

**Defender Capital Management**  
**Q2 2025 Report**  
July 31, 2025

**Executive Summary**

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**Performance.**

DCM began Q2 2025 with a portfolio value of \$1,325,711.47 and ended at \$1,426,806.58, resulting in a total return of 7.63% for the quarter. Despite the solid growth, we underperformed our benchmark (S&P 500), which returned 10.57% over the same period. Our performance was led by strong gains in the Information Technology sector: AMD (38.12%), TSM (36.44%), and MSFT (32.5%). These gains were driven primarily from AI and Cloud momentum. However, those gains were partially offset by losses from CVX (-14.41%), BABA (-14.23%), and ELV (-10.58%). With the cash that we had from Q1 we were able to add to our holding in GOOG and exited our PSA holding towards the end of the semester to find new opportunities, however with the uncertainty that remained in the market we decided to hold a little bit more cash over the summer. Heading into the second half of 2025, DCM will continue to look for long-term value in companies that we are buying.

**Cash.**

We entered the quarter with \$35,674.72 in cash. Over the quarter, we received \$5,990.68 in net dividend income and \$3.72 in interest. Our Public Storage (PSA) sale resulted in a \$23,827.09 inflow, while our Google (GOOG) purchase was for \$24,495.71. The quarter ended with a cash balance of \$40,999.83 – up 14.9% from the end of Q1.

**Club Notes.**

Q2 2025 marked a calm quarter in terms of trading, as we ended the semester with an increased cash position amid elevated market uncertainty as we went into the summer. While we remain confident in the long-term strength of our core holdings, we felt it was prudent to maintain flexibility given potential volatility during the break. We look forward to the upcoming school year with optimism and are excited to deploy capital into new opportunities as market conditions evolve. We appreciate the continued support of the DCM board and all members who contribute to the fund's success.

In His service,



**Caleb Smit**  
*President*



**Caden Koole**  
*Vice President*

**Gerrit Hedman**  
*Accountant*

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## I. Q1 Performance

*Table 1. Change in Portfolio Value from March 31, 2025 – June 30, 2025*

<i>Change in Portfolio Value</i>		
Portfolio Value on 3-31-25		\$ 1,325,711.47
Contributions		\$ -
Realized Gain/Loss*		\$ 8,680.27
Adjmnt?		\$ -
	\$ 86,420.44	
Interest	\$ 3.72	
Dividends (Net F/T & Fees)	\$ 5,990.68	
Change in Portfolio Value		\$ 92,414.84
<b>Portfolio Value on 06-30-25</b>		<b>\$ 1,426,806.58</b>

During the second quarter ended June 30, 2025, DCM reported a total return of 7.63%. The S&P 500 returned 10.57% over the same period, slightly outperforming our portfolio. The momentum of AI was evident in our strong performing stocks, while underperforming earnings expectations and lowering guidance was a main reason for poor performance.

*Table 2. Returns*

<i>Second Quarter Returns</i>	
Beginning Invested Value	\$1,325,711.47
Ending Invested Value	\$1,426,806.58
Money Weighted Return	8.21%
Risk Weighted IRR	8.43%
Total Period Return	7.63%
S&P 500	10.57%

