

UNIVERSITY OF CONNECTICUT STUDENT MANAGED FUND

Fall 2025 Investment Advisory Board Portfolio Update



December 12th, 2025

UNIVERSITY OF CONNECTICUT SCHOOL OF BUSINESS
UNDERGRADUATE STUDENT MANAGED FUND
TEAM BLUE

DATA AS OF NOVEMBER 22ND, 2025

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Letter to the IAB

Dear members of the Investment Advisory Board,

Team Blue would like to begin by expressing our sincere gratitude for your continued support, guidance, and involvement in the University of Connecticut Student Managed Fund (SMF) program. We would also like to thank Rosa Chen, Pei-Ju Lee, and Laurel Grisamer for their mentorship and insights over this past semester, which greatly enhanced our understanding of investment management and analysis. Lastly, we greatly appreciate those who joined us for the SMF speaker series, as these sessions introduced us to new perspectives and experiences that meaningfully contributed to our learning.

This past semester, we had the privilege of managing capital in an economic environment characterized by uncertainty, market disruptions, and evolving expectations. These conditions reinforced the importance of disciplined valuation and thoughtful risk management. The responsibility of managing capital challenged us to analyze each investment with rigor and intentionality.

As investment analysts, we emphasized flexibility in our research process while maintaining a structured framework. Our portfolio was constructed from a top-down perspective, yet we remained open to opportunistic ideas when supported by strong fundamentals. Each proposed investment required the pitching analyst to demonstrate a comprehensive understanding of the company and its industry prior to a team vote.

Our analysis was grounded in primary source research and insights from industry professionals. We supplemented this work with tools such as Bloomberg and S&P Capital IQ to efficiently analyze financial data and market information.

We would like to once again thank the IAB for the time, insight, and commitment you provide to the SMF. Your continued involvement makes this program a truly unique learning experience. We are excited to carry the lessons from this semester into the spring and look forward to building on our progress as we continue to refine our investment process.

All the best,
Team Blue

Investment Managers



Zack Caporale,
Lead Manager



Nathan Nagel,
Portfolio Manager



Reagan Waurishuk,
Alumni Outreach Director



Christopher Sacher,
Website Director



Kabir Ramnani,
Event Committee



David Builes,
Digital Media Manager



Aidan Januario,
Recruiting Committee



Joseph Garcia,
LinkedIn Director



Marissa Blaha,
Risk Manager



John Cotter,
Communications
Manager

Portfolio Snapshot

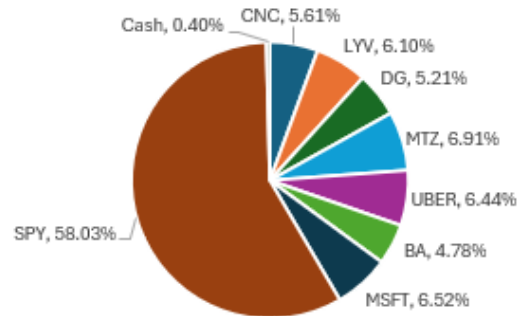
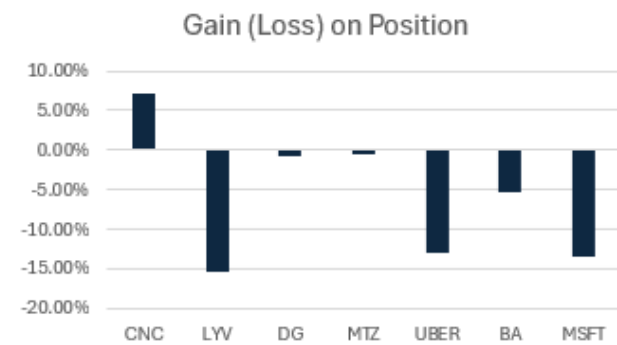
Total Performance vs. SPY

Benchmark Performance		Team Blue Portfolio Performance	
Beginning Value	\$6,715.38	Portfolio Return	-3.91%
Closing Value	\$6,602.99	S&P 500 Benchmark Return	-1.67%
Performance	-1.67%	% Allocated	41.57%
		Outperformance (Underperformance)	-2.24%

Positions & Allocation

Company	Purchase Date	Shares	Buy Price	Current Price	Invested	Current Value	Weight	Gain/Loss	% Change
CNC	10/30/2025	903	\$34.09	\$36.50	\$30,782.67	\$32,959.50	5.61%	\$2,176.83	7.07%
LYV	10/15/2025	274	\$154.22	\$130.63	\$42,254.96	\$35,792.62	6.10%	(\$6,462.34)	-15.29%
DG	10/28/2025	301	\$102.46	\$101.70	\$30,839.86	\$30,611.70	5.21%	(\$228.16)	-0.74%
MTZ	11/21/2025	210	\$193.96	\$193.08	\$40,730.55	\$40,546.80	6.91%	(\$183.75)	-0.45%
UBER	10/28/2025	451	\$96.23	\$83.87	\$43,400.45	\$37,825.37	6.44%	(\$5,575.08)	-12.85%
BA	11/18/2025	156	\$189.66	\$179.70	\$29,586.55	\$28,033.20	4.78%	(\$1,553.35)	-5.25%
MSFT	10/28/2025	81	\$545.27	\$472.24	\$44,166.76	\$38,251.12	6.52%	(\$5,915.64)	-13.39%
SPY		517	\$578.36	\$659.00	\$299,012.07	\$340,703.00	58.03%	\$41,690.93	13.94%
Cash					\$2,344.59	\$2,344.59	0.40%	-	-
Total					\$563,118.46	\$587,067.90	100%	\$23,949.44	4.27%

Portfolio Allocation



Philosophy & Strategy

Team Blue discussed strategy at the beginning of the semester and agreed on several guiding principles that we would consistently follow, while leaving room for flexibility at the individual analyst level. Our philosophy is built around structured decision making, disciplined risk management, and open debate, while still allowing analysts the freedom to develop independent views and investment styles.

