

Davis Investment Group
875 Perimeter Dr. Moscow, ID
(208) 885-6478
www.uidaho.edu/cbe



ANNUAL REPORT

FY 2024

The Davis Student Investment Management Group presents its annual performance review for the calendar year 2024. The Davis fund achieved a return of 17.0% compared to the 23.3% return of our benchmark, the S&P 500. As elevated interest rates and lingering recession fears weighed on growth, the U.S. economy in 2024 remained marked by volatility and cautious optimism. This report provides a qualitative and quantitative review and discussion of the Davis fund for 2024.

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THE DAVIS GROUP

Performance Report

The year 2024 was highlighted by resilience for the U.S. economy, as inflation lingered in a high-interest rate environment the stock market soared amidst a tech and artificial intelligence boom that carried the rest of the market to high returns. Cooling yet lingering inflation led the Federal Reserve to cut interest rates leading to volatility in the market as investors speculated on future monetary policy decisions. Geopolitical tensions as well as a United States Presidential election only added to the uncertainty and volatility that was a constant theme in 2024, and yet the markets braved the storm. The Davis Group portfolio grew by 17.0% in 2024, and our benchmark, the S&P 500 index, saw an annual return of 23.3%. While our portfolio underperformed our benchmark, it is important to note that the Davis Group Portfolio is defensive by nature and designed to produce returns in all market conditions, hindering its extreme upside ability with a relatively low beta. We are happy with our returns in 2024 and are ready to adapt to any new market trends in 2025.

In 2024, The Davis Group made several shifts to the structure of our portfolio to better align with our goals as a fund. We sold our holdings in Lowe's Home Improvement (LOW) to realize profits built up over the course of a decade plus and sold our shares of SolarEdge Technologies (SEDG) to cap losses seen as the demand for solar energy slowed down. Conversely, we acquired shares of the iShares Investment Grade Systematic Bond ETF to increase our exposure to fixed income and lower the volatility of our portfolio. Every decision made relating to buying or selling our positions was presented to the group and voted on following a pitch that included an in-depth fundamental analysis of the current and future outlook of the holdings.

In tandem with our goals of managing the risk and capital of our portfolio, The Davis Group strives to further our members' financial knowledge and understanding of the capital markets through activities that promote research of the economy and financial markets. Members produce performance reports of our holdings and conduct in-depth security and market research to seek out potential new holdings that can generate a safe and constant return to our portfolio. These exercises create a unique opportunity for our members to have hands-on experiential learning that is highly valuable for finance students striving to prepare themselves for a career in this field. On top of research and analysis, attending conferences such as the Quinnipiac GAME Forum offers students opportunities to build their networking and leadership skills for their future. Providing unique learning experiences for our members is the core of what the Davis Group sets out to accomplish.

With our cumulative scholarship contribution amounting to \$396,300 since our inception, we are committed to investing in the people who drive the returns for our portfolio. The Davis Group consistently utilizes the latest research and investment methodology to enhance portfolio performance. We are dedicated to passing on the knowledge and skills we've gained to future members, and we look forward to contributing to the continued success of the program.

Jefferson Cilley
Portfolio Manager

Economic Review

In 2024, the Davis Investment Group stands at a pivotal moment as the global economy navigates a landscape of moderating inflation, shifting trade policies, and geopolitical uncertainties. Despite the challenges that lie ahead, economic resilience remains evident, offering key opportunities for strategic investment. The Federal Reserve has taken measured steps to balance inflation control with economic growth, considering potential interest rate adjustments later in the year. The U.S. economy is expected to grow between 2.0% and 2.5%, driven by consumer spending, corporate investment, and government infrastructure initiatives. Inflation has moderated to 2.5-3.0%, helping stabilize markets and restore consumer confidence. The labor market continues to show strength, with unemployment remaining 3.5-4.0% and wage growth outpacing inflation—bolstering consumer sentiment. However, challenges persist, including trade policy shifts, high borrowing costs, and geopolitical tensions that could impact global supply chains.

Trade tensions remain a central theme in 2024, as the Biden administration has maintained, and in some cases increased, tariffs on Chinese goods, particularly in semiconductors, EVs, and solar panels, aiming to protect domestic industries. China has responded with retaliatory tariffs and investment incentives, leading to supply chain shifts toward India, Vietnam, and Mexico. The European Union's carbon border taxes are reshaping global supply chains, while post-Brexit trade challenges continue to weigh on U.K. businesses. The USMCA agreement is under review, with potential automotive tariff increases on the horizon.

The year ahead presents both opportunities and risks. Artificial intelligence, semiconductors, and cloud computing continue to drive the tech sector forward, with U.S. semiconductor production benefiting from the CHIPS Act. Companies are moving supply chains closer to home to mitigate risks, supporting domestic industrial production and manufacturing. Wage growth and cooling inflation have fueled a rebound in discretionary spending, benefiting sectors such as travel, entertainment, and luxury goods. However, geopolitical conflicts, including the ongoing Russia-Ukraine war and rising tensions in the Middle East, continue to create economic and market uncertainties. Cybersecurity threats and digital warfare are growing concerns, posing risks to businesses and financial markets. Debt and credit market stress remain pressing issues, with high corporate debt levels and rising consumer credit delinquencies threatening financial stability. The real estate market also faces challenges, as high office vacancy rates in major cities weigh on commercial property values, while housing affordability pressures continue to affect homebuyers despite recent shifts in Federal Reserve policy.

As we move through 2024, the Davis Investment Group remains focused on navigating market uncertainties with resilience and strategic investment planning. While risks persist, opportunities in AI, clean energy, and reshoring initiatives present long-term growth potential. Our disciplined approach ensures that we remain well-positioned to adapt, grow, and seize emerging opportunities in an evolving global economy.

Reece Wimer
Junior Portfolio Manager

THE DAVIS GROUP

The Davis Group

The Davis Student Investment Management Group is an exclusive program that gives students of all majors a unique opportunity to gain real-life investment experience by managing a portfolio of securities. Davis Group members gain valuable skills in security analysis, investment discipline, professional presentations, economic analysis, and portfolio allocation.

A donation of \$100,000 from James E. and A. Darius Davis, the founders of the Winn-Dixie grocery chain, established the Davis Group in 1989. The College of Business and Economics matched this amount, and the fund has grown significantly since its start. The Group has helped provide funding for numerous scholarships and donations to the CBE and the University of Idaho's General Scholarship Fund. Realized income and capital gains provide this funding. To date, the Davis Group has donated \$200,000 to the completion of the J.A. Albertson Building and awarded \$329,000 to both the CBE and UI general scholarship funds.