## II. Statement of Positions

*Table 3. Statement of Position*

Security	Shares Owned	Cost Basis	Current Price	Market Value	Gain / (Loss)	Percent Change	Percent of Portfolio	Ending Beta	Weighted Beta	Last Period Price	Current Period Return	Last Period Value	Change in Value	
AMD	235	39,879.50	141.9	\$ 33,346.50	\$ (6,533.00)	-16.38%	2.34%	2.05	0.048	\$ 102.74	38.12%	\$ 24,143.90	\$ 9,202.60	
TSM	176	32,991.18	226.49	\$ 39,862.24	\$ 6,871.06	20.83%	2.79%	1.34	0.037	\$ 166.00	36.44%	\$ 29,216.00	\$ 10,646.24	
MSFT	90	30,291.16	497.41	\$ 44,766.90	\$ 14,475.74	47.79%	3.14%	1.03	0.032	\$ 375.39	32.50%	\$ 33,785.10	\$ 10,981.80	
DG	415	30,112.40	114.38	\$ 47,467.70	\$ 17,355.30	57.64%	3.33%	0.31	0.010	\$ 87.93	30.08%	\$ 36,490.95	\$ 10,976.75	
DIS	199	28,521.97	124.01	\$ 24,677.99	\$ (3,843.98)	-13.48%	1.73%	1.56	0.027	\$ 98.70	25.64%	\$ 19,641.30	\$ 5,036.69	
DLR	235	24,942.67	174.33	\$ 40,967.55	\$ 16,024.88	64.25%	2.87%	0.97	0.028	\$ 143.29	21.66%	\$ 33,673.15	\$ 7,294.40	
CARR	546	19,489.36	73.19	\$ 39,961.74	\$ 20,472.38	105.04%	2.80%	1.31	0.037	\$ 63.40	15.44%	\$ 34,616.40	\$ 5,345.34	
AMZN	340	14,437.24	219.39	\$ 74,592.60	\$ 60,155.36	416.67%	5.23%	1.34	0.070	\$ 190.26	15.31%	\$ 64,688.40	\$ 9,904.20	
PYPL	409	29,983.75	74.32	\$ 30,396.88	\$ 413.13	1.38%	2.13%	1.45	0.031	\$ 65.25	13.90%	\$ 26,687.25	\$ 3,709.63	
GOOG	700	41,520.37	177.39	\$ 124,173.00	\$ 82,652.63	199.07%	8.70%	1.00	0.087	\$ 156.23	13.54%	\$ 109,361.00	\$ 14,812.00	
CSCO	662	19,322.27	69.38	\$ 45,929.56	\$ 26,607.29	137.70%	3.22%	0.90	0.029	\$ 61.71	12.43%	\$ 40,852.02	\$ 5,077.54	
NKE	352	29,874.19	71.04	\$ 25,006.08	\$ (4,868.11)	-16.30%	1.75%	1.25	0.022	\$ 63.48	11.91%	\$ 22,344.96	\$ 2,661.12	
WFC	388	17,481.80	80.12	\$ 31,086.56	\$ 13,604.76	77.82%	2.18%	1.16	0.025	\$ 71.79	11.60%	\$ 27,854.52	\$ 3,232.04	
BLK	50	39,467.50	1049.25	\$ 52,462.50	\$ 12,995.00	32.93%	3.68%	1.42	0.052	\$ 946.48	10.86%	\$ 47,324.00	\$ 5,138.50	
RTX	209	13,785.25	146.02	\$ 30,518.18	\$ 16,732.93	121.38%	2.14%	0.63	0.013	\$ 132.46	10.24%	\$ 27,684.14	\$ 2,834.04	
NICE	199	39,854.69	168.91	\$ 33,613.09	\$ (6,241.60)	-15.66%	2.36%	0.37	0.009	\$ 154.17	9.56%	\$ 30,679.83	\$ 2,933.26	
DE	110	40,115.90	508.49	\$ 55,933.90	\$ 15,818.00	39.43%	3.92%	1.09	0.043	\$ 469.35	8.34%	\$ 51,628.50	\$ 4,305.40	