Individually, analysts select securities using a top-down framework to identify attractive sectors, combined with bottom-up fundamental analysis to drive individual security selection. We take a risk-aware approach and actively avoid over allocating to a single sector. As a first step, analysts evaluate sector representation within the portfolio to identify areas of underrepresentation. This ensures the portfolio is not overly concentrated in discretionary spending, technology, or financials, but instead reflects exposure across a broad range of sectors, helping to reduce unsystematic portfolio risk.

Once a sector that improves diversification and benefits from favorable macroeconomic tailwinds is identified, analysts screen for companies within that space. Team Blue is particularly attracted to companies with a defensible competitive advantage. This advantage may stem from scale, data, cost leadership, brand strength, or a strong ecosystem. What matters most is the ability to clearly articulate why a company is positioned to outperform competitors over the long term. This reasoning plays a major role during team discussions and voting.

Because of this focus on durable competitive advantage, many of the companies we target are market leaders. This aligns with our longer-term investment horizon of approximately five to ten years. We aim to invest in businesses that we believe can withstand competitive pressure over time and deliver steady growth rather than short-term gains driven by speculation or momentum.

After evaluating a company's competitive positioning, analysts review its financial performance, growth prospects, and relative standing versus competitors. Valuation is then used to confirm the investment thesis and assess whether the company is attractively priced. This analysis is primarily driven by discounted cash flow models that estimate intrinsic value based on future assumptions. Comparable company analysis is also used to contextualize valuation relative to peers and industry norms.

Risk assessment is a required component of every investment pitch. All investments carry risk, whether from regulatory changes, macroeconomic conditions, competitive threats, or technological disruption. Analysts are expected to identify these risks and discuss potential mitigants. Understanding downside exposure is critical to making informed allocation decisions. Risks, volatility, industry strength, and broader macroeconomic conditions are all considered when determining position sizing.

As a team, we vote on allocation percentages for each investment. Positions are sized on a case-by-case basis, and we make allocation decisions based on a mix of factors including conviction in the thesis, valuation support, expected volatility, liquidity, sector exposure, and the level of risk associated with a company. In most cases, a full position is typically five-to-seven percent, with sizings based on how the security fits into the portfolio and what the risk profile looks like.

When an earnings call is approaching, we may use a phased approach to balance upside potential with our risk management mandate. In those situations, Team Blue may initiate a smaller position ahead of earnings, then analyze the earnings release and call – including guidance, margins, management commentary, and any change to the original thesis. After reviewing that information, the team votes on whether to add to the position, hold steady, or reassess based on the substance of the meeting. This gives us a way to participate in potential upside while still protecting the portfolio from unnecessary earnings-driven volatility.

While our process is structured, we remain open to deviations in price based on specific circumstances. Much of the responsibility and flexibility is left to the individual analyst. Team members are encouraged to pitch stocks from any sector, allowing analysts to choose whether they would like to specialize in a particular industry or explore a wide range of companies over their time in the SMF. This flexibility supports both stronger investment ideas and meaningful academic development.

Team Blue believes that strong returns and growth as analysts are best achieved through a largely laissez-faire management style rather than a rigid or overly centralized approach. Equally important is our open-forum, democratic structure. Every team member, regardless of position, has an equal vote on investment decisions, allocation sizing, and sell decisions. All members are encouraged to speak openly, challenge assumptions, and offer alternative perspectives.

We value respectful disagreement and believe that avoiding groupthink is essential to responsible portfolio management. Decisions made without critical debate can increase risk and weaken conviction. Overall, Team Blue's investment philosophy emphasizes disciplined analysis, long term thinking, thoughtful risk management, and a collaborative decision-making process that values each individual's contribution.

Procedure

Team Blue decided early in the semester that a democratic team structure would be ideal for operations and decision-making processes. We believe that each member's knowledge and input is equally valuable, and that weighing each vote equally is imperative to the structure and functioning of a successful team. Considering this, we formulated a voting and investing plan that would allow us to uphold our collective principles, while still allocating investments in an efficient, timely manner.

As a team comprised of mostly generalist investment analysts, we emphasized the importance of experimenting with different approaches to research and thesis formation. Therefore, while our portfolio was constructed from a top-down view, we remained flexible in this ideology as to foster an environment conducive to the adoption of opportunistic ideas. Still, we required the pitching analyst to have a comprehensive understanding of the company and its industry prior to the pitch and vote. Throughout the semester, this knowledge was displayed through an oral pitch given to the team, accompanied by a PowerPoint presentation that included an overview of the company and how it makes money, its business and industry, peer analysis, risks, financial position, leadership, and growth prospects. Much of this information was synthesized by reading 10-Ks, earnings reports, investor calls, and other company filings. A tool that much of the team

utilized along with company reports was Bloomberg. This platform is effective at aggregating large amounts of data, facilitating a much smoother financial analysis process. Lastly, Team Blue's analysts heavily utilized artificial intelligence to enhance visual presentations, learn specific facts about companies, and to prepare for potential questions from Pei-Ju or other team members.

