



**UWL**

**IMT**



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

**STUDENT MANAGED GORDON SPELLMAN FUND**  
**2024 MID-YEAR REPORT**

**PREPARED BY THE UWL INVESTMENT MANAGEMENT TEAM**

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# Table of Contents

Table of Contents .....	2
Fund Summary .....	3
Holdings Snapshot.....	5
Top Performers .....	6
Worst Performers.....	7
Sector Breakdown .....	8
Sector Return .....	9
Sector Revenue Analysis.....	10
Portfolio Return .....	11
Selection Effect .....	12
Allocation Effect .....	13



## Fund Summary

- **Fund Equity Value** as of 11/15/2024: \$476,200.08
  - Funds Current Cash Value: \$36,701.98
  - Total Fund Value: \$512,902.06
  
- **6-Month Return**
  - Spellman Fund: 7.17% Increase
  - S&P 500 return: 11.34% Increase
    - Spellman Fund underperformed the S&P 500 by -4.17%
  
- **Top 3 Highest Performers**
  - NVIDIA Corp (NVDA): 50.60% Increase
  - PayPal Holdings (PYPL): 34.32% Increase
  - Netflix Inc. (NFLX): 34.30% Increase
  
- **Top 3 Worst Performers**
  - Applied Materials (AMAT): -22.05% Decrease
  - Intel Corporation (INTC): -21.62% Decrease
  - Boeing Company (BA): -20.79% Decrease

### Top Economic Sectors

<u>Spellman Fund</u>	<u>S&amp;P 500</u>
Consumer Discretionary: 25.35%	Financials: 19.32%
Financials: 17.70%	Consumer Discretionary: 18.50%

### Worst Economic Sectors

<u>Spellman Fund</u>	<u>S&amp;P 500</u>
Materials: -10.80%	Healthcare: -2.16%
Information Technology: 0.25%	Materials: 0.2%

## Fund Summary Continued

### Stocks Purchased on May 6, 2024



<u>Company</u>	<u>Shares Purchases</u>
NVIDIA Corp (NVDA)	13
Home Depot Inc. (HD)	34
Fastenal Co (FAST)	100

### Stocks Sold on May 6, 2024



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



## Holdings Snapshot

<u>Company</u>	<u>% Weight of Portfolio</u>
United Health Group (UNH)	7.20
Applied Materials (AMAT)	6.76
Union Pacific Corporation (UNP)	6.42
JPMorgan Chase (JPM)	5.72
Apple (AAPL)	5.61
Mastercard (MA)	5.33
Microsoft (MSFT)	4.64
Netflix (NFLX)	4.61
QUALCOMM (QCOM)	3.97
Rio Tinto (RIO)	3.86
NVIDIA (NVDA)	3.45
Procter & Gamble (PG)	3.30
SAP (SAP)	2.99
NextEra Energy (NEE)	2.76
Home Depot (HD)	2.72
Meta Platforms (META)	2.62
Booking Holdings (BKNG)	2.61
American Tower Corporation (AMT)	2.22
Nexstar Media Group (NXST)	2.18
Exxon Mobil (XON)	2.15
Alphabet (GOOGL)	2.07
General Motors (GM)	2.06
Emerson Electric (EMR)	1.96
Prudential Financial (PRU)	1.95
Johnson & Johnson (JNJ)	1.91
CVS Health (CVS)	1.59
Fastenal Company (FAST)	1.50
Coca-Cola Company (KO)	1.38
Intel (INTC)	1.14
Walt Disney Company (DIS)	1.00
Turtle Beach (HEAR)	0.82
Pfizer Inc. (PFE)	0.61
PayPal Holdings (PYPL)	0.45
Boeing (BA)	0.44