FUND OBJECTIVES: The Davis Group provides students practice in their decision-making and presentation skills in the context of investment management. Monetary gains feed into a general scholarship fund for University of Idaho students. The group's goal is to prepare students for real-life investment and business decisions.

Students manage the fund with the following investment objectives:

- **Growth of Capital.** The asset value of the portfolio should increase in the long term and earn a yearly rate of return similar to the return on the S&P 500.
- **Preservation of Capital.** Asset growth should exceed the rate of inflation given by the CPI in order to preserve the capital of the portfolio's assets.

The target asset allocation of the portfolio is 70% domestic equities, 10% international equities, 10% fixed income, 5% alternative investments, and 5% cash or cash equivalents. The Davis Group adopts a conservative approach to investing, taking into consideration long term rates of return, volatility, investment vehicles, and diversification among sectors.

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Portfolio Returns



*Returns include scholarships paid through December 31st, 2024

THE DAVIS GROUP

Portfolio Holdings

Portfolio Value	\$935,488.16	(as of 12/31/2024)				
EQUITIES						
Sector	Company	Ticker	Market Price	Quantity	Current Value	% of Portfolio
Basic Materials	Ecobal Inc	ECL	\$ 234.32	100	\$ 23,432.00	2.50%
	Air Products & Chemicals	APD	\$ 290.04	50	\$ 14,502.00	1.55%
Consumer Discretionary	Lowe's Companies Inc	LOW	\$ 246.80	75	\$ 18,510.00	1.98%
	Nike Inc	NKE	\$ 75.67	100	\$ 7,567.00	0.81%
	McDonald's Corp	MCD	\$ 289.89	60	\$ 17,393.40	1.86%
Consumer Staples	PepsiCo Inc	PEP	\$ 152.06	185	\$ 28,131.10	3.01%
	Costco Wholesale Corp	COST	\$ 916.27	50	\$ 45,813.50	4.90%
	Mondelez International Inc	MDLZ	\$ 59.73	500	\$ 29,865.00	3.19%
	Procter & Gamble Co	PG	\$ 167.65	100	\$ 16,765.00	1.79%
	Walmart Inc	WMT	\$ 90.35	300	\$ 27,105.00	2.90%
Energy	Atmos Energy Corp	ATO	\$ 139.27	150	\$ 20,890.50	2.23%
	Chevron Corp	CVX	\$ 144.84	150	\$ 21,726.00	2.32%
Financials	Visa Inc	V	\$ 316.04	220	\$ 69,528.80	7.43%
	JPMorgan Chase & Co	JPM	\$ 239.71	150	\$ 35,956.50	3.84%
Healthcare	Gilead Sciences Inc	GILD	\$ 92.37	150	\$ 13,855.50	1.48%
	Pfizer Inc	PFE	\$ 26.53	200	\$ 5,306.00	0.57%
Technology	Oracle Corp	ORCL	\$ 166.64	222	\$ 36,994.08	3.95%
	Avnet Inc	AVT	\$ 52.32	500	\$ 26,160.00	2.80%
	Microsoft Corp	MSFT	\$ 421.50	105	\$ 44,257.50	4.73%
	Salesforce	CRM	\$ 334.33	40	\$ 13,373.20	1.43%
	International Business Machines Corp	IBM	\$ 219.83	60	\$ 13,189.80	1.41%
Industrials	Snap-on Inc	SNA	\$ 339.48	100	\$ 33,948.00	3.63%
	Lockheed Martin Corp	LMT	\$ 485.94	45	\$ 21,867.30	2.34%
	Caterpillar Inc	CAT	\$ 362.76	100	\$ 36,276.00	3.88%
	Delta Air Lines Inc	DAL	\$ 60.50	100	\$ 6,050.00	0.65%
Utilities	Ameren Corp	AEE	\$ 89.14	150	\$ 13,371.00	1.43%
	UGI Corp	UGI	\$ 28.23	247	\$ 6,972.81	0.75%
	Duke Energy Corp	DUK	\$ 107.74	300	\$ 32,322.00	3.46%
International Markets	Toyota Motor Corp	TM	\$ 194.61	100	\$ 19,461.00	2.08%
	iShares: MSCI China	MCHI	\$ 46.86	100	\$ 4,686.00	0.50%
	iShares: Emerging Markets	EEM	\$ 41.82	200	\$ 8,364.00	0.89%
	iShares: Core MSCI Europe	IEUR	\$ 53.98	150	\$ 8,097.00	0.87%
	Taiwan Semiconductor Manufacturing Co., Ltd.	TSM	\$ 197.49	100	\$ 19,749.00	2.11%
	Nestle ADR	NSRGY	\$ 81.70	50	\$ 4,085.00	0.44%
FIXED INCOME						
Sector	Company	Ticker	Current Price	Quantity	Current Value	% of Portfolio
Funds	iShares: Invest Grade Sys Bond	IGEB	\$ 44.36	175	\$ 7,763.00	
	iShares: Pref and Inc Sec	PFF	\$ 31.44	262	\$ 8,237.28	0.88%
ALTERNATIVE INVESTMENTS						
Sector	Company	Ticker	Current Price	Quantity	Current Value	% of Portfolio
Private Equity	Blackstone Group LP	BX	\$ 172.42	500	\$ 86,210.00	9.22%
	KKR & Co Inc	KKR	\$ 147.91	100	\$ 14,791.00	1.58%
Real Estate	CubeSmart	CUBE	\$ 42.85	415	\$ 17,782.75	1.90%
CASH						
	Cash/Money Accounts				\$ 55,133.14	5.89%

Energy

Analyst: Cooper Owen

ENERGY SECTOR 2024 YEAR REVIEW

The energy sector is comprised of companies involved in the production, refining, and distribution of energy. The holdings within the Davis portfolio are primarily tied to oil and natural gas. In 2024 the energy sector underperformed the market, finishing the year slightly up. The sector ETF (XLE) saw a slight increase of 2.17%, whereas the Davis Portfolio's benchmark, SPX, returned 23.31%. This slow growth in the Energy sector can be attributed to higher interest rates, lower demand, and strong performance from other sectors, specifically AI and technology companies.

The Davis portfolio includes two companies within the energy sector, Chevron Corp (CVX) and Atmos Energy (ATO). Chevron underperformed the sector, seeing a loss of 2.90% in 2024. This poor performance has been a recent trend for the company, seeing a 4.15% loss in 2023. Atmos Energy, on the other hand, saw a gain of 20.16%, significantly outperforming the sector benchmark (XLE). Despite Chevron's slow performance, the company's strategic investments allow for a strong dividend yield of 4.33%. Atmos Energy also has a strong dividend yield of 2.32%. Future growth in the sector will be influenced by prices and overall supply and demand for oil and natural gas.

