INVESTMENT MANAGEMENT TEAM

SEPTEMBER 2026 SPELLMAN FUND REPORT

Summary

Throughout the month of September, the market experienced a modest increase, with the S&P 500 from September 1st through September 30th, posting a modest gain of 0.32%, ending the period at 7,651.54. The market's momentum slowed in September as investors faced a wave of inflation concerns, rising Treasury yields, and renewed pressure from higher interest rates. The Federal Reserve's decision to raise rates, combined with a surge in oil prices amid U.S. & Iran tensions, fueled concerns about higher borrowing costs and continued pressure on corporate profits. While enthusiasm surrounding AI and major technology companies helped support the S&P 500, these gains masked broader weakness across smaller companies and interest-rate-sensitive sectors.

The Spellman Fund closely mirrored this performance, gaining 0.26% for the month. Even though the Technology sector delivered the highest total return within the fund, it was the only sector that had a positive contribution, contributing 3.62% to the fund's overall performance. The fund's top performer this month was Intel, whose stock surged 35.14% in September. The rally was driven by growing optimism around AI-related demand for Intel's server processors, reports of planned PC-chip price increases, and potential manufacturing collaboration with SK Hynix. Together with strong second-quarter growth in its data-center business, these developments strengthened investor confidence in Intel's turnaround strategy and its ability to capitalize on expanding demand for AI infrastructure.

Interest Rates

September 2026 was a turning point for U.S. monetary policy and equity markets. At the September 15th-16th meeting, the Federal Reserve raised the federal funds target range by a quarter point to 3.75%-4.00%, its first increase since 2023.

The S&P 500 closed the month at 7,651.54. Over the full month, the S&P 500 declined only about 0.5%, the Nasdaq rose about 1.9%, and the Dow fell roughly 4.3%. While many individual stocks fell the overall index hardly moved. Gains were mainly concentrated on technology, which was only sector in the S&P 500 to finish the month positive, while financials, materials, real estate, utilities and consumer all fell on rising oil prices and yields.

September Portfolio Performance

The portfolio had an overall increase of 0.26%

The top three performing sectors were Technology (8.70%), Industrials (-2.73%), Energy (-3.43%).

Top 5 Highest Performers

Intel Corporation (INTC):

- 35.14% Increase
- 1.04% Contribution to Return

META Platform Inc. Class A (META):

- 25.44% Increase
- 0.55% Contribution to Return

Applied Materials, Inc. (AMAT):

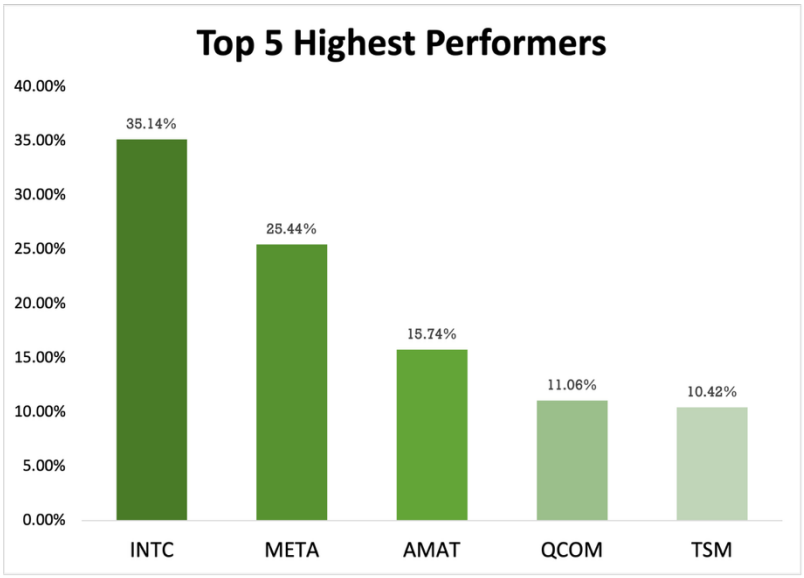
- 15.74% Increase
- 1.36% Contribution to Return

QUALCOMM Incorporated (QCOM):

- 11.06% Increase
- 0.30% Contribution to Return

Taiwan Semiconductor Manufacturing Co., LTD. Sponsored ADR (TSM):

- 10.42% Increase
- 0.21% Contribution to Return



The three lowest performing sectors were Consumer Services (-13.43%), Consumer Cyclicals (-10.08%), Utilities (-8.67%).

Top 5 Lowest Performers

Booking Holdings Inc. (BKNG):

- 16.55% Decrease
- -0.39% Contribution to Return

Netflix Inc. (NFLX):

- 13.90% Decrease
- -0.38% Contribution to Return

CVS Health Corporation (CVS):

- -12.20% Decrease
- -0.24% Contribution to Return

Home Depot, Inc. (HD):

- 10.38% Decrease
- -0.18% Contribution to Return

General Motors Company (GM):

- 9.89% Decrease
- -0.28% Contribution to Return

