ONYX INVESTMENTS

REPORT 2018

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Investment Report 2018

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ONYX INVESTMENTS

Exits Ahead:

Power	8,110,256 Miles
Respect	98,110,256 Miles
Goal	998,110,256 Miles

I. A Letter From the Chairman

August 1, 2018

Several years ago, I presented the thesis that it is necessary to start from the bottom, build from the ground up, and establish oneself as a Master of the Universe, in order to fully understand and appreciate The System. I still hold fast to this treatise, as The Matrix functions as one giant simulation, or Grand Theft Auto–like video game, with multiple levels, missions, and hidden cheat codes.

In this real world game, however, we only get one life, and true success is not so easily defined as beating the high score and final boss. In terms of business and high finance, bigger is not always better, as a $100+ billion multinational enterprise may find it difficult, if not impossible, to adjust to the demands of a rapidly evolving global marketplace. In 2008, Lehman Brothers filed for the largest bankruptcy in the history of Corporate America, while still holding $600 billion in assets on its books.

Taken further, empty promises of fast money will often leave gullible investors holding a toxic bag of assets. On December 17, 2017, it was Bitcoin that went parabolic, peaking at $19,378.99. At the height of the BTC bubble, Uber and Lyft drivers were day-trading crypto-currencies, while mom-and-pop operators upped the ante even further, taking out second mortgages, fully intending to ride the gravy train of the "next big thing" to Easy Street.

By February 2018, however, Bitcoin had broken down beneath $7,000, rapidly en route towards zero. Seemingly overnight, it was Bitcoin fanboys and cranks getting repeatedly spanked by the likes of JP Morgan boss Jamie Dimon and billionaire Warren Buffett, as the ultimate punch lines and laughing stock for the financial industry. At this point, the entire crypto-currency complex is more likely to get buried beneath the tulip bulbs, Enrons, and sub-prime mortgages within the dustbin of bubble-economics history, than it is to change much of anything. We will not buy from this clearance rack at any price.

MEASURING OUR PERFORMANCE

We recognize that the success of Onyx will largely be measured by the size and performance of our accounts, especially against the returns of the Standard and Poor's 500 Index. Still, we are committed to playing the long game and will not chase after growth for growth's sake — only to get blown up through the next, inevitable economic debacle. At Onyx, we mark time by the decade, not in terms SEC 10Q quarterly reports and short-term earnings guidance.

As always, Rule Number One at Onyx is to not lose money. Rule Number Two is to not lose money. For Rule Number Three, we will refer you back to Rule Number One. Years ago, Charlie Munger, the right-hand man to Buffett, famously proclaimed:

You only have to get rich once.

To the uninitiated, it may appear contradictory, as if we are only paying lip service to our own rules by going on a cash grab, only to turn around and dump dollars into financial markets and stockpile shares of stock. In stocks nothing is guaranteed, and prices may swing between zero and infinity, apparently overnight. Equities, however, do offer us the best chance to generate real returns, above the rate of inflation. We fully accept the volatility as the cost of doing business.

Last July, it was the very much-overheated Facebook stock that crashed by more than 20% in one day, immediately after the social-media giant warned that revenue growth would decelerate sharply going forward. In all, Facebook bled out more than $120 billion in value on that fateful July 26 session, making it the largest loss in market capitalization in the history of the stock market.

It is now time that I make my move, because the gap between Mark Zuckerberg and me on "the richest men in the world" lists has suddenly narrowed to roughly $60 billion. I will move up the ranks one dollar at a time.

DECONSTRUCTING THE GAME

In high school, I began buying stocks, despite the angst of my classmates and peer group. To them, the stock market was solely the playground of the wealthy, where the small-time to average players never stood a chance. At that time, the fact that the advent of the Internet had kicked off the longest-running productivity and economic boom known to man was deemed largely irrelevant. Apparently, it would all come crashing down in short order, with a shadowy elite class pulling the rug out from under the little guy.