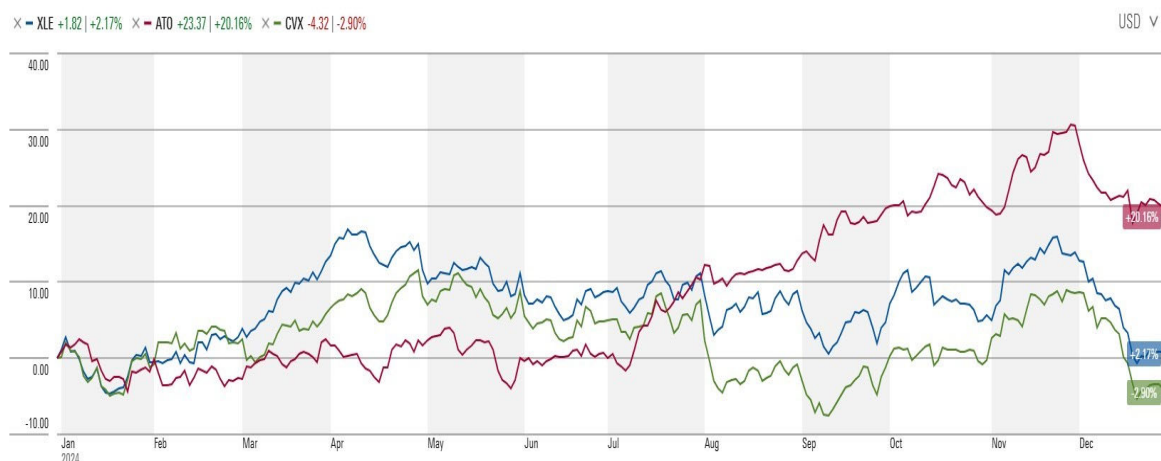
HOLDINGS:

Chevron Corp. (CVX): Chevron is an integrated oil and gas company that explores, produces, refines, and distributes oil and gas worldwide.

Atmos Energy (ATO): Atmos Energy is a natural gas distributor that serves more than three million customers across eight U.S. states, including, Texas, Colorado, and Mississippi. The company is also involved in the storage and transportation of natural gas through its over 74,000 miles of underground pipeline.

BENCHMARK

SPDR Select Sector Fund – Energy (XLE): XLE is an exchange-traded fund that tracks energy stocks within the S&P 500 Index.



Industrials

Analyst: George Forsmann

INDUSTRIALS SECTOR 2024 YEAR REVIEW

The industrials sector encompasses a wide range of industries spanning from aerospace and defense to transportation. These companies play a crucial role in the economy, as they lead infrastructure development, manufacturing, and more. The sector was influenced by several economic and geopolitical factors in 2024, including reshoring and onshoring, technological integration, and sustainability initiatives. Our annual return for the sector was 18.62%, following annual returns of 18.13% and -5.58% in 2023 and 2022, respectively.

HOLDINGS

Snap On Inc. (SNA): Snap-on Inc. designs, manufactures, and markets high-end tools, equipment, diagnostics, and repair solutions for professional mechanics, technicians, and industrial customers worldwide. They reported an annual return of 17.74% due to earnings growth and steady demand for professional tools.

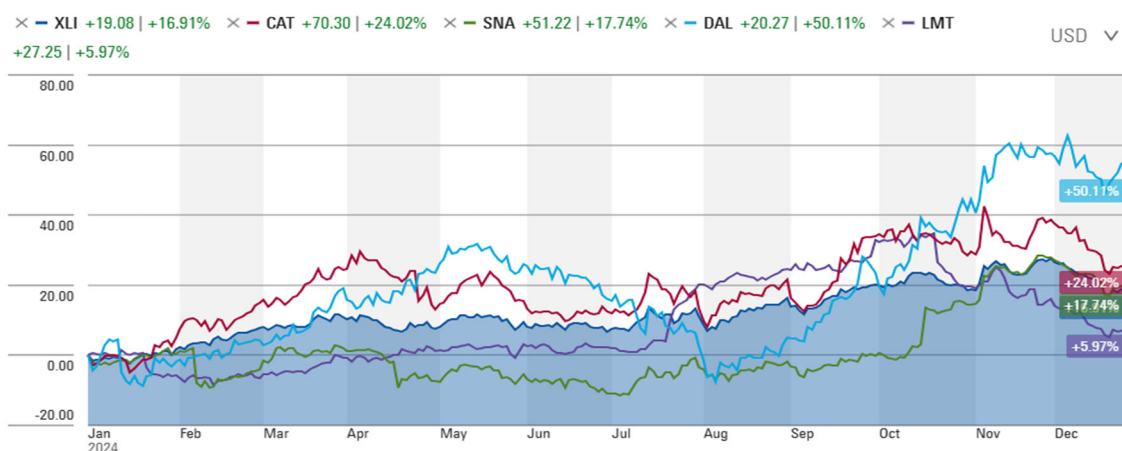
Lockheed Martin (LMT): Lockheed Martin is a global aerospace and defense company that designs, develops, and manufactures advanced technology systems, including military aircraft, missiles, space systems, and cybersecurity solutions. Their annual return came in at 5.97%, our lowest performing holding in the sector, fueled by increased demand in defense and aerospace products.

Caterpillar Inc. (CAT): Caterpillar Inc. manufactures and sells construction, mining, and industrial equipment, along with engines and financial services, serving industries worldwide. They had an annual return of 24.02% primarily from increased demand in the mining and construction sectors and an increase in earnings per share of 10%.

Delta Airlines (DAL): Delta Air Lines is a major global airline that provides passenger and cargo transportation services, operating an extensive domestic and international flight network. They saw a return of 50.11% in 2024, driven by increased travel demand, strategic pricing, strong cost management, and diverse revenue streams.

BENCHMARK

SPDR Select Sector Fund - Industrial (XLI): XLI is an exchange-traded fund which tracks the industrials sector of the S&P 500.