## Top Performers

<u>Company</u>	<u>Total Return %</u>	<u>Contribution to Return %</u>
<b>NVIDIA Corp (NVDA)</b>	50.06	1.45
<b>PayPal Holdings Inc (PYPL)</b>	34.32	0.14
<b>Netflix Inc (NFLX)</b>	34.30	1.46
<b>Booking Holdings Inc (BKNG)</b>	31.79	0.79
<b>General Motors Co (GM)</b>	26.04	0.50
<b>Fastenal Co (FAST)</b>	23.51	0.33
<b>JPMorgan Chase &amp; Co (JMP)</b>	22.78	1.21
<b>SAP SE (SAP)</b>	19.72	0.56
<b>Apple Inc (AAPL)</b>	18.86	0.99
<b>Home Depot Inc (HD)</b>	18.59	0.42



Nvidia has been a successful stock over the last six months mainly because of its leadership in the growing field of artificial intelligence (AI). As more companies and industries adopt AI technology, Nvidia's graphics processing units (GPUs) are in high demand, since they're perfect for running AI algorithms and large-scale computing tasks. Nvidia's strong position in the AI space has helped boost its sales and profits, making investors excited about its future potential. Additionally, the company has made smart business moves, such as partnerships with major tech firms, which further increased investor confidence.

PayPal has performed well over the last six months because of several positive changes and updates to its business. Recently, PayPal has begun expanding their services, especially with new features like "Buy Now, Pay Later" along with other improvements to their mobile app. These services make it easier for people to shop online and manage their money, attracting more users. PayPal has also focused on partnerships with big companies and continues to grow internationally, increasing its customer base. Additionally, investors have been optimistic about its plans to improve profitability and reduce costs, boosting confidence in the company's future. All these factors contributed to a notable surge in PayPal's stock performance, reflect strong investor confidence and potential for future growth.



**NETFLIX**



**BOOKING HOLDINGS**

Over the past six months, Netflix's stock has been strong, mainly because of some big changes and improvements in the company. Over the past six months, Netflix has achieved notable growth through strategic changes. Expanding its content library with hit shows and movies has attracted new subscribers while retaining existing ones. The introduction of an ad-supported, budget-friendly plan has further broadened its appeal, while international expansion has boosted revenue. Additionally, its focus on producing acclaimed original content has kept viewers engaged and loyal, reinforcing its leadership in the streaming industry. As a result, these strategic moves have positioned Netflix for continued growth and resilience in an increasingly competitive streaming market.

Booking Holdings Inc. has experienced significant stock growth over the past six months, driven by several key factors. First, as more people traveled again after the pandemic, Booking Holdings benefited from the huge demand for hotel rooms, flights, and vacation rentals. This helped them increase sales, especially with people booking trips to popular destinations. The company also worked on improving its website and app, making it easier for customers to book travel, which helped attract more users. Additionally, Booking has been focusing on expanding its business in different countries, which helped them reach more people around the world. Overall, Booking Holdings Inc. has leveraged increased travel demand, enhanced user experience, and global expansion to significantly boost its stock performance in the past six months.

## Worst Performers

<u>Company</u>	<u>Total Return %</u>	<u>Contribution to Return %</u>
<b>Applied Materials, Inc. (AMAT)</b>	-22.05	-1.43
<b>Intel Corp (INTC)</b>	-21.62	-0.34
<b>Boeing Co (BA)</b>	-20.79	-0.10
<b>QUALCOMM Inc (QCOM)</b>	-16.76	-0.68
<b>Pfizer Inc (PFE)</b>	-11.4	-0.07
<b>Rio Tinto plc Sponsored ADR (RIO)</b>	-10.80	-0.44
<b>Turtle Beach Corp (HEAR)</b>	-8.55	-0.09
<b>Nexstar Media Group Inc (NXST)</b>	-4.99	-0.15
<b>Union Pacific Corp (UNP)</b>	-3.41	-0.27
<b>CVS Health Corp (CVS)</b>	-3.29	-0.03



