSI and volume spikes. Best example: CLSK.

Sector Inflection – entering positions based on a broader macro or policy shift lifting an entire sector rather than a single company event.

III. RATIONALE

Research Conducted Prior to Selection of Stocks and Funds

Screen Our research began with a **top-down analysis** of the broader economy before selecting any individual stocks. We primarily tracked **two macroeconomic indicators** throughout the competition: **CPI and the Leading Economic Index (LEI)**. CPI provided insight into **current pricing pressures and consumer purchasing power,** while the LEI offered a **forward-looking view of economic momentum.** Together, these indicators gave us both a **present and predictive understanding** of the market, allowing us to align our strategy with broader conditions before moving into sector and company-level analysis.

Macro-Economic Research

Inflation

Inflation measures **changes in purchasing power** across consumer goods and services, **monitored** using the **U.S. Consumer Price Index (CPI).** CPI stood at **3.0%** in **Phase 1,** indicating **elevated pricing pressure**. Data was not released in Phase 2 due to the government shutdown, but **declined to 2.74% by Phase 3,** signaling **easing inflation** that still remained elevated enough to impact consumer demand and corporate margins.

LEI

The **Leading Economic Index (LEI)**, published by the Conference Board, provides a **forward-looking view of economic momentum** by combining indicators such as manufacturing activity, new orders, and consumer expectations. **LEI declined steadily** from 98.3 in Phase 1 to 98.2 in Phase 2 and 97.9 in Phase 3, **reflecting weakening economic activity** and declining business and consumer confidence throughout the competition.

	Phase 1	Phase 2	Phase 3
CPI	3.0%	~2.8%	2.7%
LEI	98.3	98.2	97.9

Conclusion

Together, these indicators pointed to a **slowing macro environment** with easing but **elevated inflation** and steadily declining forward momentum. This combination confirmed **deteriorating economic conditions** and supported a balanced long and short approach rather than pure long exposure, allowing Crest Capital to capture opportunities while managing downside risk.

III. RATIONALE

Confirm Our research then shifted from Screen to Confirm, moving from identifying opportunities to **rigorously validating** them at the stock level. While Screen highlighted where trades might exist, Confirm **determined whether they were actionable** before allocating capital. We applied a **two-layer approach: technical analysis** evaluated momentum, trend consistency, and key price levels to confirm timing, while **fundamental analysis** and catalyst verification ensured the price movement had a legitimate underlying driver. Only setups that **passed both layers progressed further.**

Company & Stock Specific Research

Technical Confirmation

RSI (Relative Strength Index) Readings above 70 signaled short entries while readings below 30 indicated long opportunities.

MACD (Moving Average Convergence Divergence) Bullish crossovers validated long entries while bearish crossovers confirmed short setups.

Volume & Support/Resistance Volume confirmed movement strength and institutional participation, while support and resistance defined entry points and price targets.

Fundamental Confirmation

Beta (Volatility Measure) We targeted a Beta range of 1.3 to 1.8, ensuring strong price movement for returns while avoiding excessive unpredictability.

D/E Ratio (Financial Stability) Lower D/E supported long positions while higher D/E reinforced short theses by indicating elevated financial risk.

Catalyst Verification Each trade required a clear catalyst such as earnings, announcements, or sector news, ensuring moves were driven by real developments rather than speculation.

Conclusion

Both technical and fundamental signals were required before entering any position, forming a strict two-gate confirmation system. Technical indicators ensured proper timing and momentum alignment, while fundamental analysis verified that price movement was supported by real business conditions. No trade was entered on a single signal alone, **reducing false positives and improving conviction** across all positions.

