



**Bauhard
Student Managed
Investment Fund
Annual Report 2024**

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INVESTMENT POLICY STATEMENT

Objective

The primary objective of the Bauhard Student Managed Fund is to provide an experiential learning process for students. The secondary objective of the fund is to match the return of the S&P 500 Index Fund.

Constraints

Several constraints are in place to regulate the management of the Bauhard Fund. Holdings within the portfolio are limited to U.S. equities. The management team does not engage in either the trading of derivatives or the short selling of securities. Further portfolio constraints include a minimum per share price of \$5.00 and stock positions limited to a maximum of five percent of the portfolio's value at the time of acquisition.

Procedures

Student analysts prepare and present equity analysis reports to the investments and portfolio management classes. Students consider portfolio diversification and a long-term investment horizon while analyzing each potential equity. All trading decisions require a two thirds anonymous vote in order for a stock to be added or removed from the fund.

BAUHARD FUND HISTORY

The William L. Bauhard Student Managed Investment Fund provides students at the University of Nebraska at Kearney with a hands-on learning experience by allowing the managers to invest in the stock market. Mr. Bauhard, a former financial services and telecommunications executive, provided a generous leadership gift to start the fund. Additional funds were provided by Jack Connealy of JFC Financial Services in Lincoln, NE; Ron Eckloff, a certified financial planner serving the Kearney community; Financial Leaders Student Association; Jay Landell of the Wells Fargo Foundation; and Securities America of Kearney.

The student investment portfolio is managed by senior-level undergraduate students specializing in finance and accounting. The program exposes students to real-world training in securities analysis and portfolio management. Student analysts are responsible for researching industry sectors and periodically presenting potential investment opportunities to the class. Throughout the learning process, students also have the opportunity to learn about career-enhancing opportunities by competing in investment competitions to showcase the skills they have acquired. In addition to the experiential learning opportunities, income generated from the fund's investments may be utilized for future student scholarships.

INVESTMENT METHODOLOGY

Top-Down Allocation

The student-managed fund follows a top-down investment strategy. This method entails an allocation process whereby a major percentage of the Bauhard Fund's performance is attributable to the selection of equity securities. The S&P 500 Index is used as a benchmark for the Bauhard Fund, and its investment sector allocations are considered in the equity selection process. From there, managers study equities in underallocated sectors to determine their true value in the market.

Equity Selection

The decisions to purchase or reject securities are based on the student analysts' opinions regarding the valuation of the securities compared to the current market prices. Student fund managers compile extensive reports that detail a company's vital characteristics, including the stock's underlying financial strengths and weaknesses, valuation calculations, and relative calculations in comparison to a chosen peer group. This information is presented to the class as a written report and an oral presentation to the class.

Following the presentation, students not associated with the presentation of a stock are given the opportunity to ask questions about the information contained in the report. After a brief period to formally respond to student questions and inquiries, the entire class of student analysts votes on whether to purchase, sell, or hold the proposed securities. The motion to purchase, sell, or hold a proposed security passes if two-thirds of the student analysts vote positively in an anonymous vote.

Portfolio Monitoring

As a means of tracking the Bauhard Fund's performance throughout the course, student analysts are asked to present market updates to the class. These presentations include the weekly performance of each of the individual securities held within the Bauhard Fund and their corresponding public news stories. In addition, student analysts report the performance of the sector allocations within the fund and the returns of the appropriate comparable exchange-traded funds. Furthermore, the performance of the Nasdaq, S&P 500 Index, and Dow Jones Industrial Average is highlighted and compared to the Bauhard Fund's weekly returns.

SECTOR ALLOCATION

Bauhard Investment Fund

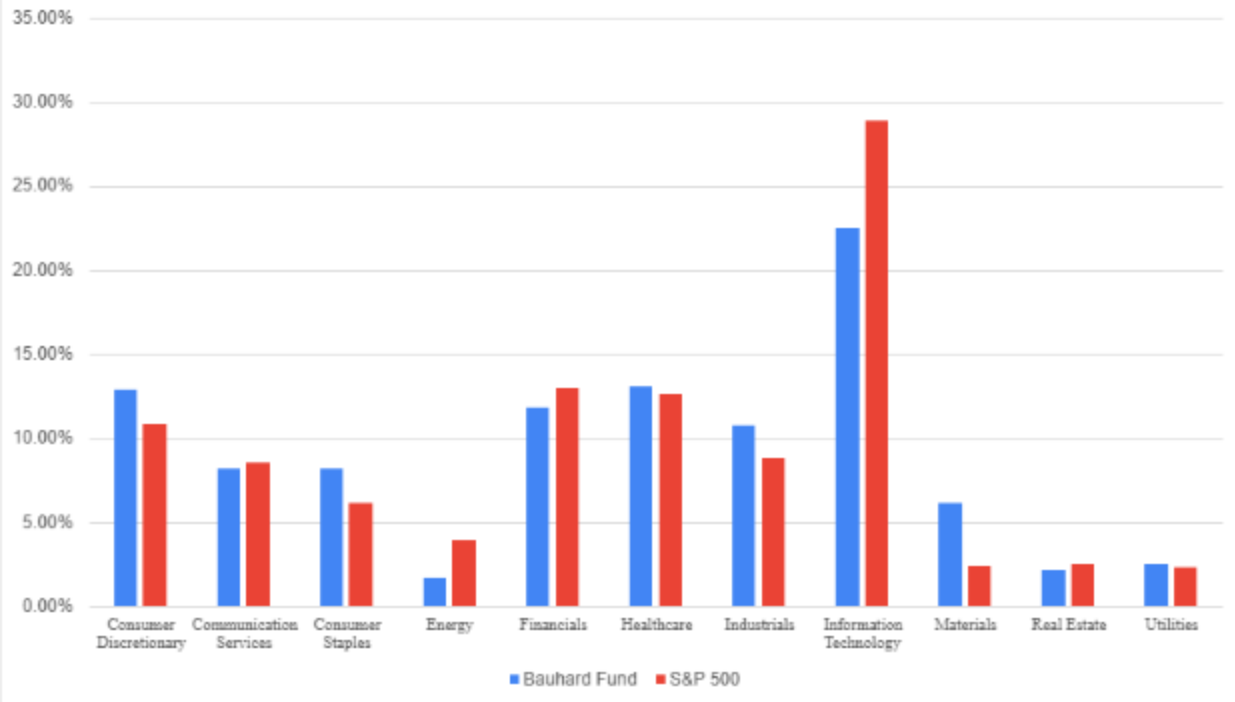
Sector Allocation
January 1, 2024

| <i>Description</i> | <i>Shares</i> | <i>Market Value</i> | <i>of Holdings</i> | <i>Description</i> | <i>Shares</i> | <i>Market Value</i> | <i>of Holdings</i> |
|--------------------------------|---------------|---------------------|--------------------|---------------------------------|---------------|---------------------|--------------------|
| Consumer Discretionary | 171 | \$32,751.78 | 12.94% | Healthcare | 284 | \$33,125.09 | 13.09% |
| Amazon.com, Inc. | 60 | \$ 9,116.40 | 3.60% | Abbott Laboratories | 46 | \$ 5,063.22 | 2.00% |
| Booking Holdings Inc. | 4 | \$14,188.88 | 5.61% | Bio-Rad Laboratories, Inc. | 4 | \$ 1,291.56 | 0.51% |
| General Motors Company | 70 | \$ 38.68 | 0.02% | Bristol-Myers Squibb Co | 50 | \$ 2,565.50 | 1.01% |
| Garrett Motion Inc. | 4 | \$ 2,514.40 | 0.99% | The Cigna Group | 11 | \$ 3,293.95 | 1.30% |
| The Home Depot, Inc. | 10 | \$ 3,427.92 | 1.35% | CVS Health Corporation | 40 | \$ 3,158.40 | 1.25% |
| Lennar Corporation | 23 | \$ 3,465.50 | 1.37% | Gilead Sciences, Inc. | 35 | \$ 2,835.35 | 1.12% |
| | | | | Johnson & Johnson | 20 | \$ 3,134.80 | 1.24% |
| | | | | Merck & Co., Inc. | 67 | \$ 7,304.34 | 2.89% |
| | | | | Organon & Co. | 6 | \$ 86.52 | 0.03% |
| | | | | Regeneron Pharmaceuticals, Inc. | 5 | \$ 4,391.45 | 1.74% |
| Communication Services | 244 | \$20,617.76 | 8.15% | Industrials | 193 | \$27,266.99 | 10.77% |
| Comcast Corporation | 31 | \$ 1,359.35 | 0.54% | Carrier Global Corporation | 34 | \$ 1,953.30 | 0.77% |
| The Walt Disney Company | 30 | \$ 2,708.70 | 1.07% | Honeywell International | 42 | \$ 8,807.82 | 3.48% |
| Alphabet Inc. | 100 | \$13,969.00 | 5.52% | 3M Company | 20 | \$ 2,186.40 | 0.86% |
| AT&T Inc. | 50 | \$ 839.00 | 0.33% | Otis Worldwide Corporation | 17 | \$ 1,520.99 | 0.60% |
| Verizon Communications Inc. | 21 | \$ 791.70 | 0.31% | Resideo Technologies, Inc. | 6 | \$ 112.92 | 0.04% |
| Warner Bros. Discovery, Inc. | 12 | \$ 136.56 | 0.05% | RTX Corporation | 34 | \$ 2,860.76 | 1.13% |
| Paramount Global | 55 | \$ 813.45 | 0.32% | Union Pacific Corporation | 40 | \$ 9,824.80 | 3.88% |
| Consumer Staples | 230 | \$20,801.49 | 8.22% | Information Technology | 355 | \$57,024.49 | 22.53% |
| Archer-Daniels-Midland Company | 104 | \$ 7,510.88 | 2.97% | Apple, Inc. | 100 | \$19,253.00 | 7.61% |
| Pepsico, Inc. | 20 | \$ 3,396.80 | 1.34% | Adobe Inc. | 20 | \$11,932.00 | 4.71% |
| The Procter & Gamble Company | 46 | \$ 6,740.84 | 2.66% | Applied Materials, Inc. | 30 | \$ 4,862.10 | 1.92% |
| Walmart Inc. | 60 | \$ 3,152.97 | 1.25% | Salesforce, Inc. | 15 | \$ 3,947.10 | 1.56% |
| | | | | International Business Machines | 25 | \$ 4,088.75 | 1.62% |
| | | | | Kyndryl Holdings, Inc. | 5 | \$ 103.90 | 0.04% |
| | | | | Lam Research Corporation | 140 | \$10,965.64 | 4.33% |
| | | | | Solaredge Technologies, Inc. | 20 | \$ 1,872.00 | 0.74% |
| Energy | 42 | \$ 4,199.16 | 1.66% | Materials | 78 | \$15,543.84 | 6.14% |
| Exxon Mobil Corporation | 42 | \$ 4,199.16 | 1.66% | AdvanSix Inc. | 1 | \$ 29.96 | 0.01% |
| | | | | Nucor Corporation | 57 | \$ 9,920.28 | 3.92% |
| | | | | Reliance, Inc. | 20 | \$ 5,593.60 | 2.21% |
| Financials | 360 | \$30,049.47 | 11.87% | Real Estate | 29 | \$ 5,411.00 | 2.14% |
| Bank of America Corporation | 150 | \$ 5,050.50 | 2.00% | Prologis, Inc. | 20 | \$ 2,666.00 | 1.05% |
| The Goldman Sachs Group, Inc. | 19 | \$ 7,329.63 | 2.90% | Public Storage | 9 | \$ 2,745.00 | 1.08% |
| Paypal Holdings, Inc. | 23 | \$ 1,412.43 | 0.56% | | | | |
| Truist Financial Corporation | 123 | \$ 4,541.16 | 1.79% | Utilities | 70 | \$ 6,318.20 | 2.50% |
| Visa Inc. | 45 | \$11,715.75 | 4.63% | American Electric Power Company | 30 | \$ 2,436.60 | 0.96% |
| | | | | Duke Energy Corporation | 40 | \$ 3,881.60 | 1.53% |

Sector percentage of holdings are a percent of total fund value (actively managed)
Individual equity percentage of holdings are a percent of total fund value (actively managed)

As of January 1, 2024, the Bauhard Fund held 55 equity positions allocated across all 11 GICS sectors. At this time, the most significant allocation gap relative to the S&P 500 is Information Technology (22.53% vs 28.86%.) The Bauhard Fund was also overweighted by 1% or more in Consumer Discretionary, Consumer Staples, Industrials, and Materials. These overweighted allocations would persist throughout the year, and some were addressed in stock purchases in the spring semester of 2025.