Applied Materials faced a challenging year due to several interconnected factors. A decline in semiconductor demand led to reduced purchases of new chips and machinery, as many industries were already dealing with excess chip inventories. Additionally, trade tensions, particularly between the U.S. and China, significantly impacted AMAT's operations in the Chinese market, compounding the difficulties for the company. A strong U.S. dollar made their products more expensive in other countries, and the global economy was slowing down, which meant people weren't buying as many electronics and cars. Finally, AMAT spent a significant amount of money on developing new technologies but has yet to pay off for the company. A combination of factors, including declining demand and trade challenges, has compounded to reflect AMAT's poor



Over the past six months, Intel Corporation has faced several significant challenges. Delays in releasing new products have left the company at a disadvantage compared to competitors like AMD and NVIDIA, which have continued to capture market share with faster and more advanced chips. This was further compounded by declining demand for PCs and data center equipment, as well as broader economic issues such as inflation and supply chain disruptions, which negatively impacted sales. Additionally, Intel's substantial investments in new factories have increased costs, raising concerns among investors about its profitability. These combined factors have shaken investor confidence, leading to a drop in the company's stock price.

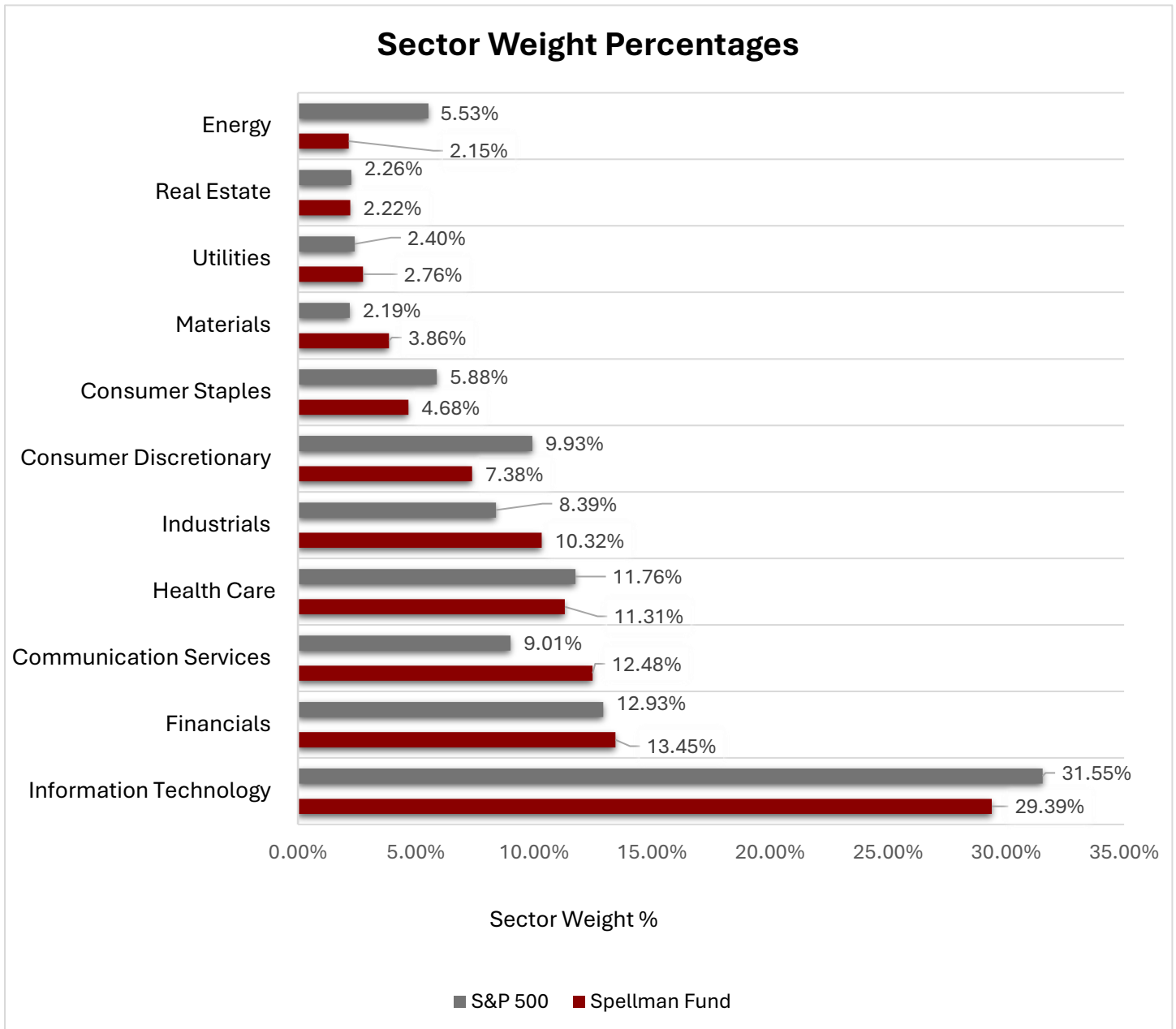


Boeing's stock has faced significant struggles over the past six months due to a combination of challenges. Persistent delays in delivering planes have directly hurt sales, while ongoing issues with key aircraft models, particularly the 737 Max, have damaged the company's reputation and trust among customers. These aircraft problems have also revealed deeper operational challenges within the company, including inefficiencies and oversight gaps, further effecting the situation. Additionally, Boeing has grappled with supply chain disruptions and rising material costs, making it difficult to meet production and delivery schedules. These compounded issues have reduced profitability and heightened investor concerns, contributing to the stock's decline.



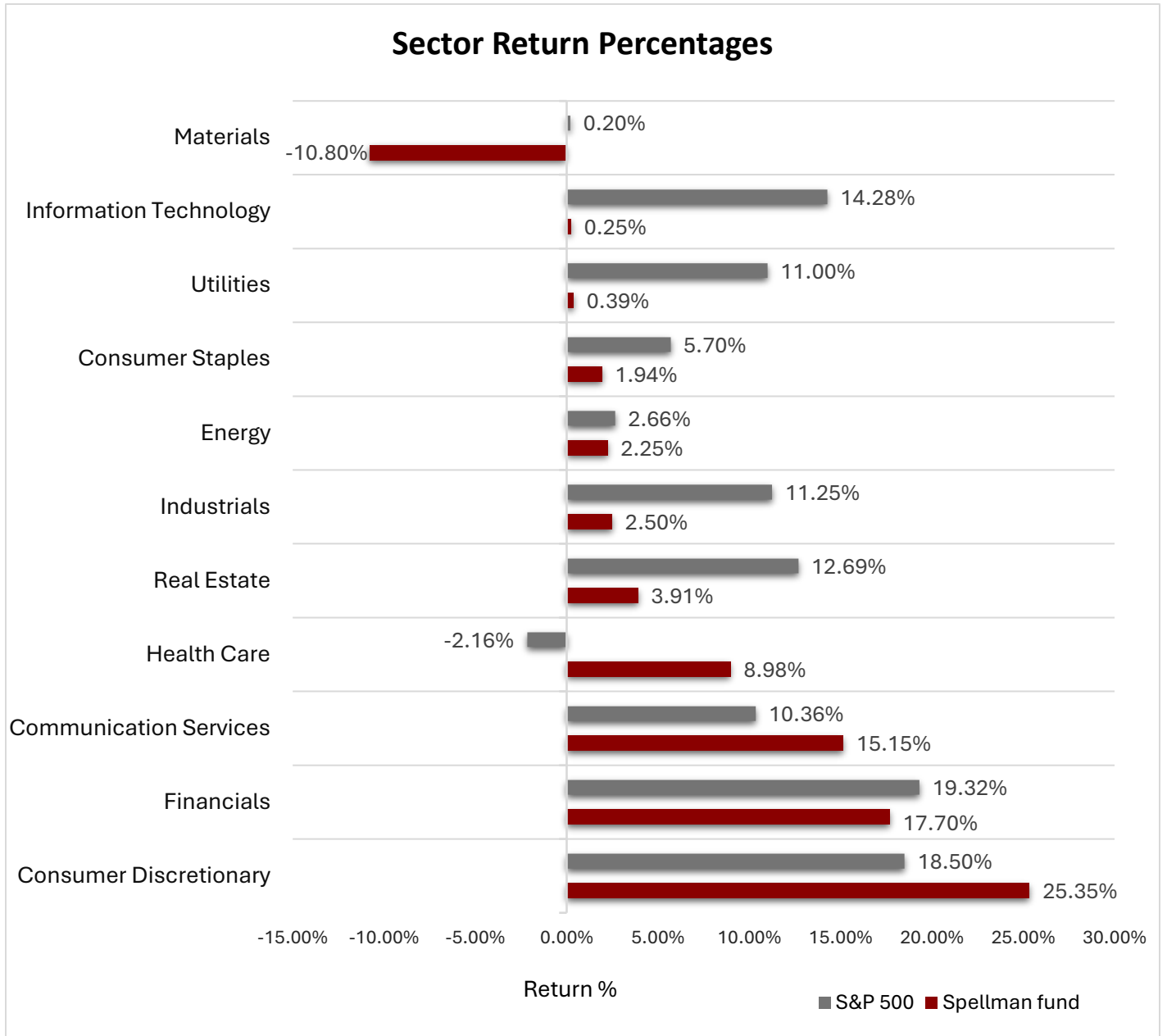
Qualcomm's stock has struggled over the last six months due to several key challenges. First, a slowdown in smartphone demand impacted Qualcomm's business, as fewer consumers upgraded their phones. Additionally, increased competition from other companies in the chip market put pressure on Qualcomm's sales. Some of their major customer agreements also faced setbacks, contributing to the overall decline. Finally, economic uncertainty further dampened investor confidence, affecting Qualcomm's stock performance during this period. These combined factors have resulted in weaker stock performance for the company.