In college, modern portfolio theory (MPT) was all the rage, at The University of North Carolina Kenan-Flagler Business School. According to modern portfolio theory, it was futile to even attempt to beat the market, because all information was perfectly disseminated and priced into all assets at all times. To MPT economists, it would be a waste of time to stop and grab a $100 bill lying on the sidewalk in Midtown Manhattan. To these sheep, the bill is worthless. If the $100 bill actually held value, it would have already been picked up.

On my right flank were the smug dot-com cheerleaders, who felt very much justified in handing over tens of billions of dollars to fly-by-night websites with no real assets, cash flows, or profits. Next, the delusional cheerleaders blamed the inevitable dot-com bust on the ill will of interconnected short sellers, instead of taking a real, hard look at the men in the mirror who placed these sucker's bets at obscene valuations. Certainly, these were the very same personality types that went on to get their [behinds] handed to them flipping real estate in '08.

Now, ten years later, it is Elon Musk taking to Twitter to take short-selling boogiemen to task. For his latest trick, The False Prophet suggested that Tesla would quickly be taken private at $420 per share, with "funding secured."

This [fake] news spread like wildfire and forced the hands of exchange officials to halt trading in Tesla stock, right before shares closed out the August 8 session at $376, for a 10-percent gain. These ill-gotten gains, however, were given right back the very next day, with the SEC launching a formal investigation into the company, various whistle blowers coming out of the woodwork to expose a list of shenanigans, and Tesla board members making calls to lawyer up. Musk stinks and this man is full of it.

SEEKING ALPHA

I am highly skeptical of authoritarian groupthink and mob rule. Firstly, the extreme daily volatility of individual stocks disproves that the market is an efficient pricing mechanism. These illogical price-to-value distortions may last for several months, if not years. We exploit discrepancies between price and real value for alpha, or above-average, profits. According to Benjamin Graham, the Father of value investing:

> *In the short run, the market is a voting machine,*
> *but in the long run, it is a weighing machine.*

Yes, the stock market is practically speaking a popularity contest on day-to-day and even quarter-to-quarter time frames. Over the long term, however, we can expect total stock market returns to approach the return on equity of the underlying businesses. It is only logical that a business consistently cranking out a 15% return on equity will trend towards 15% average annual total stock market returns. To state the obvious: the most efficient businesses make for the most profitable stock market investments.

The teachings of Ben Graham, as a precursor to the likes of Peter Lynch, Phil Fisher, and Warren Buffett, do fly right into the face of modern portfolio theory. By definition, the refutation of modern portfolio theory is also a direct attack against mindless diversification for the sake of diversification, or what superstar fund manager Peter Lynch casually mocks as "diworsification." MPT theorists, by definition, have thrown in the towel when it comes to beating the market, and simply attempt to reconstruct the global economy through a passive cocktail of mutual funds and ETFs.

At Onyx Investments, we have never been shy about honing in on one particular stock, backing up the truck, and loading up our 53-foot trailer with shares. For years (2004-2009), it was Exxon Mobil and Big Oil that took up more than one-third of our investment capital. Back then, the one-two punch of Hurricanes Katrina and Rita shut down the U.S. Gulf Coast energy complex against the backdrop of spectacular growth and insatiable oil demand out of China.

In effect, Onyx was an integrated oil company masquerading as an investment house. Over time, we began to plow Big Oil profits, dividends, and cash flow into shares of Altria. Next, it was the Altria dividends that financed regular purchases of Nike stock at the bottom of the Great Recession. Shortly thereafter, we were betting the farm on the iPhone, and methodically entering in weekly buy orders for more shares of Apple stock.

Now, eight out of twenty stocks account for more than 75% of the Onyx Investments portfolio. Go Big or Go Home.

THE BLACK BOX

Onyx Investments is the Black Box. I much prefer action to idle chitchat, long, drawn-out meetings, and pointless debate. Bulls make money. Bears make money. Pigs get slaughtered. In other words, pick one side and make a definitive move. Talk is cheap; and ignorance, sloth, and shameless greed often times work together as the death of many a Johnny Come Lately trying to play the stock market.

