

**UWL****IMT****UW**

INVESTMENT MANAGEMENT TEAM

SEPTEMBER & OCTOBER SPELLMAN FUND REPORT

Summary

For the months of September and October, the overall market was in a downtrend and the S&P 500 decreased by 6.89%. The highest point was September 1st at 4,541.75, and its lowest point was October 27th at 4,106.39, making it the worst October performance for the index in five years. The month of September had the worst month of 2023 so far with the S&P 500 falling 5% and the Nasdaq dropping 6%. This is no surprise as stocks in the third quarter historically tend to perform poorly with many traders calling it the “September Effect”. Wallstreet says that the reason for the decrease in the overall market is because of “sticky inflation” and the Federal Reserve’s high interest rates.

Interest Rates

With a very anticipated speech on interest rates, Jerome Powell stated that the central bank will most likely hold interest rates steady the next month. He said that with financial conditions being tightened in these recent months along with rising long-term bond yields, these have been important factors leading to his decision. Powell has also stated that the Fed will maintain a more cautious approach with interest rates to maintain a balance within our economy. If interest rates are raised too high, it can potentially slow down economic activity and lead to a recession. On the other hand, doing too little can raise consequences with the control of inflation. If inflation becomes higher than the target set by the central bank, this may persist for an extended period requiring more drastic and potentially costly actions to be taken in the future.



Portfolio Performance for September and October

The portfolio had an overall decrease of -4.56% over the months of September and October. However, the market overall was down -6.89% . The fund slightly outperformed the market by 2.33% . The top performing economic sectors were Health Services (12.9%), Retail Trade (5.99%), and Non-Energy Minerals (0.77%).

Top 5 highest performers

UnitedHealth Group Incorporated (UNH):

- 12.9% increase
- \$535.56 Ending Price Per Share



CVS Health Corporation (CVS):

- 5.99% Increase
- \$69.01 Ending Price Per Share



Microsoft Corporation (MSFT):

- 2.88% increase
- \$338.11 Ending Price Per Share



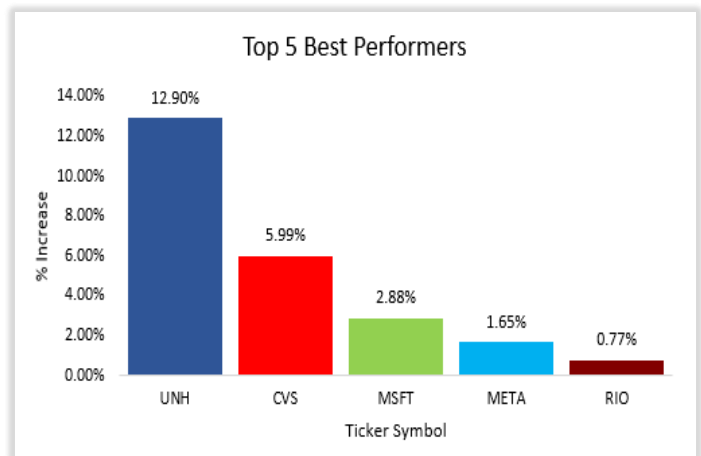
Meta Platforms Inc. (META):

- 1.65% Increase
- \$301.27 Ending Price Per Share



Rio Tinto plc Sponsored ADR (RIO):

- 0.77% Increase
- \$64.34 Ending Price Per Share



The worst performing economic sectors in the portfolio were Consumer Durables (-18.32%), Producer Manufacturing (-14.05%), and Utilities (-12.82%).

Worst 5 Performers

General Motors Company (GM):

- -15.92% decrease
- \$28.20 Ending Price Per Share



Applied Materials, Inc. (AMAT):

- -14.05% decrease
- \$132.35 Ending Price Per Share



NextEra Energy, Inc. (NEE):

- -12.82% decrease
- \$58.30 Ending Price Per Share



Booking Holdings Inc. (BKNG):

- -10.44% decrease
- \$2,798.56 Ending Price Per Share



Mastercard Incorporated Class A (MA):

- -9.31% decrease
- \$376.35 Ending Price Per Share