## Sector Breakdown





## Sector Return



## Sector Revenue Analysis

	Weight %	Sector Revenue Weight %	Difference
<b>Technology</b>	38.68%	38.75%	0.07%
<b>Finance</b>	13.45%	13.59%	0.14%
<b>Healthcare</b>	9.72%	10.49%	0.77%
<b>Industrials</b>	10.05%	10.20%	0.15%
<b>Consumer Services</b>	5.79%	5.51%	-0.28%
<b>Consumer Non-Cyclicals</b>	6.27%	5.50%	-0.77%
<b>Consumer Cyclicals</b>	4.78%	4.83%	0.05%
<b>Non-Energy Materials</b>	3.86%	4.35%	0.49%
<b>Utilities</b>	2.76%	2.75%	-0.01%
<b>Telecommunications</b>	2.22%	2.07%	-0.15%
<b>Energy</b>	2.15%	1.89%	-0.26%
<b>Business Services</b>	0.00%	0.25%	0.25%

This table offers a detailed breakdown of revenue by sector, highlighting how each stock generates its income. Unlike the regular sector weights, which simply reflect the overall proportion of each sector in the portfolio, this breakdown delves deeper into the specific revenue streams within each company. By doing so, it provides a clearer picture of the portfolio's true sector exposure, revealing the underlying sources of income that may not be immediately apparent from the general sector weightings. The table aims to offer a more comprehensive understanding of the portfolio's actual market exposure, beyond just the surface-level sector distribution.