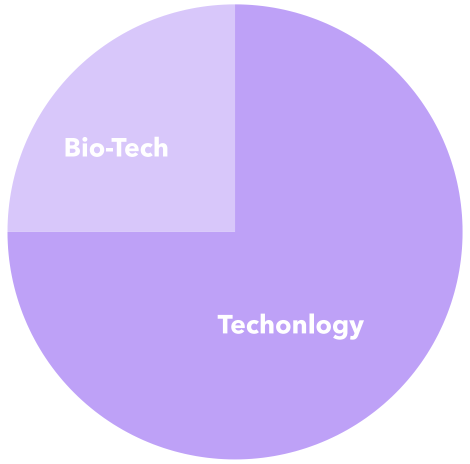
III. RATIONALE

Strategy Used to Diversify Investment Portfolio

Allocate After opportunities were identified and validated, Allocate **focused** on translating high-conviction ideas into a **structured portfolio.** Capital was **distributed based on conviction, market conditions, and diversification principles** rather than concentrated in a few positions. By **spreading investments** across sectors and asset types, **we reduced exposure** to any **single risk factor** while maintaining the flexibility to adapt to changing conditions.

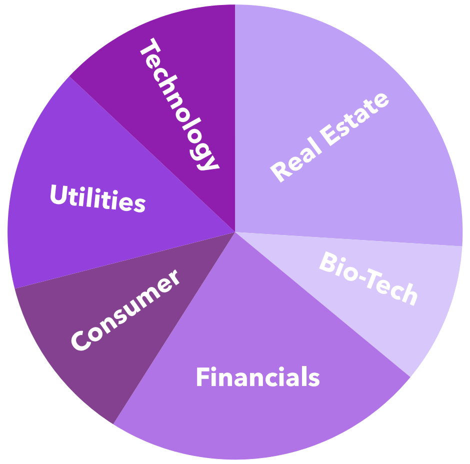
Sector Allocation by Phase

Phase One



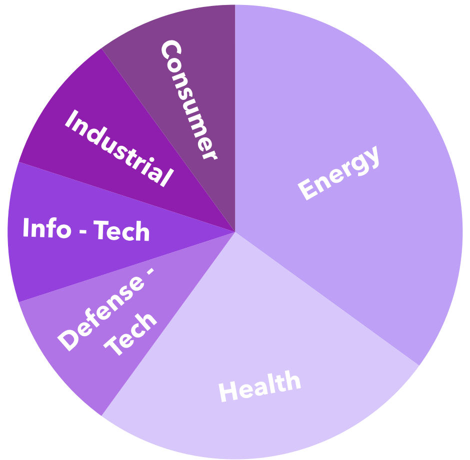
In **Phase 1**, the portfolio was **concentrated in technology** with limited sector exposure. While driven by early high-conviction opportunities, this increased concentration risk and **highlighted the need for broader diversification** in later phases.

Phase Two



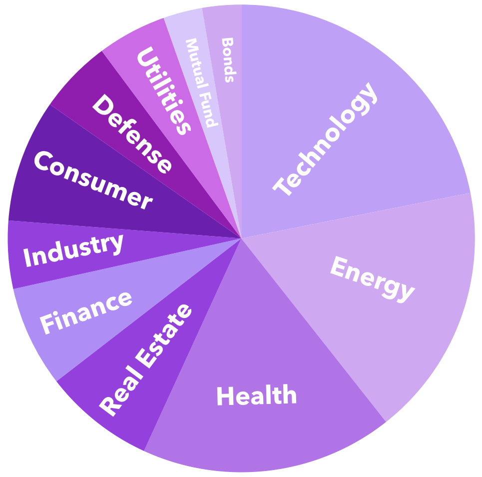
In **Phase 2,** we expanded into **six sectors:** Technology, Real Estate, Bio-Tech, Financials, Consumer Services, and Utilities. Allocating across sectors with **different economic drivers** lowered correlation between positions and **reduced the impact of any single sector's decline.**

Phase Three



In **Phase 3**, capital was **spread across six sectors** including Industrials, Energy, Defense Tech, Consumer Discretionary, Health, and Info Tech, targeting **high-conviction opportunities** while maintaining low correlation and portfolio stability.

Total Porfolio



Across all phases, the portfolio **evolved** from **concentrated** to **broadly diversified**, reducing single-industry dependence and **improving resilience**, ultimately contributing to a total profit of $66,982.25.