Technology

Analyst: Michelle Berrelleza

TECHNOLOGY SECTOR 2024 YEAR REVIEW

The Davis Group Technology sector continues to thrive, driven by advancements in artificial intelligence, cloud computing, and enterprise software solutions. Our holdings International Business Machines, Oracle, Avnet Inc., Microsoft, and Salesforce remained strong performers in a rapidly evolving market. XLK, the benchmark index, recorded a 48.62% increase in 2024, while the S&P 500 index gained 19.75% comparatively. Among our holdings, Microsoft led the way with an 89.21% increase, fueled by its aggressive AI expansion and cloud computing dominance. Salesforce followed closely, posting a 72.35% gain, as it continued to expand its customer relationship management capabilities and AI-driven automation tools. Oracle saw a 41.89% rise, benefiting from strong cloud adoption and enterprise software growth. Avnet maintained steady momentum with a 22.76% increase, driven by increased demand for electronic components and semiconductor supply chain solutions. Meanwhile, IBM posted a 27.53% increase, capitalizing on its investments in AI and hybrid cloud computing. The tech sector continues to evolve rapidly, with AI and cloud computing driving significant growth and transformation. As economic conditions and interest rates shift, these advancements are shaping new opportunities and challenges. With AI becoming more integrated into daily life and businesses increasingly relying on cloud solutions, 2024 proved to be another dynamic year for the industry.

HOLDINGS

Oracle Corporation (ORCL): A powerhouse in cloud computing and business software, Oracle helps companies manage data, streamline operations, and stay ahead in the digital world.

Avnet Inc. (AVT): A behind-the-scenes tech enabler, Avnet supplies the essential electronic components and semiconductors that power everything from smart devices to industrial equipment.

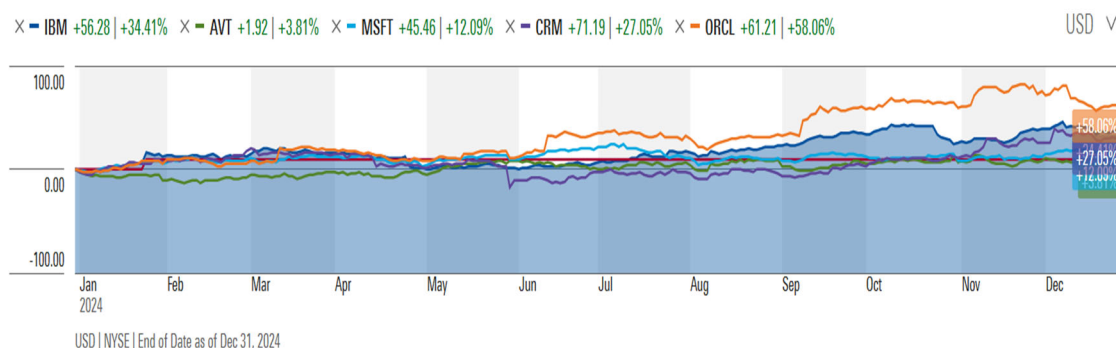
Microsoft Corporation (MSFT): A household name in tech, Microsoft continues to shape the future with Windows, Office, cloud services, AI innovations, and cutting-edge hardware.

Salesforce (CRM): The go-to platform for businesses looking to improve customer relationships, Salesforce provides cloud-based tools that help companies connect, market, and sell smarter.

International Business Machines Corporation (IBM): A tech veteran leading the way in AI, cloud computing, and enterprise solutions, IBM continues to drive innovation for businesses worldwide.

BENCHMARK

Technology SPDR ETF (XLK): XLK is an index representing the technology sector of the S&P 500.



Consumer Staples

Analyst: Aidan Smith

CONSUMER STAPLES SECTOR 2024 YEAR REVIEW

The Consumer Staples sector is comprised of companies that produce and sell items considered essential for everyday use. Consumer Staples products include household goods, foods, beverages, and other items that individuals are either unwilling or unable to eliminate from their budgets even in times of financial trouble. These companies are viewed as non-cyclical and can maintain stable growth regardless of the state of the economy. In 2024 the Consumer Staples sector underperformed our benchmark, the S&P 500, but still recorded positive growth of 9.14% in the 12-month span. Out of our holdings, Walmart saw the largest growth at +71.93%. Costco also outperformed our benchmark the S&P, with growth at +38.81%. Procter and Gamble underperformed the S&P but still had growth of +14.41%. Pepsi's stock price saw a loss of -10.47% during the 2024 calendar year and Mondelez had the largest loss of our holdings in 2024 at -17.53%

HOLDINGS

Costco Wholesale Corporation (COST): Costco is a membership-based multinational retail corporation. Costco is known for its bulk sales model and efficient supply chain operations.

Mondelez International, INC. (MDLZ): Mondelez is a global snacking company known for its portfolio of brands in the food and beverage sector.

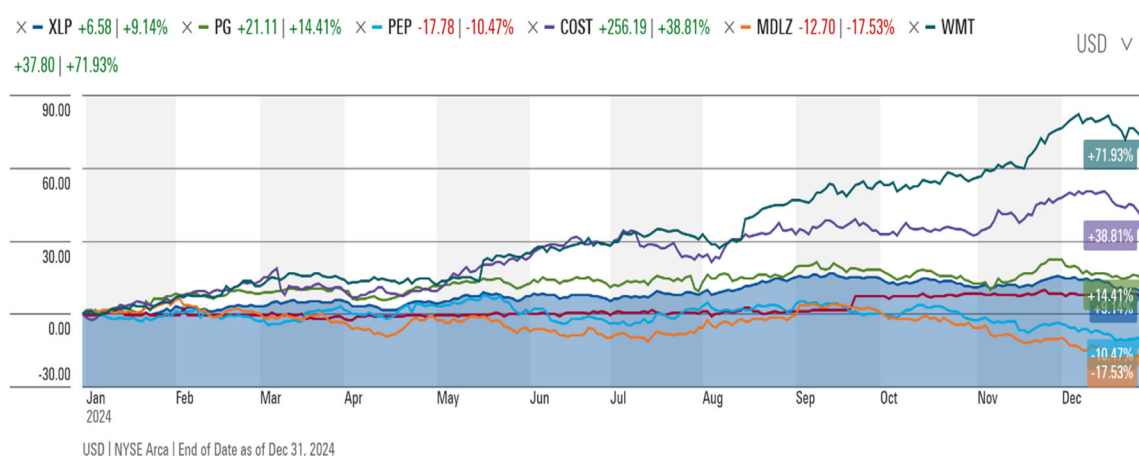
PepsiCo, INC (PEP): PepsiCo is a global leader in the food and beverage industry, offering a broad range of products. PepsiCo operates in more than 200 countries, across many different market segments.

The Procter & Gamble Company (PG): Procter & Gamble is a multinational consumer goods corporation specializing in a wide range of personal health, hygiene, and home products.

Walmart, INC (WMT): Walmart is a global retail corporation that operates a chain of hypermarkets. It is one of the world's largest retailers and employers.

BENCHMARK

Consumer Staples Select Sector SPDR Fund (XLP): XLP is an exchange-traded fund that tracks the consumer staples sector with major stakes in Procter & Gamble, Coca-Cola, Walmart, PepsiCo, and more.