# Portfolio Return

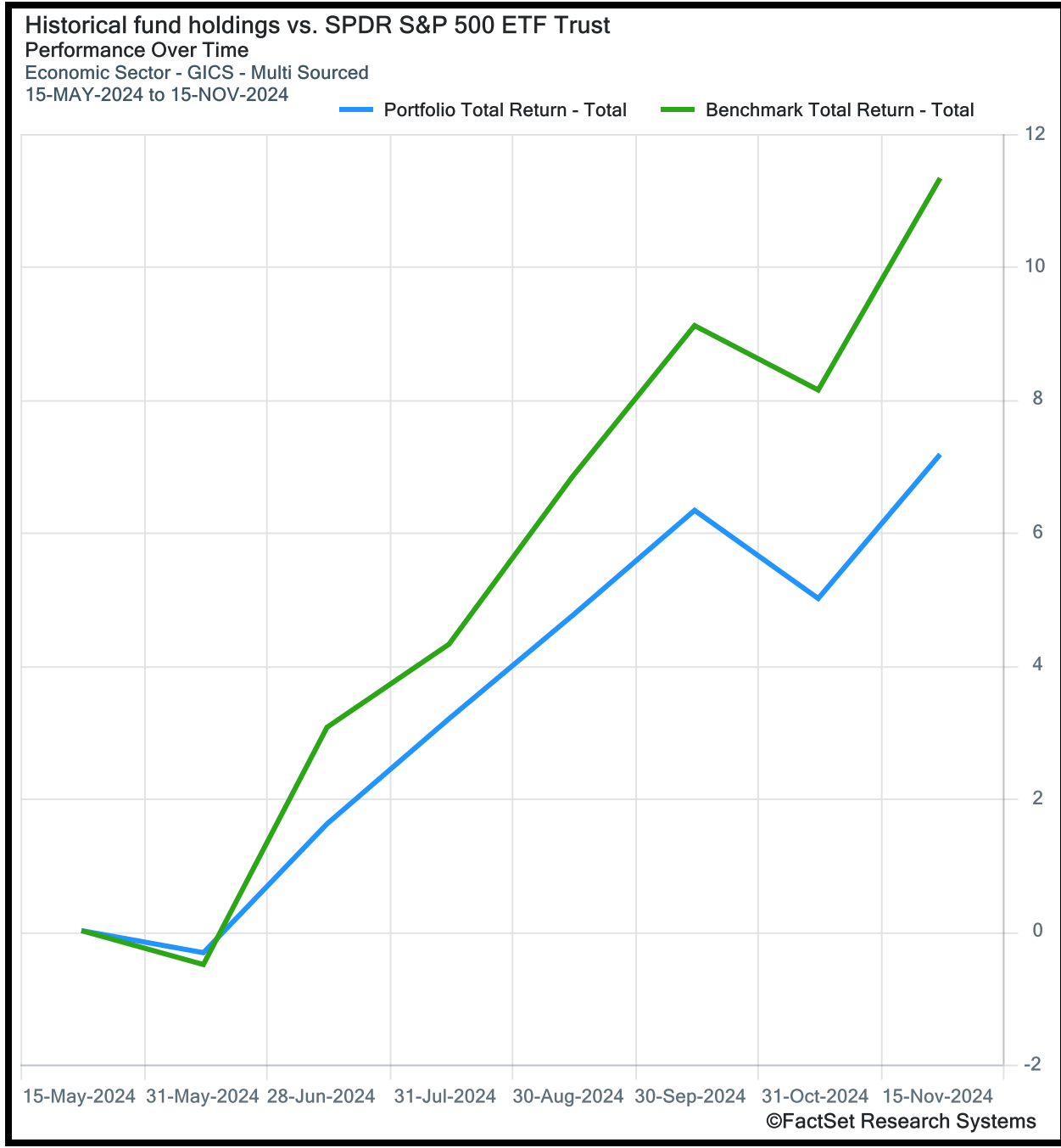


Figure 1.1 Portfolio Return with Benchmark