I rarely show my hand, and Onyx will remain sphinx-like well into the near future. Our pattern is to quietly open up a small position in a particular stock, before steadily building out this holding over the course of several weeks. From here, we may never even mention this investment, until we have established a position worth hundreds of thousands of dollars.

Firstly, I am against attracting needless competition. Strong demand for a particular stock can and will push that investment out of our buying range and sabotage our chances for real profits. We very much prefer for the stocks on our shopping list to remain cheap, battered, and beaten down for lengthy periods of time. Bloodied, but unbowed.

Next, we do purchase different stocks for different reasons, which run the full gamut between growth, dividend income, and deep value. To cite the old cliché, our portfolio is better than the sum of its parts. I allocate capital and assign roles as if I were Danny Ainge, Bill Belichick, or Nick Saban putting together a winning ball club. We do not rebuild here. We reload. And I fully expect the copycats to emerge in various forms and personalities as our reputation grows.

THE FUTURE

In building Onyx, it may appear that the heavy lifting was completed by surviving the start-up stage and 2008 economic debacle. Apparently, we can now slow down, kick our feet up, and simply let the cash keep rolling in. I have heard the whole “enjoy life” and “can’t take it with you” song and dance time and time again. But, I am here to play for keeps; and my foot is still pressed down hard on the gas, for the next 998,110,256 miles.

Kofi Bofah, Chairman

II. Financials

I have ways of making money
that you know nothing of.

—John D. Rockefeller

In effect, 2018 arrives as a continuation of our work from 2015, 2016, and 2017. We have remained committed to our investment selections throughout this time frame and have not sold out of any one stock. Instead, we have mostly added to our positions by taking advantage of market corrections to pick up additional shares of stock on the cheap. We aggressively bought stocks through both January 2016 and February 2018, when financial markets were repeatedly battered by trade war concerns and divisive political rhetoric.

For Onyx, dollar-for-dollar, year-over-year comparisons will not be an exact science. Over time, I have also built out an extensive portfolio of stocks and real estate, in my own name, outside of this company. At times, I have transferred shares of stock out of my personal accounts and into Onyx to shore up capital and my ownership stake over this business. A growing position may not necessarily represent the result of new purchases, but the transfer of stock that I personally owned for several years, if not more than one decade. Like Warren Buffett and Berkshire Hathaway, it will remain all but impossible to determine where Kofi Bofah ends and Onyx Investments begins.

MORE MONEY, MORE PROBLEMS

Onyx Investments capital has exploded in size from $1,169,021.93 to $1,889,744.60 between July 29, 2016 and August 4, 2018, for $720,722.67 in growth over the course of the past two years. In 2004, I first funded Onyx Investments with $12,500 in capital, which went towards the purchase of 75 shares of Exxon at $41.99 and three shares of Berkshire Hathaway Class B at $3,110.00 (150 shares of BRK.B at $62.20, when adjusted for 50-for-1 stock split).

Figure 1. **Assets as of August 4, 2018**

Shares	Description	Market Value
1,775	Apple Inc.	$369,182.25
4,200	Altria Group	250,866.00
2,325	Nike Inc. Class B	183,070.50
400	Lockheed Martin Corp.	128,220.00
101	Alphabet-Google Cl. A	125,054.16
610	Berkshire Hathaway Inc. Cl. B	124,470.50
1,400	Exxon Mobil Corp.	112,294.00
800	Visa Inc. Class A	111,856.00
675	Tiffany & Company	91,665.00
1,500	Starbucks Corp	78,345.00
255	McDonald’s Corp.	39,833.55
900	Harley Davidson Inc.	39,654.00
350	Philip Morris International	30,394.00
650	Coca Cola Company	30,303.00
265	Hershey Company	26,277.40
195	Electronic Arts	25,519.65
220	Hasbro Inc.	21,896.60
325	Wyndham Hotels & Resorts Inc.	19,753.50
150	Walt Disney Company	17,113.50
300	Wyndham Destinations Inc.	13,941.00
	Stock Market Positions	1,839,709.61
	Cash on Hand	50,034.99
	Totals	$1,889,744.60

Two years later, by June 30, 2006, Onyx had climbed above $125,000, with Exxon, Best Buy, and 3M accounting for more than half of our investment portfolio. Before that point, I had sold off the entire portfolio, went to all cash, and gradually built the equity positions back up again.