Bauhard Fund vs S&P 500 Sector Allocation, 01/01/2024



Bauhard Investment Fund

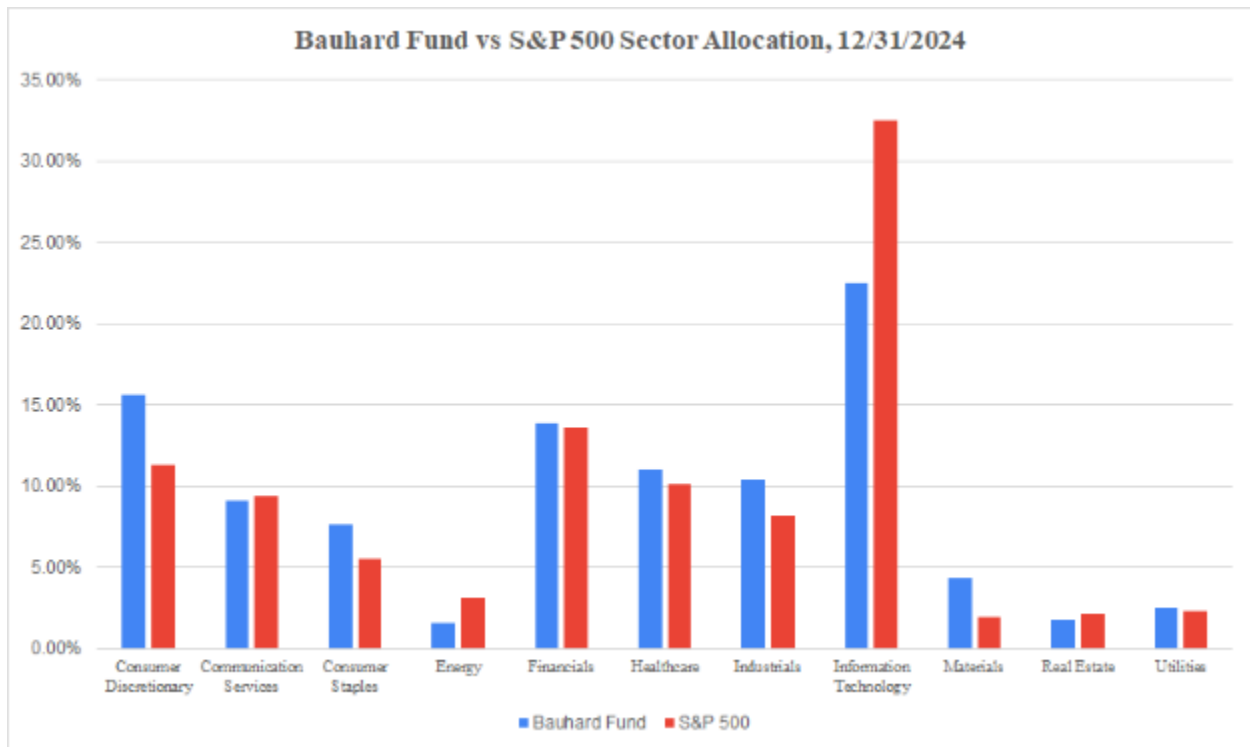
Sector Allocation
December 31, 2024

| <i>Description</i> | <i>Shares</i> | <i>Market Value</i> | <i>Percent of</i> | <i>Description</i> | <i>Shares</i> | <i>Market Value</i> | <i>Percent of</i> |
|--------------------------------|---------------|---------------------|-------------------|---------------------------------|---------------|---------------------|-------------------|
| Consumer Discretionary | 171 | \$43,828.51 | 15.56% | Healthcare | 284 | \$30,950.22 | 10.99% |
| Amazon.com, Inc | 60 | \$13,163.40 | 4.67% | Abbott Laboratories | 46 | \$ 5,203.06 | 1.85% |
| Booking Holdings Inc. | 4 | \$19,873.68 | 7.06% | Bio-Rad Laboratories, Inc. | 4 | \$ 1,314.04 | 0.47% |
| General Motors Company | 70 | \$ 36.12 | 0.01% | Bristol-Myers Squibb Co | 50 | \$ 2,828.00 | 1.00% |
| Garrett Motion Inc. | 4 | \$ 3,728.90 | 1.32% | The Cigna Group | 11 | \$ 3,037.54 | 1.08% |
| The Home Depot, Inc. | 10 | \$ 3,136.51 | 1.11% | CVS Health Corporation | 40 | \$ 1,795.60 | 0.64% |
| Lennar Corporation | 23 | \$ 3,889.90 | 1.38% | Gilead Sciences, Inc. | 35 | \$ 3,232.95 | 1.15% |
| | | | | Johnson & Johnson | 20 | \$ 2,892.40 | 1.03% |
| | | | | Merck & Co., Inc. | 67 | \$ 6,665.16 | 2.37% |
| | | | | Organon & Co. | 6 | \$ 89.52 | 0.03% |
| | | | | Regeneron Pharmaceuticals, Inc. | 5 | \$ 3,561.65 | 1.26% |
| | | | | Solventum | 5 | \$ 330.30 | 0.12% |
| Communication Services* | 244 | \$25,539.06 | 9.07% | Industrials | 193 | \$29,158.77 | 10.35% |
| Comcast Corporation | 31 | \$ 1,163.43 | 0.41% | Carrier Global Corporation | 34 | \$ 2,320.84 | 0.82% |
| The Walt Disney Company | 30 | \$ 3,340.50 | 1.19% | Honeywell International | 42 | \$ 9,487.38 | 3.37% |
| Alphabet Inc. | 100 | \$18,930.00 | 6.72% | 3M Company | 20 | \$ 2,581.80 | 0.92% |
| AT&T Inc. | 50 | \$ 1,138.50 | 0.40% | Otis Worldwide Corporation | 17 | \$ 1,574.37 | 0.56% |
| Verizon Communications Inc. | 21 | \$ 839.79 | 0.30% | Resideo Technologies, Inc. | 6 | \$ 138.30 | 0.05% |
| Warner Bros. Discovery, Inc. | 12 | \$ 126.84 | 0.05% | RTX Corporation | 34 | \$ 3,934.48 | 1.40% |
| | | | | Union Pacific Corporation | 40 | \$ 9,121.60 | 3.24% |
| Consumer Staples | 230 | \$21,428.18 | 7.61% | Information Technology | 380 | \$63,239.65 | 22.46% |
| Archer-Daniels-Midland Company | 104 | \$ 5,254.08 | 1.87% | Apple, Inc. | 100 | \$25,042.00 | 8.89% |
| Pepsico, Inc. | 20 | \$ 3,041.20 | 1.08% | Adobe Inc. | 20 | \$ 8,893.60 | 3.16% |
| The Proctor & Gamble Company | 46 | \$ 7,711.90 | 2.74% | Applied Materials, Inc. | 30 | \$ 4,878.90 | 1.73% |
| Walmart Inc. | 60 | \$ 5,421.00 | 1.93% | Salesforce, Inc. | 15 | \$ 5,014.95 | 1.78% |
| | | | | International Business Machines | 25 | \$ 5,495.75 | 1.95% |
| | | | | Kyndryl Holdings, Inc. | 5 | \$ 173.00 | 0.06% |
| | | | | Lam Research Corporation | 140 | \$10,112.20 | 3.59% |
| | | | | Nvidia Corporation* | 25 | \$ 3,357.25 | 1.19% |
| | | | | Solaredge Technologies, Inc. | 20 | \$ 272.00 | 0.10% |
| Energy | 42 | \$ 4,517.94 | 1.60% | Materials | 78 | \$12,066.16 | 4.28% |
| Exxon Mobil Corporation | 42 | \$ 4,517.94 | 1.60% | Advansix Inc. | 1 | \$ 28.49 | 0.01% |
| | | | | Nucor Corporation | 57 | \$ 6,652.47 | 2.36% |
| | | | | Reliance, Inc. | 20 | \$ 5,385.20 | 1.91% |
| Financials | 360 | \$38,992.87 | 13.85% | Real Estate | 29 | \$ 4,808.96 | 1.71% |
| Bank of America Corporation | 150 | \$ 6,592.50 | 2.34% | Prologis, Inc. | 20 | \$ 2,114.00 | 0.75% |
| The Goldman Sachs Group, Inc. | 19 | \$10,879.78 | 3.86% | Public Storage | 9 | \$ 2,694.96 | 0.96% |
| Paypal Holdings, Inc. | 23 | \$ 1,963.05 | 0.70% | | | | |
| Truist Financial Corporation | 123 | \$ 5,335.74 | 1.89% | Utilities | 70 | \$ 7,076.50 | 2.51% |
| Visa Inc. | 45 | \$14,221.80 | 5.05% | American Electric Power Company | 30 | \$ 2,766.90 | 0.98% |
| | | | | Duke Energy Corporation | 40 | \$ 4,309.60 | 1.53% |

Sector percentage of holdings are a percent of total fund value (actively managed)
Individual equity percentage of holdings are a percent of total fund value (actively managed)
*December trades executed: Sold PARA & purchased NVDA

As of December 31, 2024, the Bauhard Fund held 55 equity positions allocated across all 11 GICS sectors. At this time, the most significant allocation gap relative to the S&P 500 remains in Information Technology (22.48% vs 32.49%.) This issue persisted through 2024 and was identified by the analysts, which led to a group consensus initiating a screening process for

potential IT stocks to add to the Fund. The Bauhard Fund at this time is overweighted by 1% or more in Consumer Discretionary, Consumer Staples, Industrials, and Materials, which are all potential areas to trim positions and reallocate funds to more closely track the S&P 500 Index position in the IT sector.



SECTOR OVERVIEW

Communication Service Sector

Sector Description

The communications services sector covers several key areas, including telecommunications, media, entertainment, and internet services. It is an indispensable part of modern consumers' daily lives and business operations. The communication services sector of the Bauhard Fund is composed of six securities: Alphabet Inc., AT&T Inc., Comcast Corporation, The Walt Disney Company, Verizon Communications Inc., and Warner Bros. Discovery Inc.

By the end of 2024, the communications services sector delivered a strong performance within the S&P 500 Index, with the competitive landscape continuing to evolve. The industry is highly technology-driven. With the ongoing expansion of 5G technology, the widespread adoption of artificial intelligence, and intense competition among streaming platforms, the sector is undergoing a profound transformation and upgrade. Companies are accelerating their digital strategies to adapt to the evolving trends in communication and content consumption in the new era.

Performance

In 2024, the communications services sector was significantly affected by multiple external factors, resulting in sharp fluctuations in the monthly returns of various securities held in the sector, with the highest being close to +30% and the lowest being close to -20%. This volatility reflects the challenges and opportunities faced by the industry under technological innovation, market structural adjustment, and changes in the macro environment.

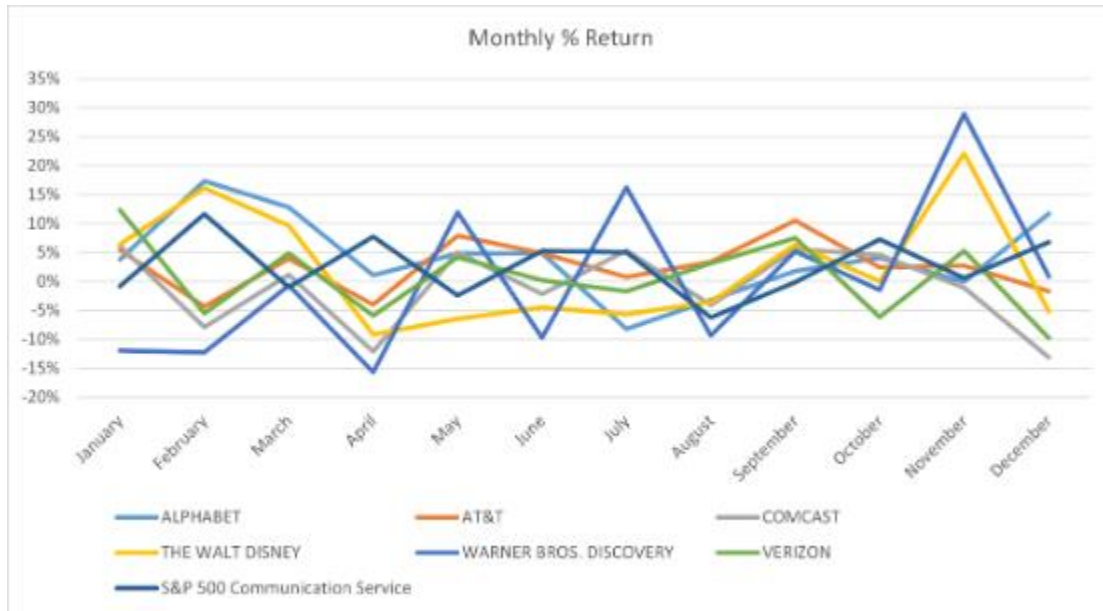
Within the sector, Alphabet outperformed the S&P 500 Communications Services Index in many months, especially showing a strong growth trend at the end of the year. The recovery of its advertising business and the successful integration of artificial intelligence technology have enhanced investor confidence and become a key force driving the industry's rise. Disney also performed well in the second half of the year, significantly outperforming the sector average, thanks to the recovery of its theme park business and the improvement of Disney+ profitability, further consolidating its competitive advantage in the content ecosystem. Warner Bros. Discovery's stock price showed greater volatility, recording an increase of more than 20% in April and October, respectively, showing the market's phased recognition of its content integration strategy and business restructuring results, although it still faces challenges overall.

In contrast, AT&T and Verizon's overall performance was relatively stable, with returns fluctuating slightly around the S&P 500 Communications Services Index for most of the year. This is closely related to the industry environment where the two companies' traditional telecommunications businesses are sluggish, and they are facing fierce price competition and high capital expenditure pressure. Comcast's performance is relatively lagging, with monthly returns below the industry average in most months. The continued loss of broadband users, the slowing development of wireless business, and intensified competition in the streaming field are the main

reasons for the pressure on its performance.

Overall, the S&P 500 Communications Services Index maintained a positive growth trend throughout the year despite significant fluctuations. This reflects the market's confidence in the future potential of the communications services industry against the backdrop of the rapid development of artificial intelligence technology and the wave of digital transformation.

Within the sector, technology-driven companies performed more strongly and became the main force driving overall growth, while traditional telecommunications and content companies urgently need to accelerate the pace of transformation to cope with the changing market environment.



Outlook

Looking ahead to 2025, the communications services industry will continue to undergo a deep transformation driven by both technological innovation and market structural adjustments. Looking back at 2024, the industry has shown a clear differentiation: technology-driven companies continue to lead growth, while traditional telecommunications and media companies face increasing pressure to transform. This trend is expected to deepen in 2025.

Artificial intelligence technology will continue to empower the communications services sector, especially in core businesses such as advertising targeting, content recommendation, and user interaction. With their leading advantages in AI and digital platform layout, technology-oriented companies such as Alphabet and Disney are expected to continue to maintain their leading position in the industry. At the same time, traditional telecom operators such as AT&T and Verizon will continue to be under pressure in 2025, especially in the context of 5G capital investment that has not yet brought clear returns, and profit growth faces great uncertainty. As consumers' demand for high-quality, personalized content continues to increase, competition among streaming platforms will become increasingly fierce. If content providers such as Disney and Warner Bros. Discovery can effectively balance content costs and profitability, they are expected to rebuild

market confidence and achieve a rebound in performance.

In addition, data privacy protection, platform supervision, and content compliance issues will also become policy challenges that the industry cannot ignore. Enterprises must innovate and expand under the premise of legality and compliance to cope with the ever-changing regulatory environment. In particular, the change in the attitude of the US Securities and Exchange Commission (SEC) towards content supervision and data use policies may further affect the development rhythm and investment direction of the industry.

Consumer Discretionary Sector

Sector Description

The Consumer Discretionary sector makes up a significant portion of the Bauhard Fund's student-managed portfolio, representing approximately 15.57% of the total holdings. This sector includes six key securities: Amazon.com Inc., Booking Holdings Inc., Garrett Motion Inc., General Motors, The Home Depot, and Lennar Corporation. Throughout 2024, the sector experienced a year marked by shifting consumer confidence, interest rate pressures, and varying responses to macroeconomic changes. From inflationary headwinds to the evolving dynamics of e-commerce and home improvement trends, these holdings offered both resilience and volatility. One of the more pronounced themes this year was the sector's sensitivity to consumer sentiment and spending behavior, especially in the face of fluctuating economic indicators and a cautious yet resilient U.S. consumer base.

Performance

Performance across the Consumer Discretionary sector in 2024 was mixed. The S&P 500 Consumer Discretionary Index (S5COND), our sector benchmark, closed the year with notable volatility, finishing with a strong rebound in November (+15.9%), helping offset declines seen earlier in the year, such as April (-3.6%).

Among the portfolio's holdings, Amazon delivered consistent strength, finishing 7 out of 11 reported months with positive returns, including double-digit gains in February (13.4%) and November (10.25%), reflecting strong consumer demand and its growing dominance in logistics and AI-enhanced retail. Booking Holdings rebounded sharply in the second half of the year, benefiting from resilient travel trends and finishing October with a 10.43% gain and 9.08% in September.

Garrett Motion, the fund's most volatile holding, showed signs of recovery with a 20.4% surge in November, but was also one of the most affected stocks early in the year, with negative returns in 6 out of 11 months, highlighting supply chain and demand uncertainty in the automotive parts segment.

General Motors demonstrated a strong performance in Q1 and Q4, driven by resilient demand for EVs and increased production output, closing with a standout 13.29% in October. Meanwhile, The Home Depot struggled under weakening housing activity and consumer remodeling pullbacks, posting negative returns in 6 months, most notably April (-12.7%). Lastly,

Lennar Corporation, despite a few strong mid-year months, faced significant pressure in the final quarter, especially in November (-20.99%), making it one of the fund’s worst-performing holdings.