III. RATIONALE

Asset Diversification

In addition to sector diversification, Crest Capital allocated capital across **multiple asset types to maintain stability and reduce overall volatility**. While the majority of positions were equities across both long and short trades, we also held a **mutual fund and a U.S. Treasury bond** throughout the competition. VSMPX provided broad passive exposure to the **entire U.S. equity market**, ensuring consistent returns tied to overall market performance rather than individual stock outcomes, while the Treasury bond added a **fixed-income component** with **near-zero default risk**. Together, these **lower-risk assets** balanced out more aggressive equity trades

Ticker	Type	Initial Investment	Profit/Loss	Percent Return
APPL	Long	$11,041.00	+$2,898.00	+26.25%
VSMPX	Mutual Fund	$10,705.10	+$753.58	+7.04%
TR_912810PW2	Bond	$10,746.00	+$67.67	N/A

Apple (AAPL)

Apple served as a **large-cap stability anchor**, held from September 8th through December 5th. Supported by **strong fundamentals**, consistent **upward momentum**, and favorable macro conditions for large-cap tech, AAPL delivered a 26.25% return and $2,898 profit while **offsetting the volatility** of shorter-term trades.

Vanguard Total Stock Market Index Fund (VSMPX)

VSMPX provided **broad market exposure** by tracking the entire U.S. equity market, returning 7.04% and a $753.58 gain. It **reduced unsystematic risk through diversification** across thousands of holdings, serving as a passive foundation that ensured consistent exposure even when active trades underperformed.

30-Year U.S. Treasury Note (TR_912810PW2)

The U.S. Treasury bond acted as a **low-risk stabilizer**, generating a modest $67.67 gain while reducing overall portfolio volatility. By providing a fixed-income component with **near-zero default risk,** it helped **preserve capital** during uncertain conditions and balanced the higher-risk equity trades in the portfolio.

III. RATIONALE

Description of how Selected Stocks and Funds fit Strategy

Navigate After opportunities were identified, validated, and structured, Navigate **focused on executing trades** with discipline and precision. Entry points, position sizes, and exit conditions were **defined before any trade was placed,** with each position following a predefined plan based on its trade pattern. By actively monitoring price behavior and underlying conditions, **we managed risk, locked in gains, and exited when the thesis was fulfilled or invalidated.** This disciplined approach **removed emotional decision-making** from the process, ensuring every exit was driven by the original setup rather than short-term price fluctuations or market noise.

Risk Management

Strategy	Execution
Entry Point RSI, moving averages, MACD, and confirmed catalysts aligned with a defined trade pattern before any entry was made.	**Confirm Before Entry** All four SCAN criteria had to align before committing capital to any position.
Exit Strategy Profit targets set at key resistance or support levels before entry, with early exits if the original thesis was invalidated.	**Stick to Plan** Entry and exit levels were defined in advance and followed regardless of short-term price noise.
Position Sizing Larger allocations for high-conviction setups, smaller for lower-conviction ideas, scaling up across phases as confidence grew.	**Stay Flexible** If macro data or sector conditions invalidated the thesis, positions were exited early rather than held out of bias.
Contingency Planning If a trade moved against the thesis, the setup was reassessed and exited if the signal no longer held.	**Take Profits Smartly** Exits were timed to momentum peaks and key levels, ensuring maximum capture of each move.

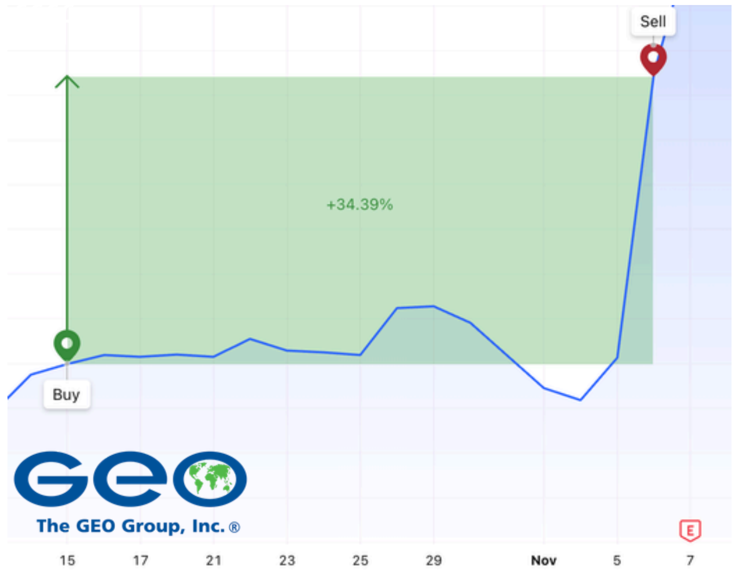
Every trade followed a **structured plan** from entry to exit, **removing emotion and ensuring consistency** across all three phases. Strategy defined the setup by identifying **high-conviction opportunities** and sizing positions appropriately, while execution ensured those plans were followed with discipline regardless of short-term noise. Together, these two pillars drove **Crest Capital's 85% win rate and 66.98% total return.**