Shortly thereafter, Onyx cleared $250,000 prior to and through the 2008 Great Recession, and it was relatively easy to redirect free cash flow and dividends to load up on shares of stock at the bottom of the market and fundamentally transform the Onyx portfolio. Apparently overnight, Onyx Investments had shape-shifted out of a value proposal and into an aggressive growth fund.

Now, Onyx equity positions may very well cycle through $12,500 in value within moments or $100,000 within a few short weeks. Remember, 1% of $1.8 million is $18,000. On a more volatile day, a 1% move is mere child’s play. From here, it is only a matter of time before Onyx tacks on $100,000 in stock market gains in a single day, simply due to the basic mathematics of large numbers.

The laws of physics and common sense make it so that a speedboat can accelerate and change directions quickly through the smallest of channels, while a 225-foot luxury yacht powerfully barrels through the locks and dams of the Lower Mississippi en route to the high seas.

Barry Sanders, at a diminutive five-foot-eight, would humiliate defenders by stopping on a dime, shimmying to the left, and turning on the jets to pay dirt. On the opposing sideline, Jerome Bettis weighed in at 252 pounds and earned the nickname “The Bus” by running full steam ahead and plowing over would-be tacklers.

Over time, it will become increasingly difficult for the Onyx Dream Liner to change course and dart into and out of positions. At this point, it does take several months for us to build out a significant investment stake of $100,000 or more, or what I personally refer to as “a house.” On its own, a smaller, five-figure position is all but immaterial to our long-term performance.

Disney is 0.93% of our stock market portfolio. As such, this $167 billion Media Empire could go bankrupt and have little to no effect upon our total returns.

Alternatively, an impressive Disney stock surge here may be cancelled out by weakness at the top of the order. Many of the individual stocks near the bottom of the Onyx portfolio may be classified as moon shots that still do need time to develop further. Again, we remain very much aware of the fact that we have allocated more than $1.5 million into only nine separate stocks.

MEET THE NEW BOSS, SAME AS THE OLD BOSS

We now own 1,775 shares of Apple at $207.99 — for a total investment of $369,182.25. Apple is our largest investment by a significant amount, or $118,316.25 above second-place Altria. For several months running, Apple and Altria vied for control atop the portfolio, before Apple skyrocketed into the stratosphere, en route to a seemingly unfathomable $1 trillion market capitalization price tag.

The leadership baton has now officially been passed from Exxon Mobil to Altria to Apple. These changes at the top of the Onyx order across disparate industries do showcase our flexibility and willingness to mine financial markets for real value, instead of greedily clinging to dogma and self-destructing. Pigs, again, get slaughtered.

We are still frequently associated with Exxon and the oil and gas markets. It has been nearly one decade since Exxon Mobil lorded over the top of the Onyx portfolio; and Big Oil now only accounts for a mere 6% of our total assets.

From here, we are expecting little out of Exxon, other than for the super-major to continue buying back its own stock and cranking out dividends. Taken together, both Exxon and Coca Cola are much more efficient sources of investment income than anything now available within a fixed income space that offers zero real returns.

Over time, it is very much likely that the size of our Exxon investment trends toward Coke, near the bottom of the Onyx portfolio. This repositioning will largely be due in part to the new purchases and growth of other stocks, rather than any asset sales.

For Onyx, peak Exxon, Altria, and Apple all dominated their respective industries, racked up record profits, and have been mostly notable for returning staggering amounts of cash to shareholders in the form of dividends and share buybacks.

