UNIVERSITY OF WISCONSIN – LA CROSSE
COLLEGE OF BUSINESS ADMINISTRATION

STUDENT MANAGED GORDON SPELLMAN FUND

2025-2026 ANNUAL YEAR REPORT

PREPARED BY THE UWL INVESTMENT MANAGEMENT TEAM

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Letter from Faculty Advisor

This year, the Investment Management Team (IMT) welcomed one new member and brought back the other 4 members. The team created a midyear report in December, monthly reports, this annual report, and will present the fund performance and portfolio recommendations to the Gordon Spellman Advisory Board again in May after presenting in December. The IMT will bring back four of its members next year. We also had students travel and present at the Student Managed Investment Fund Consortium (SMIFC) Conference in Chicago in October, the SMIFC Southern Conference in Miami in April, and the GAME Forum in New York City in March. The students presented posters and research projects related to the Spellman Fund holdings and performance and learned about other student managed investment funds. Over the Summer of 2025, two students led research projects on investment strategies and operations at other student-managed investment funds. The research also involved stock selection models and technical analysis.

We continue to hold student stock presentations at the end of each semester, which determines our buy and sell decisions for the Gordon Spellman Fund. Students continue to use FactSet to help in their research and analysis, which is included in the Kaplan Finance Lab. The IMT holds their regular meetings in that room, and the FIN 475 (Investment Analysis and Portfolio Management) course is held in that room. This year saw Dr. Changyu Yang continue to teach the course.

The fund has grown tremendously during the last year, rising from around $455,000 in April of 2025 to around $580,000 currently, despite withdrawing nearly $18,000 earlier this year to support our Finance Lab and student travel. We continue to add stocks to diversify the fund, and we look forward to seeing what this semester's students recommend for the fund.

I would like to thank the FIN 475 students, the student IMT members, the Advisory Board members, and my colleagues for their continued support related to the fund.

Sincerely,

Dr. Adam Stivers, Ph.D.

Associate Professor of Finance

Fund Summary

- **Fund Equity Value** as of 4/20/2026: $567,117.28
  - Funds Current Cash Value: $13,568.05
  - Funds Total Value: $580,685.33

- **1-Year Return**
  - Spellman Fund: 35.28%
  - S&P 500 return: 39.40%
    - Spellman Fund underperformed the S&P 500 by 4.12%

- **Top 3 Highest Performers**
  - Intel Corporation (INTC): 248.73% increase
  - Applied Materials, Inc. (AMAT): 191.53% increase
  - Alphabet Inc. (GOOG): 129.28% increase

- **Top 3 Worst Performers**
  - SAP SE Sponsored ADR (SAP): 28.11% decrease
  - UnitedHealth Group Incorporated (UNH): 21.79% decrease
  - PayPal Holdings, Inc. (PYPL): 14.18% decrease

Top Economic Sector Performance

Spellman Fund	**S&P 500**
Non-Energy Materials: 78.05%	Technology: 64.80%
Technology: 56.91%	Industrials: 55.79%
Utilities: 46.48%	Energy: 43.82%

Worst Economic Sector Performance

Spellman Fund	**S&P 500**
Healthcare: -5.60%	Telecommunications: 0.55%
Consumer Non-Cyclicals: 1.92%	Business Services: 3.52%
Finance: 15.63%	Healthcare: 13.10%

Fund Summary Continued

Stocks Purchased in the Last Year

Date Purchased	Company	Shares Purchases
January 26, 2026	Eli Lilly & Co (LLY)	10
May 15, 2026	Nucor (NUE)	50

Stocks Sold in the Last Year

Date Sold	Company	Shares Sold
January 26, 2026	Mastercard (MA)	13
January 16, 2026	Netflix (NFLX)	10

Holdings Snapshot

Company	% Weight of Portfolio
JPMorgan Chase & Co. (JPM)	7.14
Applied Materials, Inc. (AMAT)	6.89
Union Pacific Corporation (UNP)	5.55
Apple Inc. (AAPL)	5.51
Mastercard Incorporated Class A (MA)	5.31
Netflix, Inc. (NFLX)	4.72
Microsoft Corporation (MSFT)	4.54
NVIDIA Corporation (NVDA)	4.30
Rio Tinto plc Sponsored ADR (RIO)	3.79
United Health Group Incorporated (UNH)	3.70
SAP SE Sponsored ADR (SAP)	3.22
QUALCOMM Incorporated (QCOM)	3.02
Meta Platforms Inc Class A(META)	3.00
Booking Holdings Inc. (BKNG)	2.98
Alphabet Inc. Class A (GOOGL)	2.70
Procter & Gamble Company (PG)	2.68
NextEra Energy, Inc. (NEE)	2.51
General Motors Company (GM)	2.49
Home Depot, Inc. (HD)	2.44
Nexstar Media Group, Inc. (NXST)	2.27
Emerson Electric Co. (EMR)	2.12
Johnson & Johnson (JNJ)	2.08
Exxon Mobil Corporation (XOM)	2.00
American Tower Corporation (AMT)	1.82
CVS Health Corporation (CVS)	1.75
Fastenal Company (FAST)	1.71
Prudential Financial, Inc. (PRU)	1.53
Coca-Cola Company (KO)	1.32
Nucor Corporation (NUE)	1.31
Walt Disney Company (DIS)	1.03
Occidental Petroleum Corporation (OXY)	0.88
Turtle Beach Corporation (TBCH)	0.65
Boeing Company (BA)	0.50
Pfizer Inc. (PFE)	0.48
Eli Lilly and Company (LLY)	0.41
PayPal Holdings, Inc. (PYPL)	0.37

