

**PORTFOLIO REPORT FALL  
DECEMBER 3<sup>rd</sup>, 2025**



**UNIVERSITY OF CONNECTICUT SCHOOL OF BUSINESS  
GRADUATE STUDENT MANAGED FUND STEM TEAM**

**Report to the Investment Advisory Board**

On behalf of the Graduate STEM team, we would like to extend our sincere gratitude for the opportunity to gain hands-on investing experience through the funds provided by the UConn Foundation.

Our team consists of students from across the globe. Our diverse backgrounds and experiences have provided us with a unique opportunity to discuss a range of investment philosophies and gain exposure to several different ways of thinking. Ultimately, the diverse nature of our team is the driving force of our investing philosophy and how we manage the fund.

Since we began meeting in July, our team has grown significantly. Most of our team came into the fund with rudimentary knowledge of value investing, growth investing, and valuation practices. Considering this, we had to quickly develop a plan to manage the fund when the fall trading period opened. Over time, with the help of Professors Jaideep Shenoy and Ghosh Chinmoy's course on thorough valuations, we have developed a strong acumen for research and uncovering value.

We are excited to propel into the Spring semester with honed valuation skills and mature further as investment analysts and managers. Over this winter break, we are committed to market research and developing a plan for next semester.

Once again, a warm thank you to the Investment Advisory Board and the UConn Foundation.

Respectfully,

The STEM Student Managed Fund Team

## Investment Team Roster

<b><u>Leadership:</u></b>	
Alexey Prokharchyk.	Lead Manager/Stamford B Team Leader
Helmy Salah	Stamford A Team Leader
John Cordova	Storrs Team Leader
Onassis Koranteng	Portfolio Manager
Kevin Solorzano	Digital and Communications Manager
Sai Thokal	Assistant Portfolio Manager
Joseph Nartey	Risk Manager
<b><u>Analysts:</u></b>	
Santiago Blas	
Mingxuan You	
Bharath Kumar Reddy Pathi	
Yuming Du	



## **Investment Philosophy**

Our investment philosophy and security selection focus on identifying undervalued S&P 500 companies with strong financials, as well as high-quality growth companies that have historically driven market performance. Given current macroeconomic concerns including tariffs, trade tensions, potential corrections in the AI-driven rally, and early signs of a recession, we pursued opportunities in both undervalued firms and resilient growth names, primarily in the technology sector, while applying strict risk-management measures.

This balanced approach enabled us to construct a portfolio of stable securities with meaningful upside potential, alongside companies positioned to grow regardless of broader market uncertainty. As a result, we can direct more attention toward managing idiosyncratic risk within the portfolio.

When analyzing potential investments, our team evaluates companies using a 10-year time horizon, with discounted cash flow (DCF) analysis as our primary valuation method. Analysts verify key assumptions using Morningstar and S&P NetAdvantage. A stock is considered fairly valued when its intrinsic value approximates its market price. Traditional metrics such as the P/E ratio serve as complementary tools to our financial models and fundamental assessments. Our analysis universe consists primarily of U.S. based companies.

## **Investment Process**

The STEM investment process is designed to balance analyst autonomy with a collaboration that encourages rigorous discussion throughout the modeling, screening, and evaluation stages. During weekly meetings, analysts present stock pitches and receive feedback from the whole team. One meeting per week is overseen by our faculty advisor, while the second is analyst-only. All meetings are conducted virtually, with recordings distributed to members who cannot attend.

Analysts are assigned to specific sectors and act as subject-matter experts responsible for monitoring developments, identifying opportunities, and presenting timely insights. While analysts may explore companies outside their primary sector, coordination is required to prevent duplicated efforts. When sector exposures become imbalanced, the team discusses rebalancing strategies. If the team is uncertain about sizing a position, exposures are adjusted conservatively and rebalanced as needed.

Our screening process focuses on P/E ratios and relative valuation across the respective subindustries of the S&P 500. This approach helps identify companies that are undervalued, mispriced, or fundamentally attractive relative to their peers. Analysts then incorporate the group's feedback to refine their models, revisit assumptions, and stress-test investment theses.

Each member presents their stock and following a round of questions from the team and faculty, the proposed position is put to a vote. A trade may only be executed and entered into the portfolio with majority approval.

To manage downside risk, we implemented a volatility-based stop-loss framework. Stop-loss levels were set at approximately 15% below the purchase price, based on an analysis of each stock's price behavior over the past year. This disciplined risk-management approach helped protect the portfolio during periods of heightened market volatility.

