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**UNIVERSITY OF WISCONSIN – LA CROSSE  
COLLEGE OF BUSINESS  
ADMINISTRATION**

**STUDENT MANAGED GORDON SPELLMAN FUND**

**2024-2025 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, and in Spring 2025 has worked on monthly reports, this annual report, and will present the fund performance and portfolio recommendations to the Gordon Spellman Advisory Board. The IMT will bring back four of its members next year. We also had two students present at the Student Managed Investment Consortium Conference in October, which we hope becomes an annual event for us. The students presented a poster about the Spellman Fund holdings and performance and learned about other student managed investment funds.

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. The Spring 2025 semester saw Dr. Changyu Yang step into teaching the course for the first time. Dr. Yang will continue to teach the course into the next academic year. We also started a research team to help with the fund. One student worked on research in Summer 2024, and we hope to have several students doing so in Summer 2025. The research will revolve around stock selection models, incorporating fundamental analysis, technical analysis, sentiment, and AI.

Due to the recent market conditions, the fund has fallen slightly from around \$455,000 in April of 2024 to around \$450,000 currently. We continue to add stocks to diversify the fund, and we have kept a sizable amount of cash on hand that has helped withstand the recent market volatility.

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 4/21/2025: \$432,338.30
  - Funds Current Cash Value: \$18,560.32
  - Total Fund Value: \$450,898.62
- **1-Year Return**
  - Spellman Fund: 2.15%
  - S&P 500 return: 4.37%
    - Spellman Fund underperformed the S&P 500 by -2.22%
- **Top 3 Highest Performers**
  - Netflix (NFLX): 78.13% increase
  - PayPal (PYPL): 42.43% increase
  - SAP SE (SAP): 41.89% increase
- **Top 3 Worst Performers**
  - Intel (INTC): -44.67% decrease
  - Applied Materials (AMAT): -27.85% decrease
  - Turtle Beach (TBCH): -26.18% decrease

## Top Economic Sectors

### Spellman Fund

### S&P 500

Finance: 15.26%	Business Services: 30.23%
Consumer Cyclical: 6.89%	Telecommunications: 26.09%

## Worst Economic Sectors

### Spellman Fund

### S&P 500

Energy: -13.96%	Energy: -13.70%
Healthcare: -7.75%	Non-Energy Materials: -5.81%

## Fund Summary Continued

### Stocks Purchased in the Last Year



<u>Date Purchased</u>	<u>Company</u>	<u>Shares Purchases</u>
December 9, 2024	Occidental Petroleum Corp (OXY)	100
May 6, 2024	NVIDIA Corp (NVDA)	13
May 6, 2024	Home Depot Inc. (HD)	34
May 6, 2024	Fastenal Co (FAST)	100

### Stocks Sold in the Last Year



<u>Date Sold</u>	<u>Company</u>	<u>Shares Sold</u>
May 6, 2024	Meta Platforms Inc. (META)	3
May 6, 2024	Netflix Inc (NFLX)	5
May 6, 2024	Walt Disney Co (DIS)	6
May 6, 2024	Alphabet Inc Class C (GOOGL)	7
May 6, 2024	Nexstar Media Group Inc (NXST)	8