III. RATIONALE

Executing the Strategy

GEO (Real Estate, Long – Phase 2)

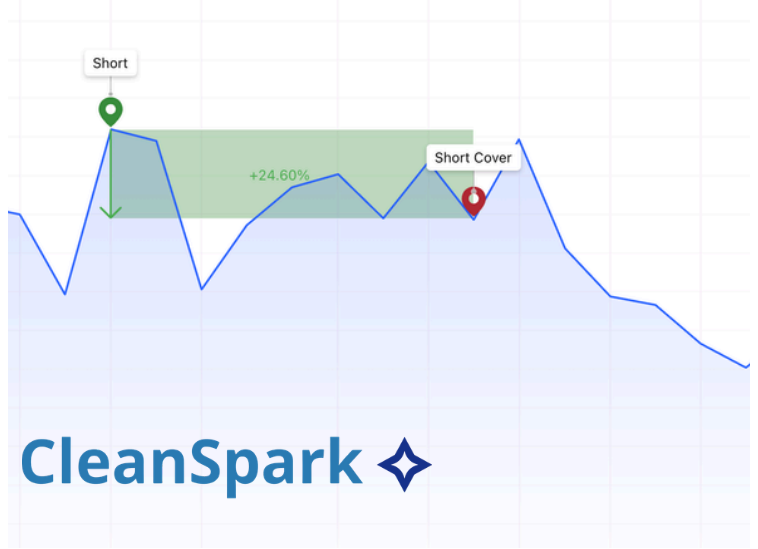
GEO Group exemplifies **Fundamental Catalyst Acceleration**. The stock surged following expanded government detention contracts, directly improving revenue outlook and triggering institutional buying, with **RSI** near 58 breaking above the 50-day MA confirming **strong momentum**.



We **screened** for unusual volume after the announcement, aligning with the strategy. Momentum remained strong but not overextended, with technicals **supporting sustained buying** as the expansion reinforced the move. Allocated $30,240 as the sole **Real Estate position**, rising from $18.90 to $25.40 and locking in $10,400.

CLSK (Energy, Short – Phase 3)

CleanSpark exemplifies **Volatility Hype Reversal**. The stock surged on the **post-ai crypto rally** with no fundamental justification, and RSI above 80 extended far above the 20-day MA confirmed the move was unsustainable. We **screened** on abnormal volume with **no company-specific catalyst**, fitting Volatility Hype Reversal. RSI above 80 confirmed **overbought exhaustion and weak fundamentals** verified the surge was speculative. Allocated at $39,060 within Energy. Navigated, quantitatively, from $12.60 to $9.50, capturing $9,610 in profits



RKLB (Industrials, Long – Phase 3)

Rocket Lab exemplifies **Sector Inflection**. The position was driven by a broader macro shift, as **first 100 days sentiment** strongly favored defense and aerospace spending, lifting the entire sector. With the new administration signaling **expanded government investment** in commercial space, institutional money rotated aggressively into defense-adjacent names, and RKLB, with a growing pipeline of government launch contracts, was best **positioned to capture that tailwind**. The stock had just cleared a major resistance level above its 50-day MA with RSI in the low 60s, signaling a **clean breakout** without overextension. We entered at $46.50 on November 17th and exited at $63.80 on December 5th, delivering $6,920 and a 37.20% return.