# Selection Effect

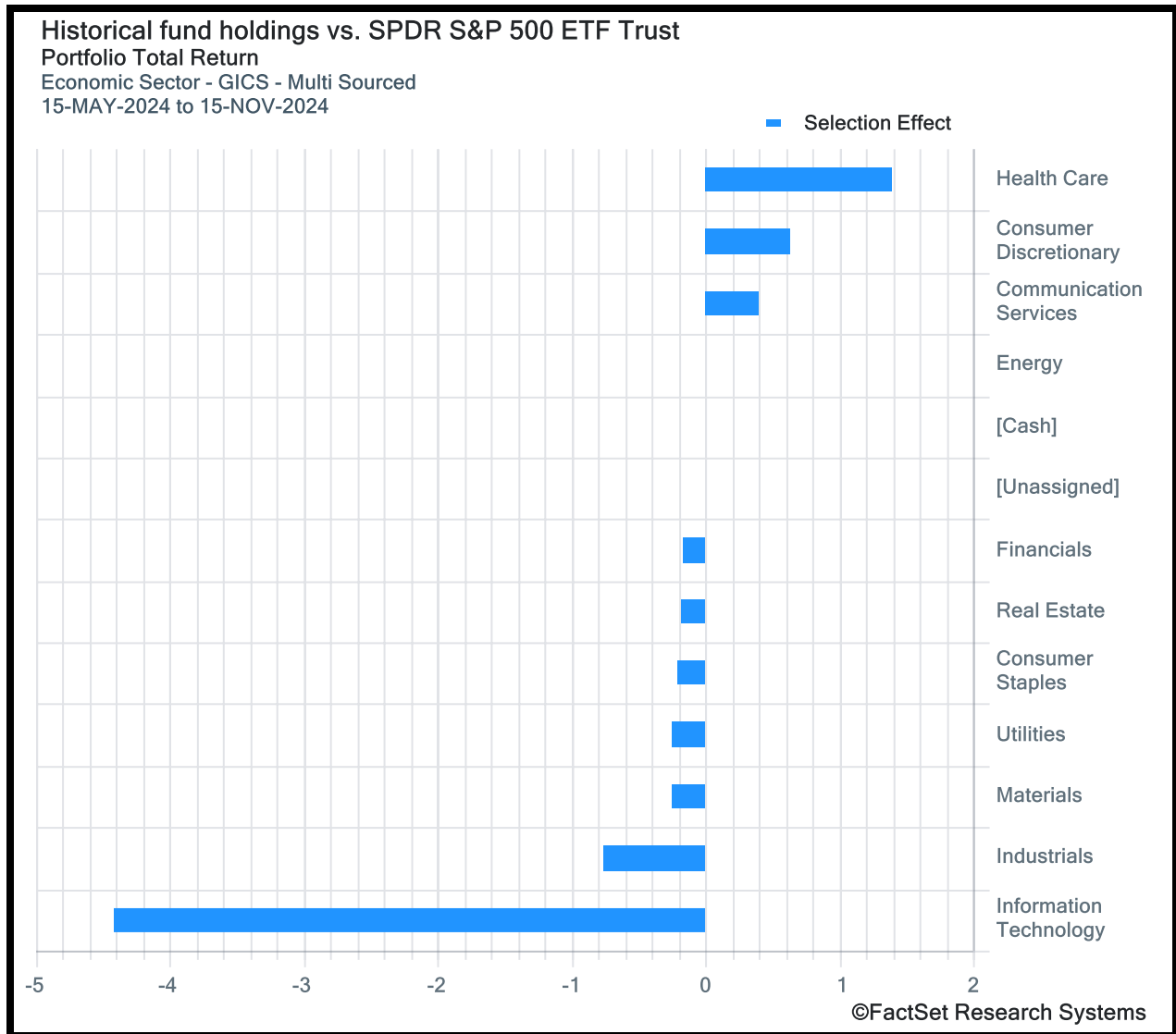


Figure 1.2 Selection Effect