## **Analyst Training and Lessons Learned**

At the start of the semester, our team faced a learning curve as team analysts honed fundamental analysis skills, valuation techniques, and DCF modeling to professional standards. The commitment to building perfect models and training members to present convincing arguments based on sound valuation models contributed to delays in early stock pitches. Analysts often spent several days researching a company, ensuring allocation toward it would be preferable in comparison to similar companies. This caution occasionally led to proposals of only a few percent of shares per position, and the team has learned that such an approach could result in an overly fragmented portfolio of holdings of smaller size rather than a focused portfolio of fewer than twenty high-conviction ideas.

Through these experiences, the team learned to embrace mistakes as part of the process. We supported each other by reviewing assumptions together, sharing analysis techniques, and encouraging analysts to commit to coherent, well-reasoned positions even if smaller uncertainties remained. When our UNH position was stopped out, the team revisited the analysis in detail. The underlying math and thesis were strong, and the review process reinforced that the issue was not the fundamentals but rather volatility and risk management. This insight helped us refine our understanding of position sizing and the importance of incorporating volatility more explicitly into our investment decisions.

## **Portfolio Allocation and Performance**

As of December 1, 2025, our portfolio allocation is 32% of the total funds available. This figure accounts for the triggered UNH stop loss, reducing our portfolio from 35% allocation on November 19, 2025. Portfolio allocation of 50% was not met, and our portfolio outperformed the S&P 500.

Two metrics were adopted in measuring the performance; the first was a purely cost-basis return, and the second was a weighted average return, where stocks with higher allocations were given greater weight.

The S&P 500's benchmark return from October 2, 2025, to December 1, 2025, was a loss of 1.67%. On a cost-basis level, our portfolio generated a loss return of 1.01%, outperforming the S&P 500 by 0.66%. Additionally, the weighted average return for our portfolio was a loss of 0.49%, outperforming the S&P 500 by 1.18%.

Considering our 10 positions, 5 showed gains, while 5 experienced losses. Our top performers were Merck & Co Inc (MRK), with a 21.96% return, followed by Lululemon (LULU) with a 5.61% return. On the other hand, our largest losses came from Advanced Micro Devices Inc. (AMD), which declined by 16.97%, followed by UnitedHealth Group Inc. (UNH) with a decline of 14.89%.

As we look ahead, our team plans to take a more disciplined approach to stock selection, position sizing, and risk management. Missing our 50% equity target and the losses in AMD and UNH showed the need for clearer guidelines to keep the portfolio balanced and protected.

We will also strengthen our investment process. Merck's outperformance highlighted the value of strong fundamentals, while weaker positions showed that our screening, timing, and conviction

can be improved. We plan to use deeper analysis and more explicit criteria before adding new names.

Finally, the gap between cost basis and weighted returns reminded us to improve how we measure performance. A more consistent tracking framework will help us better understand what is driving results at the security and portfolio levels.