# Holdings Snapshot

<b>Company</b>	<b>% Weight of Portfolio</b>
UnitedHealth Group (UNH)	7.26
Union Pacific Corp (UNP)	6.63
Applied Materials (AMAT)	6.36
JP Morgan Chase & CO	6.36
Apple Inc. (AAPL)	5.88
Netflix Inc. (NFLX)	5.52
Microsoft Corp (MSFT)	4.71
QUALCOMM Inc. (QCOM)	3.86
NVIDIA Corp (NVDA)	3.46
Mastercard Inc. (MA)	3.42
Procter & Gamble (PG)	3.41
SAP (SAP)	3.40
Booking Holdings Inc. (BKNG)	2.94
Meta Platforms (META)	2.91
Home Depot Inc. (HD)	2.76
NextEra Energy Inc. (NEE)	2.73
Rio Tinto (RIO)	2.47
Nexstar Media (NXST)	2.24
American Tower Corp (AMT)	2.21
Alphabet Inc. (GOOGL)	2.20
Exxon Mobil (XOM)	2.18
General Motors (GM)	2.18
Emerson Electric Co. (EMR)	2.11
Prudential Financial (PRU)	1.98
Johnson & Johnson (JNJ)	1.95
Fastenal Company (FAST)	1.56
Coca-Cola (KO)	1.42
Intel Corp (INTC)	1.11
Walt Disney (DIS)	1.10
CVS Health Corp (CVS)	1.01
Turtle Beach Corp (TBCH)	0.87
Pfizer Inc. (PFE)	0.60
Boeing (BA)	0.46
Occidental Petroleum Corp (OXY)	0.41
PayPal Holdings Inc. (PYPL)	0.29



## Stock Returns

Stock	% Return
Netflix (NFLX)	78.13
PayPal Holdings (PYPL)	42.43
SAP SE (SAP)	41.89
American Tower Corporation (AMT)	30.67
Booking Holdings (BKNG)	29.22
Coca-Cola (KO)	23.76
JPMorgan Chase (JPM)	23.75
Fastenal (FAST)	22.91
Apple (AAPL)	17.02
Mastercard Incorporated (MA)	14.79
Johnson & Johnson (JNJ)	8.62
NVIDIA (NVDA)	7.05
Procter & Gamble (PG)	5.79
Home Depot (HD)	4.38
General Motors (GM)	3.76
NextEra Energy (NEE)	1.82
Meta Platforms (META)	0.97
Rio Tinto (RIO)	-0.66
Alphabet (GOOGL)	-5.05
Nexstar Media Group (NXST)	-5.08
Union Pacific (UNP)	-5.81
Boeing (BA)	-6.53
Prudential Financial (PRU)	-9.12
Emerson Electric (EMR)	-9.61
Exxon Mobil (XOM)	-9.65
Microsoft Corporation (MSFT)	-9.76
Pfizer (PFE)	-10.85
UnitedHealth Group (UNH)	-12.02
QUALCOMM (QCOM)	-13.29
CVS Health (CVS)	-17.63
Occidental Petroleum (OXY)	-19.14
Turtle Beach (TBCH)	-26.18
Applied Materials (AMAT)	-27.85
Intel (INTC)	-44.67



## Best Performers

<u>Company</u>	<u>Return %</u>	<u>Contribution to Return %</u>
Netflix, Inc. (NFLX)	78.13	1.10
PayPal Holdings, Inc. (PYPL)	42.43	0.29
SAP SE Sponsored ADR (SAP)	41.89	0.50
American Tower Corporation (AMT)	30.67	0.67
Booking Holdings Inc. (BKNG)	29.22	0.13
Coca-Cola Company (KO)	23.76	0.21
JPMorgan Chase & Co. (JPM)	23.75	0.12
Fastenal Company (FAST)	22.91	0.03
Apple Inc. (AAPL)	17.02	0.06
Mastercard Incorporated Class A (MA)	14.79	0.05



**Netflix, Inc. (NFLX):** Over the last year, Netflix delivered a standout total return of 78.13%, making it the top contributor to *The Gordon Spellman Fund* with a +1.10% impact. The company saw a resurgence in investor confidence driven by a return to strong subscriber growth, especially in international markets. Netflix also benefited from the expansion of its ad-supported tier, which created a new, high-margin revenue stream without significant cannibalization of its core offerings. In addition, the platform's disciplined content spending and strategic moves into gaming and live content (like sports and comedy specials) helped strengthen its long-term growth narrative, making it a favorite among investors in the media and tech space.