After a pitch, Team Blue would begin its discussion of the pitched company, its volatility, its position in the macroeconomic landscape, bull and bear cases, how it could fit into the portfolio given existing positions and future allocations, and what the ideal weighting would look like in the current portfolio. Oftentimes, the discussions were extended past class time, as analysts frequently wanted to better grasp the company themselves. After the discussion, each member would vote "Yes" or "No" on the security, with 7 of 10 votes of "Yes" being the minimum for investment. Following the vote, the team would begin discussion about the optimal weighting in the portfolio. This was not done through a vote, but instead through an additional discussion. The weighting discussion differed from the allocation deliberation by way of catering more to the company's industry and the security's beta rather than the upside or downside potential of the specific company.

Once placed, each investment allocation was carefully reevaluated for price changes and company news. This was essential, as the basis of each investment was that the intrinsic value was below the market value (a price swing could change this) and that the underlying business was well-positioned (a perception that may be altered with news updates). This approach ensured that our portfolio remained aligned with our strategic objectives and risk management goals. To aid in this process, we implemented stop losses on each security, all at different levels based on each security's implied volatility. Also, for securities that reached or surpassed their price targets, team meetings were held to determine the best course of action on a case-by-case basis. For some securities, the fundamental outlook became more positive, which shifted the price target upwards. For others, the price rose due to factors our team considered immaterial or already accounted for, and the price target remained. These outcomes prompted holds and partial sales, respectively. Team Blue also implemented a dynamic portfolio management strategy for devalued holdings. We were eager to purchase more shares of a company if its stock was on sale, as long as our thesis remained intact with the news that prompted the price movements. This active management strategy allowed Team Blue to realize substantial gains, particularly in December, when many of the team's holdings saw price volatility after reporting Q3 earnings.

Economic Outlook

In the wake of continued macro uncertainty entering the final stretch of the year, the prevailing economic data continues to point toward a resilient (though increasingly late cycle) U.S. economy. Earlier concerns around a hard landing driven by restrictive monetary policy have largely faded, replaced by a growing consensus that the Federal Reserve has successfully navigated the economy toward a soft landing. With policy rates now firmly in an easing cycle and forward guidance signaling a more gradual and data-dependent approach to additional cuts in 2025, economic momentum has remained surprisingly intact. Growth has moderated but remains positive; inflation continues to trend lower at a slower pace, and labor market

conditions, while cooling, have yet to exhibit systemic stress. As a result, many investors have recalibrated expectations toward a higher neutral rate and longer-lasting expansion than previously anticipated.

Team Blue aligns with the view that the current macro backdrop does not justify an aggressive pace of rate cuts moving forward. Recent volatility in Treasury yields underscores the market's ongoing debate around the appropriate terminal policy rate and the durability of economic growth. While easing financial conditions have supported risk assets, uncertainty around the long-term rate environment remains elevated, as both policymakers and investors attempt to balance slowing inflation with firm demand. This internal tension within markets highlights that while recession risks have receded, the path forward remains far from linear.

U.S. equity markets continue to reflect this economic resilience. After consecutive years of outsized gains, the S&P 500 remains elevated relative to earnings, presenting a unique set of challenges for investors. Valuations are stretched relative to historical norms, and market performance remains heavily concentrated among a narrow group of mega-cap technology leaders. Despite these high hurdles, corporate earnings have continued to exceed expectations, reinforcing confidence in balance sheet strength and operational efficiency. Artificial intelligence remains a dominant thematic driver, fueling optimism around long-term productivity gains even as near-term monetization remains uncertain. Elevated capital expenditure commitments by large technology firms have raised legitimate questions around return on investment and timing, yet investor enthusiasm has remained largely undeterred.

Looking ahead, market sentiment remains broadly constructive as participants position for a more business-friendly policy environment and a lower cost of capital. Early signs of reacceleration in capital markets activity have emerged, with investment banking, leveraged finance, and M&A pipelines beginning to reopen after a prolonged period of suppression. With regulatory headwinds potentially easing and financing conditions improving, Team Blue believes industry consolidation is likely to reemerge as a defining feature of the next cycle. Transactions previously viewed as untenable may once again test regulatory and market tolerance as strategic acquirers regain confidence.

That said, it is critical not to overlook the risks embedded in an environment dominated by optimism. Inflation, while lower than peak levels, remains sticky, particularly in services and housing-related components, limiting the Fed's flexibility should growth reaccelerate. Additionally, uncertainty surrounding fiscal policy, trade dynamics, and immigration reform poses asymmetric risks to both inflation and growth. Proposed tariff measures and supply-side constraints could reignite pricing pressures while simultaneously dampening productivity and real economic output.