Interestingly, Exxon, Altria, and Apple are often cited as the greatest investments of all time, by various measures. Last July, the very much maligned and beleaguered General Electric was booted out of the Dow Jones Industrial Average (DJIA), in favor of Walgreens Boots Alliance. Exxon is now the longest-tenured member of the DJIA, as it was first introduced as a Dow component stock in 1928, as Standard Oil of New Jersey.

Last May, Apple upped the ante even further, by pledging an additional $100 billion in stock buybacks and also raising its quarterly dividend by 16% to $0.73 per share. So far, Apple has already returned more than $300 billion to shareholders through an ambitious capital return program that it first initiated in 2012.

Apple has spent more than $50 billion to buy back 315 million shares of its own stock through the last twelve months, which has lowered its outstanding share count to 4.9 billion. Taken further, Apple has slashed its number of common shares outstanding by more than 1 billion, or 20%, over the course of the five last years. For three years running, this aggressive buyback campaign has largely powered 14.64% average annualized EPS growth at Apple, despite the fact that its top-line numbers have plateaued near $220 billion in revenue during this time frame.

Apple reported $11.5 billion in net income on $53.3 billion in sales for its most recent quarterly period ended June 30, 2018. Upon closer inspection, it was the iPhone that generated $29.9 billion in quarterly sales alone, which was a 20% year-over-year improvement above Q3 2017 ($24.8 billion in iPhone sales). Quarterly iPhone unit sales, however, barely budged from 41.02 million to 41.30 million over the past year.

The Apple sales data signals that the latest iPhone X release was a smash hit. The 64GB iPhone X starts out at $999.00, while the 256GB version retails for $1,149.00. Apple fanboys are now happily snapping up all of these iPhones at $724.11 a pop. Apple haters take heed: we do also own $125,054.16 in Google stock. Taken together, Apple iOS and Google Android operating systems control more than 95%

of the smartphone market.

Most importantly, Apple closed out its Q3 2018 with $243.7 billion in cash and securities on the books. On a per-share basis, this works out to $50, or roughly 25% of Apple shares and $1 trillion market capitalization being made up of cold hard cash. Cash is King; and Apple now carries hundreds of billions of dollars of firepower at its disposal to kick out dividends, buy back its own stock, and borrow against. If growth were to stall, Apple could simply write out a check to close out a transformative acquisition.

After subtracting away Apple's enormous pile of $243.7 billion in cash from its balance sheet, we may be left with a technology business worth $750 billion that would still generate more than $50 billion in annual profits. In effect, Apple's core business, or enterprise value, is trading for less than fifteen times earnings ($750 billion / $50 billion = 15X earnings). At these levels, we still feel as if Apple is dirt cheap, despite the fact that the corporation has blown right past $1 trillion in market capitalization. Next Exit: $2 Trillion.

From here, we will compete directly against and alongside Warren Buffett — to gobble up Apple stock. Like myself, the Oracle of Omaha has fully embraced Apple and the Web 2.0 Revolution, after a lifetime spent shunning the technology sector altogether. Apple has quickly emerged as Mr. Buffett's largest investment, as it occupies a full 25% of his Berkshire Hathaway portfolio. In all, Berkshire now owns 252 million shares worth $50 billion, or 5% of the entire Apple Corporation, outright.

We will take full credit for purchasing shares of Burlington Northern, Goldman Sachs, Nike, Exxon, and Apple well before Uncle Warren opened up his wallet to also go long in these very same companies. Great minds do think alike.

BACK TO LIFE, BACK TO REALITY

We are working to buy up Electronic Arts and correct the expensive 2007 mistake of selling off this video game stock at $51.61 per share. At first, we patted ourselves on the back, as EA crashed into the 2008 bust, finally bottoming out at $11.98, in July 2012.