**PayPal Holdings, Inc. (PYPL):** PayPal returned 42.43% over the last year, contributing +0.29% to the fund's performance. After a challenging few years, PayPal rebounded as it executed a successful strategic shift toward simplifying its product offerings and expanding its merchant services. Cost-cutting initiatives and leadership changes reassured investors that the company was serious about improving efficiency and reaccelerating earnings growth. A renewed focus on core fintech solutions and partnerships also positioned the firm well amid rising digital payment adoption globally. Though competition remains fierce, PayPal's turnaround momentum and margin expansion helped drive a strong stock performance.



**SAP SE Sponsored ADR (SAP):** SAP posted a solid 41.89% return over the last year, contributing +0.50% to *The Gordon Spellman Fund*. The enterprise software giant benefited from strong demand for its cloud-based solutions, particularly its RISE with SAP initiative aimed at modernizing clients' digital infrastructure. As more companies shifted to the cloud and AI-integrated ERP systems, SAP capitalized on long-term contracts and recurring revenue. Investor sentiment improved as the company met or beat earnings targets throughout the year, while favorable currency exchange rates and efficiency improvements boosted profitability. SAP's strong positioning in the global enterprise software space made it a reliable performer in a tech-focused portfolio.



**American Tower Corporation (AMT):** Over the last year, American Tower delivered a return of 30.67%, adding +0.67% to the fund's total performance. The company's business model — centered on leasing cell towers and infrastructure to wireless providers — proved resilient amid a volatile macroeconomic environment. Demand for 5G infrastructure expansion and international network rollouts drove consistent growth. Additionally, AMT benefited from declining interest rate expectations, which eased pressure on its REIT structure that relies heavily on debt financing. With stable cash flows, inflation-protected lease contracts, and strong global exposure, AMT offered both growth and income, making it a strong asset in the portfolio.



## Worst Performers

<u>Company</u>	<u>Total Return %</u>	<u>Contribution to Return %</u>
Intel Corporation (INTC)	-44.67	-0.70
Applied Materials, Inc. (AMAT)	-27.85	-1.27
Turtle Beach Corporation (TBCH)	-26.18	-0.25
Walt Disney Company (DIS)	-24.31	-0.34
Occidental Petroleum Corporation (OXY)	-19.14	-0.23
CVS Health Corporation (CVS)	-17.63	-0.39
QUALCOMM Incorporated (QCOM)	-13.29	-0.30
UnitedHealth Group Incorporated (UNH)	-12.02	-0.83
Pfizer Inc. (PFE)	-10.85	-0.06
Microsoft Corporation (MSFT)	-9.76	-0.44



**Intel Corporation (INTC):** Over the last year, Intel was the largest subtractor from The Spellman Fund, posting a total return of -44.67%, which lowered the portfolio's performance by -0.70%. The stock's steep decline was driven by persistent weakness in the company's core PC and data center businesses, as well as lower-than-expected guidance for 2025. Competitive pressures from AMD and Nvidia intensified as Intel lagged in rolling out advanced chips. Investors also lost confidence due to delays in Intel's manufacturing roadmap and underwhelming results from its Foundry Services division. Moreover, the company's exposure to geopolitical risk in China added a layer of uncertainty during a period of ongoing U.S.-China tech tensions.



**Applied Materials, Inc. (AMAT):** Over the last year, Applied Materials declined -27.85%, subtracting -1.27% from the fund's return. As a leading player in semiconductor fabrication equipment, AMAT was impacted by a global slowdown in chip demand, especially for memory and consumer tech devices. Capital spending cuts by major chipmakers hurt revenue expectations, while fears of a broader tech downturn added to the stock's losses. Export restrictions to China, a key market, further clouded the outlook. Despite strong positioning in AI and advanced node manufacturing over the long term, the near-term cyclical softness weighed heavily on investor sentiment.