Team Blue also remains mindful of longer-term structural concerns, particularly the trajectory of U.S. fiscal deficits and the growing burden of interest expense within federal spending. A sustained deterioration in the government's financial profile could eventually pressure rates, crowd out private investment, and introduce broader financial stability risks. On a global scale, the divergence between U.S. economic strength and weaker growth abroad remains pronounced. While the United States continues to attract a disproportionate share of global capital, persistent challenges in China, Europe, and emerging markets raise questions around the sustainability of this imbalance.

While the near-term outlook remains constructive and supported by strong fundamentals, Team Blue believes this is a market that demands discipline rather than complacency. With valuations elevated, policy uncertainty high, and late-cycle risks building beneath the surface, we view building beneath the surface, we view continuous monitoring of macro catalysts as essential. Our focus remains on constructing a durable, well-balanced portfolio capable of navigating a wide range of outcomes as we move through 2025 and beyond.

Portfolio

Performance

Team Blue Portfolio Performance	
Portfolio Return	-3.91%
S&P 500 Benchmark Return	-1.67%
% Allocated	41.57%
Outperformance (Underperformance)	-2.24%

As November 22nd, the portfolio has a total market value of \$587,067, reflecting a loss of \$23,888, or -3.91% since the beginning of the trading period. With the \$SPY benchmark at -1.67%, the result is an underperformance of -2.24%.

These losses were largely incurred due to weakness across several individual equity positions. The largest detractors during the period were LYV (-15.29%), MSFT (-13.39%), and UBER (-12.85%), while BA, DG, and MTZ experienced more modest declines. The best performer was Centene, which surged after positive guidance. Performance dispersion across holdings reflects a combination of stock-specific factors described below and recent market-driven multiple compression.

Overall, the portfolio remains aligned with its strategic allocation, with diversified exposure across sectors and different risk exposures. The investment team will continue to evaluate underperforming holdings and positions that have become extended, with a focus on maintaining allocation discipline, managing downside risk, and positioning the portfolio for improved risk-adjusted returns going forward.

Sector Analysis

Sector	% Invested Portfolio	S&P Sector Weight
S&P 500	58.03%	N/A
Technology	12.96%	36.12%
Financial Services	0.00%	12.86%
Consumer Discretionary	0.00%	10.53%
Communication Services	6.10%	10.08%
Healthcare	5.61%	8.96%
Industrials	11.69%	8.13%
Consumer Defensive	5.21%	4.68%
Energy	0.00%	2.79%
Utilities	0.00%	2.34%
Real Estate	0.00%	1.84%
Basic Materials	0.00%	1.66%

The portfolio maintains exposure across sectors spanning the risk spectrum, balancing defensive stability with cyclical and growth-oriented opportunities.

Our largest allocation is to Information Technology, including Microsoft (MSFT) and Live Nation (LYV). Microsoft provides long-term secular growth supported by recurring revenues and strong free cash flow, while Live Nation is positioned as a higher-risk, technology-enabled platform benefiting from digital ticketing, data analytics, and experiential demand, introducing greater earnings and valuation volatility.

Our second highest allocation belongs to industrials, exposure through MasTec (MTZ) and Boeing (BA) provides cyclical upside tied to infrastructure investment, energy buildout, and aerospace recovery, positioning the sector as a moderate-risk contributor to portfolio returns.

Health Care exposure through Centene (CNC) provides defensive characteristics driven by non-discretionary demand and government-sponsored health programs, offering earnings resilience during economic slowdowns. Consumer Discretionary exposure through Dollar General (DG) offers more defensive discretionary characteristics due to its value-oriented customer base and steady demand profile. Lastly, Communication Services exposure via Uber (UBER) provides platform-based growth with improving profitability, carrying moderate risk due to regulatory and macro sensitivity.

Overall, the portfolio's sector mix balances defensive exposure with selective cyclical and growth-oriented positions, supporting participation in upside while managing downside risk.

Risk Management

Our portfolio's goal is to drive alpha that exceeds the performance of the S&P 500 index. We actively manage and mitigate risks that affect individual allocations, as our overall portfolio structure remains crucial. As a team, we embedded risk considerations early in our investment process, beginning with open and thorough discussions during the stock pitching phase, prior to any capital allocation. These discussions are crucial to our assessment of the potential risks each investment introduces to the portfolio, including company-specific vulnerabilities, market and macroeconomic sensitivity, volatility, and sector exposure. Our objective is to determine whether the expected return profile sufficiently compensates for the risks associated with holding the position.

Once we invest in a company, we actively monitor company-specific developments to identify emerging risks and reassess our investment theses. We continue to re-valuate Microsoft and sentiment risk related to AI expectations, with its diversified, recurring revenue base helping to mitigate downside risk tied to fluctuations in AI investment cycles. MasTec's ongoing monitoring is focused on execution risk, margin sustainability, and backlog conversion, given its exposure to infrastructure spending and government-driven capital cycles. In contrast, Live Nation has required heightened oversight due to regulatory and antitrust scrutiny surrounding Ticketmaster, making policy developments a key risk factor influencing position performance.

Managing economically sensitive businesses such as Uber and Boeing, which are vulnerable to shifting consumer demand, interest rates, and global economic conditions, remains crucial as well. Our team can address these risks through disciplined position sizing and ongoing evaluation of operational execution and balance sheet strength. To mitigate exposure, we maintain allocation to more defensive and lower-volatility holdings such as Centene and Dollar General, which have historically provided stability during periods of market stress due to their exposure to essential healthcare services and value-oriented consumer demand, respectively.