IV. CONCLUSIONS AND FINDINGS

Explanation of Strategy Effectiveness

Crest Capital used **S.M.A.R.T. goals** to evaluate strategy effectiveness throughout the competition. This structure provided **clear benchmarks** at each phase transition and ensured every decision was grounded in defined objectives rather than impulse. By **revisiting goals every 30 days,** Crest Capital identified what was working, adjusted what was not, and scaled with confidence as the portfolio grew.

Smart Goals

Beat the Market: Outperform the S&P 500 by at least 20% by December 6, 2025

Manage Risk: Maintain sector diversification with no single sector exceeding 30%

Consistent Research: Conduct market research & strategy evaluation every 30 days

Our primary goal was to outperform the S&P 500 by at **least 20%** by December 5th, 2025. We **exceeded** this by a wide margin, delivering a **total return of 66.98%** against the S&P 500's 5.19%, outperforming by 61.79%. Every phase produced positive returns, with Phase 1 at +7.75%, Phase 2 at +24.98%, and Phase 3 at +24.14%, confirming consistent, **repeatable alpha built on disciplined research and execution.**

Our second objective was to **maintain sector diversification** with no single sector exceeding 30% of total equity. This was **met** across **all three phases without exception,** with Tech as the largest sector at 21.9%. Across the full competition, Crest Capital invested across **12 distinct sectors,** with the mutual fund and Treasury bond further **strengthening asset class diversification** and ensuring no single industry downturn could materially damage the portfolio.

Our final goal was to **conduct market research** and strategy evaluation every 30 days. This was met every phase through the **SCAN framework**, with CPI and LEI assessed at each **phase transition to adjust sector positioning.** CPI declined from 3.0% to 2.74% and LEI fell from 98.3 to 97.9 across the competition, both signaling a contracting macro environment that **directly informed Crest Capital's** increasing reliance on short positions as the competition progressed.

IV. CONCLUSIONS AND FINDINGS

Proposed Changes in Strategy for Future Investments

Wait for Confirmed Reversals

The APP loss came from shorting into strong institutional momentum before any technical breakdown occurred. RSI was elevated but the trend was firmly upward, making the entry premature. Going forward, **short positions would only be entered after a confirmed break** below a key support level or moving average, ensuring the reversal is already underway before committing capital.

Account for Macro Sensitivity

The VST loss came from entering a utility stock without fully accounting for its sensitivity to rate environment shifts. When rate expectations moved in early November, the sector compressed with no macro signal guiding an exit. Going forward, **macro-sensitive positions would require an active macro thesis** alongside the technical setup, with any deterioration in that backdrop serving as a clear exit signal.

Avoid High-RSI Momentum Entries

The MSTR loss in Phase 3 came from entering a position with RSI already near 70, well into extended territory, rather than waiting for a pullback confirmation. The entry was at peak extension, leaving little room for the trade to work before reversing. Going forward, **long entries would target RSI between 45 and 60, ensuring momentum** is present without the position being overextended at the point of entry.

V. BIBLIOGRAPHY

[1] https://www.bls.gov/news.release/archives/cpi_01132026.htm
[2] https://www.conference-board.org/topics/us-leading-indicators/
[3] https://www.tradingview.com/support/solutions/43000502338-relative-strength-index-rsi/
[4] https://www.fidelity.com/learning-center/trading-investing/technical-indicator-guide/RSI
[5] https://chartschool.stockcharts.com/table-of-contents/technical-indicators-and-overlays/technical-indicators/relative-strength-index-rsi
[6] https://www.interactivebrokers.com/campus/trading-lessons/moving-average-convergence-divergence-macd/
[7] https://www.britannica.com/money/macd-moving-average-convergence-divergence
[8] https://corporatefinanceinstitute.com/resources/valuation/what-is-beta-guide/
[9] https://www.wallstreetprep.com/knowledge/beta-levered-unlevered/
[10] https://investor.vanguard.com/investment-products/mutual-funds/profile/vsmpx