Healthcare

Analyst: Labish Gauchan

HEALTHCARE SECTOR 2024 YEAR REVIEW

The Healthcare sector within the Davis group continues to include two main groups. The first group includes company produces prescription medications and vaccines for diseases such as cancer, immunological disorders, and rare diseases. The second group specializes in antiviral medications and biopharmaceutical treatments, focusing on HIV therapy, liver diseases and oncology.

The healthcare sector in 2024 faced a challenging year, underperforming the broader market by nearly 25% due to weak earnings, regulatory pressures, and investor rotation into high-growth technology stocks. The Health Care Select Sector SPDR ETF (XLV) posted a modest +2.47% gain, lagging major indices such as the S&P 500 (SPX). Key factors contributing to the sector's performance included election-related uncertainty, drug pricing regulations, and declining COVID-19-related revenues. Despite these challenges, the sector experienced innovation in biotechnology, AI-driven diagnostics, and personalized medicine.

HOLDINGS

Pfizer Inc. (PFE): Pfizer operates across multiple therapeutic areas like oncology, immunology, cardiovascular health, and rare diseases. In 2024, Pfizer reported \$63.6 billion in total revenue, reflecting 7% operational growth, but its stock declined -2.24%, reflecting investor concerns over declining COVID-19-related revenues and regulatory scrutiny. It also faced volatility due to declining COVID-19-related revenues and increased regulatory scrutiny.

Gilead Sciences (GILD): Gilead is a biopharmaceutical company specializing in the discovery, development, and commercialization of medicines for unmet medical needs. It's total product sales grew by 6%, driven by HIV treatment sales and oncology sales. It also outperformed the broader healthcare sector, posting a +18.64% stock gain in 2024.

BENCHMARK

Health Care SPDR ETF (XLV): XLV, tracks the performance of the healthcare sector, which includes companies like Pfizer, Johnson & Johnson, and Gilead Science, etc.



Utilities

Analyst: Jackson Negus

UTILITIES SECTOR 2024 YEAR REVIEW

The utilities sector is a traditionally defensive, stable sector making up 2.3% of the S&P 500 as of 2024. The companies in the sector are those that provide services like water, electricity, and gas. The utilities marketplace is highly regulated. The slow growth of utilities stocks is offset by the high, constant dividends. High capital expenditure into infrastructure creates long payoff periods for investments into the sector and leaves the sector vulnerable to interest rate risk.

Utilities saw large gains in 2024. A recognition of surging energy demand due to increases in AI usage resulted in positive gains for the Davis portfolio and the sector as a whole. The sector saw a 23.28% increase in 2024. UGI and DUK underperformed the sector at +21.92 and +5.50% AEE outperformed the sector with a 27.50% increase.

HOLDINGS

Ameren (AEE) Ameren is an energy company in the Illinois-Missouri area. They provide electricity to 2.4 million customers and providing natural gas to 900,000 customers and pride themselves in providing low rates.

Duke Energy (DUK) Duke Energy is one of the US largest holding companies. They are in 6 states and collectively have 54,800 Megawatts of energy capacity. Duke works hard to stay at the forefront of energy technology.

UGI Utilities (UGI) UGI's operations encompass natural gas and electric utilities, energy marketing, midstream infrastructure, and electricity generation. They serve over 1.7 million customers across the entire US.

BENCHMARK

Utilities SPDR ETF (XLU) Tracks the Utilities Select Sector Index. The sector includes electric, gas, and water utilities.



Basic Materials

Analyst: Kara Grossman

BASIC MATERIALS SECTOR 2024 YEAR REVIEW

The basic materials sector tracks companies that deal with the discovery, procurement, and processing of raw materials. Examples include metals, chemicals, and lumber. The basic materials sector showed lackluster performance in 2024. The XLB (an ETF which tracks the sector's performance), saw returns of 0.14%, which are significantly lower than the SPX's returns of 24.23%. The basic materials sector is heavily dependent on the U.S.—and global—economy. Therefore, the sector's underperformance in 2024 is likely due to macroeconomic concerns, such as interest rates sitting at roughly 6.7%, uncertainty surrounding the upcoming election, and fears of a possible recession. However, with interest rates being cut by the Federal Reserve at the end of 2024 and countries such as China offering new stimulus plans, many analysts are developing a bullish outlook for materials in 2025.

Despite the materials sector's underperformance in 2024, Ecolab Incorporated reported returns of 16.8%. Ecolab has significant operations in the hospitality industry, which saw a decline during the COVID-19 pandemic. Thus, Ecolab's performance in 2024 is attributed to a bounce back from the pandemic. Ecolab remains a promising holding, as it is well-insulated from tariffs and focused on development and growth. Air Products and Chemicals, meanwhile, reported returns of 6.5%. Throughout 2024, they continued expanding operations and announced new sustainability goals.

HOLDINGS

Ecolab Incorporated (ECL): Ecolab Inc. Is a leading provider of hygiene and water sanitation products, supplying to 170 countries worldwide.

Air Products and Chemicals (APD): Air Products and Chemicals supplies chemicals and gases to a wide range of industries.

BENCHMARK

Materials Select Sector SPDR Fund (XLB): an exchange-traded fund that tracks the performance of the basic materials sector.



Consumer Discretionary

Analyst: Jack Katovich

CONSUMER DISCRETIONARY 2024 YEAR REVIEW

The consumer discretionary sector is an essential sector to include when diversifying a risk management-focused portfolio. This sector is defined as being a sector that thrives when general discretionary income is increased and is also used, companies that fit into the consumer discretionary sector are companies that sell what people want, but don't need, therefore it is cyclical in relation to the market and financial conditions of the general public. Our chosen consumer discretionary ETF is XLY, this is the SPDR discretionary select sector ETF, it is a passively managed fund that includes all of our individual holdings in its holdings. The consumer discretionary holdings that the Davis portfolio holds are Nike Inc. (NKE), Lowe's (LOW), and McDonald's Corp. (MCD). All returns in these positions are compared to the returns of XLY, which had an annual return of 19.38%. All of our holdings underperformed over the same time period when compared to the benchmark, with the return for Nike being -22.82%, this can be attributed to the retirement of their CEO, John Donahoe, it was also affected by the Yen carry trade collapse in July of last year. Lowes annual return was 4.23%, and McDonald's return was similar, with a return of 4.36%.

HOLDINGS

Lowe's (LOW): One of the leading home improvement and project retailers, with over 1900 stores across the United States, serving handy homeowners with the tools and materials needed to get their projects done.

Nike Inc. (NKE): The leading athleticwear company in the world, with over 1000 retail stores in malls and urban areas around the world, attracting athletic and sport-oriented customers.