Overall, while the sector faced periodic setbacks due to inflation, housing market constraints, and global uncertainty, the portfolio remained competitive relative to the S5COND Index, with standout recoveries in Amazon, Booking, and GM driving much of the year-end strength.



Outlook

As the market progresses ahead into 2025, the consumer discretionary sector is poised for a dynamic year. Factors such as evolving interest rate policies, housing market stabilization, and the broader trend toward consumer digitization all look to have an impact on the sector. Companies like Amazon and Booking Holdings are expected to benefit from AI-driven personalization and e-commerce expansion, while General Motors continues to be a key player in the electric vehicle revolution. The analysts anticipate a cautious but positive trajectory for the housing market, which could stabilize performance for Home Depot and Lennar, assuming rates begin to ease.

At the same time, continued wage growth and employment stability are expected to support consumer spending, though ongoing inflation and credit tightening may create uneven results across discretionary categories. The portfolio’s exposure to both tech-forward and

traditional discretionary stocks offers a balanced opportunity to perform well if macroeconomic conditions trend favorably. While volatility is expected to persist, strategic positioning in this sector remains a key lever for growth in the Bauhard Fund.

Consumer Staples Sector

Sector Description

The consumer staples sector of the Bauhard Fund makes up about 8% of the student-managed portfolio. There are 4 notable companies in the portfolio, including Archer-Daniels Midland Company, PepsiCo, Procter and Gamble, and Walmart. This sector is valuable to the portfolio as it provides steady cash flow and low risk. This has been extremely important when considering that this was an election year, and it was uncertain what companies would be affected by the market reaction to a new administration. For a sector such as this one, the analysts are focused on consistent companies that perform well, whether it is in a bear or bull market. The companies represented in the portfolio are international giants that sell products globally and can succeed without relying solely on the U.S. market.

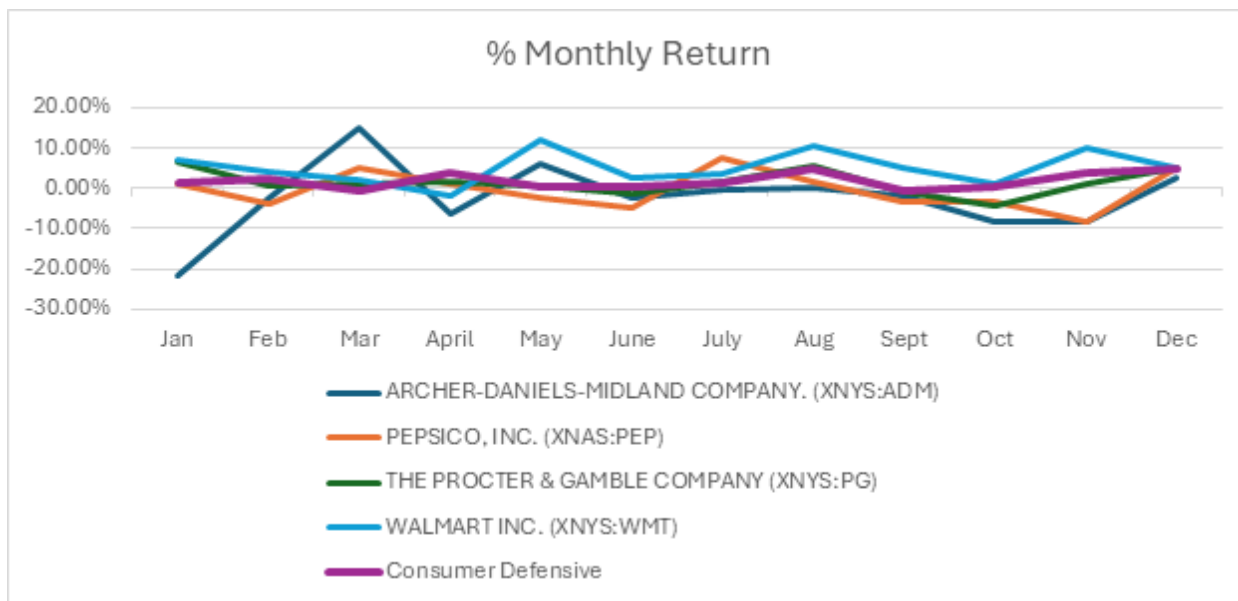
Performance

The performance of this sector was relatively steady; it was up about 5% throughout the year. As mentioned earlier, the value provided through this sector comes from consistent growth. Walmart stood out with a strong performance as consumers sought value and shifted spending toward essentials, driving its growth in both grocery and e-commerce. PepsiCo, while still profitable, faced slowing beverage sales and weak global demand. Archer-Daniels-Midland (ADM) struggled with grain price volatility and margin pressures, particularly in its nutrition and biofuels segments. Meanwhile, Procter & Gamble delivered mixed results, maintaining cost discipline but seeing weaker demand in its home and personal care categories. Overall, the sector provided stability, with large-cap staples guiding the portfolio through economic uncertainty, though higher input costs and changing consumer habits remain key challenges moving into 2025, especially with a new presidential administration and market factors.

Outlook

The analysts predict 2025 could be relatively volatile for this sector and the companies the portfolio holds. Walmart is in a strong position to benefit from consumer demands as they shift to private labels, where they can retain more of the profit and control. Companies have now been faced with consumer resistance to price hikes and the rise of inflation. Many consumers are shifting their purchases to discount brands as a response to rising prices. Tariffs are creating new pressures on the consumer staples sector, especially for companies with global supply chains and international sales. The re-escalation of trade tensions—particularly between the U.S. and China, as well as new tariff threats in Europe—has led to higher import costs for key inputs like packaging materials, food ingredients, and household product components. Multinational giants like Procter & Gamble are feeling the consequences as they face both higher production costs

and slower demand in affected regions due to retaliatory tariffs. Despite uncertainty in the near future, the consumer staples sector remains a relatively stable sector and is well allocated within our portfolio.



Energy Sector

Sector Description

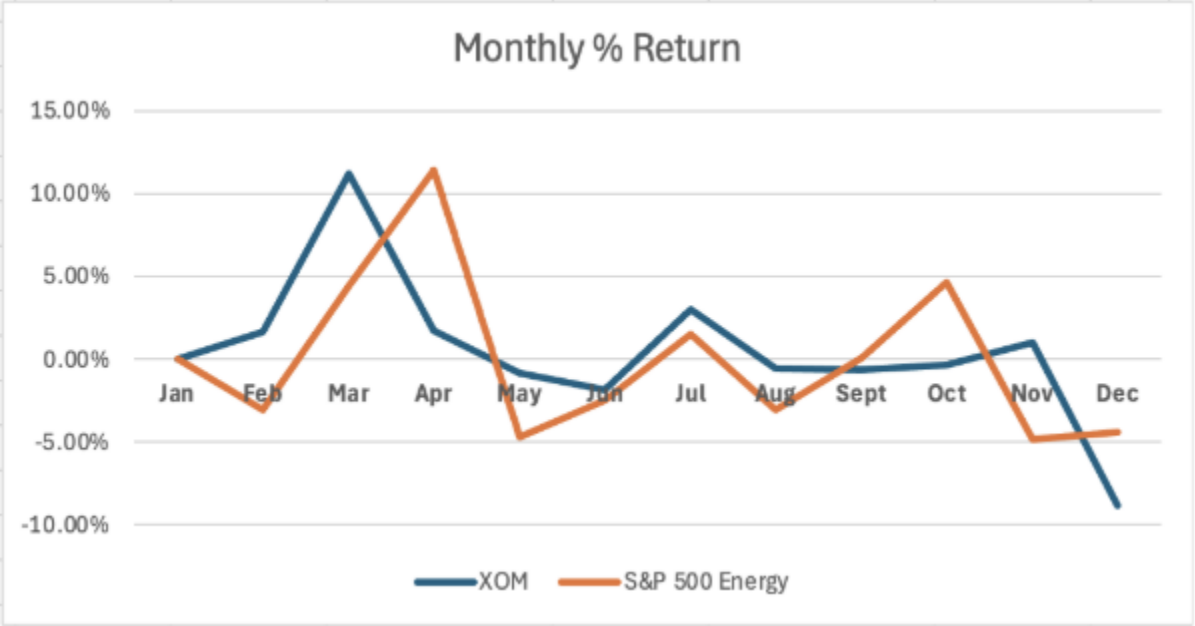
The Energy sector navigated a turbulent landscape in 2024, shaped by geopolitical tensions, fluctuating oil prices, and an accelerating global shift toward clean energy. Early in the year, fears of a global economic slowdown weighed on demand projections, while mid-year rallies were driven by rising geopolitical risks, especially in oil-producing regions, and supply constraints from OPEC+ decisions. At the same time, growing momentum for renewable energy and ESG-driven capital allocation continued to challenge the long-term growth outlook for traditional oil and gas firms, creating both risks and opportunities within the sector.

Performance

The performance of the energy sector in 2024 was mixed, with significant fluctuations throughout the year. The sector started strong with a robust rally in March, when ExxonMobil (XOM) outperformed the S&P 500 Energy Index by a large margin, posting an 11.21% return compared to the S&P 500 Energy sector's 4.44%. However, this momentum did not last. Throughout the year, ExxonMobil's performance fell below the broader sector in several months, particularly in April, where XOM gained only 1.75% compared to the sector's 11.43%, and in December, where XOM saw a decline of 8.81%, while the S&P 500 Energy sector dropped by 4.45%. This underperformance was likely driven by a combination of factors, including fluctuating oil prices, investor sentiment, and the company's exposure to the more volatile

segments of the energy market. Despite these setbacks, XOM posted positive returns in a few months, notably in February, July, and November, which helped offset some of the annual losses. However, like the broader energy sector, the end of the year showed significant weakness, with both XOM and the S&P 500 Energy sector posting negative returns in December.

Compared to the benchmark, the Bauhard fund's energy sector performed in line with the broader market in some months but lagged during critical periods when oil prices softened or geopolitical concerns eased. For example, while the fund's performance was positive in March, it was unable to maintain that strength as investors shifted focus away from traditional energy stocks later in the year.



Outlook

Looking forward to 2025, the energy sector is expected to face a year of continued volatility, but with notable opportunities and risks. Oil demand is projected to see moderate growth, driven by emerging market recovery and increased demand for transportation and industrial activity. However, concerns over high interest rates and the ongoing energy transition to renewable sources may dampen longer-term growth expectations for traditional energy companies. ExxonMobil is well-positioned to handle these changes, as its diversified business model across oil, natural gas, and low-carbon technologies offers both stability and future growth potential. The company's ongoing investments in carbon capture and renewable energy solutions are expected to help it navigate the shifting regulatory landscape.

However, the sector will still face significant challenges in 2025. These include geopolitical risks, particularly in the Middle East, and the possibility of increased regulatory pressure related to climate change policies and oil production. Oil prices may remain volatile due to fluctuations in supply and demand dynamics, and any changes in OPEC+ production cuts

could have a large impact on market prices. Despite these risks, ExxonMobil's strong financials and capital allocation strategy, along with its position in the low-carbon energy space, will likely offer resilience.

In summary, the energy sector's outlook for 2025 is cautiously optimistic. While oil demand growth is expected to be slower compared to previous years, companies that adapt to the energy transition while maintaining a focus on operational efficiency are well-positioned for the coming year. ExxonMobil, as one of the largest integrated energy companies, is likely to continue to perform in line with the broader market but could see more consistent returns as it further integrates sustainable technologies into its operations.

Financials Sector

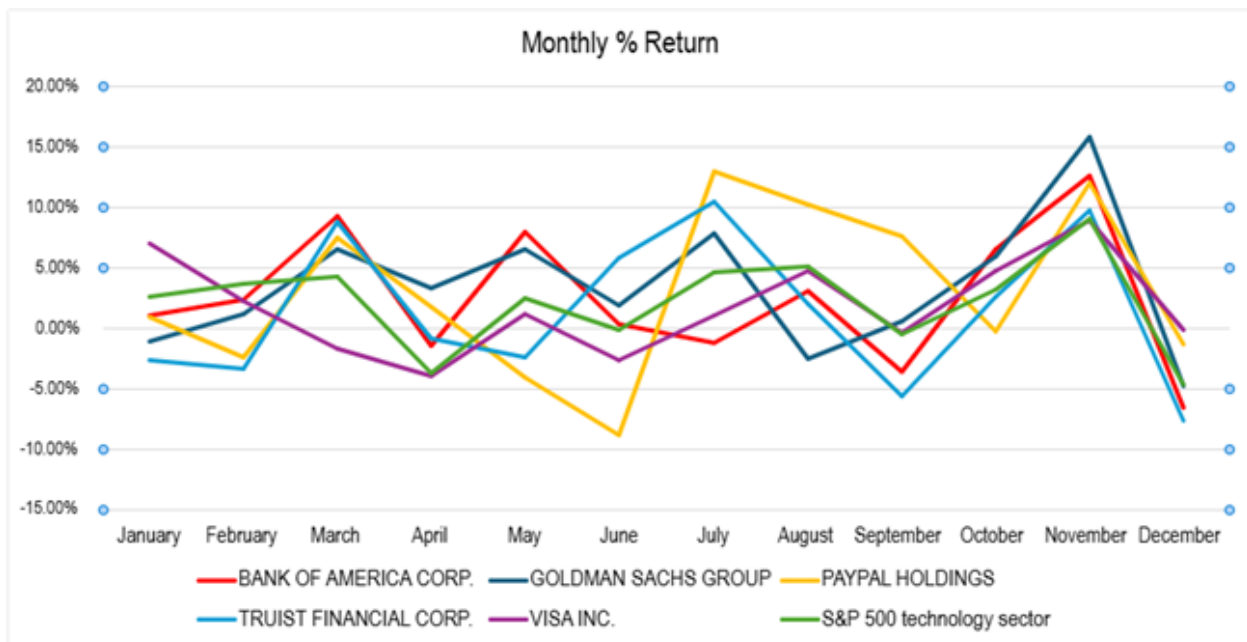
Sector Description

The financial sector of the Bauhard Fund accounts for approximately 12% of the student-managed portfolio. This sector is diversified across five major securities: Bank of America Corp., Goldman Sachs Group, PayPal Holdings, Truist Financial Corp., and Visa Inc. Throughout the course of 2024, this sector encountered a variety of economic challenges and market fluctuations, making it a dynamic component of our portfolio. In 2024, market volatility and interest rate speculation stemming from Federal Reserve policy played key roles in the performance of the portfolio's holdings. The financial sector responded strongly in certain months, most notably in March and November, when nearly all our holdings posted significant gains while demonstrating resilience despite broader economic uncertainty. Notably, Visa and PayPal experienced pronounced fluctuations due to shifts in consumer spending trends and digital transaction growth. Additionally, the sector has seen growing influence from financial technology and the integration of artificial intelligence, especially in companies like PayPal and Visa. Traditional banking institutions such as Bank of America and Truist were more impacted by credit conditions and lending outlooks, while Goldman Sachs benefited from equity market rebounds and renewed M&A activity. Overall, the financial sector offered both risk and reward, with several of the portfolio's positions capitalizing on the sector's evolving digital landscape and the macroeconomic cycle.