USB	370	11,124.58	45.25	\$ 16,742.50	\$ 5,617.92	50.50%	1.17%	1.01	0.012	\$ 42.22	7.18%	\$ 15,621.40	\$ 1,121.10	
CBRE	231	12,997.22	140.12	\$ 32,367.72	\$ 19,370.50	149.04%	2.27%	1.30	0.029	\$ 130.78	7.14%	\$ 30,210.18	\$ 2,157.54	
SYK	90	5,002.00	395.63	\$ 35,606.70	\$ 30,604.70	611.85%	2.50%	0.92	0.023	\$ 372.25	6.28%	\$ 33,502.50	\$ 2,104.20	
QCOM	350	26,929.61	159.26	\$ 55,741.00	\$ 28,811.39	106.99%	3.91%	1.27	0.050	\$ 153.61	3.68%	\$ 53,763.50	\$ 1,977.50	
MA	86	15,063.36	561.94	\$ 48,326.84	\$ 33,263.48	220.82%	3.39%	1.02	0.035	\$ 548.12	2.52%	\$ 47,138.32	\$ 1,188.52	
T	934	21,970.04	28.94	\$ 27,029.96	\$ 5,059.92	23.03%	1.89%	0.61	0.012	\$ 28.28	2.33%	\$ 26,413.52	\$ 616.44	
ADBE	100	40,581.95	386.88	\$ 38,688.00	\$ (1,893.95)	-4.67%	2.71%	1.51	0.041	\$ 383.53	0.87%	\$ 38,353.00	\$ 335.00	
RIO	470	18,315.56	58.33	\$ 27,415.10	\$ 9,099.54	49.68%	1.92%	0.63	0.012	\$ 60.08	-2.91%	\$ 28,237.60	\$ (822.50)	
PFE	1360	39,982.88	24.24	\$ 32,966.40	\$ (7,016.48)	-17.55%	2.31%	0.50	0.012	\$ 25.34	-4.34%	\$ 34,462.40	\$ (1,496.00)	
CROX	351	29,687.44	101.28	\$ 35,549.28	\$ 5,861.84	19.75%	2.49%	1.38	0.034	\$ 106.20	-4.63%	\$ 37,276.20	\$ (1,726.92)	
EXC	884	33,474.03	43.42	\$ 38,383.28	\$ 4,909.25	14.67%	2.69%	0.47	0.013	\$ 46.08	-5.77%	\$ 40,734.72	\$ (2,351.44)	
PG	165	10,027.64	159.32	\$ 26,287.80	\$ 16,260.16	162.15%	1.84%	0.40	0.007	\$ 170.42	-6.51%	\$ 28,119.30	\$ (1,831.50)	
AAPL	512	8,476.95	205.17	\$ 105,047.04	\$ 96,570.09	1139.21%	7.36%	1.20	0.088	\$ 222.13	-7.64%	\$ 113,730.56	\$ (8,683.52)	
EPD	690	20,016.95	31.01	\$ 21,396.90	\$ 1,379.95	6.89%	1.50%	0.64	0.010	\$ 34.14	-9.17%	\$ 23,556.60	\$ (2,159.70)	
ELV	79	7,192.59	388.96	\$ 30,727.84	\$ 23,535.25	327.22%	2.15%	0.61	0.013	\$ 434.96	-10.58%	\$ 34,361.84	\$ (3,634.00)	
BABA	208	14,991.75	113.41	\$ 23,589.28	\$ 8,597.53	57.35%	1.65%	0.20	0.003	\$ 132.23	-14.23%	\$ 27,503.84	\$ (3,914.56)	
CVX	106	8,853.16	143.19	\$ 15,178.14	\$ 6,324.98	71.44%	1.06%	0.80	0.009	\$ 167.29	-14.41%	\$ 17,732.74	\$ (2,554.60)	
		\$ 816,758.91		\$ 1,385,806.75	\$ 569,047.84		97.13%		0.974			\$ 1,290,036.75		
			Cash	\$ 40,999.83			2.87%					Cash	\$ 35,674.72	
				<b>\$ 1,426,806.58</b>			<b>100.00%</b>					<b>\$ 1,325,711.47</b>		