Active portfolio management has been key to our strategy and long-term success ensuring we maintain diversification across sectors, business models, and risk profiles. Maintaining our allocation to SPY as we seek new investment opportunities has helped our portfolio growth and evaluation of our investment strategy. Position sizing, correction analysis, and stop-loss considerations are used to limit downside exposure and prevent a single holding from impacting overall returns. We continue to emphasize the importance of monitoring macroeconomic variables, including interest rate policy shifts, inflation trends, geopolitical developments, and regulatory changes to ensure our portfolio remains resilient and aligned with our long-term investment objectives.

Positions

Live Nation Entertainment

Investment Date: October 15th	Purchase Price: \$154.22	Current Allocation: 6.1%
Performance: (10.01%)	Current Price: \$138.70	Target Price: \$216.22

Live Nation Entertainment Inc operates one of the world’s largest music advertising networks and ecommerce platforms. In 2024, Live Nation Entertainment Inc. (LYV) connected over 151 million fans through its concert and ticketing platforms spanning 51 countries. The company operates three primary segments: concerts, ticketing, and sponsorship & advertising. The core, concert business promotes live events, tours and festivals, operates venues, and services artists. The ticketing segment, including its subsidiary Ticketmaster, sells and manages tickets for Live Nation and third-party clients (sports teams, theaters, museums, etc.). The sponsorship and advertising segment manages brand partnerships, digital and physical advertising, naming rights, and more.

The COVID-19 pandemic significantly impacted the financial health and performance of the live entertainment industry. As the economy returned to normalization, Live Nation benefited from a surge in attendance and revenue, the premiumization of live experiences, and hybrid events. Live Nations’ Q2 2025 revenue rose 16%, reaching \$7.01 billion, with concert operations being the main driver. Industry revenues are forecasted to grow at a 3.7% CAGR to 2029, with Live Nations 5Y revenue forecasted to outpace the industry at 5.9% CAGR. Revenue growth is backed by consumers seeking high-value experiences over physical goods.

The majority of U.S. consumers (72%) report they are willing to pay more for premium experiences. Consumer demand continues to push high revenue and margins from VIP tickets, exclusive venue amenities, and immersive production value benefiting the industry overall. Digital and hybrid events have transformed the industry, opening a new avenue for revenue. In 2024, the global virtual events market was valued at \$204.8 billion and is projected to grow at a CAGR of ~18.7%, reaching \$957 billion by 2033. This industry wide shift enhances monetization per fan and opens high-value sponsorship inventory.

Despite the stock’s recent decline in value, Team Blue maintains its investment thesis and is confident in the stock’s 6.1% allocation in the portfolio. The company is a market leader, rapidly expanding through its strategically integrated business model and strong management team and is uniquely positioned to benefit from the rising global demand for premium, live experiences. Additionally, our allocation of Live Nation helps create diversification within our portfolio, increasing our exposure in the Entertainment Industry. As the world’s largest live entertainment company, Live Nation provides defensive stability and long-term growth potential.

Dollar General

Investment Date: October 28th	Purchase Price: \$102.46	Current Allocation: 5.21%
Performance:	Current Price:	Target Price:

45.29%	\$148.86	\$119.09
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Dollar General Corp. operates one of the largest discount retail networks in the United States, targeting value-conscious consumers in rural and underserved communities. In 2024, Dollar General (DG) operated over 20,000 stores across 47 states, offering a focused assortment of consumables, household essentials, seasonal goods, and select discretionary items at low price points. The company generates most of its revenue from consumables such as food, paper products, and cleaning supplies, which drive high traffic and recurring customer visits. Dollar General's small-box format, low buildout costs, and dense store footprint enable proximity-based convenience and strong unit economics, particularly in markets where big-box retailers are less accessible.

The discount retail industry has benefited from heightened consumer price sensitivity following several years of elevated inflation and real wage pressure among lower- and middle-income households. Dollar General has historically performed well in periods of economic stress as consumers trade down from grocery stores and mass merchandisers in search of value. However, the company has recently faced operational challenges, including higher shrink, wage inflation, and margin pressure driven by promotional activity and elevated costs. In response, management has emphasized execution improvements, inventory rationalization, and a renewed focus on core consumables to stabilize margins and restore traffic. Despite near-term headwinds, the long-term industry backdrop remains supportive, with value retail expected to gain share as consumers prioritize affordability and convenience.

Structural tailwinds continue to support Dollar General's long-term growth opportunity. Rural population stability, limited competition in many of its core markets, and continued expansion of private-label offerings enhance pricing power and customer loyalty. Additionally, Dollar General's investments in supply chain optimization, self-distribution, and DG Fresh are designed to improve in-stock rates and reduce costs over time. As discretionary spending remains pressured, demand for everyday essentials at compelling price points positions Dollar General to benefit from prolonged consumer value-seeking behavior, making execution and margin recovery key drivers of future equity upside.

Team Blue saw the downgraded stock price due to management turnover as a transient headwind, and not indicative of a systemic problem. During the trading period, DG was up over 40%, mostly after a substantial earnings beat, but with continued momentum in the following weeks. Team Blue sold 75% of the position at \$148.14 in December and voted to hold the other 25% as the target price and earning potential of the company have shifted. This trade allowed Team Blue to reap the profits of a massive price appreciation while still holding the defensive ticker that diversifies the portfolio further from highly-valued AI stocks.