## Portfolio Allocation & Performance Figures

Figure 1. Portfolio Equity Allocation as of December 1, 2025

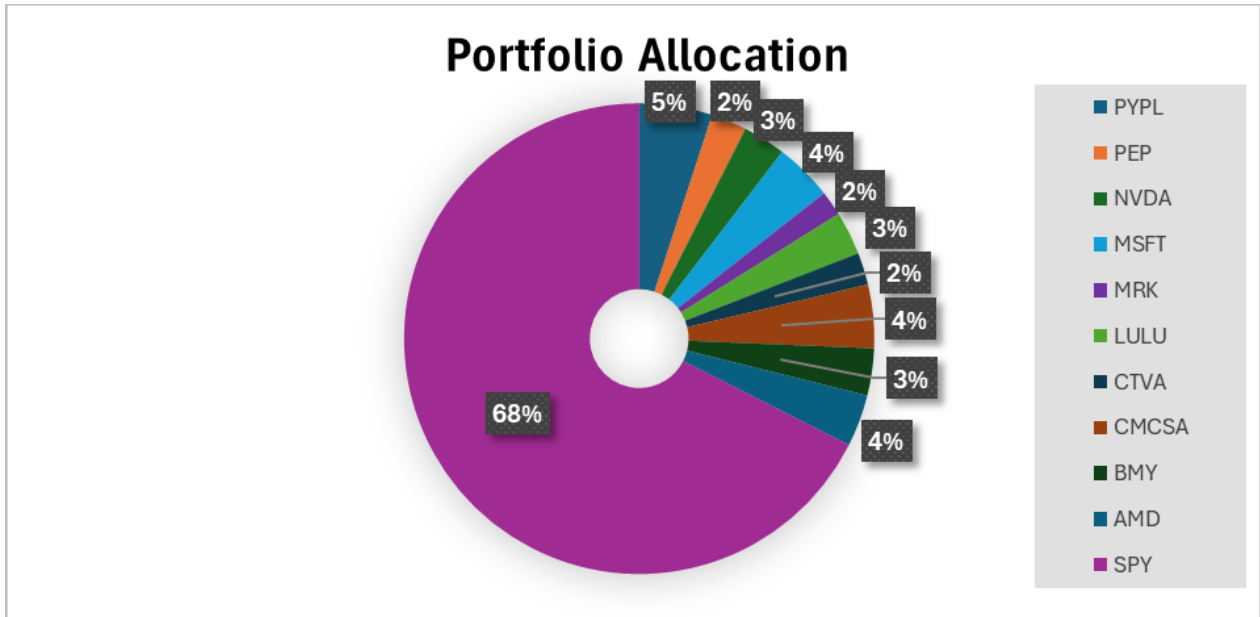


Figure 2. Portfolio performance of each stock as of December 1, 2025

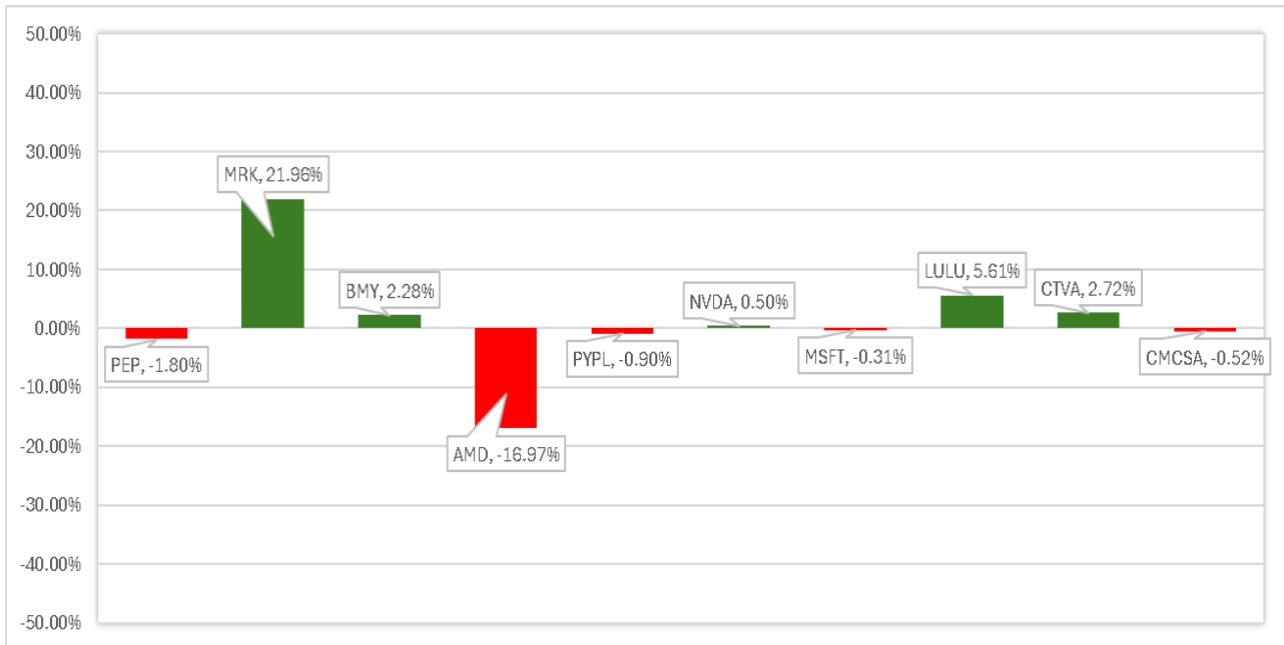


Figure 3. Portfolio performance on a cost basis as of December 1, 2025

S & P Performance	S &P 500 Index	SMF Portfolio
Cost	6,715.38	\$199,922.10
Current Value (11/21/25)	6,602.99	\$197,894.20
\$ Change	(112.39)	(\$2,027.90)
% Change	-1.67%	-1.01%

Figure 4. Portfolio performance on a weighted average return as of December 1, 2025

S & P Performance	S &P 500 Index	SMF Portfolio
Cost	6,715.38	\$199,922.10
Current Value (11/21/25)	6,602.99	\$197,894.20
\$ Change	(112.39)	(\$2,027.90)
% Change	-1.67%	-0.49%

## **Portfolio Equity Holding Descriptions:**

### **Advanced Micro Devices (NYSE: AMD)**

We purchased 100 shares of PayPal on October 28, representing 4% of our portfolio. AMD has processors for personal computers, EPYC processors for data center servers, and Radeon underperformed so far, declining by 2.42% and closing at \$255.47 on November 21.