McDonald's Corp (MCD): The largest chain franchise in the world, with over 41000 locations in over 100 countries around the world, they attract anyone with an appetite all around the world, rural or urban.

BENCHMARK

Consumer Discretionary SPDR ETF (XLY): XLY is an exchange-traded fund that tracks the Consumer Discretionary sector with holdings such as Amazon, Tesla, Lowe's, Ford, and Target.



Financials

Analyst: Micah Green

FINANCIALS-BANKS/INSURANCE 2024 YEAR REVIEW

The financials sector is a driving force in the market and includes companies that provide financial services, including banking, investment management, and insurance. Given the recent increased volatility and heightened attention surrounding inflation and interest rates, financials have been one of the primary focuses for many investors. In 2024, the sector had an outstanding return of approximately 29%, outpacing the 25% annual return of the S&P 500 Index. Also, the Federal Reserve cut the federal funds rate by 1%. In December 2024, the yield curve became normal again after being inverted since October 2022. This increased bullish sentiment for financial institutions and led to the bullish price movement

HOLDINGS

Visa (V): In 2024, Visa had an annual return of approximately 21%. In the fourth quarter, they reported a 5% rise in profits and an increase in revenue that was driven by a 9% increase in payment volume on Visa cards. In September 2024, the Department of Justice filed an antitrust suit against the company alleging monopolistic activities. While the suit has not been fully resolved, investor confidence remains high, and this interruption has not seemed to significantly affect the company's valuation.

JP Morgan (JPM): JP Morgan is the leader of commercial banks and one of the most recognizable names in the financial sector. The company led the sector with a return of approximately 41% in 2024. The bank reported an annual profit of \$58.5B, the largest by any bank in recorded history. Similarly to Visa, this was driven by an extremely strong performance in the fourth quarter as the market surged following the presidential elections.

BENCHMARK

Select Sector SPDR Financial Fund (XLF): XLF is an ETF that tracks the financial sector of the stock market.



International

Analyst: Youbesh Dhaubhadel

INTERNATIONAL 2024 YEAR REVIEW

In 2024, international markets presented mixed results, with developed markets demonstrating resilience and concentration while emerging markets faced structural challenges but offered selective opportunities. Key drivers included easing inflation, resilient GDP growth, and selective opportunities in emerging markets, despite geopolitical tensions and restrictive monetary policies impacting broader sentiment. Developed Markets: The MSCI EAF Index delivered a return of +3.41%, driven by performances in Japan and resilience in other developed economies despite weaker returns from Europe and the UK. Emerging Markets: The MSCI Emerging Markets Index returned +6.94%, with standout growth from China equities (+30%). However, manufacturing expansion slowed in Q4, while services activity accelerated, highlighting sectoral divergence. The Davis Portfolio includes international market holdings accounting for 8.04% of the portfolio, with a targeted allocation of 10%.

HOLDINGS

Toyota Motor Corporation (TM): is a Japanese multinational automotive manufacturer that produces a wide range of vehicles, including cars, trucks, and buses.

Nestle (NSRGY): is a Swiss multinational food and beverage conglomerate, with a wide range of products including coffee, bottled water, baby food, pet food, and confectionery.

iShares Core MSCI Europe (IEUR): offers broad exposure to the European stock market. Contains over 1,000 companies of which the top 10 make up only 18% of its fund.

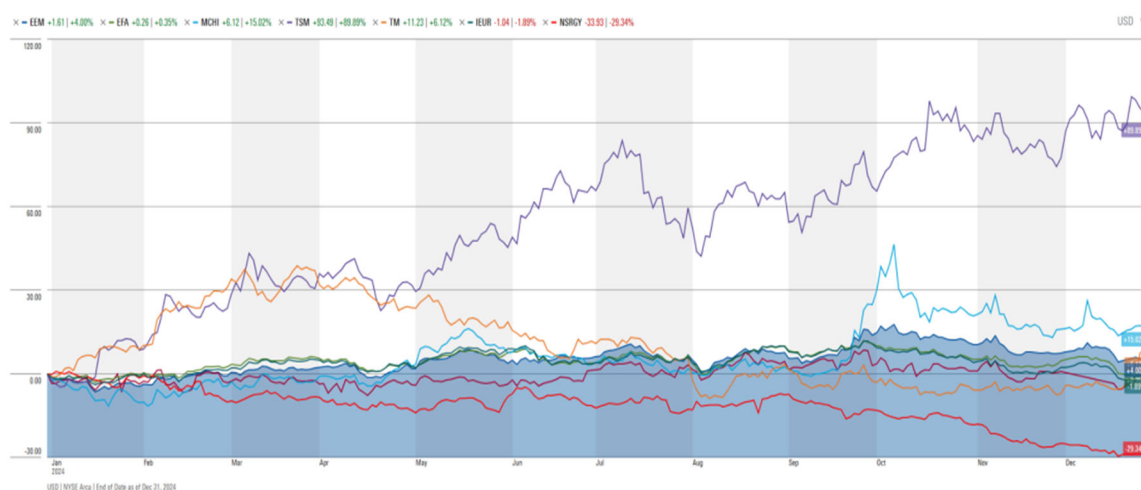
iShares MSCI China ETF (MCHI): seeks to track the performance of large & mid-cap Chinese stocks.

Shares Emerging Markets (EEM): is an emerging market ETF that seeks to track the investment results of an index composed of large and mid-capitalization emerging market equities.

Taiwan Semiconductor Manufacturing Co. (TSM): is a Taiwan-based technology company responsible for making 90% of the world's most advanced semiconductor chips.

BENCHMARK

MSCI EFA ETF: Exposed to a broad range of companies in Europe, Australia, Asia, and the Far East.



Alternatives

Analyst: Dylan Boucher

PRIVATE EQUITY 2024 YEAR REVIEW

The Davis Group's alternative sector comprises two crucial investments under the Private Equity (PE) umbrella, and a singular holding underneath the Real Estate Investment Trust (REIT) category. PE's unique market approach, compared to traditional investment instruments, underscores the growing importance of investor adoption. Maintaining a neutral stance through the 2022 downturn proved to be a strategic advantage, and coupled with our historically low beta within the Davis Group, both factors may be conclusive as to why we have not suffered significant volatility throughout the varying economic sentiments this year.

HOLDINGS

KKR & Co Inc (KKR): Since our initial position in December 2021, KKR has surged 100.60%, reflecting strong market confidence in private equity. Following January 2024, the stock reached \$157.57, far exceeding our entry at \$78.55. This impressive growth aligns with our bullish stance, bolstered by rising institutional demand, favorable macro conditions, and robust analyst ratings. KKR's annualized return of 24.16% and its dividend yield of 0.47% further solidify its role in our portfolio.