Uber

Investment Date: October 28th	Purchase Price: \$96.23	Current Allocation: 6.44%
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Performance: (12.85%)	Current Price: \$83.87	Target Price: \$115
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Uber Technologies, Inc. (NYSE: UBER) was founded in 2009 and is headquartered in San Francisco, California. It operates a global technology platform connecting consumers with on-demand services in mobility, delivery, and logistics. Uber’s platform facilitates millions of rides and deliveries and supports hundreds of millions of active users worldwide. The business is structured into three primary segments: Mobility (ride-hailing services like UberX, Uber Black, and shared rides), Delivery (primarily Uber Eats food, grocery, and retail delivery services), and Freight (Uber Freight digital logistics solutions for shippers and carriers). Together these segments underpin Uber’s multi-service ecosystem and reflect the company’s strategic emphasis on digital platforms for transportation, delivery, and logistics.

The industries Uber operates in are growing rapidly. The global ride-sharing market is valued at roughly \$150-\$180 billion in 2025 and is projected to reach \$400-\$700 billion by the early 2030s, implying ~14-20% annual growth. Uber itself reported about 170 million monthly active users in 2025 and ~3 billion trips per quarter, with gross bookings growing ~16-20% year over year. Food and retail delivery continues to expand alongside e-commerce growth, with Uber Eats supported by large-scale transactions and international expansion, including a \$700 million acquisition in Turkey tied to a platform that handled 200+ million orders in 2024. Digital freight remains smaller and cyclical but is increasingly adopted by shippers seeking efficiency. Overall, Uber operates in multi-hundred-billion-dollar markets with strong growth trajectories, though profitability remains sensitive to regulation, labor costs, and competition.

Currently the ride-sharing industry has faced some problems such as the legal side of drivers being classified as independent contractors vs employees. A recent event that took place in 2025 was the New Zealand court ruling of Uber drivers being labeled as employees. This is critical because if drivers were to be classified as employees, it would increase the expenses that Uber pays for. Uber has built a strong legal team and is combating this ruling as well as working on keeping their “gig model” throughout all the countries the company operates in. We are currently down ~12% but will hold our position as we continue to believe in our medium-term thesis in Uber, predicting that ride margin expansion will continue as well as their shift into becoming a platform for AV rides.

Microsoft

Investment Date: October 28th	Purchase Price: \$545.27	Current Allocation: 6.52%
Performance: (13.39%)	Current Price: \$472.24	Target Price: \$560

Founded in 1975 and headquartered in Redmond, Washington, Microsoft Corporation (MSFT) is one of the world's leading technology companies, providing software, hardware, and cloud-based services globally. Over time, the company has broadened its portfolio to meet both consumer and enterprise technology needs. In 2025, Microsoft served hundreds of millions of users and enterprises across more than 190 countries through its digital platforms and solutions. Its products are used worldwide for productivity, communication, and everyday digital experiences. The company operates through three primary segments: Productivity and Business Processes, Intelligent Cloud, and More Personal Computing. These segments help structure Microsoft's broad range of offerings.

The Productivity and Business Processes segment includes Office, Microsoft 365, LinkedIn, and Dynamics. These tools support collaboration, communication, and business operations. The Intelligent Cloud segment delivers Azure cloud services, server products, and enterprise solutions. Azure plays a central role in Microsoft's growth as organizations continue shifting toward cloud-based infrastructures. The More Personal Computing segment encompasses Windows, Surface devices, gaming (including Xbox and Activision Blizzard), and search and advertising through Bing. This segment focuses on consumer technology and digital entertainment.

Microsoft benefits from growth in the cloud computing industry. The global cloud computing industry continues to expand rapidly as enterprises accelerate digital transformation and migrate workloads to the cloud. In fiscal 2025, Microsoft Azure maintained double-digit revenue growth, driven by strong demand for scalable infrastructure. The industry's growth trajectory, projected at a CAGR of around 15% through 2030, reflects increasing adoption of hybrid environments unique to Microsoft's offerings. As Amazon's cloud infrastructure AWS stagnates in growth, Microsoft's trials of Azure have led enterprises to more willingly adopt their vertically integrated model. This model strengthens customer retention and cross-platform efficiency.

Their business model also capitalizes on recurring revenues in the productivity software space. The shift toward subscription-based services continues to transform Microsoft's business model, with recurring service revenue now accounting for over 75% of total sales. The Microsoft 365 suite has seen consistent user and enterprise adoption. Businesses are prioritizing secure, collaborative, and cloud-connected work environments, boosting Microsoft's commercial subscription base. The productivity software market is expected to grow at a CAGR of roughly 14% through 2030, and Microsoft's bundled offerings position it to outpace industry growth while sustaining high operating margins.

The Software and Services industry maintains a positive outlook considering its recurring revenue structure, penetration in enterprise markets, and AI integration opportunities. Utilizing a discounted cash flow analysis, Microsoft (MSFT) has a fair stock price value of \$561.54, with a forecasted growth rate of 3% and WACC of 9.26%, providing 8.68% upside to investors over ten years with the current price at \$483.47.