AMD is an American multinational semiconductor company headquartered in Santa Clara, California. AMD's best-known products include Ryzen series processors for personal computers, EPYC series processors for data center servers, and Radeon series graphics processing units (GPUs) for gaming and professional visualization. Record Q3 revenue of \$9.2 billion reflects a significant step-up in AMD's growth, fueled by demand for its data center AI accelerators and processors.

### **Bristol-Myers Squibb Co. (NYSE: BMY)**

We purchased 100 shares at \$46.08, representing 0.76% of our \$605,000 portfolio. BMY has moved higher since our purchase, rising by 6.29% and trading at \$48.98 today.

BMY is a global biopharmaceutical company focused on the discovery, development, and delivery of innovative medicines across oncology, immunology, and cardiovascular disease. The company

maintains a broad product portfolio, strong positions in cancer and immunology treatments, and a consistent record of generating solid cash flows. Key products such as Eliquis and Opdivo remain important revenue drivers, while BMJ continues to invest heavily in next-generation therapies to support long-term growth.

### **Merck & Co. (NYSE: MRK)**

We purchased 265 shares at \$102.96 on October 30, representing 4.46% of our portfolio. MRK underperformed expectations, declining by 3.52% and closing at \$99.34 on November 22. MRK is a leading global pharmaceutical and healthcare company. It specializes in the discovery, development, manufacturing, and marketing of innovative medicines, vaccines, and animal health products. MRK is a leader in oncology, has a strong vaccine portfolio, diversified revenue streams. The company's market-leading

The immunotherapy drug, Keytruda, has been approved for over 30 cancer types and continues to expand its indications globally. Moreover, oncology is one of the fastest-growing segments in healthcare, and Merck is well-positioned with its strong portfolio and innovative pipeline.

### **Pepsi Co Inc (NYSE: PEP)**

We purchased 100 shares at \$151.7, representing 2.51% of our \$605,000 portfolio. PEP is currently trading at about \$149.63, implying a -1.39% return since our purchase.

PEP is a major global food and beverage company, offering a wide portfolio of drinks and snacks sold worldwide. Its business spans beverages, snacks, and other consumer foods, giving it diversified revenue streams. Despite near-term volatility, PEP's broad brand mix and consistent dividend yield make it a steady long-term holding, potentially offering stability, income, and modest growth over time.

### **NVIDIA (NYSE: NVDA)**

We voted on 200 shares of NVIDIA, accumulating 4% of the portfolio. NVIDIA is an American multinational computing infrastructure company and world-leading designer of graphics processing units (GPUs) and accelerated computing platforms.

NVIDIA is the dominant leader in the AI semiconductor space and at the epicenter of the AI boom, with explosive revenue growth driven by its leadership in data center AI accelerators and networking solutions. Its full-stack approach creates a powerful ecosystem, positioning it to capture most of the multi-trillion-dollar expansion in AI and high-performance computing infrastructure.

NVIDIA identified a new, massive driver of computer demand beyond model training: Reasoning AI. Models like OpenAI's o3 and DeepSeek-R1 can consume 100x more computer per task for "long-thinking" inference. Blackwell was built for this shift, delivering 25x higher throughput.

## **PayPal (NYSE: PYPL)**

We bought 500 shares of PayPal, accumulating 3% of the portfolio. PayPal Holdings, Inc. is an American multinational financial technology company whose best-known products include its core PayPal digital wallet, the Venmo peer-to-peer and social payments app, and its Braintree processing platform for merchants. It enables commerce for consumers and merchants online, instore, and through its buy now, pay later (BNPL) solutions.

PayPal is a cash-generative leader in digital payments, currently trading at a depressed valuation. Catalysts for a positive re-rating include the successful monetization of Venmo's large, young user base, the rapid expansion of its high-growth BNPL platform, and strategic partnerships with OpenAI and Google that position PayPal as the essential payment layer for the emerging AIcommerce ecosystem.

## **Lululemon (NYSE: LULU)**

We invested in 100 shares of Lululemon, aggregating 3% of the total portfolio. Lululemon Athletica is a premium athletic apparel brand known for its technical yoga, running, and training products.

Lululemon targets health-conscious, higher-income consumers and has built a loyal customer base through product innovation, proprietary fabrics, and a community-focused retail experience. Growth continues to be driven by the expansion of men's apparel, new product categories such as footwear and accessories, and rapid international development, especially in China and Europe.