From there, we stood by and watched in horror, as Electronic Arts immediately rocketed off its 2012 low point towards $100 by early 2017. The fallout from this wretched episode will only strengthen our commitment to buying into strong, familiar businesses, following through and doubling down despite sharp market turbulence.

As a personal aside, I did own the very first version of *Madden Football*, which was released in 1990 for the Sega Genesis. At that time, EA did not own any official licenses and rights to feature real NFL players, teams, and likenesses within its games. Back in the day, it was simply assumed that WR1 on San Francisco was Jerry Rice. In 2004, Electronic Arts signed an exclusive licensing deal with the NFL, which has effectively blackballed and shut the competition out of this lucrative trade.

Taken together, *Madden* and *FIFA* are two of the greatest-selling video game franchises of all time, with more than 130 and 150 million units sold, respectively. Now, the technology is readily available for Electronic Arts to cut out the retail middleman, altogether. For 2018, 67%, or $3.4 billion out of $5.2 billion in total sales at EA, came from digital bookings. This is a license to print money.

On December 28, 1990, Electronic Arts stock sold for a split-adjusted 58 cents. A 1990 Christmas stocking stuffer featuring one *Madden Football* video game cartridge alongside EA stock certificates worth $10,000 at that time would have ultimately grown to more than $2.1 million. EA Sports: It's in The Game.

III. Business Operations

Again, we operate this business at the junction of risk versus reward. Low-risk moves that preserve capital and generate immediate cash flow offer up little to nothing, in terms of growth. FDIC insurance does fully back $250,000 in deposits per bank, per customer. At the same time, U.S. Treasuries are known as "risk-free" securities, because of federal powers to tax and create money to service the national debt.

Real returns on cash, however, are often negative, when accounting for inflation. As a measure of inflation, the U.S. Bureau of Labor Statistics Consumer Price Index (CPI) calculated a 2.9% increase over the past year. Interestingly, Ten-Year Treasury Notes now offer 2.879% in yield. For ten years running, your real returns would be less than zero, after paying taxes. Current interest rates at the bank are even more pathetic.

Business ownership is the most prolific wealth creator known to man, by far. Taken together, industry titans John D. Rockefeller, Andrew Carnegie, J.P. Morgan, Warren Buffett, Bill Gates, and Steve Jobs have generated trillions of dollars in value for their employees, customers, shareholders, and municipal treasury departments.

Still, for every Standard Oil, Microsoft, and Apple, there are legions of moneymaking schemes that stay on the drawing board and fail to even get off the ground. More than half of all start-up businesses fold and close up shop before their fifth year in operation.

By definition, Onyx Investments stays in the sweet spot, as a business that has made it its business to load up on the shares of stock of the most profitable businesses

Figure 2. **Dividend Income**

Description	Qtr. Dividend	Annual Dividend	Market Value	Div. Yield	3-Yr. Avg. EPS Growth
Apple	$1,295.75	$5,183.00	$369,182.25	1.40	14.64
Altria	2,940.00	11,760.00	250,866.00	4.69	29.84
Nike	465.00	1,860.00	183,070.50	1.02	9.39
Lockheed	800.00	3,200.00	128,220.00	2.50	10.30
Google	-	-	125,054.16	-	13.40
Berkshire	-	-	124,470.50	-	-3.13
Exxon	1,148.00	4,592.00	112,294.00	4.09	-9.55
Visa	168.00	672.00	111,856.00	0.60	9.67
Tiffany	371.25	1,485.00	91,665.00	1.62	3.79
Starbucks	540.00	2,160.00	78,345.00	2.76	13.97
McDonald's	257.55	1,030.20	39,833.55	2.59	15.28
Harley Davidson	333.00	1,332.00	39,654.00	3.36	-4.81
Philip Morris	399.00	1,596.00	30,394.00	5.25	1.27
Coca Cola	253.50	1,014.00	30,303.40	3.35	-10.41
Hershey	191.33	765.32	26,277.40	2.91	9.15
Electronic Arts	-	-	25,519.65	-	17.08
Hasbro	138.60	554.40	21,896.60	2.53	20.80
Wyndham Hotels	81.25	325.00	19,753.50	1.65	18.24
Disney	63.00	252.00	17,113.50	1.47	10.42
Wyndham Dest.	123.00	492.00	13,941.00	3.53	3.45
Totals	$9,568.23	$38,272.92	$1,839,709.61	2.08	11.16