Microsoft has an installed base of users with high switching costs. Microsoft’s business model benefits from a large, highly integrated installed base across Windows, Office, Azure, and enterprise solutions. Being embedded at multiple points in the enterprise and consumer workflow creates high switching costs, ensuring strong customer retention and recurring revenue streams. User adoption of one product reinforces engagement with others, generating consistent cash flow that supports ongoing innovation and investment. Microsoft operates near-monopolies in an integrated product portfolio, ensuring high margins and profitability long-term.

Microsoft also utilizes vertical integration across products and services. Microsoft’s vertical integration spans cloud infrastructure, productivity software, operating systems, developer tools, gaming, search and social media advertising, and AI products. These synergies across the technology stack enable the company to deliver seamless solutions in sticky industries and maintain tight control over the end-to-end customer experience. Integration also facilitates bundling opportunities, cross-selling, and enterprise-wide deployments that strengthen customer loyalty.

Finally, Microsoft benefits from AI-driven insights and innovation. Microsoft leverages AI across its ecosystem to enhance product functionality and customer value. AI-powered features in Microsoft 365, Azure, and Dynamics enable personalized experiences, predictive analytics and security enhancements. To support their AI and cloud infrastructure, Microsoft plans to invest \$80 billion over the course of 2025 to expand their data center network, which already spans over 300 centers in 36 countries.

Through its scale and integrated ecosystem, Microsoft has cemented its position as a global technology leader. By leveraging its connected product and service ecosystem, Microsoft captures value across multiple layers. Revenue growth is supported by its diversified segments: Productivity and Business Processes (36%), Intelligent Cloud (43%), and More Personal Computing (21%). Strong adoption of subscription services, cloud infrastructure, and AI solutions positions Microsoft to outpace overall industry growth.

Centene

Investment Date: October 29th & 30th	Purchase Price: \$34.09 (average)	Current Allocation: 5.61%
Performance: 7.07%	Current Price: \$36.50	Target Price: \$50

Centene Corporation is one of the largest U.S. healthcare enterprises focused on managed care and health insurance. The company primarily provides government-sponsored and commercial health benefits, including Medicaid, Medicare (including Medicare Advantage and Medicare Prescription Drug Plans), and individual marketplace coverage. Centene’s business model centers on administering health plans and managing care for under-insured and underserved populations across the United States.

Recently, the managed care space has faced many difficulties such as government funding, underestimating risk pools and healthcare costs, and rate mispricing. In Q2 2025, we saw a huge spike in healthcare costs and earnings miss which initially plunged the stock ~40%, the CEO drastically lowered their EPS target to \$1.75 a share from \$7.25. This created an opportunity to buy in. There are a few key points in our Centene thesis: the extension of ACA subsidies (Obama care), rate repricing, and expansion into new states such as Michigan, Illinois, Ohio, and Nevada.

In Q3 2025, we saw a ~10% rise in stock as Centene beat their earnings, raised their EPS target, and rate increases. Currently what we see is Centene beating their low EPS targets and slowly climbing back up. Centene was able to expand into new states in their Medicaid plans as well as SNP (plans for people who qualify for both Medicare and Medicaid) multi-year contracts for 2026. We also saw the house pass an ACA Extension bill for another 3 years and we will see ACA Marketplace enrollment end January, both which could be positive news for Centene. We believe that the managed care industry will pick back up after their short-term difficulties and that Centene will be able to capture more growth through their new insurance plans, state expansions, and low EPS target beats.

Boeing

Investment Date: November 18th	Purchase Price: \$189.66	Current Allocation: 4.78%
Performance: (5.25%)	Current Price: \$179.90	Target Price: \$260

Boeing is one of the world’s leading aerospace and defense companies. They are known for their broad portfolio of commercial airplanes, military aircraft, space systems, and global support services. The company operates through three primary business segments: Commercial Airplanes (BCA), Defense, Space & Security (BDS), and Global Services (BGS). In 2024, Commercial Airplanes accounted for roughly 34% of revenue, followed by Defense, Space & Security at 36%, and Global Services at 30%. Boeing’s competitive advantages in large-scale aircraft manufacturing, defense technology, and long-term service contracts help drive consistent revenue, while its diversified business mix provides stability across different economic cycles.

In recent years, Boeing has faced many high-profile challenges, largely due to their quality-control lapses. These issues eroded customer confidence, strained airline relationships, and placed significant pressure on the company’s financial performance. However, Boeing has recently shown that they are taking consistent and meaningful actions to course correct. They recently hired a new CEO, Kelly Ortberg, who has brought engineering excellence back front and center. He has been honest in acknowledging their culture problem and has been adamant that Boeing must be rebuilt “from the factory floor up.” They have also reorganized their leadership structure, allowing for better communication and streamlining efficiency.

These changes have begun to show results. The FAA recently increased Boeing’s 737 Max production cap from 38 to 42 planes per month, showing increased confidence in their quality control turnaround. Furthermore, in October the FAA allowed Boeing to start issuing airworthiness certificates for the first time since 2019, once again displaying their increased trust

in Boeing’s improving safety culture and quality-control processes. So, while Boeing has struggled in recent years, signs of a turnaround are clear.

