



INVESTMENT MANAGEMENT TEAM

OCTOBER 2025 SPELLMAN FUND REPORT

Summary

Throughout October's volatile market conditions, overall growth persisted, with the S&P 500 rising 1.99% and reaching a record high of 6,890.89 on October 28th. In comparison, the Spellman Fund posted a modest 1.03% gain. This underperformance was mainly driven by losses in the Industrial Sector, which lagged the S&P 500 by 6.88%, and weaker results in Technology, trailing by 1.71%. Additionally, the Fund's lower beta of 0.88 limited its gains during the market rally.

Interest Rates

Growth in October was steady leading up to the Federal Reserve meeting on October 29. Chair Jerome Powell announced a 25-basis-point rate cut, setting a new target range of 3.75–4.00%. The move was widely expected and had little immediate market impact. However, Powell later emphasized that further cuts were not guaranteed and that the December meeting would not automatically bring additional easing. His comments prompted a drop in the market on October 30 as investors will continue to react to his cautious tone.

Flood of Corporate Earnings

Corporate earnings in October provided a notable boost to markets, with about 82% of S&P 500 companies beating profit estimates. The blended earnings growth rate reached roughly 13% year-over-year, marking one of the strongest performances in several years. Technology and Financials led the gains, supported by continued AI-driven investment and innovation, while Utilities also showed solid growth. However, much of the rally was concentrated in a few large-cap firms, prompting valuation and sustainability concerns. Overall, strong earnings underpinned market confidence but left investors cautious about future momentum.

Government Shutdown

The ongoing federal shutdown has become the longest in U.S. history, surpassing all previous records. It began on October 1st after Congress failed to pass new appropriations bills and continued due to deep partisan disagreements. Thousands of federal employees are working without pay, government services have been delayed, and major economic reports have been postponed. This has created uncertainty in the stock market, leading to short-term volatility as investors react to halted federal spending and the lack of key economic data.



October Portfolio Performance



The portfolio had an overall increase of 1.03%

The top three highest performing sectors were Non-Energy Materials (8.94%), Consumer Cyclicals (4.82%), and Utilities (3.47%).

Top 5 Highest Performers

Alphabet Inc. Class A (GOOGL):

- 14.82% Increase
- 0.39% Contribution to return



General Motors Company (GM):

- 12.63% Increase
- 0.29% Contribution to return



Intel Corporation (INTC):

- 11.27% Increase
- 0.15% Contribution to return



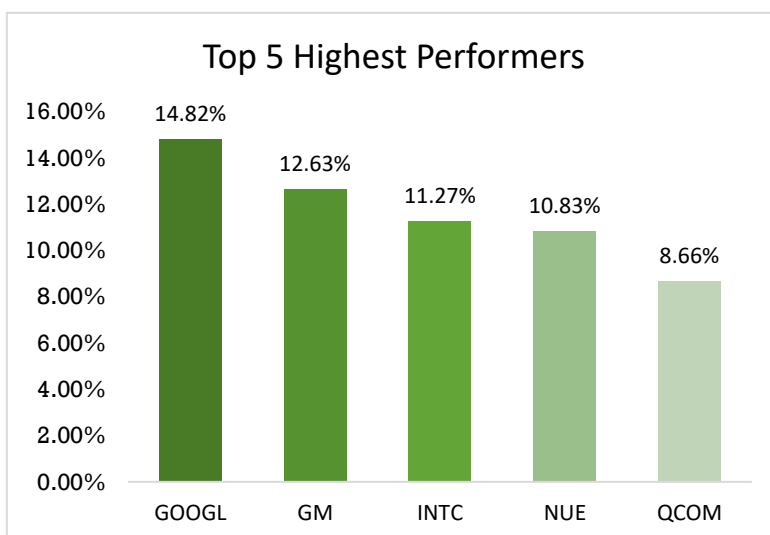
Nucor Corporation (NUE):

- 10.83% Increase
- 0.14% Contribution to return



QUALCOMM Incorporated (QCOM):

- 8.66% Increase
- 0.27% Contribution to return



The three lowest performing sectors were Industrials (-4.87%), Energy (-3.15%), and Consumer Services (-2.57%).

Top 5 Lowest Performers

Occidental Petroleum Corporation (OXY):

- -13.66% Decrease
- -0.13% Contribution to



Fastenal Company (FAST):

- -13.31% Decrease
- -0.25% Contribution to Return



Meta Platforms Inc Class A (META):

- -9.62% Decrease
- -0.30% Contribution to Return



Pfizer Inc. (PFE):

- -9.41% Decrease
- -0.05% Contribution to Return



American Tower Corporation (AMAT):

- -7.42% Decrease
- -0.13% Contribution to Return