Performance

The performance of the financial sector throughout 2024 was mixed, experiencing moments of strong growth as well as periods of notable volatility. While the financial sector entered the year with modest gains, the sector's performance remained heavily tied to macroeconomic factors like inflation data, interest rate adjustments by the Federal Reserve, and consumer confidence. These shifting conditions led to shifting prices for several of the portfolio's holdings. Early in the year, performance lagged as stocks like Truist and PayPal posted negative returns in February, driven by soft earnings and weak consumer lending trends. However, March marked a major turnaround across the board, with all five securities, including Bank of America, Goldman Sachs, PayPal, Truist Financial, and Visa, posting strong monthly

gains. In particular, Bank of America rose over 9%, signaling renewed investor confidence in large-cap banks. The second half of the year showed signs of tech-driven recovery in digital finance, especially for Visa and PayPal, which both saw double-digit returns in July and August amid increased digital payment volumes. Goldman Sachs also showed resilience during volatile periods, benefiting from stronger-than-expected investment banking activity in Q4. November emerged as the standout month for the entire sector, with all five holdings recording significant gains; PayPal and Goldman Sachs both returned over 12%, while Bank of America led with a striking 12.64%. Despite some strong months, the sector ended the year somewhat mildly in December, mirroring broader market pullbacks, especially for traditional financial institutions like Truist and Bank of America. Overall, 2024 proved to be a year of recovery and readjustment for financials, and while some positions underperformed during select months, the overall sector remained competitive with the broader market benchmarks. Moving into 2025, the portfolio's financial holdings are well-positioned to benefit from what could be a more stable rate environment and continued digital innovation in the financial services space.



Outlook

The financial sector in 2025 is positioned for a year of growth depending on trends within the larger financial market, with our holdings in traditional banking, digital payments, and investment services poised to benefit from both stabilization and innovation in the broader economy. Following a year of macroeconomic volatility in 2024, the outlook of the financial sector now centers on how quickly inflation cools and whether the Federal Reserve adjusts interest rates to support sustained economic growth. A more favorable rate environment could improve net interest margins for traditional banks like Bank of America and Truist Financial, while also encouraging greater consumer and commercial lending activity. Fintech firms such as

PayPal and Visa are projected to capitalize on growing global e-commerce trends and the expansion of digital payment infrastructure. AI integration, fraud prevention, and real-time transaction data analytics are expected to remain at the forefront of innovation in this space, offering competitive advantages to firms that adapt quickly. Goldman Sachs, which operates at the intersection of investment banking and asset management, could benefit from rising M&A activity and increased institutional investing if market sentiment strengthens.

While the outlook is potentially positive for the financial sector still faces notable potential challenges in 2025. These challenges include ongoing regulatory scrutiny related to consumer data protection and financial transparency, potential credit quality deterioration if unemployment rises, and structural pressures on regional banks navigating digital disruption. Elevated capital requirements and compliance costs may also weigh on profitability, especially for diversified financial institutions. Overall, while the sector may not experience the same high growth as tech or biotech, it continues to offer a stable backbone to the portfolio with pockets of innovation and resilience. The year ahead calls for a balanced approach, which can be achieved by focusing on core financial fundamentals while remaining adaptive to technology-driven change within the industry.

Healthcare Sector

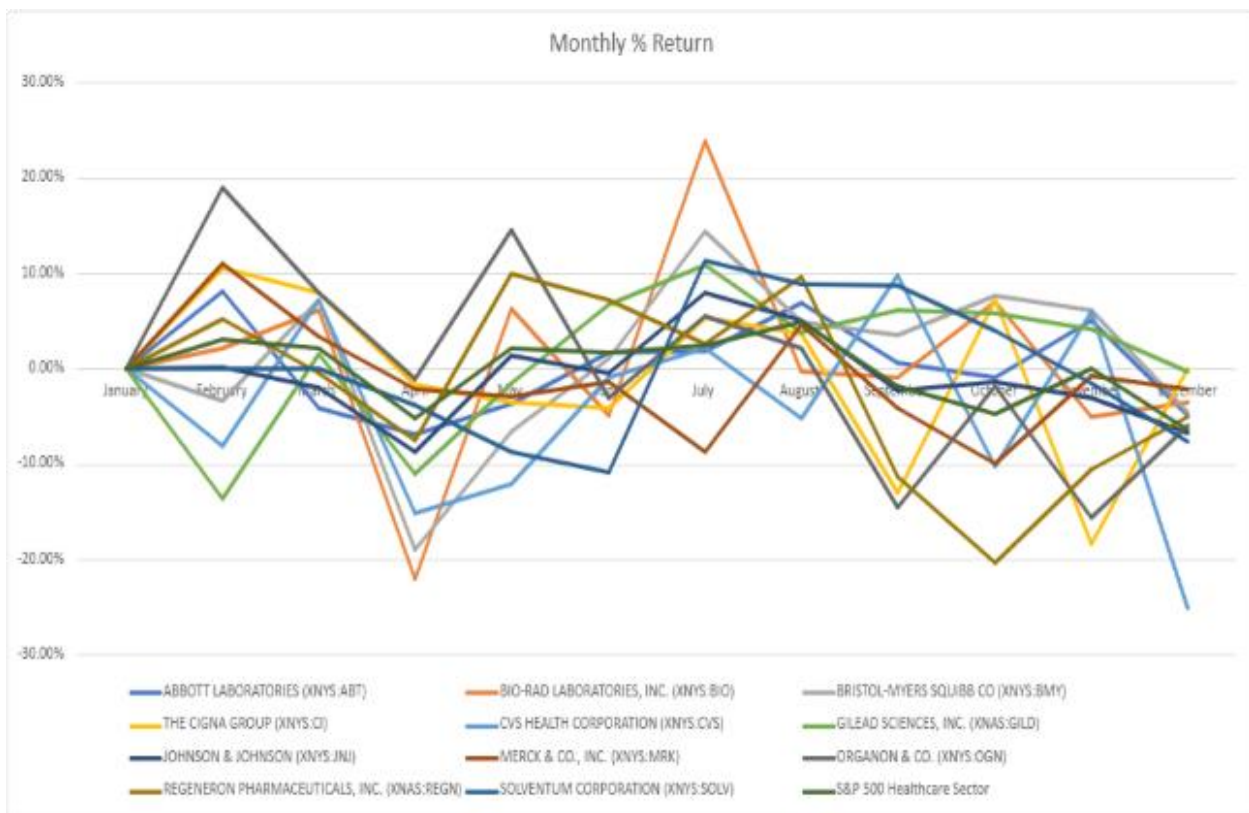
Sector Description

The healthcare sector of the Bauhard fund makes up around 12% of the student-managed portfolio. With regards to the healthcare sector, the portfolio is diversified into 12 different securities, those being Abbott Laboratories, Bio-Rad Laboratories, Bristol-Myers Squibb Co, The Cigna Group, CVS Health Corporation, Gilead Sciences, Johnson & Johnson, Merck & Co, Organon & Co, Regeneron Pharmaceuticals, and Solventum Corporation. Throughout 2024, the portfolio has faced many challenges and opportunities within the healthcare sector. Challenges included a level of uncertainty brought to the healthcare sector as the market responded to a new secretary of health and human services, creating some questions about what the future of the healthcare industry looked like, specifically. Along with its challenges, the healthcare sector has had many opportunities this year as well. Some opportunities include advanced bio-technology innovations and gene editing, which have led to some growth in a few of the portfolio's invested securities. Also, artificial intelligence has led to the resurgence of some healthcare securities like Bio-Rad Laboratories or the Cigna Group, which are capitalizing on the opportunity to move in the direction of AI innovation.

Performance

The performance of the healthcare sector started out very positively, before becoming somewhat underwhelming towards the end of the year. Healthcare historically has not traded particularly well during periods of administrative uncertainty. This year, with it hosting such a large election period, could have led to some speculation in the wrong direction of these securities in the portfolio. Some other factors potentially responsible for the downturn in annual

return include the regulatory and drug pricing increases that have put some negative pressure on the healthcare market. Compared to the benchmark S&P 500 Healthcare Sector Fund, several securities have outperformed, however, the portfolio's returns have ended just below. In the first few months of the year, specific securities like Cigna and Organon had large increases in response to new trends in biotechnology, these securities seemed to be on the cutting edge of the new technology. However, the momentum slowed, and returns finished below analyst expectations. 6 of the 11 healthcare stocks within the portfolio finished the year negatively in market returns, as market speculation drove many stocks down. The gainers of the Bauhard fund included Abbott Laboratories, Bio-Rad Laboratories, Bristol-Myers Squibb, Gilead Sciences, and Organon & Co. The three biggest losses this year were CVS Health Corporation, Regeneron Pharmaceuticals, and Merck & Co., respectively, in that order. Although several securities fell short of expectations by year-end, there is still much to be positive about for the future of the healthcare sector within the portfolio. Attached below is a detailed chart reporting monthly percentage return with the S&P 500 index to provide a relative valuation as to how our securities were performing relative to the benchmark.



Outlook

The healthcare sector in 2025 is looking to capitalize on a potential bounce back from the end of 2024. The healthcare sector is positioned for another pivotal year, with investors closely watching a landscape that will be formed by innovation and shifting policy. The sector is

expected to see continued momentum in areas like oncology and gene therapy, with several high-profile FDA approvals anticipated to drive biotech performance. These innovations add expected pressure for several of the portfolio's companies that are heavily invested in the biotech industry to perform well. Demand for GLP-1 drugs and advancements in cell and gene editing technologies remain key growth catalysts. At the same time, healthcare services and infrastructure servicing, which also includes outpatient care centers, ambulatory surgery facilities, are projected to benefit from demographic areas tied to the aging population and the push towards value-based care models. AI-powered diagnostics are also expected to play an increasingly central role as providers seek efficiency and better patient outcomes. However, the sector still faces ongoing challenges, including heightened regulatory scrutiny around drug pricing and merger and acquisition activity, labor shortages across healthcare services, and the lingering impact of elevated interest rates on capital-intensive ventures. For investors, the year ahead offers compelling opportunities but also calls for a strategic approach to navigate the sector.

Industrials Sector

Description

The industrials sector is a broad segment of the economy that includes companies involved in manufacturing, construction, aerospace, defense, transportation, and other similarly related services. These companies are typically responsible for producing goods and providing services that support development on large-scale manufacturing, along with national defense. This sector has a direct relation to economic cycles, often performing well during periods of economic growth and contracting during economic downturns.

Value Drivers

The industrials sector is driven by several key factors that influence its performance and profitability. Economic growth is a primary driver, as an increased GDP typically leads to higher demand for industrial goods and services. Capital expenditures in businesses on equipment and machinery add to production across the sector. Technological innovations enhance operational efficiency and support margins. Global trade activity influences many industrial firms, especially those involved in logistics and export-heavy manufacturing. The sector is also sensitive to fluctuations in commodity prices, such as steel and oil.

Potential 2025 Risk Factors

In 2025, the industrials sector will be faced with complex risks that can impact operations. Cybersecurity is a top issue, with increasing threats directed at critical infrastructure, leading to potential operational disruptions and significant financial losses. Digital disruption, particularly the rapid uptake of artificial intelligence, offers opportunities and challenges as businesses try to integrate new technologies while managing associated risks. Supply chain risks continue in the wake of geopolitical tensions, labor issues, and environmental factors along

leading trade routes. Geopolitical risks such as trade policy revisions and tariffs are among the current biggest questionable risks.

Future Looking Risk Factors

Pressures like inflation, interest rate changes, and recession concerns can impact investment and demand. Global political tensions and changes in regulations add uncertainty, especially in global trade. Rapid digital transformation introduces cybersecurity risks and demands consistently changing and upgrading IT systems. Environmental issues, such as emissions laws becoming stricter and the transition to green energy, also create both regulatory and physical risks. Operationally, supply chain disruptions and workforce shortages may continue to diminish while automation may become more standard and cause a temporary dip in this sector.

Honeywell International Inc. (HON)

Company overview: Honeywell International is a global technology and manufacturing company serving the following industries: Aerospace, Building Systems, Performance Materials & Technologies, and Safety & Productivity Solutions. Known for integrating advanced software and connectivity, Honeywell delivers innovative solutions that further advance in efficiency, safety, and sustainability worldwide.

Performance: In 2024, Honeywell had a steady year. The portfolio currently holds 42 shares of 3M. The stock started the year at around \$220 and ended at \$225.89, with a small gain of around 2.7%. This resulted in a \$247.38 gain on this stock this year, excluding dividends. While the growth wasn't substantial relative to other securities, Honeywell continued to reward shareholders with reliable dividend payments. They paid \$1.08 per share in the first three quarters and bumped it up to \$1.13 in the last quarter, totaling \$4.37 for the year. That adds up to a dividend yield of about 2% based on the year-end price.

RTX Corp (RTX)

Company overview: RTX Corp is a major American company that makes technology for the airplanes, space, and defense sectors. It builds equipment such as jet engines, radar systems, and missile defense systems for both military and commercial airlines. RTX's innovation keeps planes flying safely and supports national security with further advancements in technology.

Performance: In 2024, RTX Corporation had a strong year, offering investors both solid stock growth and dependable dividend income. The stock began the year at around \$82.85 and closed on December 31 at \$115.14, resulting in a gain of \$32.29 per share—a 39% increase. RTX also paid out \$2.48 per share in dividends over the year. With 34 shares, that added up to \$84.32 in dividend income. When combining both the stock gains and dividends, the total return for 34

shares of RTX came out to approximately \$1,237.82. This mix of growth and steady payouts made RTX a standout performer in 2024 and a rewarding holding for the year.

3M (MMM)

Company overview: 3M Company is a diversified technology and manufacturing company known for creating a wide range of innovative products. Specializing in abrasives, adhesives, safety products, medical products, and consumer products. It operates in a variety of sectors, including industrial, safety, healthcare, consumer goods, and electronics. 3M is best known for everyday items like Post-it Notes and Scotch Tape, as well as advanced materials used in industries around the world.

Performance:

In 2024, 3M had a relatively strong performance. The stock started the year at about \$75.87 and climbed all the way to \$128.46 by the end of December, giving investors a gain of \$52.59 per share, or around 69% growth. With 20 shares, that's a total stock gain of \$1,051.80. On the dividend side, 3M made some changes. They cut their quarterly dividend from \$1.51 to \$0.70 starting in the second quarter. Taking this into account for the full year, the total dividend per share was \$3.61, which added up to \$72.20 for the 20 shares held in the portfolio. In total, between stock growth and dividends, the return on 3M for the year came out to around \$1,124. While it was disappointing to see the dividend cut, the huge jump in stock price helped make up for it.

Union Pacific (UNP)

Company overview: Union Pacific is one of the largest freight railroad companies in the United States. It operates a vast rail network across the western two-thirds of the country, transporting goods like agricultural products, chemicals, coal, and industrial equipment. Union Pacific plays a key role in the U.S. supply chain by helping move goods efficiently over long distances.