**Turtle Beach Corporation (TBCH):** Turtle Beach returned -26.18% over the last year, decreasing The Spellman Fund's return by -0.25%. Even with record revenue and net income in late 2024, the stock suffered from declining enthusiasm in the gaming peripherals space. The post-pandemic gaming boom lost steam, and consumer spending on non-essential electronics slowed. Rising component costs and intensified competition from both premium and budget headset brands narrowed margins. Investors were also cautious about TBCH's limited diversification and small-cap risk profile, despite share repurchases and strong earnings results.



**Walt Disney Company (DIS):** Over the last year, Disney's stock fell -24.31%, lowering the fund's return by -0.34%. Despite more than doubling its net earnings in 2024, Disney was caught in a wave of investor doubt around its long-term strategy. Its streaming division, while growing, continued to burn cash and face stiff competition from Netflix, Amazon, and newer entrants. At the same time, theme park operations—traditionally a stable revenue driver—showed signs of plateauing amid inflationary pressure and shifting consumer behavior. Political controversies and corporate restructuring added noise, limiting investor confidence in Disney's ability to deliver sustainable, diversified growth.



## Sector Weights

Economic Sector	Fund Weight (%)	S&P500 Weight (%)
Technology	40.30	38.66
Finance	14.27	14.76
Industrials	10.76	7.13
Healthcare	9.82	11.11
Consumer Services	6.28	2.55
Consumer Non-Cyclicals	5.84	10.24
Utilities	2.73	2.40
Energy	2.59	3.44
Non-Energy Materials	2.47	2.41
Business Services	-	1.74
Telecommunications	-	1.30



## Sector Returns

<b>Economic Sector</b>	<b>Fund Return (%)</b>	<b>S&amp;P500 Return (%)</b>
<b>Finance</b>	15.26	14.11
<b>Consumer Cyclicals</b>	6.89	11.03
<b>Consumer Services</b>	4.80	-0.66
<b>Technology</b>	4.41	3.07
<b>Consumer Non-Cyclical</b>	3.21	6.52
<b>Utilities</b>	1.82	18.08
<b>Business Services</b>	-	30.23
<b>Telecommunications</b>	-	26.09
<b>Non-Energy Materials</b>	-0.66	-5.81
<b>Industrials</b>	-2.15	-0.29
<b>Healthcare</b>	-7.75	-3.35
<b>Energy</b>	-13.96	-13.70



## Revenue Breakdown

Sector	Spellman Fund	S&P 500	Difference
Technology	40.35	39.50	0.85
Finance	12.20	12.87	-0.67
Industrials	10.64	7.27	3.37
Healthcare	10.39	11.18	-0.79
Consumer Services	5.99	2.66	3.33
Consumer Non-Cyclicals	5.28	9.28	-4.00
Consumer Cyclicals	4.99	4.53	0.46
Non-Energy Materials	2.95	2.64	0.31
Utilities	2.72	2.46	0.26
Energy	2.25	3.35	-1.10
Telecommunications	2.06	1.54	0.52

Similar to the Mid-Year Report, this table provides a detailed breakdown of revenue by sector, highlighting how each company in the Spellman Fund and the S&P 500 generates its income. Unlike traditional sector weightings, which classify companies based on their primary industry, this approach distributes revenue across sectors based on where it is actually earned. This results in a revenue-based view of market exposure, offering a different view to evaluate sector allocations.

The Spellman Fund shows a greater weight in Industrials (+3.37%) and Consumer Services (+3.33%) compared to the S&P 500, reflecting higher revenue exposure in these areas. Conversely, it has a smaller weight in Consumer Non-Cyclicals (-4.00%), indicating less exposure to more traditionally stable sectors. These differences are important to note, as they provide an alternative way to assess sector positioning based on actual revenue sources.