1-Year Stock Returns

Stock	% Return
Intel Corporation (INTC)	248.73
Applied Materials (AMAT)	191.53
Alphabet Inc Class A (GOOGL)	129.28
NVIDIA Corporation (NVDA)	108.55
General Motors Company (GM)	83.28
Rio Tinto plc Sponsored ADR (RIO)	79.73
Nucor Corporation (NUE)	70.53
Emerson Electric Co. (EMR)	54.74
Johnson & Johnson (JNJ)	51.08
NextEra Energy, Inc (NEE)	46.48
Nexstar Media Group. Inc (NXST)	45.68
Exxon Mobil Corporation (XOM)	45.00
Occidental Petroleum Corporation (OXY)	42.62
Apple Inc. (AAPL)	41.97
Boeing Company (BA)	41.26
JPMorgan Chase & Co. (JPM)	41.10
Meta Platforms Inc Class A (META)	38.86
Pfizer Inc. (PFE)	33.97
Walt Disney Company (DIS)	27.94
CVS Health Corporation (CVS)	21.95
Union Pacific Corporation (UNP)	19.47
Microsoft Corporation (MSFT)	17.31
Fastenal Company (FAST)	15.89
Prudential Financial, Inc (PRU)	11.55
Turtle Beach Corporation (TBCH)	9.22
Booking Holdings Inc. (BKNG)	9.01
Coca-Cola Company (KO)	6.75
Home Depot, Inc. (HD)	3.76
QUALCOMM Incorporated (QCOM)	3.38
Mastercard Incorporated Class A (MA)	2.04
Netflix, Inc (NFLX)	-4.01
Procter & Gamble Company (PG)	-11.00
Eli Lilly and Company (LLY)	-11.36
American Tower Corporation (AMT)	-13.58
PayPal Holdings Inc. (PYPL)	-14.18
UnitedHealth Group Incorporated (UNH)	-21.79
SAP SE Sponsored ADR (SAP)	-28.11

Best Performers

Company	Return %	Contribution to Return %
Intel Corporation (INTC)	248.73%	1.96%
Applied Materials Inc. (AMAT)	191.53%	8.15%
Alphabet Inc. (GOOG)	129.28%	2.37%
NVIDIA Corporation (NVDA)	108.55%	3.25%
General Motors Company (GM)	83.28%	1.62%
Rio Tinto plc Sponsored ADR (RIO)	79.73%	2.51%
Apple Inc. (AAPL)	41.97%	2.20%
JPMorgan Chase & Co. (JPM)	41.10%	2.92%
Meta Platforms Inc Class A (META)	38.86%	1.25%
Union Pacific (UNP)	19.47%	1.10%

Intel Corporation (INTC): Intel's 248.73% stock increase over the last year was driven by a combination of factors rather than a single event. The surge was largely fueled by booming demand for chips tied to artificial intelligence, which lifted the entire sector and allowed Intel to benefit from rising need for data centers and processors. At the same time, the company was coming off a week period, so even the slightest improvements in profitability and earnings triggered an outsized rebound from a low starting point. Investor confidence also grew due to major partnerships, increased investment in U.S. based chip manufacturing, and optimism around Intel's turnaround strategy in both design and foundry services. As the stock began climbing, momentum investing and analyst upgrades further accelerated the rally, amplifying overall percentage gain.

Alphabet Inc (GOOG): Googles strong returns over the last year is mainly explained by strong fundamentals amplified by the AI boom. The company benefited heavily from surging demand for artificial intelligence services, especially through its cloud division, where businesses increasingly relied on its infrastructure and models to build AI applications. At the same time, its core advertising business remained highly profitable and resilient, continuing to generate massive cash flow even as the company invested aggressively in new technology. Investors responded positively to improvements in cost discipline, including layoffs and efficiency measures that boosted margins. Steady earnings beats, such advancements in search and generative AI tools, also helped reinforce the narrative that Alphabet would remain a dominant player in the next phase of tech. As confidence grew, analyst upgrades and broader market momentum pushed the stock higher, resulting in a large overall gain.

Applied Materials Inc (AMAT): Applied Materials' 171% surge was driven by its leadership in "materials engineering" as high-end chips became increasingly complex. Because modern chips now require 3D stacking and next-gen transistors, Applied's specialized tools are in record demand, leading to consistent earnings beats. Investor confidence also jumped after the company cleared a major "dark cloud" by settling a federal China-export investigation for $252 million. With that legal risk gone, the company has aggressively bought back billions in shares. Management's 20%+ growth forecast for 2026 has sustained this momentum, cementing the company as the essential provider for next-gen computing hardware.