Performance:

In 2024, Union Pacific had a bit of a down year. The stock started at about \$237.34 and ended at \$228.04, which means a loss of \$9.30 per share, or \$372 total on the portfolio's 40 shares. However, the company still paid solid dividends totaling \$5.28 per share for the year. With 40 shares, the total dividend revenue comes out to \$211.20. Overall, the portfolio's portion of UNP shares ended the year down about \$160.80. While the stock didn't go up, the steady dividends helped soften the blow.

Carrier Global (CARR)

Company overview: Carrier Global is a leading global provider of HVAC equipment, fire safety and building security solutions. The company serves residential, commercial, and industrial customers with energy-efficient and sustainable technologies. Carrier is primarily known for its

innovations in indoor climate control with building systems that improve safety, comfort, and efficiency.

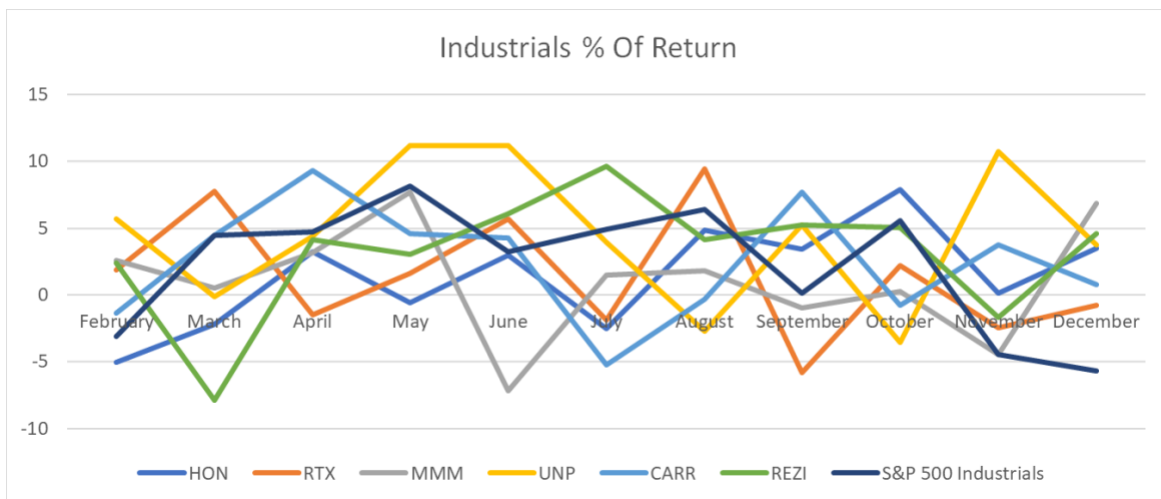
Performance:

Carrier Global had a great year in 2024, delivering solid returns through both stock gains and steady dividends. The stock opened the year at around \$55.77 and finished at \$68.26, giving investors a gain of \$12.49 per share. With the portfolio's 34 shares, that adds up to \$424.66 in stock growth. In addition, Carrier paid \$0.19 per share in dividends for the first three quarters and announced a dividend increase to \$0.225 for the final quarter's payout. Altogether, the total dividend for the year came to \$0.795 per share, providing the portfolio \$27.03 in dividends. In total, the portfolio earned about \$451.69 from its investment in Carrier in 2024. With strong growth and a bump in dividends, Carrier was a solid performer all around.

Resideo (REZI)

Company overview: Resideo is a technology company that provides smart home products and solutions focused on comfort, security, and energy management. It offers products like thermostats, security systems, air quality monitors, and water leak detectors for residential customers. Resideo helps homeowners' control and monitor their home environments with connected, easy-to-use technology.

Performance: In 2024, Resideo Technologies had a slightly down year in terms of stock performance. The stock started at about \$24.10 and ended the year at \$23.05, resulting in a small loss of \$1.05 per share, or a drop of about 4.4%. Resideo doesn't pay a dividend, so there wasn't any income to help offset the drop in stock price. That said, the company did report strong financial results, with revenue growing to \$6.76 billion and profit margins improving. While the stock dipped a bit, the underlying business showed signs of strength that could lead to better returns in the future.



Information Technology Sector

Sector Description

The Information Technology sector comprises a significant portion of the Bauhard Fund, and it is invested in a diverse set of technology companies, including: Adobe (ADBE), International Business Machines Corporation (IBM), Lam Research Corporation (LRCX), Salesforce (CRM), Applied Materials (AMAT), Kyndryl Holdings (KD), Apple (AAPL), SolarEdge (SEDG), and Nvidia (NVDA). This selection spans software, semiconductors, cloud services, and hardware providers, offering exposure to various subsectors within tech.

During 2024, the Information Technology sector encountered a dynamic landscape shaped by rapid innovation and shifting macroeconomic conditions. One of the major opportunities in the sector stemmed from the widespread adoption of artificial intelligence, which drove increased demand for cloud infrastructure, high-performance computing, and enterprise automation tools. Companies like Nvidia and Salesforce saw particular attention from investors as AI integration became central to strategic business development. Meanwhile, the growth in semiconductor demand—fueled by developments in generative AI, electric vehicles, and data centers—benefited firms such as Lam Research and Applied Materials. Apple and Adobe continued to expand their ecosystems through iterative product innovations and subscription-based revenue models, contributing to a resilient performance amid market volatility.

However, challenges emerged as well. Volatility in global supply chains, persistent inflationary pressures, and uncertainty around interest rates impacted investor sentiment. Regulatory scrutiny over big tech firms, especially regarding data privacy and antitrust concerns, added another layer of complexity. Despite these challenges, the sector remained a cornerstone of the Bauhard Fund's growth strategy.

Performance

Since Nvidia was purchased on December 1st, it was not included in the performance analysis below. In 2024, the performance of the Information Technology sector in the portfolio was highly mixed, with some stocks showing strong momentum while others faced significant downturns.

Kyndryl Holdings (KD) emerged as one of the best performers, posting impressive returns of +32.62% in May and +48.28% in November. This was likely due to restructuring progress and new enterprise contracts, especially following IBM's AI expansion announcements. Salesforce (CRM) also showed steady growth in the second half of the year, benefiting from the adoption of its Einstein GPT AI platform. Apple (AAPL) remained a model of consistency, with strong gains in May and June driven by positive reactions to AI and health-related updates at its WWDC 2024 event.

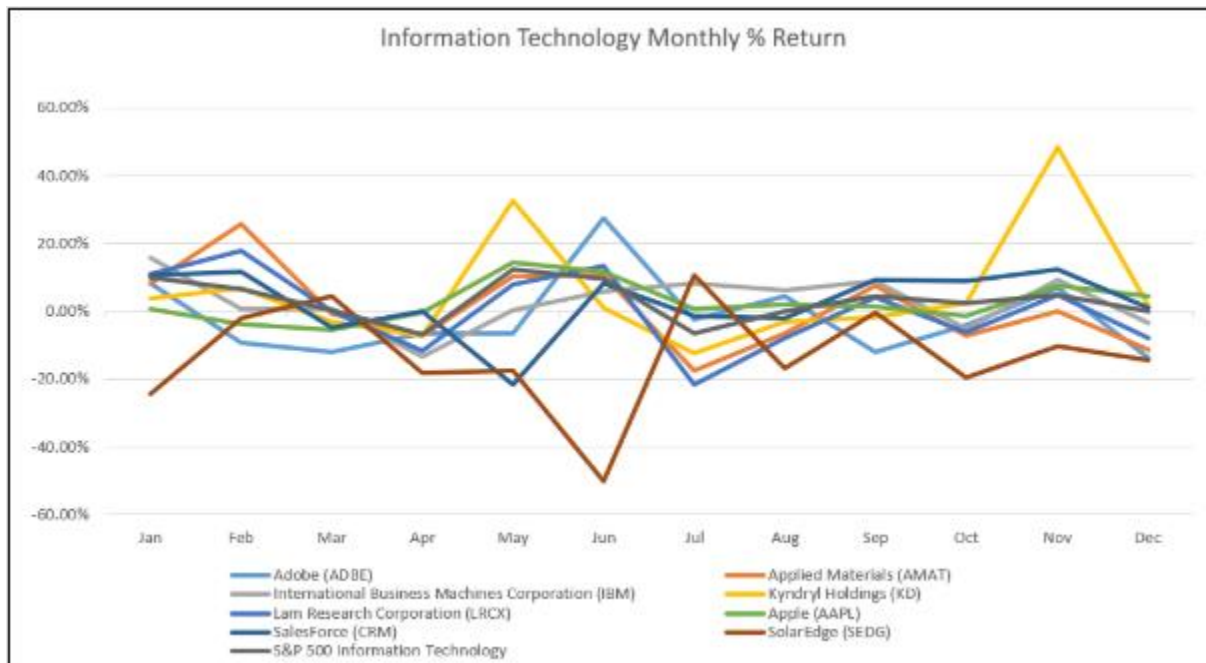
In contrast, SolarEdge (SEDG) significantly dragged down the portfolio, with dramatic losses of -50.07% in June and continued declines in Q4. This reflected global setbacks in the solar industry, such as reduced subsidies in Europe and inventory backlogs, widely reported by Bloomberg and Reuters. Adobe (ADBE) also underperformed in key periods, impacted by

market skepticism surrounding AI competition in creative software and broader macroeconomic uncertainty.

Semiconductor-related firms like Applied Materials (AMAT) and Lam Research (LRCX) saw strong early-year growth thanks to optimism around the CHIPS Act, but faced some challenges later. This can be attributed to export restrictions to China and a slowdown in hardware demand.

Compared to the S&P 500 Information Technology Index, which gained strongly in January (+9.96%), May (+12.45%), and June (+9.63%), the Bauhard Fund displayed greater volatility. Though several holdings outpaced the benchmark in certain months, the overall return slightly underperformed due to the weight of underperformers like SolarEdge.

The sector's performance was shaped by powerful external forces: the surge in AI investment, shifting semiconductor policy, clean energy market disruptions, and persistent concerns over interest rates and inflation. These forces created a highly reactive environment in which winners and losers were sharply divided, and the portfolio reflected that split.



Outlook

The outlook for the Information Technology sector in 2025 remains positive, with innovation and digital transformation continuing to drive demand. Key growth areas such as artificial intelligence, cloud computing, and advanced semiconductors are expected to accelerate, creating opportunities across both software and hardware. Companies like Nvidia, which leads in AI chip development, are positioned to benefit from expanding infrastructure needs, while enterprise software providers stand to gain as more businesses adopt automation and data-driven tools. At the same time, government investments under policies like the CHIPS Act may support semiconductor growth, though supply chain risks and geopolitical tensions could add

uncertainty. Consumer-focused firms may see steady demand, while clean tech companies could face a slower recovery unless market conditions stabilize. Overall, while the sector will likely remain a strong performer, navigating volatility will require a focus on companies with solid fundamentals, innovation capacity, and the ability to adapt in a rapidly evolving landscape.

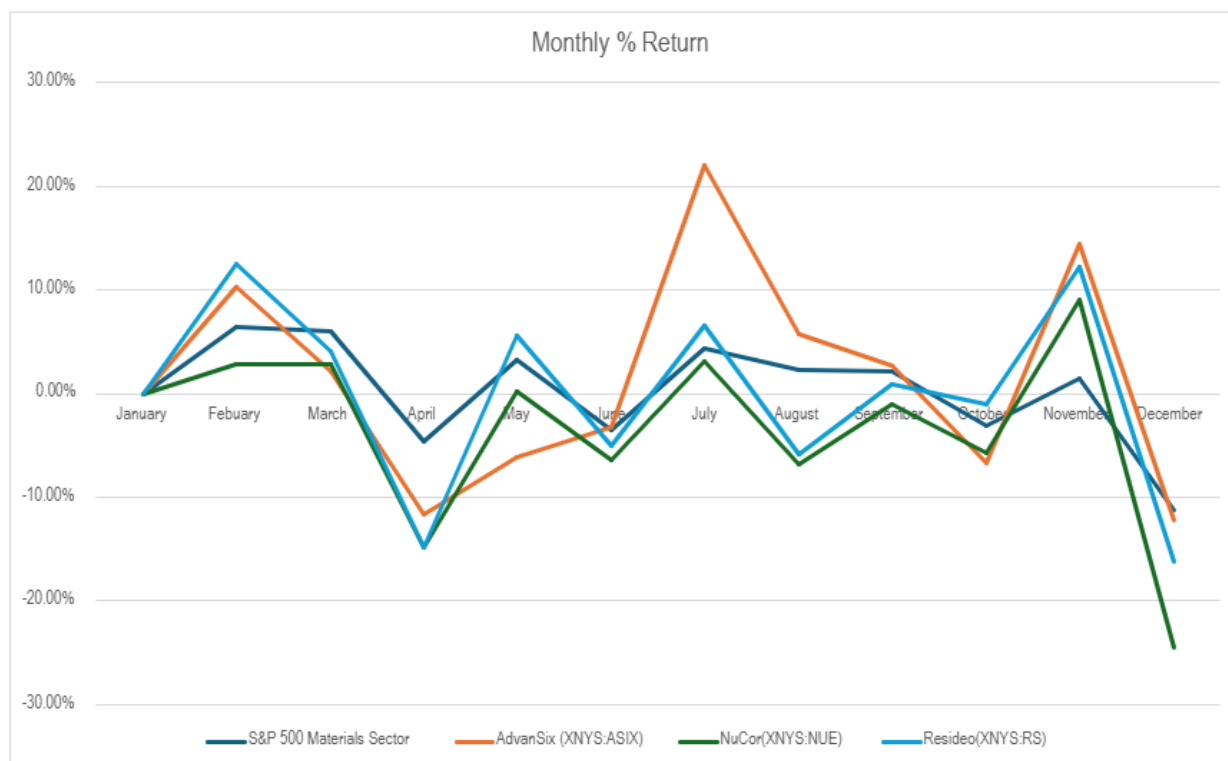
Materials Sector

Sector Description

The material sector lacks diversity, only having three different securities. Those securities are AdvanSix, NuCor, and Resideo. Throughout the fiscal year 2024, the materials sector encountered a range of challenges and opportunities. Key challenges were a slowdown in global industrial demand, ongoing volatility in commodity pricing, and the impact of elevated interest rates on construction and manufacturing activity. Additionally, political tensions and tightening environmental regulations placed a strain on operational costs and supply chains. Key opportunities were the growth that came from the demand for critical clean energy metals, initiatives such as copper and lithium, and large infrastructure spending across North America. AdvanSix showed resilience through its focus on performance materials and chemicals.

Performance

The materials sector had a mixed performance over the past year. Historically, materials tend to do well with industrial growth and commodity price strength, both of which showed promise in the first quarter of the year. Rising input costs, persistent interest rate pressure, and a slowdown in global construction projects created headwinds for the sector. The uncertainty around the market during the 2024 presidential election also contributed to the large decrease shown at the end of the graph below. The S&P 500 Materials Sector Fund (S5MATR) saw moderate growth overall, and AdvanSix experienced a large increase, outperforming the S&P 500 materials sector. The other portfolio securities had a rough time, with Resideo performing slightly worse, and NuCor had a massive loss after a strong start to the year. Resideo and NuCor had an overall decrease for the year, while the S&P materials sector and AdvanSix had growth in 2024. NuCor had the greatest deviation with a decrease of 37% in stock value from the month end of January to the end of December. A large contributor to that was a sharp decline in steel prices in 2024 that caused a lack of faith in NuCor stock and its future performance. Attached below is a detailed monthly percentage report chart with the S5MATR benchmark index to give a relative valuation of how our securities were performing relative to the benchmark.