Positioned at the high end of the athleisure market, Lululemon competes primarily on quality and brand loyalty rather than discounting.

## **Corteva (NYSE: CTVA)**

Our team voted on 200 shares of Corteva, totaling 2% of the total portfolio. Corteva Agriscience is a leading U.S. agricultural technology company headquartered in Indianapolis. Formed in 2019 from the DowDuPont agriscience spin-off, Corteva delivers integrated seed, trait, and crop-protection solutions across more than 100 countries.

Company growth is driven by rising adoption of proprietary seed traits (Enlist®, Qrome®) and a steady pipeline of high-value crop-protection actives and biologicals, supported by digital agronomy and strong channels. This mix shift enhances pricing power, expands margins, and strengthens cash generation.

## **Microsoft (NYSE: MSFT)**

We invested in 50 shares of Microsoft, summing up to 4% of the fund. Microsoft maintains a strong spot in cloud network share through Azure, supported by global data centers and tight integration with enterprise software.

The company's broad ecosystem (Windows, Office, Teams, GitHub, Azure) keeps users tied to the platform and raises switching costs. Furthermore, Microsoft's push to build AI into every major product, using Copilot to strengthen recurring revenue across business lines helps to focus on winning and keeping large enterprise clients through bundled cloud, security, and productivity tools. Steady cash generation allows Microsoft to invest heavily in cloud and AI while also returning capital through buybacks and dividends.

## **Comcast (NYSE: CMCSA)**

We voted to add 1,000 shares of Comcast, making up 4% of our portfolio. Comcast remains one of the most established names in media and technology, built on a strong foundation of reliable broadband service. Its Xfinity and Comcast Business units continue to bring in steady, recurring revenue, while NBCUniversal and Sky give the company a broad global reach across entertainment, streaming, and live experiences.

What makes Comcast appealing at this price is the combination of stability and diversification. Few companies can match its blend of high-margin connectivity, well-known media brands, and theme park operations. Even as the industry evolves and competition increases, Comcast's scale and integrated model help it adapt and stay competitive. Under the long-standing leadership of CEO Brian Roberts, the company has continued to grow, innovate, and expand into new opportunities.

Overall, Comcast's dependable cash flow, wide business footprint, and attractive valuation make it a solid and balanced addition to our portfolio.

## **UnitedHealth Group (NYSE: UNH)**

Our most recent portfolio action was the exit of our UNH position. We originally purchased 100 shares at 365.42, representing 5.6% of our portfolio. Due to the increased market volatility in the Healthcare sector, our stop-loss was triggered, and the position was automatically sold at \$304.76 on November 6<sup>th</sup>, 2025. UNH declined into our stop range, resulting in a realized loss of \$6066.

UnitedHealth Group is one of the largest and most diversified healthcare companies in the world. The company operates through four major segments which are UnitedHealthcare, Optum Health, Optum Insight, and Optum Rx, providing medical benefits, data analytics, pharmacy services, and integrated care to over 50 million members globally.

UNH benefits from strong scale, recurring revenue, and leadership in managed care and valuebased healthcare delivery. Its Optum division continues to be a major growth driver, supported by secular tailwinds in outpatient care, population management, and pharmacy benefits. Despite long-term

fundamentals remaining strong, short-term volatility and sector-wide pressure led to the stop-loss execution. The position will be re-evaluated as market conditions stabilize, and valuation of metrics improve.

## **Future Plans**

As we enter next semester, our team is more experienced and prepared to conduct disciplined sector screening to identify undervalued opportunities. While we await the next trading window, we will continue meeting once per week, refining our workflow to ensure stock analyses, model reviews, position reevaluations, and ensure continuous voting.

A major takeaway from this semester is that a fundamental-analysis-driven approach works, and we plan to stay committed to it. Our research and valuation models were solid, even when shortterm volatility affected outcomes. Going forward, we will maintain this discipline while placing greater emphasis on volatility, risk awareness, and position sizing.

We will also reevaluate our current positions, update assumptions and ensure each holding aligns with our long-term thesis and risk tolerance. With a unified toolkit of valuation models, screening methods, and risk-management practices, we expect faster, more confident decisionmaking next semester and aim to improve portfolio performance while continuing to strive to outperform the benchmark.

Thank you! To the UConn Foundation, Laural Grisamer, Shenoy Jaideep, Chinmoy Ghosh, Michel Rakotomavo, and the Investment Advisory Board.

**SMF STEM TEAM**