INVESTMENT MANAGEMENT TEAM

MARCH 2025 SPELLMAN FUND REPORT

Summary

Overall, the market experienced a sharp decline in March. The S&P 500 closed at a low of 5,521.3 on March 13th, marking its lowest point since September 2024. Throughout the month, the S&P 500 fell by -3.94%, reflecting broad market weakness. However, the Spellman Fund outperformed, declining only -2.43%, demonstrating strong relative performance during a challenging period. March was undeniably a bear month, driven by market volatility and economic uncertainties.

Trump's Tariffs

In March 2025, tariffs were in full effect, fueling market uncertainty and driving a bearish sentiment. The increase in trade restrictions raised costs for businesses, especially in manufacturing and technology, leading to poor performance in those sectors. At the same time, weakening consumer spending raised concerns about declining profits, which contributed to the poor performance of consumer services. The uncertainty surrounding tariffs and their long-term impact kept markets on edge, with investors closely monitoring economic data and corporate earnings for signs of resilience.

Fed Rates

The Federal Reserve chose to keep interest rates steady at 4.25%-4.50%, citing persistent inflation concerns and the need for more data before adjusting policy. While some investors had hoped for an early rate cut to counteract economic headwinds from tariffs, the Fed remained cautious, waiting to see if inflation trends downward. If inflation shows signs of easing in the coming months, rate cuts in July or September could provide a boost to equities, particularly in sectors that have been hit hardest by higher borrowing costs and trade-related pressures.

Portfolio Performance for March

The portfolio had a total return of -2.43%

The top three performing sectors were Energy (9.17%), Healthcare (8.42%), and Utilities (-1.02%).

Top 5 Highest Performers

UnitedHealth Group (UNH):

- 12.63% Increase
- $523.75 Ending price per share

Exxon Mobile (XOM):

- 10.37% increase
- $118.93 Ending price per share

Occidental Petroleum Corporation (OXY):

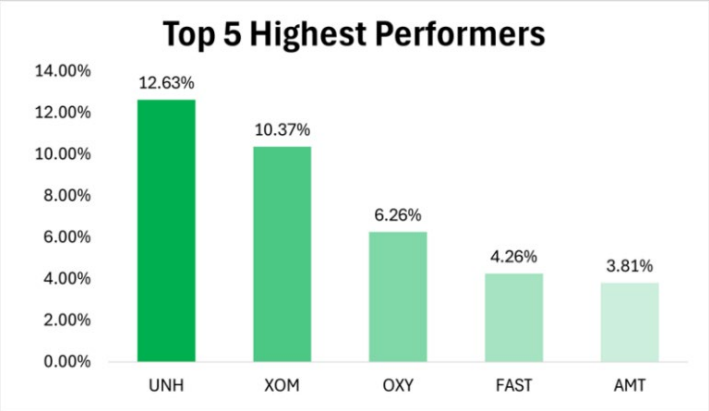
- 6.26% Increase
- $49.36 Ending price per share

Fastenal Company (FAST):

- 4.26% Increase
- $77.55 Ending price per share

American Tower Corporation (AMT):

- 3.81% Increase
- $217.60 Ending price per share



The three lowest performing sectors were Technology (-5.01%), Consumer Services (-4.21%), and Consumer Cyclicals (-3.32%).

Top 5 Lowest Performers

Walt Disney Company (DIS):

- -12.49% Decrease
- $98.70 Ending price per share

Meta Platforms Inc (META):

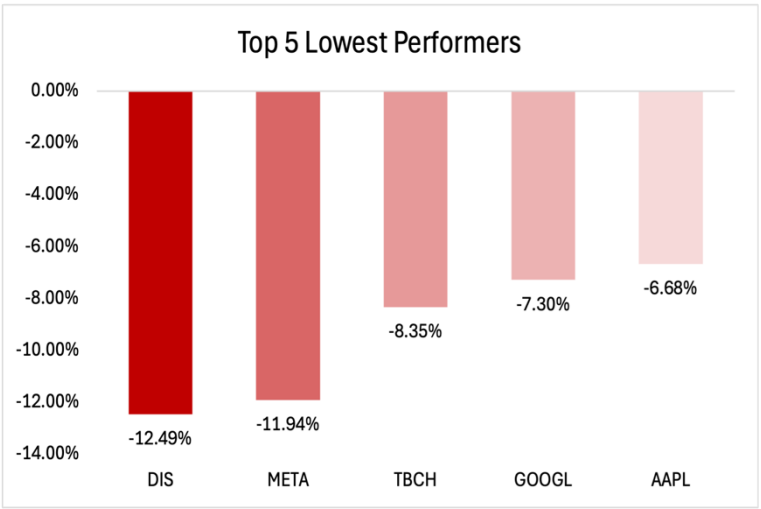
- -11.94% Decrease
- $576.36 Ending price per share

Turtle Beach Corporation (TBCH):

- -8.35% Decrease
- $14.27 Ending price per share

Alphabet Inc (GOOGL):

- -7.30% Decrease
- $154.64 Ending price per share

Apple Inc. (AAPL):

- -6.68% Decrease
- $222.13 Ending price per share