Blackstone Group LP (BX): Since our position in November 2018, Blackstone has achieved a 382.05% gain, reinforcing its dominance in alternative asset management. As of early 2024, BX trades at \$179.95, well above our entry at \$37.33. Despite elevated operational costs, Blackstone's ability to outperform the market and its 28.45% annualized return continue to justify its place in our strategy.

CubeSmart (CUBE): As our sole REIT holding, CubeSmart has demonstrated resilience, returning 10.56% since our purchase in March 2021. Trading at \$41.36, it remains aligned with market expectations, with a dividend yield of 4.76% and an annualized return of 2.59%.

BENCHMARK

Standard & Poor's ETF (SPY): As the weighting of the tech market within this index fluctuates through volatility and speculations from top asset managers and institutions, the benchmark's integrity to accurately reflect our true market is questioned by some economists and financial players. However, there are no changes in regulation yet.



THE DAVIS GROUP

The 2024 Davis Group Members

JEFFERSON CILLEY – PORTFOLIO MANAGER

Jefferson Cilley is a graduating senior earning a degree in finance and an academic certificate in trading and capital management. Since joining the Davis Group in fall 2023, he has served as a sector analyst for both the financial and healthcare sectors, sector coordinator for the sensitive sector, Junior Portfolio Manager, and ultimately, Portfolio Manager. Outside of the Davis Group, Jefferson is a member of the Barker Trading and Capital Management Program and has served as President of his fraternity, Pi Kappa Alpha. He is grateful for the opportunities provided by the Davis Group and the College of Business and Economics throughout his undergraduate studies, as well as the friendships he has formed along the way. Upon graduation, Jefferson will join Sunwest Bank as a Commercial Banking Analyst in their Boise, Idaho office.

REECE WIMER – JUNIOR PORTFOLIO MANAGER

Reece Wimer is a graduating senior at the University of Idaho studying Finance and Marketing. He has been a part of the Davis Investment Group since the Fall of 2023. Serving as a Sector Coordinator for the Defensive Sector, the Junior Portfolio Manager, and a Sector Analyst for both consumer staples and basic materials, Reece has made a profound impact in his brief time in the group. Reece is also involved in the Barker Capital Management group and is pursuing a certificate in Trading and Capital Management. He is extremely honored to be a part of this group because it helped him seek growth as a leader, an individual, and a presenter. All of this allowed him to increase his knowledge of the market and come across opportunities he may never have had otherwise. With this, he wanted to note all the friendships and connections that he has made while being a member of this team.

DYLAN BOUCHER – JUNIOR PORTFOLIO MANAGER

Dylan Boucher is a Senior Finance & Economics student within the University. Before entering academia, he spent two years as the Head of Cryptocurrency and Alternative Equity Trading at HIMK Capital, a private hedge fund in Roseville, California, following his retirement from collegiate athletics at Mount Marty University (S.D.). Since then, he has taken on the role of Junior Portfolio Manager at The Davis Group and co-founded the Barker Capital Management Trading Club as Vice President. Dylan holds multiple certifications, including Decentralized Finance Strategy (2025), Blockchain Management (2024), and Bloomberg Market Concepts (2023), along with credentials in niche areas such as Nutritional Counseling (2019). His professional experience beyond academia includes an Associate Banking role at J.P. Morgan Chase (2022) and a tri-sector corporate internship in Project Finance at Clenera Renewables (2024). He has also worked in non-western medicine therapy sales in the Treasure Valley. He will graduate in the Fall of 2025.

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COOPER OWEN – SECTOR COORDINATOR

Cooper Owen is a Junior at the University of Idaho, majoring in Finance. Cooper joined the Davis Investment Group in the fall of 2024 as a sector analyst for the Defensive Sector. He is now a sector coordinator for the Sensitive Sector. Cooper values being part of the Davis Group because of the opportunity to help manage real funds, learn more about the market and grow as a leader. Cooper has enjoyed the real-world experience he has gained from being part of the Davis Group and is excited to learn more in the future. In his free time, Cooper enjoys being outdoors and playing basketball.

JACK KATOVICH – SECTOR COORDINATOR

Jack Katovich is a Junior majoring in Finance. This is Jack's second semester in the Davis group, serving as a Sector Analyst and a Sector Coordinator. Jack is a member of Sigma Chi, where he has served as Philanthropy chair, Annotator, and Scholarship chair. During the summers, Jack works for Discovery Land Company at its subsidiary, Gozzer Ranch in Coeur d'Alene on their Wakestaff teaching clients how to wakesurf. Jack is from Washington State and loves to ski, snowmobile, and surf. Jack is also a trader in the Barker Student Investment Fund.

YUBESH DHAUBHADEL – SECTOR COORDINATOR

Youbesh Dhaubhadel is a senior set to graduate in May 2025 with a Bachelor of Science in Business Economics, blending a holistic approach to business, economics, and finance. His academic journey, rooted in a passion for investment and portfolio management, has prepared him for a global leadership career equipped with a sharp skill set and an adaptive mindset. Youbesh complements his education with hands-on experience, including roles in the Davis Student Investment Fund and as a Sector Coordinator and analyst for almost all the sectors since joining the Davis group in his Sophomore year. A passionate learner, Youbesh is an MIT Innovation and Leadership Bootcamp alumnus and a Watson Scholar, where he honed his entrepreneurial skills, collaborating with diverse teams to pitch business ideas from scratch and advancing to finals in competitive boot camps. Beyond academics, he's a self-described "minimal capturer"—a photographer and multimedia creator who explores the world through his lens, funding pursuits like the MIT Bootcamp with his craft. Sony Alpha features his photography work and is having a solo photography exhibition at the Aurora History Museum.

MICAH GREEN – SECTOR COORDINATOR

Micah Green is a dedicated finance student at the University of Idaho, specializing in investment analysis and portfolio management. As a Sector Coordinator for Defensive Sectors in the Davis Student Investment Management Group, he conducts in-depth research to support strategic investment decisions. His professional experience spans private fund administration and investment advisory, where he has contributed to improving operational efficiency and financial forecasting. With a strong foundation in private equity, real estate, and large-cap equities, Micah is passionate about applying analytical rigor to optimize investment performance.

THE DAVIS GROUP

JACKSON NEGUS – SECTOR COORDINATOR

Jackson is a Junior at the University of Idaho studying finance. Through the Davis group and the Barker program he is pursuing the investment management and analysis certificate as well as the trading and capital management certificate. His senior year he plans to pursue CFA level one and continue along the Davis Barker finance track. He is unsure what he wants to pursue after college but is certain that the hands-on learning experiences at the university will be invaluable in industry. Outside the classroom, Jackson can be found tutoring in the Vandal Success Center or hitting the ski slopes.