that are publicly traded. The numbers in finance are truly staggering, with two leading industry insiders and whales Carl Icahn ($19.3 billion) and Warren Buffett ($85.8 billion) lording over a combined $105.1 billion in personal net worth. Buffett's tally is even more impressive, considering the fact that the Oracle has systematically given away $30.8 billion, mostly to the Bill & Melinda Gates Foundation, since 2010.

The numbers do not lie, and Onyx Investments is a money machine fully capable of running itself. At the very worst, we may simply reinvest dividend cash back into the market, kick back, collect more dividends, and continue ringing the register for ever larger amounts of snowballing cash. In recent years, we have directed all cash dividends into additional shares of Nike, Starbucks, Google, and Visa.

DIVIDEND INCOME

We recognize that we now are operating well into the backstretch of the longest-lasting bull market in history. The S&P 500 Index has already smashed through 2,800, after its relentless march past a succession of all-time highs dating back to 2013.

As a measure of value, The Wilshire 5000 Total Market Index totals out at $30 trillion in market capitalization. For the sake of comparison, United States GDP now comes in at $20 trillion. The U.S. stock market is now 150% larger than the value of all goods and services produced by the domestic economy. This does defy any semblance of logic.

The Buffett Indicator, or Total Stock Market Capitalization to U.S. GDP, last reached these levels in the Winter Quarter of 1999, immediately prior to the 2000-2002 dot-com bust. Deals are increasingly hard to come by in a market where the likes of WD-40 goes parabolic and trades for 42X earnings, as if it were some high-flying tech stock.

The dividend will be of ever-greater importance when growth inevitably decelerates in conjunction with the Federal Reserve actively tightening the money supply. For Onyx, regular dividends carried the day through the darkness of 2008.

IV. Fixed Expenses

Description	Vendor	Monthly	Annually
Office Space	Chicago Board of Trade	$833.87	$10,006.44
Phone, Internet, and Cable	Comcast	199.54	2,394.48
Business Insurance	Liberty Mutual	47.83	573.96
Totals		$1,081.24	$12,974.88

Our monthly office rent has nearly doubled, from $448.72 to $833.87. For several years running, between 2004 and 2016, we somehow managed to hold the line and pay bargain bin rent at 111 West Jackson Boulevard, right in the heart of the Chicago Loop. A series of upgrades at 111, however, forced our hand, and we went on to relocate next door at the Chicago Board of Trade (141 W. Jackson). We are now perched atop LaSalle Street on the 38th Floor, with sweeping views of the Windy City skyline out to Lake Michigan.

Terms of the two-year lease agreement at CBOT did include two months free rent, plus cash to be spent on upgrades. On the balance, we were able to pick up a few more shares of Google stock, after collecting our 111 West Jackson security deposit and writing out checks to union labor. We negotiate from a position of strength.

From a standing start of $12,500 in 2004, I have been able to put together a multi-million dollar Empire, with little more than a computer, a phone, Microsoft Office software, and a reliable Internet connection. Now, imagine if I were to get out here and hire some help.

This is the American Dream.