Worst Performers

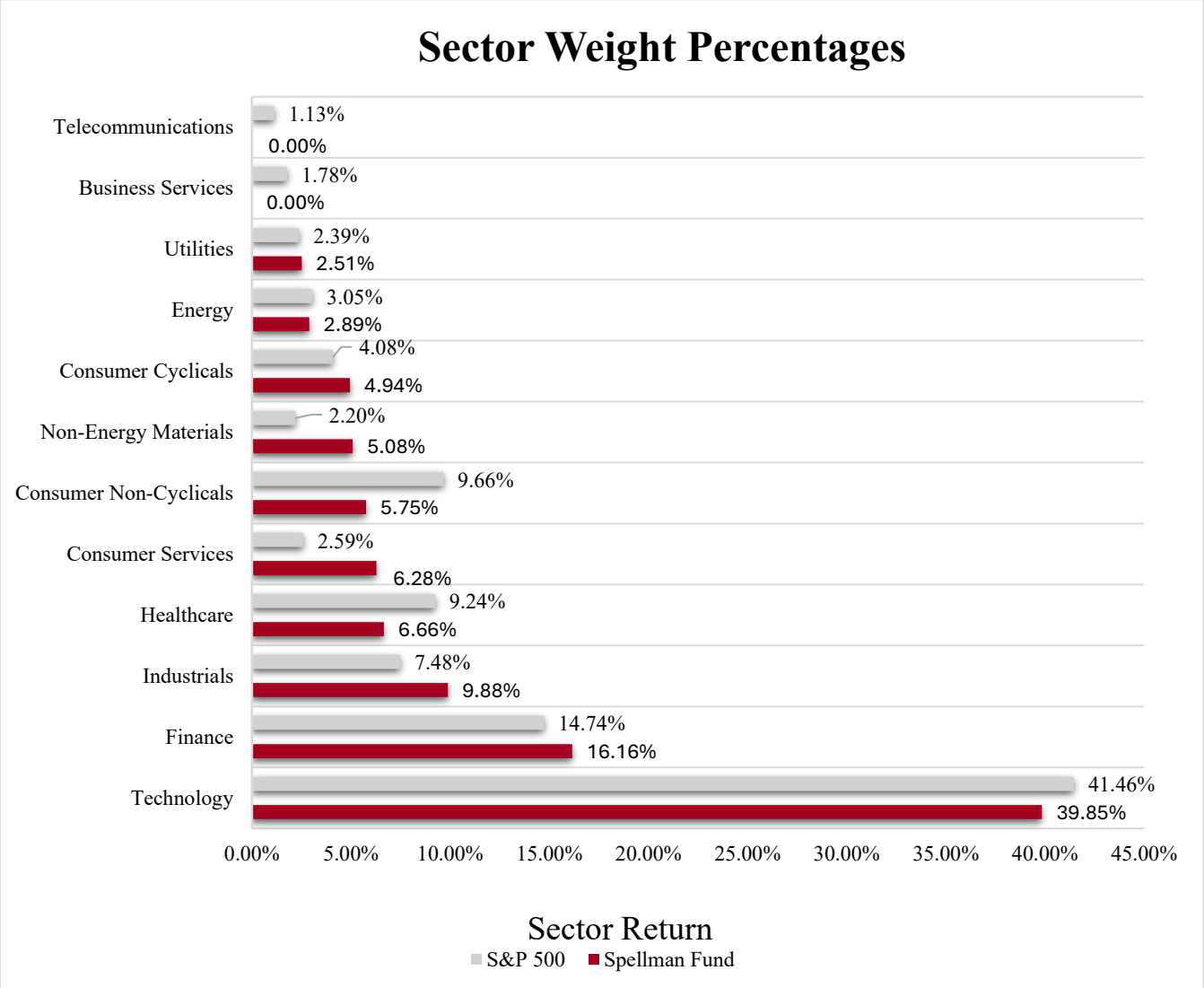
Company	Return %	Contribution to Return %
SAP SE (SAP)	-28.11%	-0.68
United Health Group (UNH)	-21.79%	-1.55
PayPal Holdings (PYPL)	-14.18%	-0.03
American Tower Corporation (AMT)	-13.58%	-0.33
Eli Lilly and Company (LLY)	-11.36%	-0.22
Proctor & Gamble Company (PG)	-11.00%	-0.38
Home Depot, Inc. (HD)	3.76%	0.18
Coca-Cola Company (KO)	6.75%	
Turtle Beach Corporation (TBCH)	9.22%	0.10
Pfizer Inc. (PFE)	33.97%	0.16

SAP SE (SAP): SAP was the fund's weakest performer over the period mainly due to the market reassessing the company's near-term cloud growth trajectory. Although SAP delivered solid FY2025 results, including strong cloud backlog growth and profitability ahead of expectations, its 2026 cloud outlook fell short of investor expectations and management indicated that cloud backlog growth would moderate. The combination of softer guidance, concerns about slower conversion of backlog into revenue, and broader software-sector sensitivity to AI disruption led to a sharp re-rating of the shares.