Outlook

The materials sector in 2025 stands at an intersection of shifting global demand, sustainability issues, and supply chain recalibrations. Investors are closely tracking the sectors' exposure to green energy transitions. Demand for rare earth elements is expected to remain high in the coming year due to its role in electric vehicles, battery storage, and renewable infrastructure. Companies involved in sustainable packaging, recycled materials, and carbon-reduction technologies are also gaining investors' attention as ESG priorities influence capital allocation. There are challenges as political tensions affect trade, volatile commodity pricing, and tightening environmental regulations threaten operational costs. Construction materials and industrial metals firms are poised to benefit from increased infrastructure spending across North America and Asia, while chemical producers face margin pressures from energy prices and regulatory compliance. For investors, the sector offers significant upside potential, but selectivity and awareness of macroeconomic and policy developments will be crucial to capturing sustainable returns.

Real Estate Sector

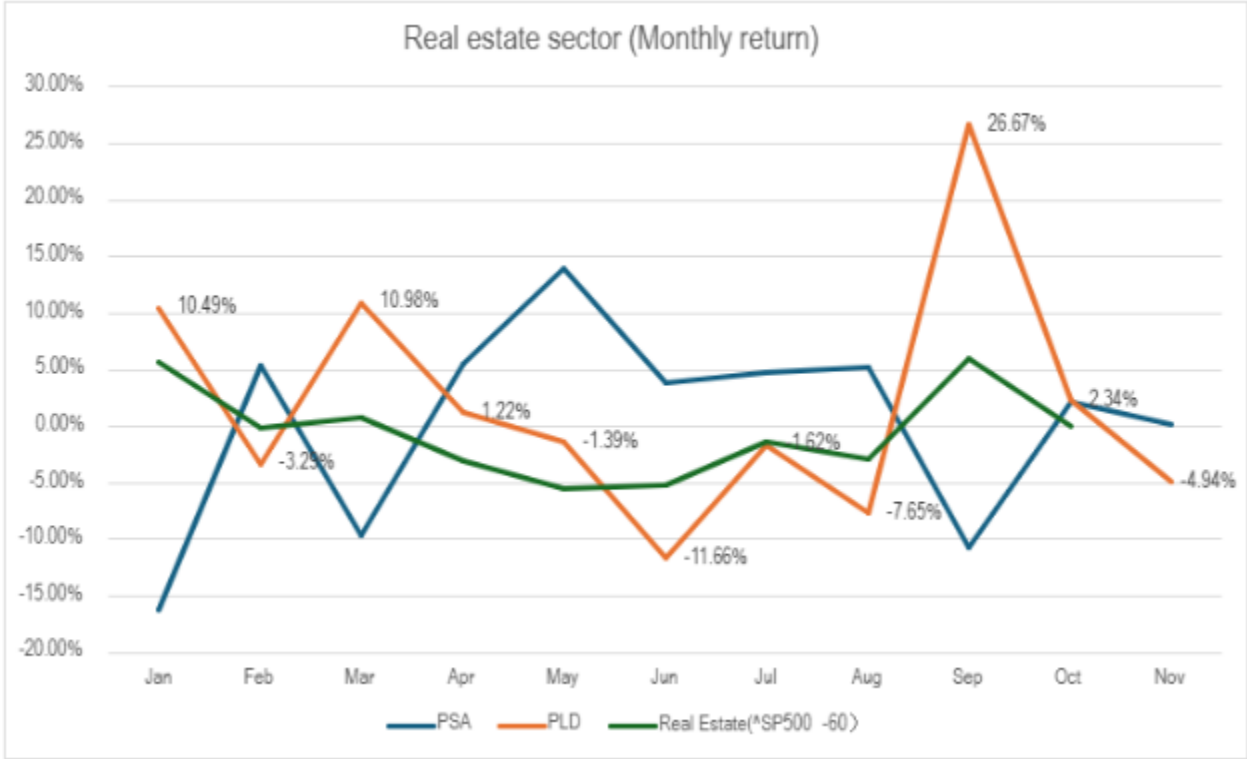
Sector Description

The real estate sector of the Benchmark fund makes up approximately 1.71% of the student-managed portfolio. Our exposure in this sector is focused on two major Real Estate Investment Trusts (REITs): Prologis Inc. and Public Storage. These companies represent two distinct areas of the real estate market: logistics and warehousing, and self-storage. In 2024, the real estate market navigated a challenging macroeconomic environment marked by elevated

interest rates, tighter credit conditions, and persistent uncertainty in commercial property valuations. Despite these headwinds, select REITs demonstrated resilience due to the continued demand for industrial space and consumer storage. Prologis benefited from structural shifts in e-commerce and global supply chains, while Public Storage maintained strong performance through stable occupancy and pricing power. Real estate investments remained a defensive component of our portfolio, providing steady dividend income and partial protection from equity market volatility.

Performance

The performance of the real estate sector was mixed after an optimistic beginning to 2024. Real estate historically faces challenges during periods of high interest rates and tightening financial conditions, both of which weighed heavily throughout 2024. Elevated borrowing costs and weaker demand in segments such as office space dragged on sentiment across the sector. Compared to the benchmark S&P 500 Real Estate Sector ETF (XLRE), our holdings remained relatively stable but slightly underperformed as a whole. In the first half of 2024, Prologis posted solid gains driven by strong industrial demand tied to logistics and e-commerce activity, while Public Storage benefited from consistent occupancy and rental rate growth. However, as interest rate expectations shifted later in 2024, momentum faded across many REITs, and both securities gave back some early-year gains. With real estate positioning as a long-term income-focused investment within our portfolio, the analysts are cautiously optimistic about a potential rebound heading into 2025.



Outlook

The real estate sector in 2025 faces a cautiously optimistic landscape, with potential tailwinds emerging from anticipated interest rate cuts and a gradual stabilization of financing markets. Industrial and logistics real estate, where Prologis operates, is expected to continue benefiting from the expansion of e-commerce and global supply chain reorganization efforts. Demand for self-storage solutions, anchored by demographic trends such as urban migration and downsizing among aging populations, remains a growth catalyst for companies like Public Storage. Furthermore, a renewed focus on capital discipline among REITs is likely to strengthen balance sheets and support dividend growth. Challenges do persist, including elevated vacancies in office spaces, refinancing risks for highly leveraged properties, and slower recovery in certain commercial real estate segments. As a result, careful security selection and sector diversification will be crucial. For investors, the real estate sector offers attractive long-term opportunities, particularly within defensive and income-generating segments, but requires a prudent approach given the uneven pace of recovery across property types.

Utilities Sector

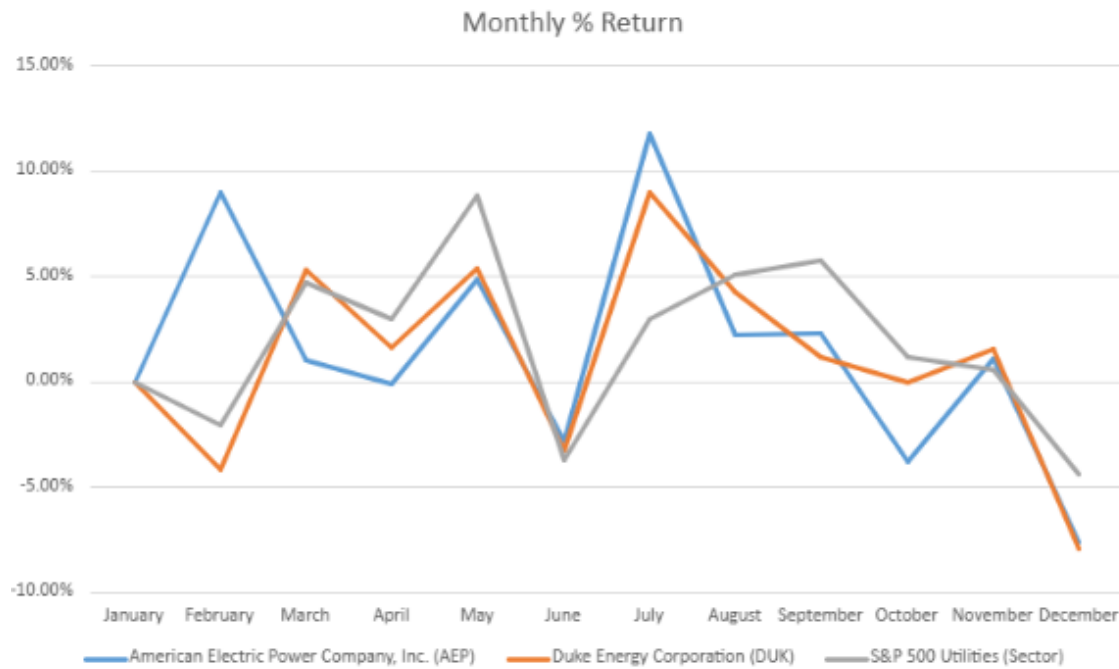
Sector Description

The utilities sector of the Bauhard fund makes up around 2.51% of the student-managed portfolio. With regards to the utilities sector, the fund diversified into 2 different securities, those being American Electric Power Company and Duke Energy Corporation. In 2024, the U.S. utilities sector experienced a notable rebound, with electricity demand increasing by 1.8% year-to-date in September, following a 1.7% decline during the same period in 2023. This growth was driven by factors such as economic development and increased energy consumption. Duke Energy faced challenges due to a severe hurricane season, particularly in Florida, where it mobilized over 27,000 workers to restore power to approximately 2 million customers impacted by hurricanes Debby, Helene, and Milton. Despite these challenges, Duke Energy continued to invest in its energy transition, focusing on cleaner generation sources and grid modernization.

Performance

The performance of the utilities sector in 2024 rose and fell with seasonal characteristics. American Electric Power reported strong financial results, with year-end 2024 GAAP earnings of \$5.60 per share and operating earnings of \$5.62 per share, representing a 7% increase over the prior year. The company also experienced a 10.6% growth in commercial load, driven by increased economic development in its service territory. Although Duke Energy was hit by hurricanes in 2024, Duke Energy reported GAAP earnings of \$5.71 per share and adjusted earnings of \$5.90 per share for 2024, compared to \$3.54 and \$5.56, respectively, in 2023. The increase was primarily driven by rate increases, improved weather, and higher sales volumes. This data reflects the resilience and adaptability of the utilities industry in 2024. In particular, the

further development of the AI industry in 2024 has enhanced the demand for energy from high-tech companies. Therefore, investors can continue to remain optimistic.



Outlook

The U.S. utilities sector in 2025 is poised for a significant transformation, driven by surging electricity demand, technological advancements, and evolving regulatory landscapes. The U.S. Energy Information Administration projects that electricity consumption will reach 4,179 billion kilowatt-hours (kWh) in 2025, surpassing previous records. This increase is largely attributed to the rapid expansion of data centers supporting artificial intelligence and cryptocurrency operations, as well as the broader electrification of transportation and heating sectors. Despite federal policy shifts favoring fossil fuels, the renewable energy sector remains robust. In 2024, 93% of new U.S. energy capacity additions came from low-emission sources like wind, solar, and batteries, with projections indicating that solar and battery power will account for 81% of new capacity in 2025. This growth is bolstered by technological advancements and state-level policies promoting clean energy adoption. Technological integration is also reshaping utility operations. Utility companies are increasingly deploying artificial intelligence for predictive maintenance, demand forecasting, and grid management, enhancing efficiency and reliability. Additionally, the adoption of advanced metering infrastructure and smart grid technologies is improving customer engagement and operational responsiveness.

In summary, the utilities sector in 2025 is navigating a complex landscape of growing energy demand, infrastructure investment, and technological innovation. Utilities that effectively balance these dynamics—addressing immediate energy needs while progressing toward sustainability goals—are likely to achieve long-term success in this evolving environment.

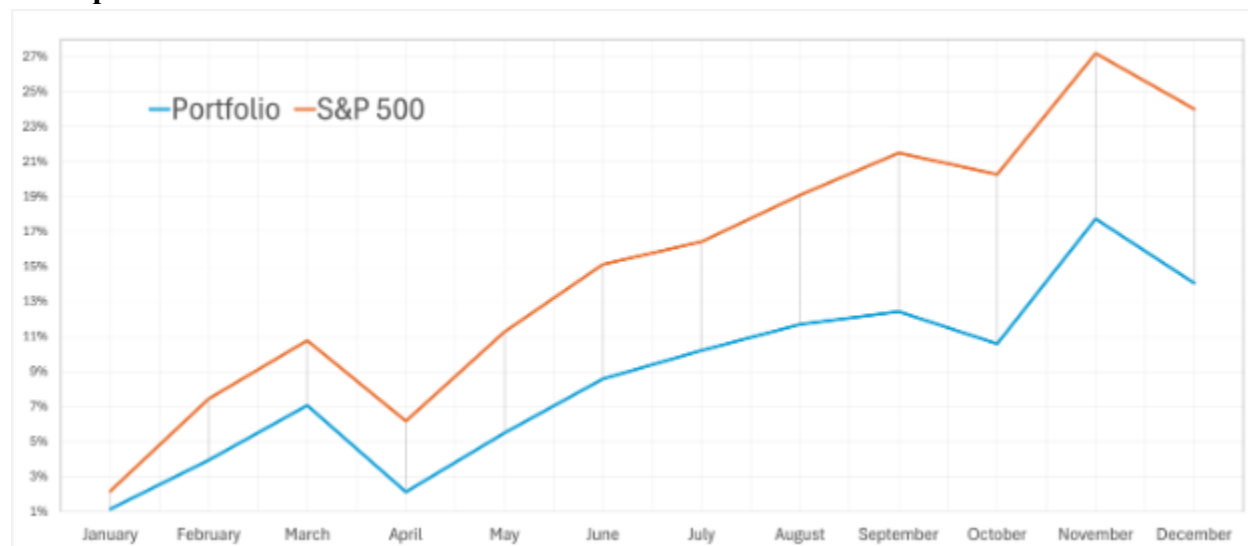
PORTFOLIO PERFORMANCE

Narrative of Performance

Overall, the year 2024 was a great year for equity investors, with the S&P 500 index and the Bauhard Fund's actively managed asset portfolio experiencing steady monthly increases in returns. With the exceptions of a brief inflation scare in April, a modest pullback during October as well as a decline in December, the Bauhard Fund's equity positions were able to mark a yearly return of 14 percent but were not able to beat the fund's S&P 500 benchmark which had a staggering return of around 24 percent.

The overall value of the fund's equity holdings increased from \$253,109.30 on January 1, 2024, to \$280,882.34 on December 31, 2024. The increase in the value is partly attributed to the purchase of 25 shares of NVIDIA (NVDA) in December, which were bought with cash from a position held separately from the equity positions covered by this section. The value of the purchase was \$3,488.88. Additionally, during the year 2024, a new position in Solventum Corporation was acquired through its spin-off from 3M on April 1, 2024. Another notable change was in Walmart's holdings due to its 3-for-1 stock split, which was completed on February 26, 2024.