\*Positions sold for the quarter are hidden

### Performance.

DCM's portfolio rose by 7.63% in Q2 and underperformed the S&P 500, which gained 10.57% over the same period. Our performance was led by strong gains in the Information Technology sector: AMD (38.12%), TSM (36.44%), and MSFT (32.5%). However, those gains were partially offset by losses from CVX (-14.41%), BABA (-14.23%), and ELV (-10.58%).

Microsoft's stock rose in Q2 as strong momentum in cloud and AI continued to drive investor optimism. Azure growth remained solid, and adoption of Microsoft 365 Copilot increased across enterprise clients. In late June, Windows 11 reached market share parity with Windows 10, signaling broad user adoption and strengthening confidence in the company's software ecosystem. Combined with ongoing investment in AI infrastructure, these developments positioned Microsoft as a long-term leader in the AI-driven tech landscape.

AMD saw positive movement in Q2 following several key announcements. On May 14, the company authorized a \$6 billion share buyback program and raised its revenue guidance above Wall Street expectations. In June, AMD unveiled its next generation of AI chips—the MI350 and MI400—at its “Advancing AI” event in San Jose. The momentum continued with a critical supply agreement with Samsung Electronics, reinforcing AMD’s growing role in the global AI hardware race.

TSMC’s stock benefited in Q2 from accelerating AI-related demand. In May, the company reported a 40% year-over-year increase in AI revenue, underscoring its role as a key supplier for high-performance chips. Additionally, news broke of SoftBank’s proposed \$1 trillion AI and robotics hub—Project Crystal Land—in Arizona, potentially involving TSMC as a strategic partner. These developments highlighted TSMC’s importance in global AI supply chains and boosted investor confidence.

Chevron’s stock declined in Q2 as oil prices fluctuated and trended lower, putting pressure on revenue. The company reported a 44% year-over-year drop in net income for the quarter, driven largely by weaker commodity pricing. The decline in profitability weighed on investor sentiment, especially as the energy sector became more volatile in the face of shifting global demand.

Alibaba faced a challenging Q2, with its Q4 earnings report in May falling short of analyst expectations. The miss was attributed to ongoing macroeconomic headwinds in China, including slower consumer spending and regulatory uncertainty. These factors created a bearish outlook for the company, contributing to the stock’s underperformance during the quarter.

Elevance Health saw its stock fall in Q2 following an earnings miss and lowered guidance. The company cited elevated medical costs as a key factor squeezing margins, which, combined with broader sector-wide pressure on healthcare stocks, contributed to a negative outlook. Investor concerns about rising healthcare utilization rates added to the stock’s weakness throughout the quarter.

## Sales.

*Table 4. Sales*

Trade Date	Quantity	Security	Unit Price	Amount	Fee	Net Amount
<b>SALES</b>						
5/2/2025	79	PSA	\$ 301.6087	\$ 23,827.09	\$ (0.67)	\$ 23,826.42

Realizing a gain of approximately \$8,000, DCM sold PSA on May 2, 2025. While PSA remains a dominant player in the self-storage industry, we had growing concerns about slowing revenue growth and increased supply entering key markets. Additionally, the REIT sector faces headwinds from elevated interest rates, which can pressure valuations. With PSA trading near historical valuation highs, we felt it was an opportune moment to sell as the Real Estate sector of our portfolio was overvalued by approximately 6% compared to the S&P 500. The sale also freed up capital for more compelling opportunities in sectors with stronger growth catalysts.

## Purchases.

Table 5. Purchases

Trade Date	Quantity	Security	Unit Price	Amount
<b>PURCHASES</b>				
4/4/2025	160	GOOG	\$ 153.098	\$ 24,495.71

With available capital and a long-term focus on quality growth, we decided to add to our position in Alphabet (GOOG) on April 4. The company continues to dominate in digital advertising while expanding rapidly in AI, cloud computing, and autonomous technology. At the time of purchase, we believed the market had undervalued Alphabet's diversified revenue streams and strong free cash flow generation. Regulatory concerns and a temporary slowdown in ad spending had pressured the stock, but we viewed these as short-term headwinds. Adding more GOOG also helped balance our exposure in the communication services sector and aligned with our strategy of owning innovative, cash-rich companies with long-term upside. As of June 30, Alphabet has returned 15% since our purchase.

## III. Portfolio Diversification

Table 6. Portfolio to S&P Diversification

Industry	% of S&P 500	% of DCM Portfolio	Targeted Amount for Future Investments (%)	Targeted Amount for Future Investments (\$)
Consumer Discretionary	10.40%	14.88%	-4.48%	(\$62,081.04)
Consumer Staples	5.50%	1.90%	3.60%	\$49,931.57
Energy	3.00%	2.64%	0.36%	\$4,999.16
Financials	14.00%	12.92%	1.08%	\$14,997.67
Health Care	9.30%	7.17%	2.13%	\$29,579.09
Industrials	8.60%	9.12%	-0.52%	(\$7,234.44)
Information Tech	33.10%	28.65%	4.45%	\$61,707.70
Materials	1.90%	1.98%	-0.08%	(\$1,084.77)
Telecommunications	9.80%	12.69%	-2.89%	(\$40,071.89)
Utilities	2.40%	2.77%	-0.37%	(\$5,123.92)
REIT	2.00%	5.29%	-3.29%	(\$45,619.14)
<b>Totals</b>	<b>100.00%</b>	<b>100.00%</b>		

At the end of Q2, DCM remains most overweight in Consumer Discretionary and REITs. Based on current allocations, we remain underweight in Information Technology, Consumer Staples and Health Care—we will need to determine whether further additions align with our long-term allocation strategy. We're also monitoring Consumer Discretionary and Real Estate, both of which have shown strong performance, areas we'll be evaluating for potential rebalancing in upcoming meetings.