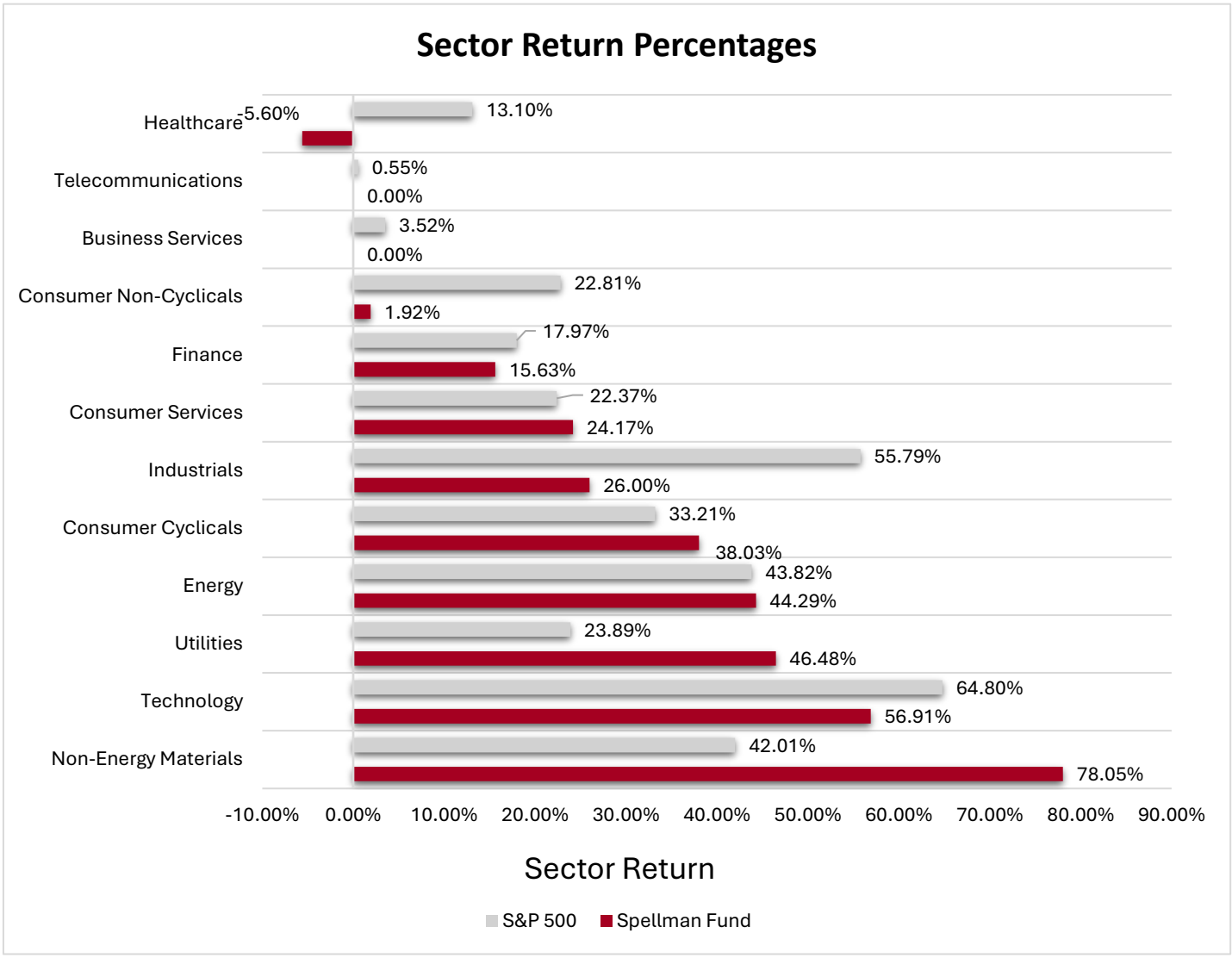
UnitedHealth Group (UNH): UnitedHealth Group was one of the fund's worst performers over the period, and the decline was mainly driven by a combination of higher medical costs, weaker Medicare Advantage reimbursement, and softer performance in Optum. Earlier earnings misses and repeated guidance changes were also among the biggest contributing factors, as they led investors to lower their expectations for the company's near-term earnings and growth profile. Even though UnitedHealth later raised guidance, the shares had already been repriced to reflect a more challenging operating and reimbursement environment.

PayPal Holdings (PYPL): Over the past year, PayPal performed poorly mainly due to slowing growth, missed earnings expectations, and weakening investor confidence. Its core branded checkout business grew only marginally, and overall revenue growth was only about 3–4% year-over-year, which is weak for a fintech company, while increased competition from Apple and Stripe put pressure on its market position. The company also missed expectations, like their EPS being around $1.23 vs. $1.29 expected, and issued weak forward guidance, signaling flat or declining profits in 2026, and underwent a CEO change, which added uncertainty. Overall, investors began to see PayPal less as a high-growth fintech and more as a slower, mature payments company. This led to a sharp selloff, including about a 20% single day drop after earnings and a significant decline over the year.