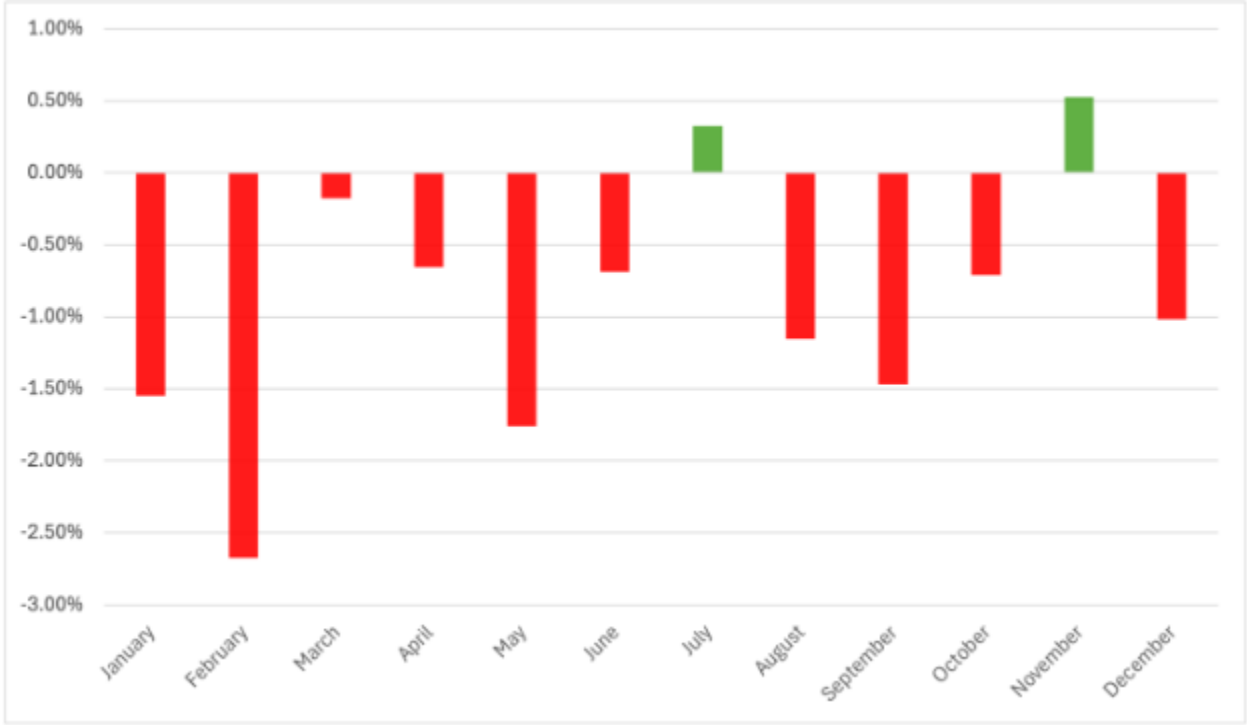
Fund performance vs. S&P 500



The figure above shows the performance of the actively managed portion of the Bauhard Fund (consisting of about 84 percent of the fund's total assets at year-end), measured as monthly year-to-date return, relative to the S&P 500 benchmark. The graph does not include the fund's cash position or the performance of our holdings in the Vanguard 500 index fund (VFIAX). Even though the Bauhard Fund's portfolio managed to accumulate a 14.06 percent return for the year 2024, beating the long-term average nominal return of S&P 500 index of around 10%, it failed to

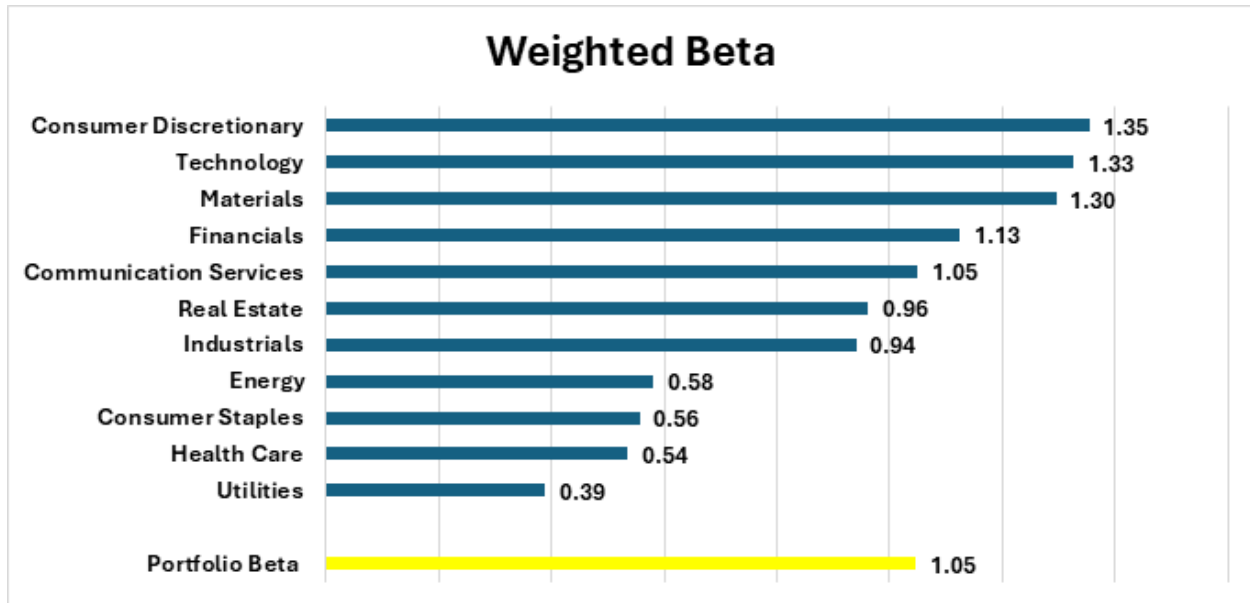
beat the benchmark's performance measured in aggregate monthly year to date return during the entire period of the year ended December 31, 2024.

Performance Differences

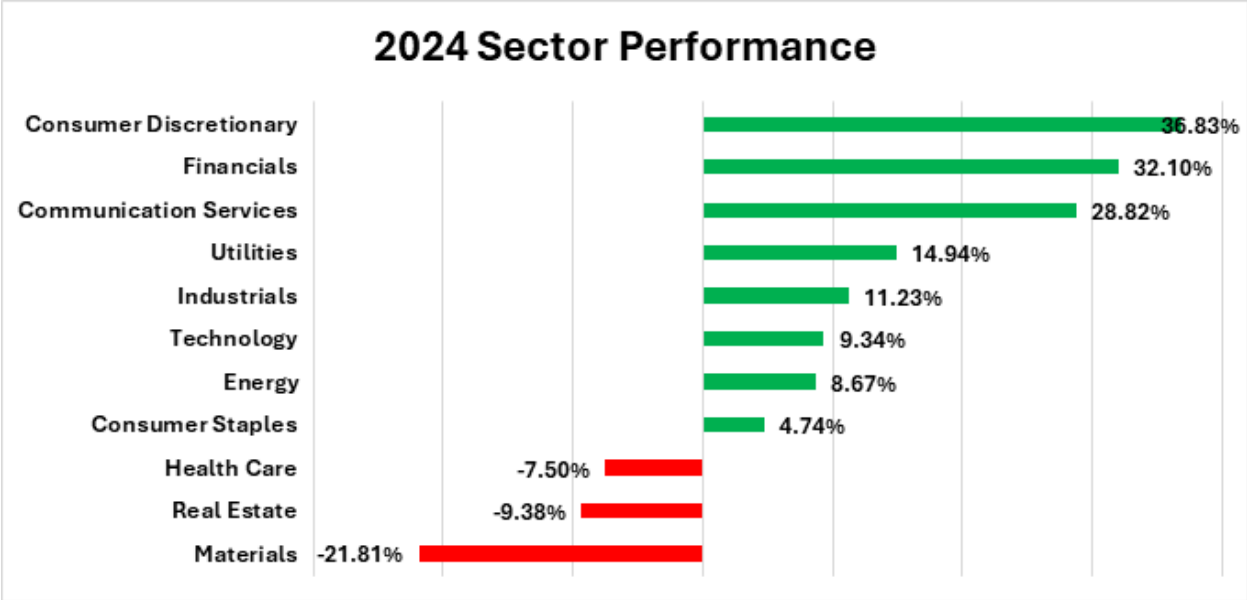


The figure above shows monthly performance differences between the Bauhard Fund's actively managed portfolio and its benchmark, the S&P 500 index. The Bauhard Fund's monthly performance relative to the S&P is shown in green when it has performed better than the index, and red when it has underperformed it. Even though the fund's total return for the year 2024 is at 14.06%, it has significantly underperformed the S&P 500 during all months except July and November. The total underperformance can be largely attributed to the underperformance in heavily weighted sectors such as Information Technology, Health Care, and Consumer Staples.

Portfolio risks



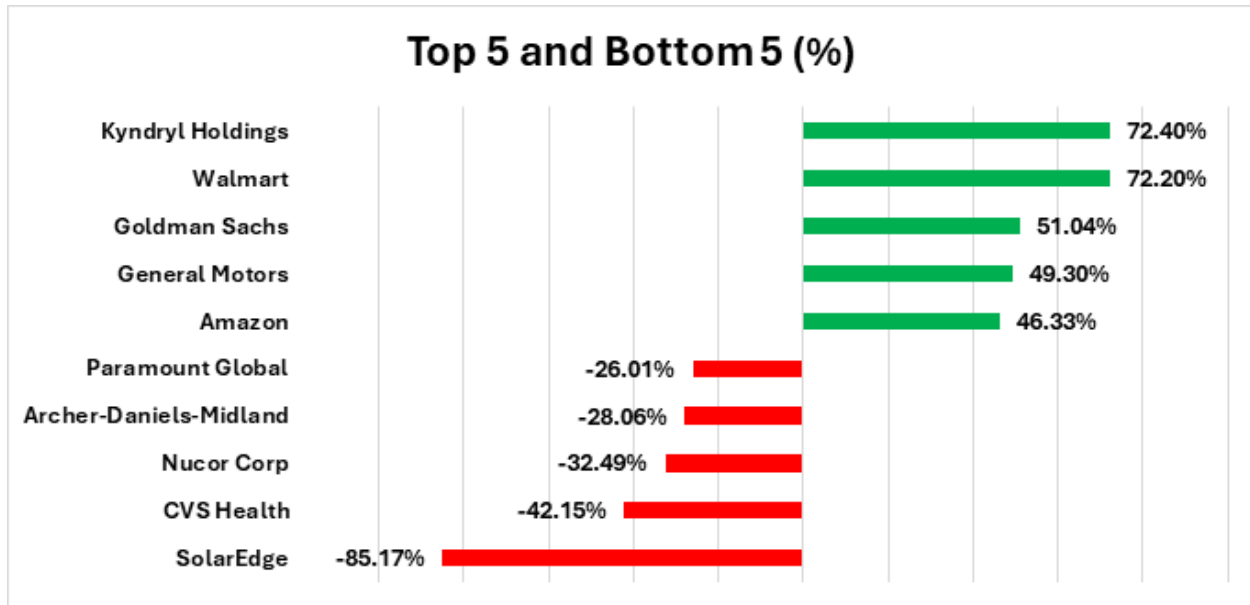
The portfolio's overall Beta by the end of 2024 was approximately 1.05, indicating that it was slightly more volatile than the broader market. This was further broken down by sector to get a closer look using weighted Betas. This was done by taking each security's weight in its respective sector and multiplying it by its 5-year average Beta. The most volatile sector of the fund was the Consumer Discretionary sector (1.35), followed by Technology (1.33) and Materials (1.30). Consumer Discretionary was higher than technology due to Amazon and Booking Holdings taking up nearly 12% of the portfolio on their own, while having 5-year average betas of 1.39 and 1.37, respectively. The three highest beta sectors suggest that they are more sensitive to market fluctuations. The three lowest beta sectors, Utilities (0.39), Health Care (0.54), and Consumer Staples (0.56), reflect their more defensive and stable nature with their essential goods and services. With the combination of higher beta and lower beta sectors, the portfolio was able to be well-balanced enough to mitigate downside risk and continue to grow.



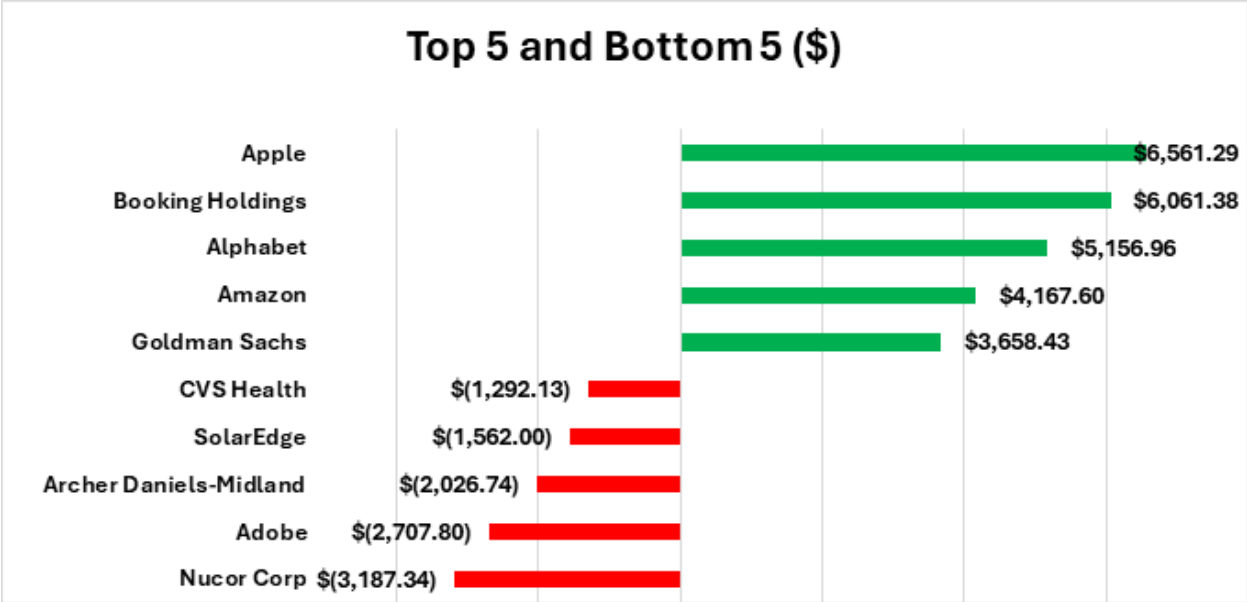
Performance by Sector

The portfolio’s strongest performing sectors were consumer discretionary (+36.83%), financials (+32.10%), and communication services (+28.82%). Some big factors in these gains were the gains from Amazon, Booking Holdings, and Goldman Sachs, which had either strong gains or large allocations. The weakest sectors for the fund were materials (-21.81%), real estate (-9.38%), and health care (-7.50%). While these sectors were down for the year, their underperformance was partially offset by stronger sectors of the portfolio. The three largest sectors of the Bauhard Fund are technology (21.61% of the fund), consumer discretionary (15.78%), and financials (14.03%). Due to the strong performance of these larger portions, the portfolio was able to see a net gain in 2024. It is also important to note that NVIDIA was purchased in mid-December, and Paramount was sold. These transactions were left out of the above chart to not skew the numbers, considering the minimal amount of years left after the change.