NOTES

V. Appendix

Historical returns

Year	Onyx Investments	S&P 500 Index
2004	41.000%	9.000%
2005	19.858	3.000
2006	15.976	13.600
2007	22.959	3.500
2008	4.564	-37.000
2009	17.063	26.460
2010	16.271	12.782
2011	7.872	-
2012	15.135	11.404
2013	23.239	22.840
2014	12.381	11.391
2015	3.220	-0.727
2016	11.001	9.535
2017	20.118	18.744
2018	8.990	5.835
Totals	785%	79%

Onyx Investments [Stock Split Adjusted] Assets

As of June 30, 2006**:**

Shares	Description	Market Value
600	ExxonMobil Corporation	$36,810.00
250	Best Buy Company, Incorporated	13,710.00
132	Minnesota Mining and Manufacturing (3M)	10,661.64
200	Berkshire Hathaway Class B	9,129.00
100	United Parcel Service, Inc. Class B	8,233.00
120	Federal National Mortgage Association	5,772.00
250	Coca Cola Company	5,377.50
496	Nike Incorporated Class B	5,022.00
100	Electronic Arts	4,304.00
130	Danaher Corporation	4,180.00
200	Starbucks Corporation	3,776.00
	Stock Market Positions	106,975.94
	Cash on Hand	22,504.00
	Totals	$129,479.94

Onyx Investments [Stock Split Adjusted] Assets
As of July 23, 2009**:**

Shares	Description	Market Value
1,250	ExxonMobil Corporation	$89,512.50
350	Berkshire Hathaway Class B	21,469.00
300	United Technologies Corporation	16,014.64
1,200	Nike, Incorporated Class B	15,342.00
300	Philip Morris International	13,806.00
500	Coca Cola Company	12,295.00
315	Best Buy Corporation	11,689.65
70	Goldman Sachs Group	11,581.50
400	Altria Group	6,964.00
30	Harley Davidson, Incorporated	659.00
	Stock Market Positions	199,332.75
	Cash on Hand	55,694.00
	Totals	$255,026.75

Onyx Investments Assets
As of July 29, 2016**:**

Shares	Description	Market Value
4,000	Altria Group	$270,800.00
1,500	Apple	156,315.00
2,200	Nike Incorporated, Class B	122,100.00
1,270	ExxonMobil Corporation	112,966.50
360	Lockheed Martin Corporation	90,982.80
1,150	Starbucks Corporation	66,757.50
395	Berkshire Hathaway Class B	56,986.65
555	Visa Incorporated Class A	43,317.75
650	Tiffany & Company – New York	41,938.00
45	Google – Alphabet, Incorporated Class A	35,610.30
625	Harley Davidson, Incorporated	33,075.00
230	Hershey Company	25,474.80
525	Coca Cola Company	22,905.75
170	McDonald's Corp.	20,000.50
280	Wyndham Worldwide	19,885.60
50	Philip Morris International	5,013.00
20	Walt Disney Company	1,919.00
	Stock Market Positions	1,126,048.15
	Cash on Hand	42,973.78
	Totals	$1,169,021.93

Onyx Investments Assets
As of August 4, 2018**:**

Shares	Description	Market Value
1,775	Apple Inc.	$369,182.25
4,200	Altria Group	250,866.00
2,325	Nike Inc. Class B	183,070.50
400	Lockheed Martin Corp.	128,220.50
101	Alphabet-Google Cl. A	125,054.16
610	Berkshire Hathaway Inc. Cl. B	124,470.50
1,400	Exxon Mobil Corp.	112,294.00
800	Visa Inc. Class A	111,856.00
675	Tiffany & Company	91,665.00
1,500	Starbucks Corp	78,345.00
255	McDonald's Corp.	39,833.55
900	Harley Davidson Inc.	39,654.00
350	Philip Morris International	30,394.00
650	Coca Cola Company	30,303.00
265	Hershey Company	26,277.40
195	Electronic Arts	25,519.65
220	Hasbro Inc.	21,896.60
325	Wyndham Hotels & Resorts Inc.	19,753.50
150	Walt Disney Company	17,113.50
300	Wyndham Destinations Inc.	13,941.00
	Stock Market Positions	1,839,709.61
	Cash on Hand	50,034.99
	Totals	$1,889,744.60

Kofi Bofah

PRESIDENT, ONYX INVESTMENTS

INTERSTATE 94

ONYX INVESTMENTS

Goal: $1 Billion

Jackson 300S 0E/0W