# Allocation Effect

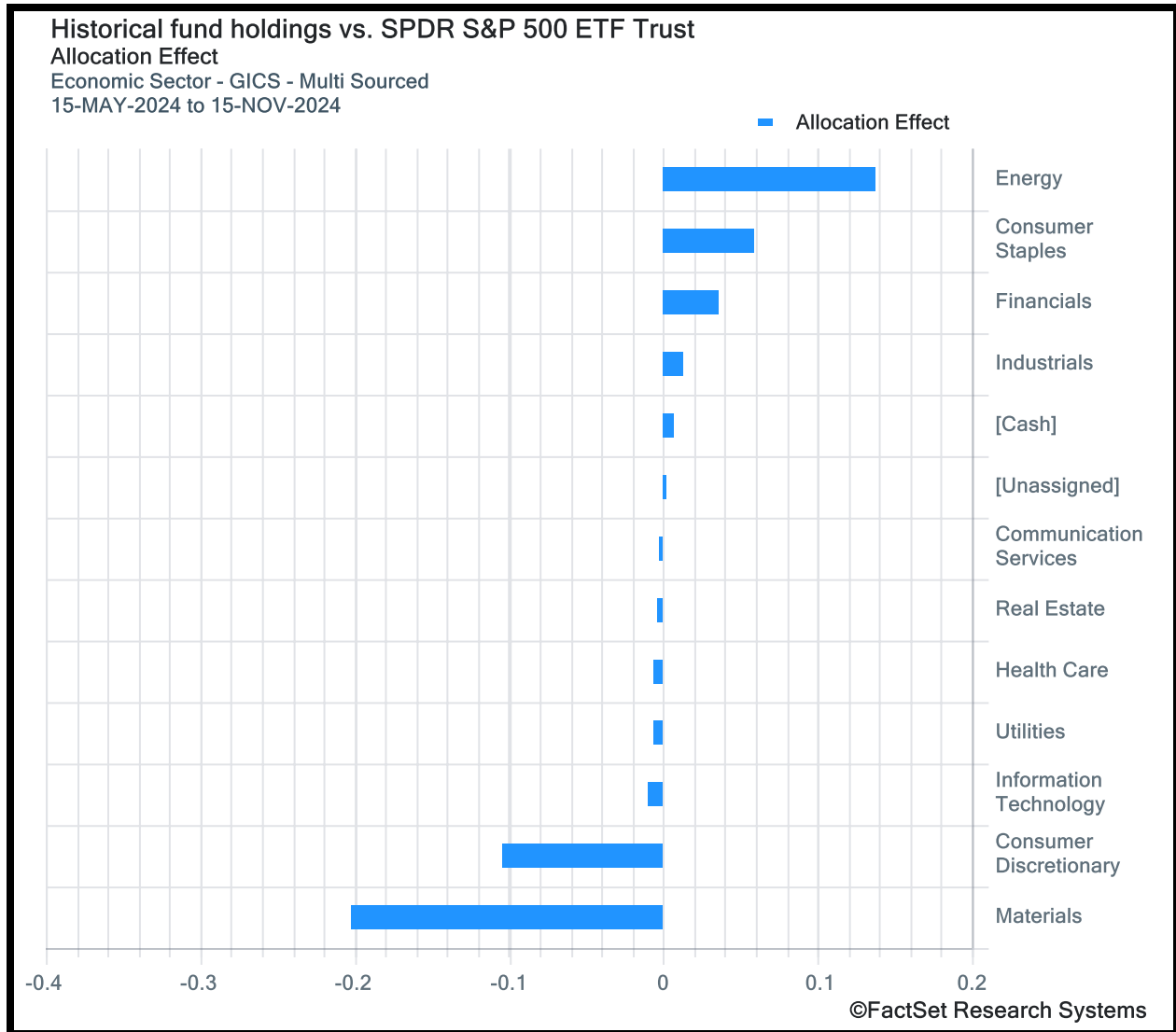


Figure 1.3 Allocation Effect