



SPELLMAN FUND REPORT OCTOBER EDITION

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Talking Points:

Inflation Again

Inflation continues to be talked about as we move from September to October. More specifically, experts are anxious about what the price index report has to say regarding food and shelter prices. It's unlikely that the fed will stray away from their aggressive rate hiking strategy. That said, expect the market to continue to be volatile heading into quarter 4 and even potentially 2023.

Earnings Season

October is the month when companies start releasing their earnings reports. These quarterly reports that companies will release in the weeks ahead are going to be huge in terms of how the market reacts especially in the short term. Experts suggest that readjusting expectations in terms of profits from various companies should be reevaluated as well as diversifying your portfolio is going to be key from October and onwards.

A few earning reports released that are in the fund include Coca-Cola (KO) and Microsoft (MSFT). Overall, Coca-Cola saw a 10% increase in net sales and a 4% increase in unit case volume. Specifically, Coca-Cola saw a substantial increase in their organic product sales equaling 16% and more consistent growth out of their Coke Zero line with an increase in volume sales of 11%.

Microsoft, on the other hand, saw disappointing growth in their overall revenue of only 2% compared to their forecasted growth of 7%. Additionally, net income decreased by 14% overall with Microsoft's intelligent cloud and productivity business segments both showing strong growth of 20% and 9% respectively. However, more personal computing saw disappointing growth of less than 1% followed by announcements of releasing ~1% of its workforce to slow down the pace of their growth.

Portfolio Performance as of October

Equities: Went up 6.32% from \$320,089.75 to \$341,679.64

After Cash and Dividends were accounted for:

Overall Fund: Went up 5.96% from \$345,603.14 to \$367,477.85

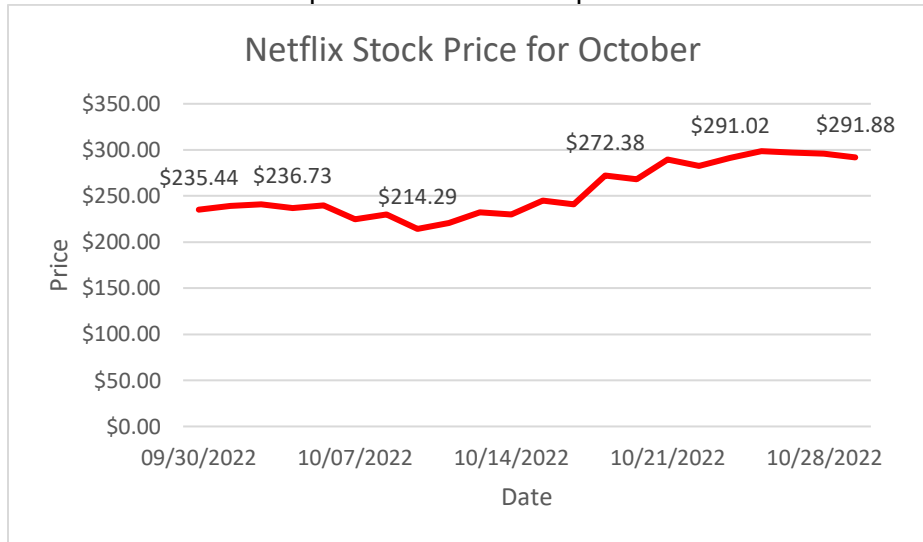
Spellman Fund Best Performers:

PRU - Increase of \$19.11 per share (22.63%)

- Undervalued according to analysts
- Consistently raised dividends for 14 years

NFLX – Increase of \$56.44 per share (23.97%)

- Ad supported tier announced for early November
- 2.4 million subscribers beat previous 1 million expectation



Spellman Fund Worst Performers:

AMT - Decrease of \$7.51 per share (3.50%)

- Net Income increased to \$820 million, increase of 12.9%
- Funds from Operations decreased 2.48%

Meta - Decrease of \$42.52 per share (31.24%)

- Net Income decreased from \$9.2 billion to \$4.4 billion in the past year
- Metaverse has lost over \$9 billion in last three quarters