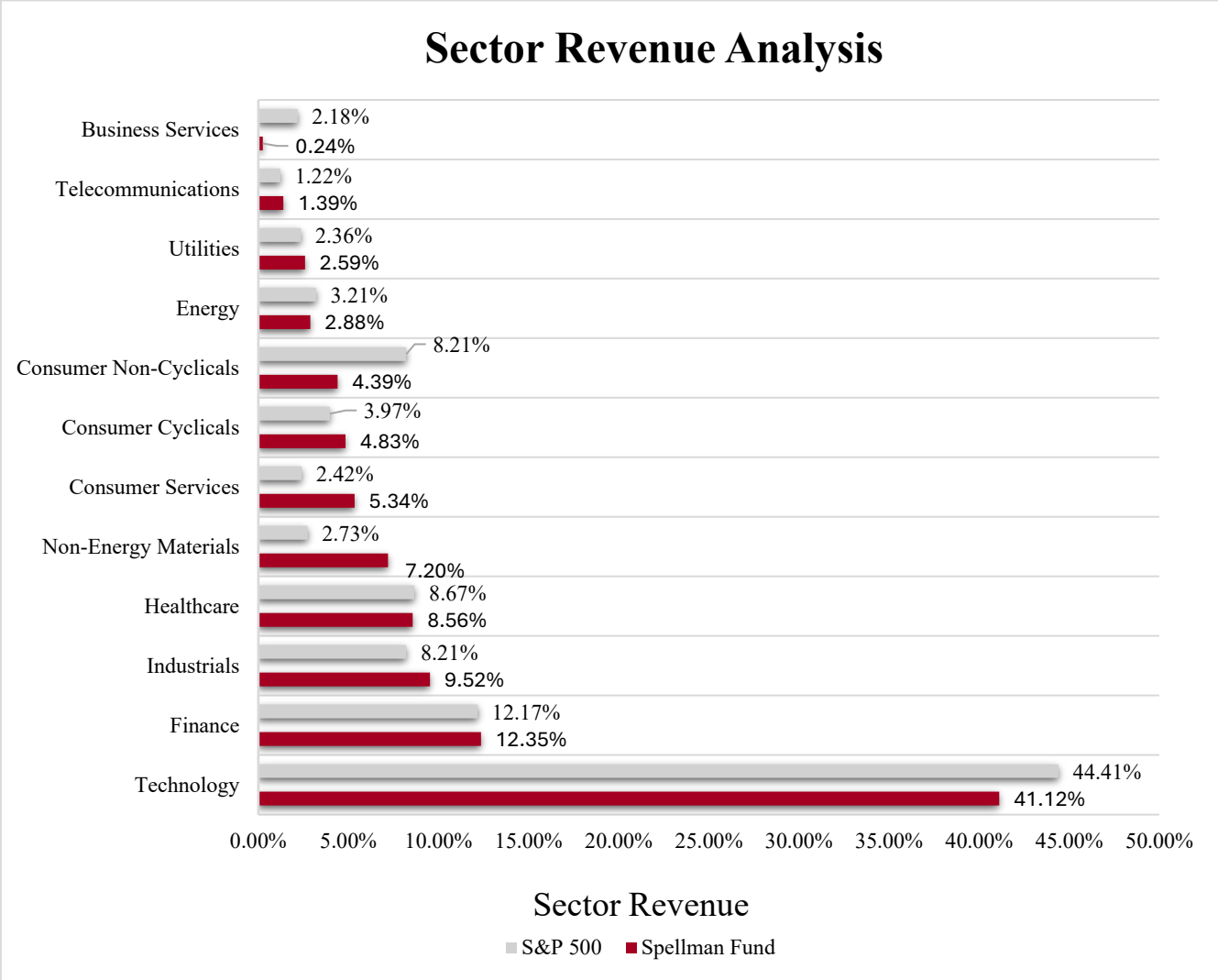
Sector Weights



Sector Returns



Revenue Breakdown



Portfolio Return

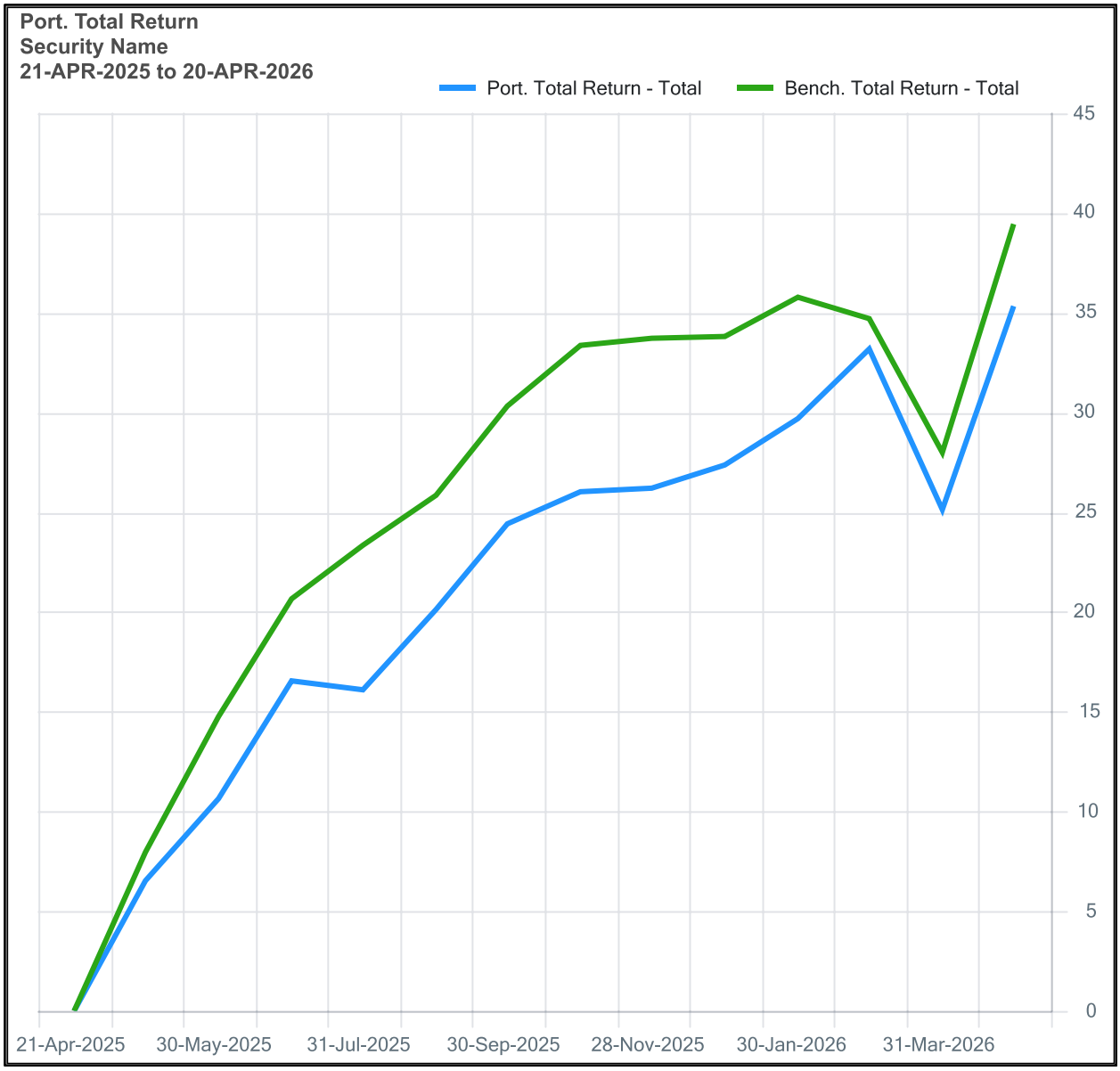


Figure 1.1 Portfolio Return with Benchmark

Selection Effect

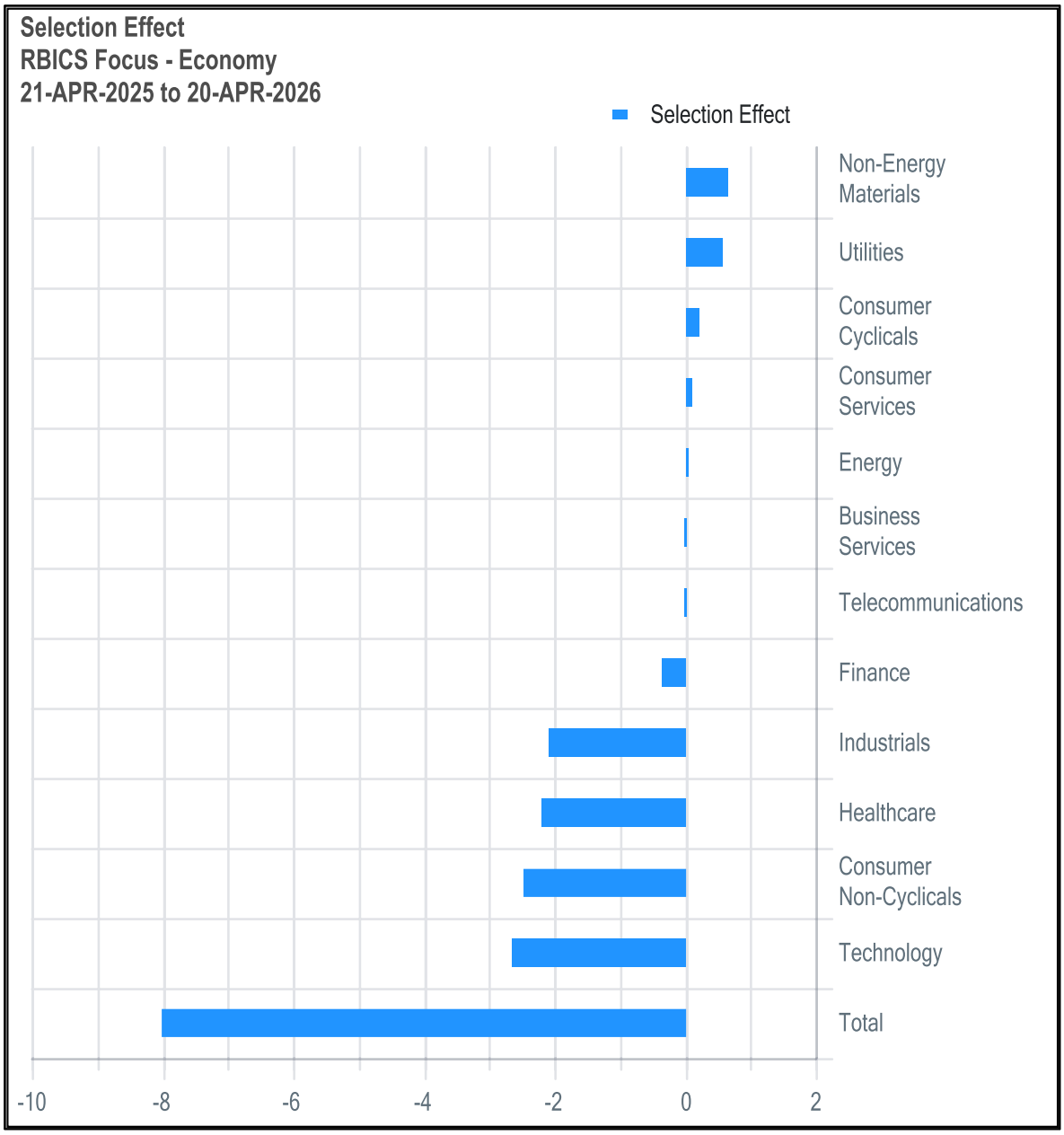


Figure 1.2 Selection Effect

Allocation Effect

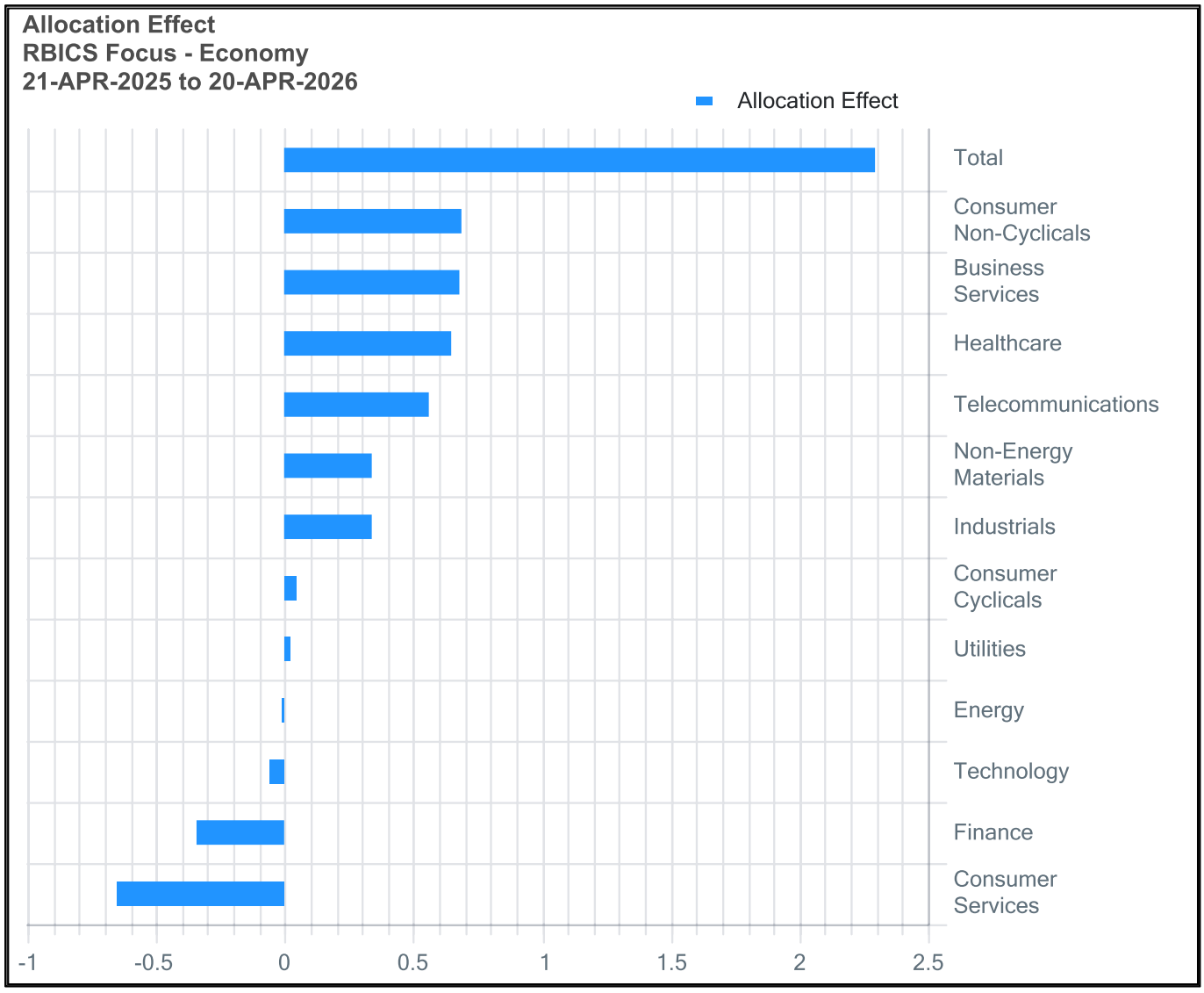


Figure 1.3 Allocation Effect

Liquidation Recommendations

This semester, the IMT team was tasked with liquidating between $8,000 and $40,000 of our holdings to increase cash reserves. The Spellman Fund is targeting a cash balance of $19,000 after class presentations, with a current cash balance of $13,568. This implies roughly $5,500 still needs to be liquidated, in addition to cash required for potential buy opportunities coming out of this year's presentations. The exact amount may vary depending on how the board decides to act on the stocks being pitched. Regardless, increasing our cash position is necessary to reach our target reserve level, ensuring sufficient funds for on-campus activities, payroll, and flexibility to act on new investment opportunities.

Since the liquidation amount may fluctuate, we chose to present the board with a range of options rather than a single path.

Our first recommendation and the most practical and beneficial option is to sell 25 to 50 percent of our position in Applied Materials (AMAT). This has been the fund's top performer, generating a total return of 658 percent and increasing from our purchase price of $59.87 to approximately $394. As a result, AMAT now represents 10.29 percent of the portfolio, which is significantly higher than any other holding.