Top 5 and Bottom 5 Performers

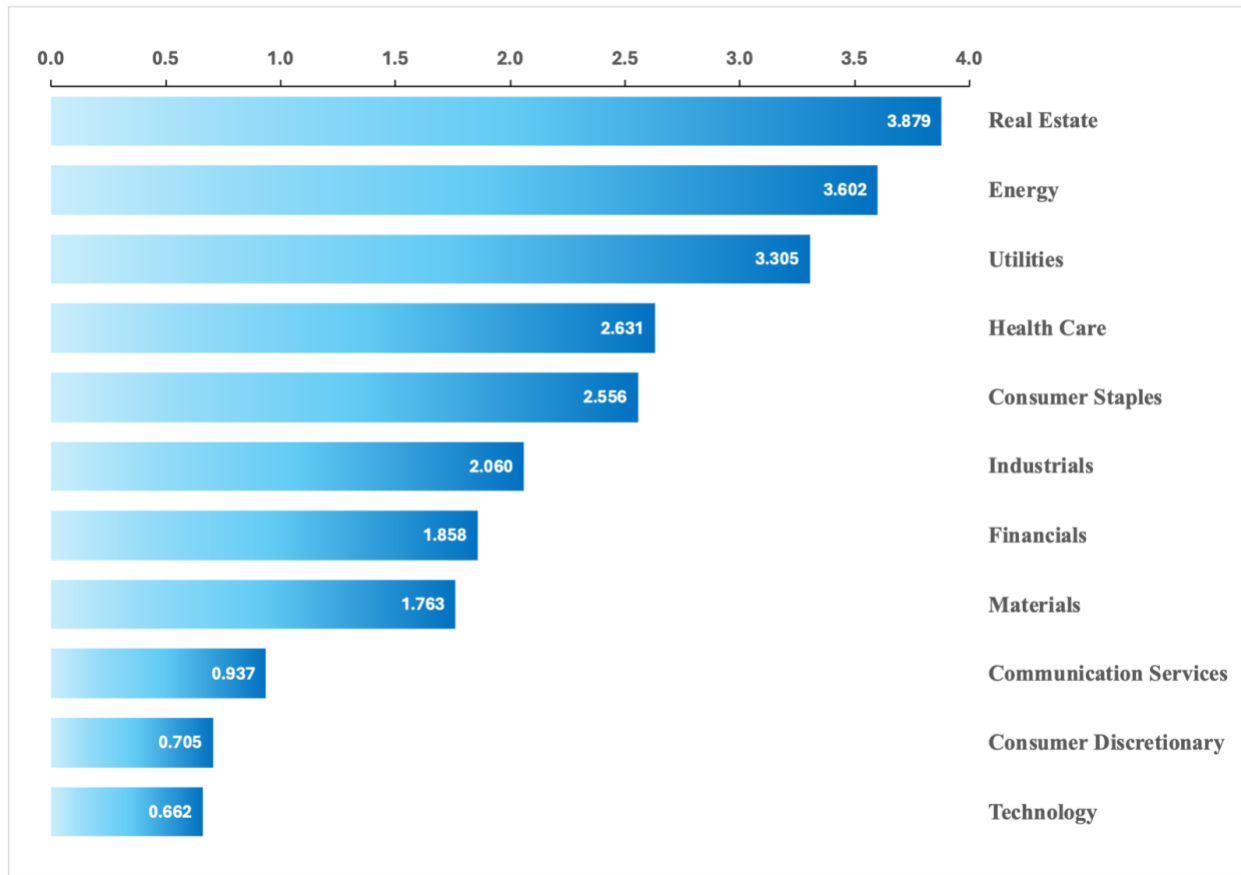


As shown above, the top five performing securities in 2024 by percentage gain/loss were Kyndryl Holdings, Walmart, Goldman Sachs, General Motors, and Amazon. The Bottom five were Solar Edge, CVS Health, Nucor Corp, Archer Daniels-Midland, and Paramount Global. These gains suggest excellent performance from both the cyclical and defensive sectors, which helps explain the strong overall returns for Consumer Discretionary. That sector has two securities in the top five (GM and AMZN), and Financials (GS). For the losses, the sectors were more diversified, as they were spread across the Technology, Health Care, Materials, Consumer Staples, and Communication Services sectors. This helped to limit the overall impact of their large losses for the year, demonstrating the importance of diversification.



While it is beneficial to consider the percentage gain/loss of securities in a fund, it is also worth looking at the dollar gain/loss as well. A large reason why some of these are different than the top and bottom five percent is the larger allocations to some of these securities. The portfolio holds a respectable share in Apple, which experienced a 35.56% gain, resulting in a gain of \$6,561.29 for the fund for \$2024. On the other hand, while Solar Edge had a terrible year in terms of percentage, it was not our biggest loser dollar-wise. Fortunately, it makes up just 0.1% of the portfolio, so the losses aren't as magnified as others.

Dividend Yield Distribution



The table above shows the dividend yield of each sector in the Bauhard Fund during the 2024 year. Previously, the fund was in a Bank Deposit Sweep Program, where cash dividends and interest credited were swept and deposited into the program's bank and stored as cash. On October 16, the balance of \$15,813.78 was withdrawn in full and deposited into a newly opened Insured Deposit Program. Credited interest and function are similar, and cash dividends were then deposited into the Insured Deposit Program. These programs act as additional sources of cash flows: important functions of the Bauhard Investment Fund.

Performance Measures

| | Bauhard Fund | S&P 500 |
|-------------------|--------------|---------|
| Return | 13.82% | 24.011% |
| Required Return | 25.136% | 24.011% |
| Beta | 1.057 | 1.000 |
| Jensen's α | -11.31% | 0.00% |
| Treynor Ratio | 9.10% | 19.81% |

The above table shows the performance of the Bauhard Fund during 2024. The Jensen's Alpha value of -11.31 percent indicates a not as successful year for the portfolio, as the fund returned 11.31 percent less than it was expected to, based on its benchmark return and its risk profile. This value was calculated by taking the Bauhard Fund's 13.82 percent return minus its 25.136 percent expected return. The expected return was calculated using a risk-free rate of 4.202 percent, based on the twelve-month average of the ten-year U.S. treasury bill rate in 2024, a market return of 24.011 percent, based on the S&P 500, and a portfolio beta of 1.057. The portfolio beta was calculated by taking a weighted average of all the component equities' five-year average betas at the end of 2024. The 1.057 beta for the Bauhard Fund indicates that the portfolio possesses slightly higher risk than our benchmark S&P 500 Index. Likewise, the Treynor Ratio shows the rate of return the fund should expect to earn for each additional unit of risk it possesses. The Treynor Ratio showed that the rate of return of the Bauhard Fund, adjusted for the extra risk that it possessed, should have been 9.10 percent, while the ratio for the S&P 500, also named the market risk premium, was 19.81 percent. Regardless, a portfolio return of 13.82 percent shows that this ratio is yet another metric that points to success.

Total Portfolio Value

| | Dec 31, 2023 | Dec 31, 2024 |
|-----------------------|---------------|---------------|
| Total Equities | \$ 253,109.30 | \$ 281,606.82 |
| Total Mutual Funds | \$ 31,976.71 | \$ 39,445.63 |
| Total Cash | \$ 11,918.43 | \$ 14,025.31 |
| Total Portfolio Value | \$ 297,004.44 | \$ 335,077.76 |

The Bauhard Fund Portfolio grew its total assets by \$38,073.32 or 12.82 percent in 2024. Overall, the managers of the Bauhard Student Managed Investment Fund consider 2024 a marginally successful year for the portfolio. The fund underperformed its target index, promptly producing a negative Jensen's Alpha, as the S&P 500 index had a stellar year with a 24.011 percent return. Using this 2024 return for the S&P 500 and the 12-month average risk-free rate, a Treynor ratio of 19.81 percent is benchmarked. In comparison, the fund's respective ratio is 9.10 percent, meaning the fund underperformed on a risk-adjusted basis. Regardless, this ratio shows the portfolio received a good return for the risk it bore. The decisions made by past and present student managers were reasonable and yielded positive returns in the volatile landscape that was 2024 despite not outperforming its target index.

LESSONS LEARNED

“As a student analyst of the Bauhard Fund, I gained a much greater level of confidence not just in investment decision making, but overall economic and finance knowledge. I learned that although timing the market generally isn’t feasible, an active investing approach can find deals in the market with thorough research. This hands-on experience also showed me the importance of diversification in a portfolio. As we analyzed each holding in detail with weekly market updates, it became apparent how much a firm’s value can change from news that may or may not directly impact them. Ultimately, my experience managing the Bauhard Fund was exciting and inspiring to change my own investing approach and see the market through a different lens.”

- Issac Anderson

“First diversification is the key to mitigating risk and preventing your fund from being hit with overly aggressive downturns. Second, trust your group, team, or coworkers; everyone in the class shares the same want, for the Bauhard Fund to blossom. Finally, Intrinsic Valuation and Relative Valuation have much more data, and a large number of financial metrics are needed to perform each of these. Sometimes it is better to complete it on your own instead of having an analyst predict it.”

- Turner Plugge

“Participating in the management of the Bauhard Fund as an exchange student has been an exceptional and truly unique experience—one that I would not have had the opportunity to have in my home country. I strongly believe that being part of this student-led team responsible for managing the fund’s portfolio, coupled with hands-on experience using Bloomberg terminals and the insightful teaching of Dr. Suzanne Hayes, has significantly deepened and broadened my finance knowledge and equipped me with valuable skills and tools that will be instrumental in my future professional career.”

- Daniel Turkulainen

“The opportunity to assist with the management of the Bauhard Investment Fund has been an educational and beneficial experience. I learned not only the process of analyzing securities and the specifics that come with it, but also how to accomplish these with peers in an efficient way that simulates a real portfolio management environment. These past two semesters I was able to gain useful knowledge and experience that I know will be important regardless of what career path I follow. Thus, I am more confident in managing my own investments: making strategic decisions for my long-term financial benefit.”

- Alex Peters

“The Bauhard Investment fund has provided me with a unique opportunity to learn how to apply concepts learned in class to the real world. Dealing with future student scholarships made the stakes higher and made me put in a lot of effort for those students down the line. I will be able to take what I have learned in this class and apply it to the rest of my investing career. Already, I have taken what I have learned and used it to make purchases like that of the fund. I take great pride in what we were able to accomplish with the money that has been given to us and look forward to tracking its performance in the future.”

- Brett Schoenhofer

“During my time as a student analyst for the Bauhard Fund, I have learned countless lessons that I’m sure I will carry with me into my professional career. I have achieved a greater understanding of the different facets of the stock market and how different market factors can impact performance. It has been a unique experience for me to be a part of managing a portfolio directly such as this, and it has given me a more confident and informed approach to the stock market. As I continue to work with the stock market in the future, I can think of no better introduction into portfolios and trading.”

- Andrew Howard

“Managing the Bauhard Fund over the past year has taught me some very valuable lessons that I will take into my professional career. By far the most valuable of these lessons is that the money that you will be working with when you transition into a professional career is real money. When going through school, you work with fake numbers and figures, but the Bauhard fund has taught me how seriously I will need to take my line of work, as you are often working with people's livelihoods, and one decision you make could have a massive impact. You are working with real people's money, and that is something that you cannot forget. That is the most important thing I have learned and will carry into my professional career.”

- Josh Stoner

“Over the past year, working with the Bauhard Fund Portfolio has been a transformative experience. It introduced me to the complexities of investing and gave me hands-on insight into building and managing a portfolio. This course expanded my understanding of the stock market and pushed me to grow as a communicator, presenter, and team member. Before this class, my exposure to stock valuation and market dynamics was minimal. Now, I feel more confident about making informed investment decisions and even explaining those concepts to others. The skills and knowledge I've gained here will be valuable assets as I move forward in my career.”

- Samson David

“Being part of the Bauhard Investment Fund has been one of the most rewarding experiences of my college career. Managing a real portfolio taught me how to apply classroom concepts to real-world investment decisions, from conducting in-depth financial analysis to building strong investment theses. This experience not only strengthened my understanding of the stock market but also improved my communication, presentation, and teamwork skills.”

- Janet Aguado Mendez

“The opportunity to manage the Bauhard fund has been an incredibly rewarding learning experience. When I joined this class two semesters ago, my understanding of investments was limited to surface-level concepts. I will be leaving this class with not only a deeper knowledge of portfolio management but also the confidence to apply this knowledge to my own investments. I am sincerely grateful for the generosity that made this experience possible.”

- Dionte Perkins

“I learned a lot about bonds, and the several benefits it has such as it is lower risk, and it adds a diversification to a portfolio. Purchasing bonds is also less volatile than stocks, in times like we are now in terms of the market a bond provides stability against economic conditions. Bonds are also a better alternative for conservative investors who want to preserve capital.”

- Ernesto Gamez

"Managing the Bauhard Fund has helped me understand how markets function and what drives company value. Through stock pitches, weekly updates, and team decisions, I gained practical experience in investment analysis and saw the importance of thorough research in making informed decisions."

- Yujie Cai

“I am incredibly grateful for the Bauhard Fund, because this use of experiential learning has allowed me to apply the difficult concepts I am learning in class to a situation outside of a textbook. Throughout this course, I have found myself paying better attention to market activity and news articles listing events that could affect the stock market and the Bauhard Fund portfolio stocks. Although I may not become a stockbroker or manage other people’s portfolios in my life, I know that the skills and experience I have gained are applicable to managing my own portfolio.”

- Courtney Cox

“1. Responsibility in Managing Funds: Managing the Bauhard Fund taught me the importance of accountability and careful decision-making when handling real investments on behalf of others.

2. Importance of the Code of Ethics: Following a code of ethics ensures transparency, honesty, and fairness—especially critical when dealing with client money or making investment recommendations.

3. Diversification Reduces Risk: Having a diversified portfolio—spreading investments across sectors and asset classes—helps protect against major losses if one part of the market performs poorly.”

- Shlok Sah

“Managing the Bauhard Fund has been a great experience. The constant research and updates on the fund gave us a real insight into how the market shifts with new information. Evaluating the company's outlook and researching businesses for stock pitches as a group has given me confidence in my conduct in the investing process.”

- Logan Marx

“Through the portfolio management course, I developed a clearer understanding of the full investment process and deepened my knowledge of investment strategies, risk assessment, and industry analysis. Working collaboratively as a team, we applied theoretical concepts to real-world investment decisions while improving our communication and teamwork skills. This course not only strengthened my interest in the field of finance and investment but also gave me an initial understanding of potential career paths in the industry.”

- Jessica Lin

“A very informative class, especially during these times, showing the most critical example of the need for diversifying a portfolio and constant management to keep up with news. Overall, I would say this class has taught me a lot. It helped me understand how global events, interest rates, and economic indicators directly impact market performance and portfolio decisions. The hands-on approach with real-world data and current events made the learning process much more engaging and relevant. I now have a stronger foundation in risk management, asset allocation, and the discipline needed to succeed in the financial world.”

- Parker Lammers