Boeing’s recent 5% pullback since our buy does not change our investment thesis. Team Blue sees the decline as one primarily driven by broader market weakness rather than a company-specific deterioration. As a highly cyclical stock, Boeing is naturally exposed to market-wide sentiment risk and macro-driven selloffs. However, the company’s over \$600 million backlog provides years of locked-in demand, insulating future revenue even if economic conditions soften. Furthermore, Boeing’s diversified revenue streams like Defense, Space, & Security offer more stable, less economically sensitive cash flows that help to balance volatility in the commercial segment.

MasTec

Investment Date: November 21st	Purchase Price: \$193.96	Current Allocation: 6.91%
Performance: 13.2%	Current Price: \$219.58	Target Price: \$242.16

MasTec, Inc. is a leading North American infrastructure company that specializes in engineering, building, installing, maintaining, and upgrading critical infrastructure for the communications, energy, utility, and industrial sectors. MasTec was founded 95 years ago in Coral Gables, Florida, operating five core verticals: communications, clean energy & infrastructure, power delivery, pipeline infrastructure, and other. Long-term growth for MasTec is backed by multi-decade master service agreements and project-specific contracts that serve major utilities, telecommunication carriers, industrial operators, and energy companies. The company is a go-to-provider given its expansive workforce, technical expertise, and mobility enabling its critical role in advancing the transition to renewable energy, grid reliability, and modernizing essential U.S. infrastructure.

MasTec is positioned to benefit from the decade-long transition of North American infrastructure to green-friendly and reliable. Strong infrastructure tailwinds, with telecom, fiber, and data center growth, and renewable energy and power grid expansions are catalysts for MasTec moving forward. The demand for connectivity continues to rise due to 5G deployment, AI-driven data centers, remote work, and record levels of video and cloud usage. The telecom infrastructure market is expected to reach \$11.8B by 2029, while BEAD provides \$42B for broadband coverage in underserved locations. The shift to clean energy is accelerating, with renewable generation projected to account for ~60% of U.S. electricity by 2050. Electrification of transportation, industry, and data centers solidify multi-decade demand for modernized energy infrastructure.

MasTec is our portfolio's most recent allocation and has since performed strongly. With ~7% of our portfolio allocated to MasTec, we remain optimistic about our long-term investment decision. The company's national scale, long-term, sticky customer relationships, diversified end markets, proven execution and expertise, and secular megatrend positioning continue to defend our investment thesis.

Conclusion

Lessons Learned

As we reflect on our work throughout the semester, several important lessons have shaped our evolution as analysts and as a team. These lessons have improved our investment process, strengthened our collaboration, and helped us operate with more discipline, structure, and intention. Together, they form a foundation that will guide our fund's future performance.

A major takeaway this semester was the balance between independent research and collaborative refinement. Working individually on pitches allows each analyst to develop unique ideas, build conviction, and take full ownership of their thesis. This independence strengthened our abilities in valuation, financial modeling, and industry research, yet the collaborative component proved equally valuable. Our team structure emphasized the importance of diverse perspectives. Group discussions often uncovered assumptions we had overlooked, highlighted new risks, and sharpened the clarity of our arguments. This mix of autonomy and teamwork created a productive environment where creativity and accountability reinforced one another.

We also gained a deeper appreciation for communication and emotional intelligence in the pitching process. Presenting complex financial concepts in a clear and engaging way requires preparation, adaptability, and confidence. Many of our team discussions extended beyond class time, demonstrating how questioning, constructive feedback, and open dialogue consistently improved our investment thesis. Balancing these responsibilities with coursework and other commitments highlighted the importance of time management, a skill essential for any analyst working under tight deadlines.

From a portfolio management perspective, we learned the importance of aligning individual ideas with broader portfolio goals. Active monitoring of news, price movements, and thesis changes became crucial in maintaining conviction. Our approach to risk management has matured as well. We grew more intentional about position sizing, sector diversification, and using tools like stop-losses to limit downside exposure. Understanding how macroeconomic trends influenced cyclical names versus defensive holdings reinforced the value of diversification and disciplined sizing decisions.

Finally, we saw firsthand how technology supports modern investing. Bloomberg streamlined our data gathering and analysis, while artificial intelligence enhanced our research efficiency and presentation quality. Becoming comfortable with these tools gave us an edge and reflected where the investment industry is headed.

Looking Ahead

Looking ahead, we remain highly optimistic about the outlook for our portfolio as we enter the second semester. During the break, we will continue to closely monitor our existing positions to ensure that any new information or price movements do not materially impact our underlying

investment theses. We will also monitor positions that have become extended to determine whether trimming is necessary to maintain stable portfolio allocation. In addition, over the past several weeks Team Blue has presented a range of potential investments, including Visa, TJ Maxx, and Dick's Sporting Goods, which we will evaluate for possible inclusion in the portfolio next semester.

From a process standpoint, we plan to strengthen our risk management framework by ensuring that each new position contributes constructively to the portfolio's overall balance and does not create unintended industry overconcentration. We will also implement more structured, periodic reviews of all current holdings to consistently reassess fundamentals and identify attractive entry or exit opportunities.

Finally, each team member will again be expected to pitch two to four stocks, helping to maintain a steady and diverse pipeline of investment ideas. We are excited to continue managing and expanding our portfolio in the second semester as we increase allocations and gain exposure across a broader set of sectors.