Trimming the position allows us to lock in a substantial gain while generating meaningful cash. At the same time, it brings AMAT's weighting more in line with the rest of the portfolio and improves overall balance without fully exiting a strong performer. It will be important to consider the sector weight of technology as this will be near our 5% guidelines as we will be slightly more underweight than the S&P technology sector.

Our next best suggestion is to sell our bottom five stocks and eliminate these minimal positions. This would generate approximately $18,000 in cash while creating only minor adjustments to sector weights due to the very small allocations in each holding.

Maintaining positions at such low weights provides limited value to the portfolio, since even in strong bullish or bearish movements, their impact on overall performance is negligible. Because of this, these holdings do not meaningfully contribute to portfolio returns or risk exposure.

Fully exiting these positions or alternatively having future classes reassess them for either additional investment or divestment, would be beneficial for the fund. As currently structured, these stocks add little meaningful value to overall portfolio performance.

Our last suggestion is to reduce our position in Rio Tinto. There has been ongoing discussion about whether holding international stocks is beneficial for the fund, especially when the primary objective is to outperform the market. While international exposure is important for diversification, concentration in a single international name may create more risk than benefit.

Currently, Rio Tinto represents the fifth highest weight in the fund at approximately 5 percent. This level of concentration in one international stock may limit flexibility and reduce the potential advantages of broader diversification. Instead of maintaining a larger single position, it may be more effective to either reduce the weight or reallocate into multiple smaller international positions that better align with the overall structure of the portfolio.

Investment Philosophy

The Gordon Spellman Investments Fund was established with an endowment of twenty thousand dollars by Kevin Spellman in 2004 to serve as an opportunity for students interested in securities markets to learn through practical experience. The first trade was made in February 2006.

The Gordon Spellman funds' stocks and sectors are tracked through the FactSet database. These stocks are analyzed though different reporting methods, commonly used through portfolio analytics within FactSet.

The goal of the fund is to provide hands-on learning with real money for students. Therefore, we want to protect the value of the fund for future students. We are long-term investors, and the goal is to outperform the S&P 500. We also try to manage risk and preserve the fund value. This is done so through disciplined asset allocation and not allowing shorting or margin trading.

The fund's investment strategy is to follow a value investing approach. We look for stocks with strong future growth opportunities, good profitability, and reasonable price multiples. Stocks will be added or sold based on the research and analysis from students as part of the FIN 475 class. The club advisor(s) and Faculty Advisory Board must unanimously approve all transactions being made.