# Portfolio Return

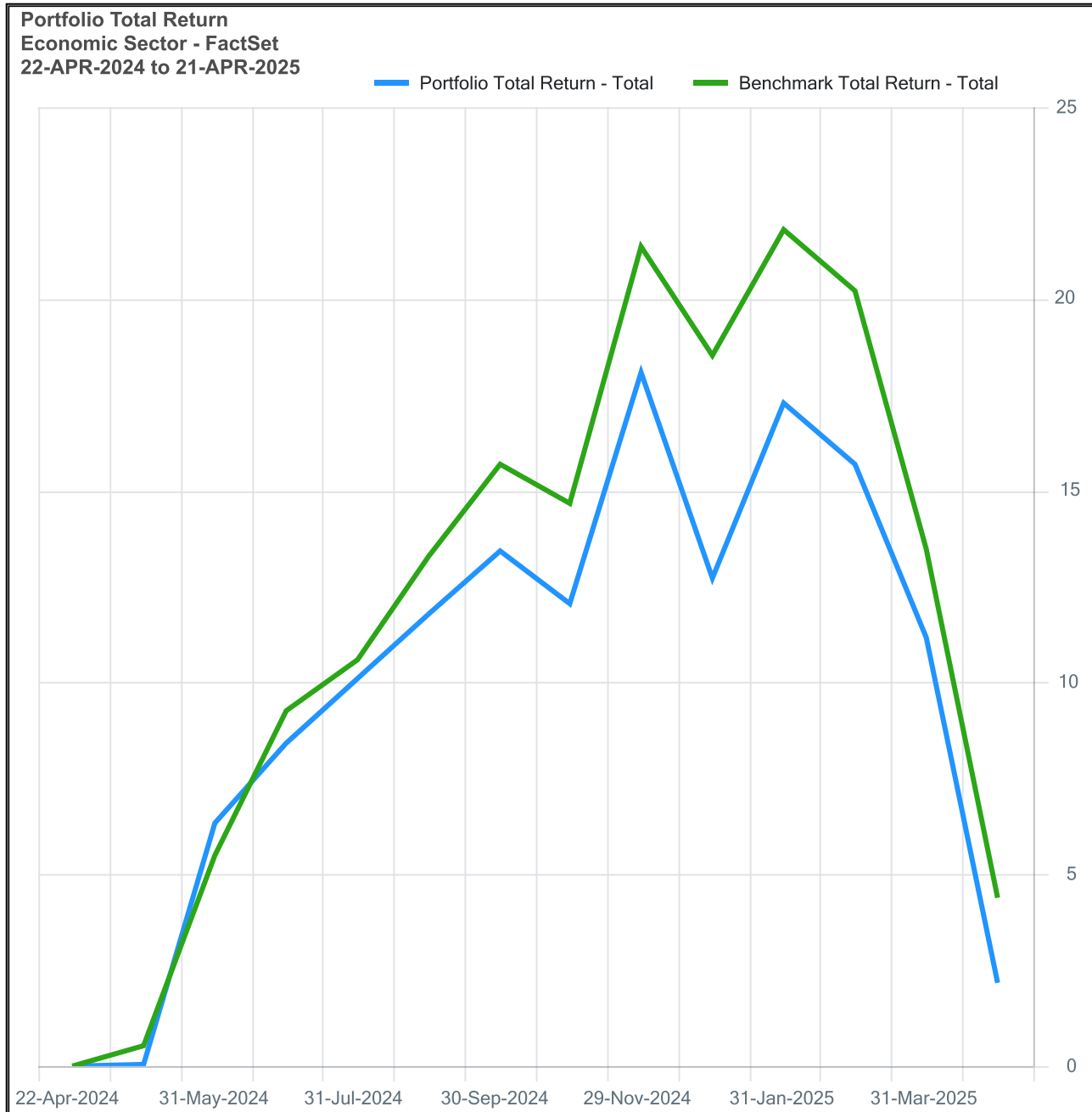


Figure 1.1 Portfolio Return with Benchmark

# Selection Effect

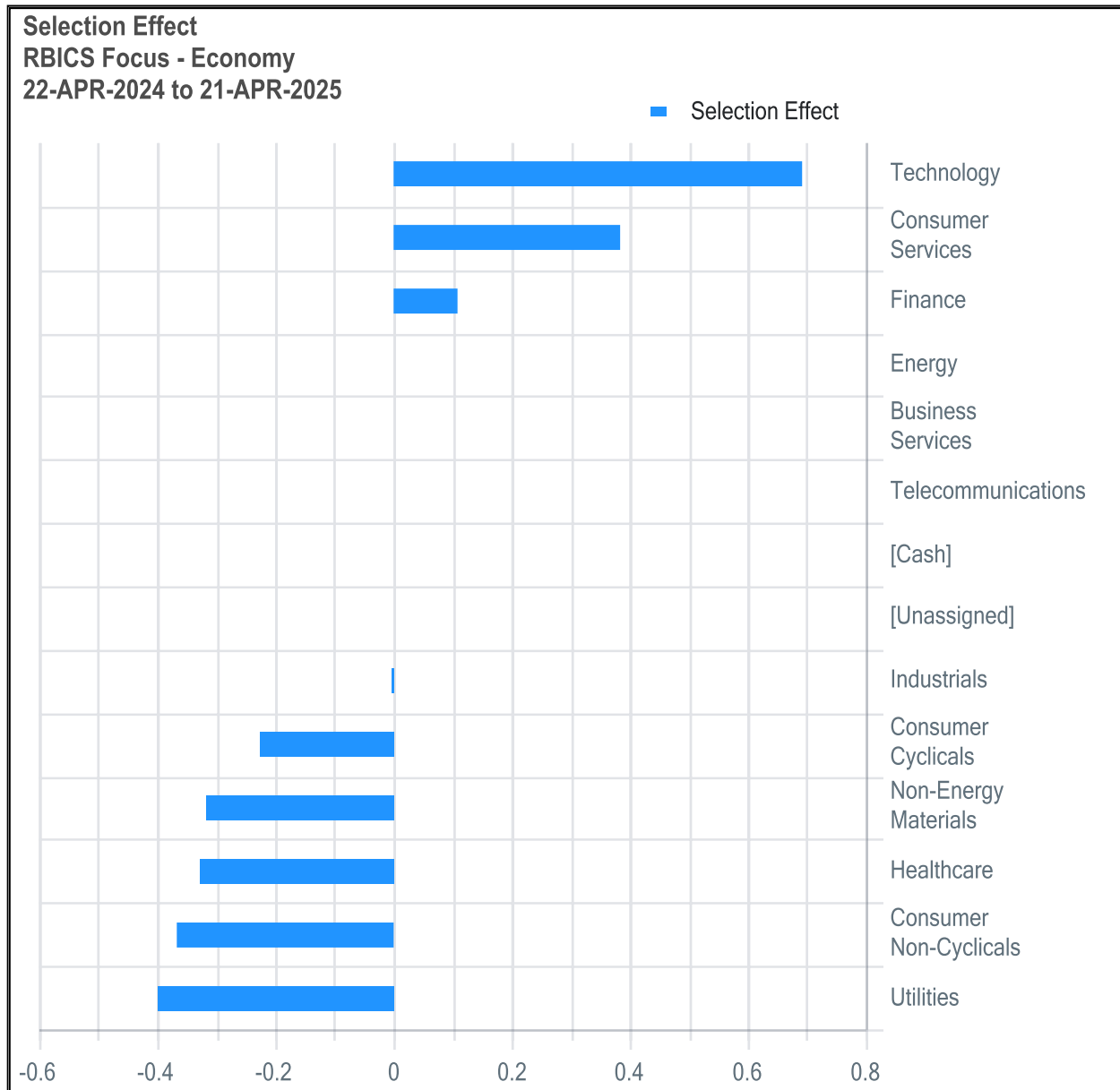


Figure 1.2 Selection Effect

# Allocation Effect

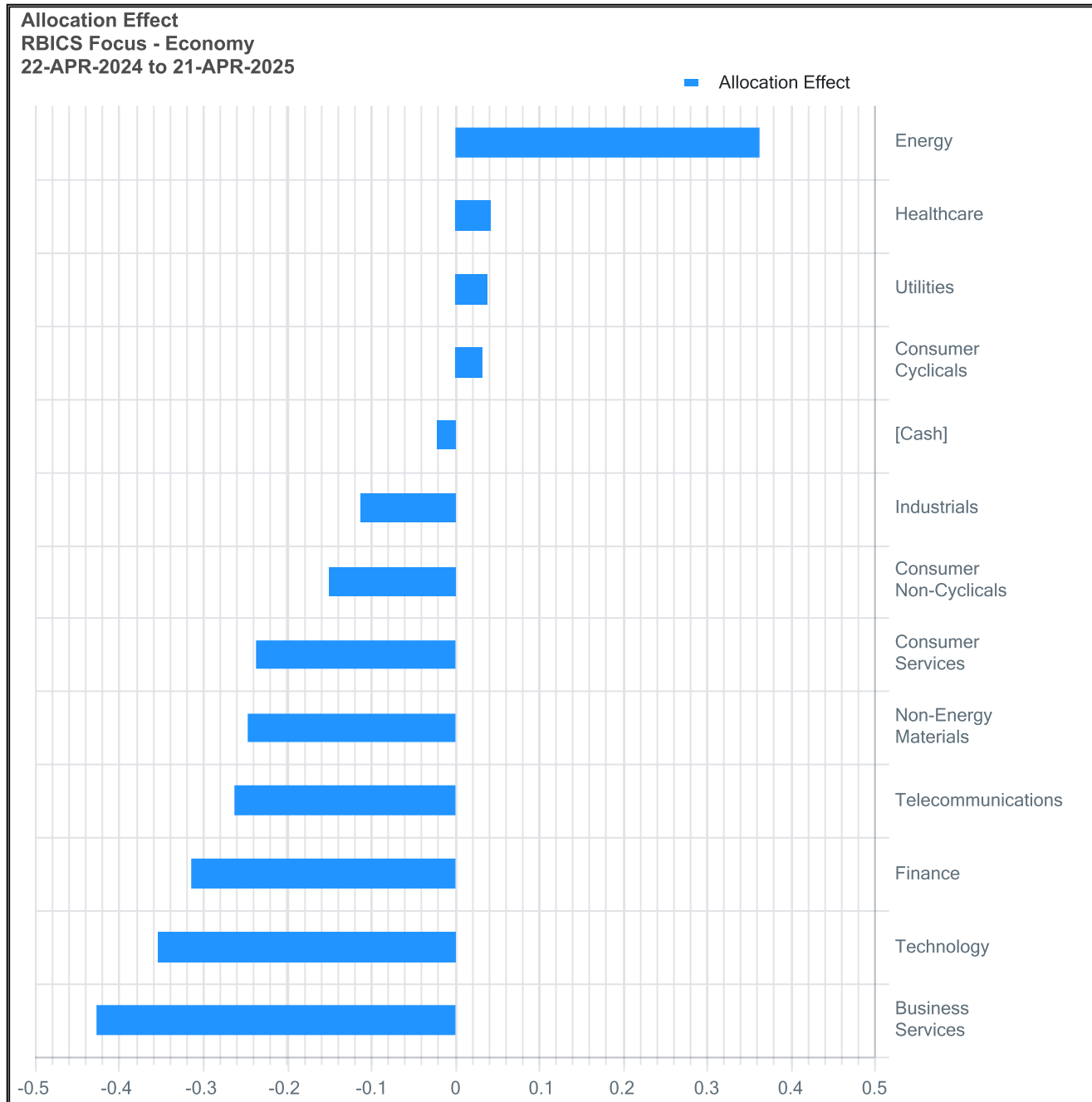


Figure 1.3 Allocation Effect





## Recommendations

The portfolio currently demonstrates a strong alignment with the S&P 500, with all sector weights falling within the five percent benchmark. The most notable differences are an overweight in Consumer Services (+3.73%) and an underweight in Consumer Non-Cyclicals (-4.40%). With confirmation from Dr. Stivers, we will be transitioning to RBICS sector classifications, as FactSet no longer supports GICS. As part of this shift, it will be important to ensure sector weights remain within our established guidelines. Additionally, the Spellman Fund currently has no exposure to the Business Services and Telecommunications sectors, which represent 1.74% and 1.30% of the S&P 500, respectively. To maintain proper diversification under the RBICS framework, the fund should consider adding positions in these sectors.