YIOUBESH DHAUBHADEL – SECTOR COORDINATOR

Youbesh Dhaubhadel is a senior set to graduate in May 2025 with a Bachelor of Science in Business Economics, blending a holistic approach to business, economics, and finance. His academic journey, rooted in a passion for investment and portfolio management, has prepared him for a global leadership career equipped with a sharp skill set and an adaptive mindset. Youbesh complements his education with hands-on experience, including roles in the Davis Student Investment Fund and as a sector coordinator and analyst for almost all the sectors since joining the Davis group in his sophomore year. A passionate learner, Youbesh is an MIT Innovation and Leadership Bootcamp alumnus and a Watson Scholar, where he honed his entrepreneurial skills, collaborating with diverse teams to pitch business ideas from scratch and advancing to finals in the competitive bootcamp.

GEORGE FORSMANN– SECTOR ANALYST

George Forsmann is a senior finance major from Lewiston, ID. This is George's 3rd semester in the Davis Group; he has previously been a coordinator for the International Equity Sector, an analyst for the Private Equity sector, and is currently an analyst for the Technology Sector. Along with his Finance degree, he has a minor in Statistics and certificates in Trading & Capital Management and Business Analytics, is a Graue Scholar, was president of his fraternity and the vice president of the Interfraternity Council on campus. George accepted a position with Fisher Investments in Camas, WA after graduation in May 2025.

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MICHELLE BERRELLEZA – SECTOR ANALYST

Michelle Berrelleza is a sophomore majoring in finance with a strong passion for capital markets and investment strategies. Since Fall 2024, she has been a dedicated member of the Davis Investment Group, where she actively analyzes market trends and collaborates on investment research. Her interest in trading led her to join the Barker Trading Program in Spring 2024, further refining her skills in portfolio management and financial analysis. Recently, she was accepted into the Girls Who Invest Online Intensive Program and is waitlisted for the Summer Intensive Program, an opportunity she eagerly anticipates. With plans to graduate in Spring 2027, she hopes to pursue a career in investment management or a related field. Beyond finance, she enjoys working on cars in her free time, a hands-on passion that mirrors her analytical mindset and love for problem-solving.

AIDAN SMITH – SECTOR ANALYST

Aidan is a junior at the University of Idaho studying economics and finance. Aidan's areas of interest in finance include investment analysis and financial management, which he pursues at the University of Idaho through his role in the Davis Group and as the VP of Finance for Vandal Solutions. Aidan's career goal following his undergraduate studies is to pursue a legal career as an attorney. Outside of academics, Aidan loves the Pacific Northwest outdoors, and in his free time is often skiing, mountain biking, climbing, and hiking.

LABISH GAUCHAN – SECTOR ANALYST

Labish Gauchan is a Junior at the University of Idaho, majoring in Finance. Originally from Nepal, she is an international student with a strong passion for investment and financial analysis. She joined the Davis Student Investment Group as a Sector Analyst in Fall 2024. In Fall 2023, she studied abroad in London, where she worked as a Social Media Brand Ambassador for USAC, promoting global education opportunities. In addition, she interns at the Office of Sponsored Programs, gaining valuable experience in financial reporting and grant management. Beyond her academic and professional endeavors, she finds comfort in the world of literature, immersing herself in novels and poetry as a way to escape and unwind.

KARA GROSSMAN – SECTOR ANALYST

Kara Grossman is a freshman at the University of Idaho majoring in finance. She graduated from high school with a STEM diploma and her associate's degree from North Idaho College. Along with being an analyst in Davis Investment Group, she is also an analyst in the Barker Trading club and a member of Graue Scholars.

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LONDON FOLAND – SECTOR ANALYST

London Foland is currently a junior at the University of Idaho, pursuing a degree in Finance with plans to build a career in financial advising. He has been recognized for his academics by earning a place on the Dean's List. London joined the Davis Investment Group in the spring semester of 2025, where he has served as a sector analyst for the energy sector. Through this experience, he has gained valuable financial analysis skills and hands-on investment knowledge that will contribute to his future success. He looks forward to furthering his involvement in the group and taking on greater leadership roles. Beyond academics, London is a dedicated member of the Sigma Chi fraternity, where he has previously served as Social Chairman and is currently the Recruitment Chairman. He is also an active member of the National Society of Leadership & Success. London is eager to continue developing his expertise in finance while making meaningful contributions to both his academic and professional communities.

JAKE VEARE – SECTOR ANALYST

Jake Veare is a Freshman at the University of Idaho as a Mechanical Engineer major. Jake joined the Davis Group in the Spring of 2025 as an analyst of Industrials. He is very passionate about gaining knowledge in the stock market through the Davis Group. He has had many successful collaborations with other members and enjoys working with them. When Jake is not with the group he enjoys making wake surf boards with his dad, wake surfing, skiing, going on fishing trips, and hanging out with his friends.

BEN OREM – SECTOR ANALYST

Ben Orem is a Sophomore at the University of Idaho and is currently studying Finance and business analytics as his major. Ben joined the Davis Investment group in the spring of 2025 as an analyst of the Consumer discretionary. He is very passionate about the market and is committed to expanding his knowledge and research with the Davis group. Outside of the Davis group, he is a part of the Inter-Fraternity Council as the Vice President of Recruitment. His goal is to expand his knowledge and use his skills that he obtains from the Davis group and pursue a career in the Finance side.

MASON ALLEN – SECTOR ANALYST

Mason Allen is a Sophomore at the University of Idaho as an Accounting major. Mason joined the Davis Investment group in the Spring of 2025 as an analyst of emerging markets. He is passionate about global economies and looks to extend his reach through the Davis Group. He has enjoyed collaborating with the other members and hopes to spend the rest of his time at the university with the group. When he is not with the group he enjoys skiing and surfing.

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GARRIK STRONG – SECTOR ANALYST

Garrik Strong is a sophomore at the University of Idaho, majoring in economics, accompanied by a minor in Spanish. He joined the Davis Group in the spring of 2025 following a fall semester abroad in Santiago, Chile. Strong is a sector analyst responsible for international equities in developed markets. He found the international sector intriguing and enjoys tracking multiple countries. Strong is grateful for the opportunity to hear the thoughts and opinions of other club members, to be a part of the international sector, and the learning opportunities the club has provided.

References

Morningstar Investment Research Center. Retrieved April 4th, 2025, from <http://library.morningstar.com/>.

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Contact Information

Davis Investment Group

875 Perimeter Dr. Moscow, ID

Tel (208) 885-6478

www.uidaho.edu/cbe/enterprises/davis-investment-group