To stay diversified, no individual investment can be more than 15% of the fund when chosen and no sector can compose more than 30% of the fund when chosen. Each sector must also stay within +/- 5% of the S&P 500 allocation.

Monthly, Mid-Year and Annual reports completed by the Investment Management Team are posted on the UWL website under the College of Business Administration, Gordon Spellman Fund. These reports are available for all to view and are shared with the FIN 475 class who are analyzing a selected stock.

Investment Process

Investment Analysis and Portfolio Management Course:

Each semester, students in this course form groups and select a stock to analyze. This could be a stock currently in the fund to analyze as a possible sell, or a new stock to possibly add to the fund. The students receive mentoring from the Advisory Board during the semester and then present their findings and recommendations to the Advisory Board and Finance Faculty at the end of the semester.

Each presentation is scored by Advisory Board Members, faculty, and their fellow students. The highest-rated groups have their recommendations followed. Typically, the top two or three groups have their recommendations implemented by the fund. The students in the course also provide recommendations for which stocks in the fund should be re-evaluated by future students. Students are also asked to give their recommendation on the fund's sector weights. Transactions only occur at the end of each semester, and stocks are revisited for full analysis every few years.

Investment Management Team:

As student managers of the Spellman Fund, the team is afforded the opportunity to participate in actual financial markets through security analysis and portfolio management. This experience grants them practical insight into current financial markets, teaching them to balance emotional reactions to current news with long-term objectives. Throughout this process, they develop a strategic outlook to analyze current and future economic conditions and their potential impact on the Fund.

The Investment Management Team creates monthly reports on the performance of the Spellman Fund, as well as one mid-year and annual report. The reports are posted to the UWL page and shared with the Investment Analysis and Portfolio Management class. Within the reports the team makes stock and industry recommendations based on their analysis of the fund through FactSet. At the end of the year, the team presents their findings and recommendations to the Spellman Board members. This presentation occurs prior to the presentations from the Investment Analysis and Portfolio Management class to provide baseline knowledge on the fund's performance throughout the past year.

Meet The Team – Student Analysis

Joey Neubert – neubert5042@uwlax.edu

Joey Neubert is a senior at the University of Wisconsin–La Crosse, majoring in finance with a minor in accounting, and is on track to graduate in May 2026. He is an honors student currently gaining valuable experience through an Accounting and Finance internship at Johnson Controls. On campus, Joey is actively involved in the Investment Club, Real Estate Club, and participated in the Kwik Trip Integrated Core Program. In addition to his academic and professional pursuits, he was a three-year member of the UW–La Crosse Men's Club Ice Hockey team, where he also served as treasurer.

Mya Trafficante - trafficante0009@uwlax.edu

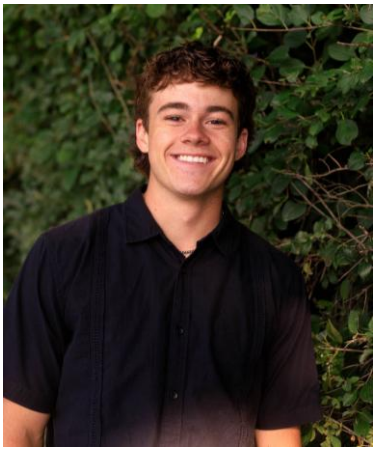
Mya Trafficante is a junior from Sussex, Wisconsin. She is currently a double major in finance and business analytics at the University of Wisconsin-La Crosse and will be graduating in May of 2027. Last summer, Mya furthered her financial experience through a finance internship at Fiserv and will be returning there this summer. She is also an ongoing member of the Investment Club, Women in Business, and the Financial Management Association at UWL. Through the Investment Management Team, Mya has been able to gain a better understanding of the stock market and learned numerous strategies that can assist in analyzing a stock portfolio.

Charlie Johnson – johnson1285@uwlax.edu

Charlie Johnson is a junior from Stillwater, Minnesota, a suburb located just outside St. Paul. He is pursuing a bachelor's degree in accounting and finance from the University of Wisconsin-La Crosse and is expected to graduate in December of 2027. Charlie serves as Vice President of the UWL Investment Club, Treasurer of UWL's Beta Alpha Psi, and is an active member of UWL's Financial Management Association (FMA) and Real Estate Club. He recently participated in the 2024–2025 CFA Research Challenge, where he primarily focused on researching and presenting findings related to ESG. Charlie aims to continue learning while supporting and guiding other aspiring finance professionals in their pursuit of continuous growth.

Elijah Ferguson – ferguson3476@uwlax.edu

Elijah Ferguson is a sophomore student at UW-La Crosse from Milwaukee, Wisconsin. He is currently working towards his bachelor's degree in finance with plans to graduate in the spring of 2028. Elijah enjoys working with the Spellman Fund and continuing to develop his knowledge of the stock market, investment strategies, and market trends. Elijah is also a current member of the Investment Club, the Financial Management Association (FMA), and is involved in campus with intramural sports. Elijah is a big sports fan, heavily supporting the Milwaukee Bucks and Green Bay Packers. As a second-year student at La Crosse, Elijah is looking forward to continuing to learn from his peers and collaborate with new people.



Brady Beck – beck7419@uwlax.edu

Brady Beck is a sophomore at the University of Wisconsin–La Crosse, majoring in finance with a minor in economics. Originally from Oconomowoc, Wisconsin, he graduated from Arrowhead High School in 2024. He has a strong passion for sports, especially baseball, and is an avid fan of the Brewers, Packers, and Badgers. On campus, he is involved in the Investment Club, where he continues to expand his knowledge of financial markets. He also holds an internship in risk management at Landmark Credit Union, gaining valuable hands-on experience in the finance industry. In his free time, he enjoys lifting weights, staying active, and following his favorite teams.