With the Trump administration's tariffs in full effect, it is important to consider how trade policy impacts sector performance. Business Services, which is largely U.S.-based, faces minimal exposure to global trade disruptions and presents a strategic opportunity to enhance diversification with lower tariff-related risk. In addition, increasing exposure to other less trade-sensitive sectors, such as Consumer Non-Cyclicals and Utilities, could further strengthen the portfolio. These sectors typically rely on domestic demand and can help offset potential volatility in more globally exposed areas like Technology and Industrials.

With the Spellman Fund currently having no stocks in the Business Services sector, researching potential investments in this area would benefit the portfolio by improving diversification and aligning with our recommendation to focus on sectors less affected by tariffs. Additionally, as noted above, Consumer Non-Cyclicals shows the greatest underweight compared to the S&P 500 and is similarly less impacted by trade policy. For these reasons, we recommend buying stocks in both the Business Services and Consumer Non-Cyclicals sectors to strengthen the portfolio's balance and stability.



## 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 through 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



**Noah Borden** – [borden0264@uwlax.edu](mailto:borden0264@uwlax.edu)

Noah Borden is a senior transfer student from The University of Kentucky. He is pursuing a bachelor's degree in finance and will be graduating in May 2025. Noah is hoping to get a career in equity research or investment management. Noah joined the Investment management team to prepare for a future in investment management post-graduation. Being a part of the IMT has helped him learn how to use Factset, stay up to date with financial news, and learn about creating financial reports.



**Joey Neubert** – [neubert5042@uwlax.edu](mailto:neubert5042@uwlax.edu)

Joey Neubert is a junior 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 recently participated in the Kwik Trip Integrated Core Program. In addition to his academic and professional pursuits, he is a third-year member of the UW–La Crosse Men's Club Ice Hockey team, where he also serves as treasurer.



**Mya Trafficante** - [trafficante0009@uwlax.edu](mailto:trafficante0009@uwlax.edu)

Mya Trafficante is a sophomore from Sussex, Wisconsin, a suburb located outside of Milwaukee. She is currently pursuing her bachelor's degree in finance with a minor in business analytics at the University of Wisconsin-La Crosse and will be graduating in May of 2027. This summer, Mya will be furthering her financial experience through a finance internship at Fiserv. 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](mailto:johnson1285@uwlax.edu)

Charlie Johnson is a Sophomore 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 is an active member of the Investment Club, Beta Alpha Psi, Financial Management Association (FMA), Menard Family Initiative (MFI), and the Real Estate Club. He recently took part in the 2024–2025 CFA Research Challenge, where he mainly focused his efforts on researching and presenting findings related to ESG. By providing depth to the team, he aims to continue to support and guide other young finance enthusiasts in their pursuit of continuous learning.



**Elijah Ferguson** – [ferguson3476@uwlax.edu](mailto:ferguson3476@uwlax.edu)

Elijah Ferguson is a freshman 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 is excited to join the Spellman Fund and continue 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 first-year student at La Crosse, Elijah is looking forward to continuing to learn from his peers and collaborate with new people.