Table 6. Sector Returns

	This Quarter	Last Quarter	Change	Change as % of Portfolio
Energy	\$ 36,575.04	\$ 41,289.34	-11.42%	-0.56%
Health Care	\$ 99,300.94	\$ 102,326.74	-2.96%	-0.77%
Materials	\$ 27,415.10	\$ 28,237.60	-2.91%	-0.21%
Consumer Discretionary	\$ 206,204.94	\$ 188,304.35	9.51%	0.28%
REIT	\$ 73,335.27	\$ 87,527.24	-16.21%	-1.49%
Consumer Staples	\$ 26,287.80	\$ 28,119.30	-6.51%	-0.28%
Financials	\$ 179,015.28	\$ 164,625.49	8.74%	0.16%
Information Tech	\$ 396,994.33	\$ 364,523.91	8.91%	0.39%
Telecommunications	\$ 175,880.95	\$ 130,419.02	34.86%	2.58%
Industrials	\$ 126,413.82	\$ 113,929.04	10.96%	0.29%
Utilities	\$ 38,383.28	\$ 40,734.72	-5.77%	-0.39%
	\$ 1,385,806.75	\$ 1,290,036.75	7.42%	

### Balancing.

In Q2 2025, Telecommunications led DCM's portfolio with the strongest performance, gaining 34.86% and driven primarily by strong returns from Alphabet and Disney. This helped bolster returns and improve our positioning in the sector. Conversely, Real Estate Investment Trusts (REITs) saw the largest decline, dropping 16.21% as elevated interest rates and market headwinds continued to pressure valuations. Despite these shifts, overall sector weightings in the portfolio remained fairly stable throughout the quarter. As we look ahead, we will continue to evaluate opportunities to strengthen our positioning—particularly within the Information Technology sector, where we remain underweight relative to the broader market and see potential for long-term growth.

#### IV. Quarterly Income

At the end of the quarter, our total dividend income came to \$6,029.15 before foreign taxes and fees, and \$5,990.68 after. RIO was the largest contributor with \$1,057 of dividends paid to the account and an annual yield of 6.7%. Other key names included Exelon, AT&T, Digital Realty Trust, and Pfizer. These dividends helped offset some of the unrealized losses in the portfolio and provided DCM with added purchasing power throughout the quarter.

#### V. Club Expenses

Category	Amount
Valueline 3 year subscription	\$ (897.00)
Website Domain 6/11 Wix.Com	\$ (59.58)
Website Management 6/11 Wix.Com	\$ (462.24)
Donation 4/17	\$ 1,200.00
Donation 6/24	\$ 250.00
<b>Total</b>	<b>\$ 31.18</b>

During Q2, 2025 DCM had total expenses of \$1,418.82 which covered costs of our clubs Value line subscription and website management. These expenses were offset by two donations totaling \$1,450 resulting in positive cash flow of \$31.18.

Table 7. Statement of Income

Date	Security	Q2 2025 Amount
4/1/2025	NKE	\$ 140.80
4/10/2025	TSM	\$ 119.27
4/15/2025	USB	\$ 185.00
4/17/2025	RIO	\$ 1,057.50
4/22/2025	DG	\$ 244.85
4/23/2025	CSCO	\$ 271.42
4/30/2025	SYK	\$ 75.60
5/1/2025	T	\$ 259.19
5/8/2025	DE	\$ 178.20
5/9/2025	MA	\$ 65.36
5/14/2025	EPD	\$ 369.15
5/15/2025	AAPL	\$ 133.12
5/15/2025	PG	\$ 174.37
5/22/2025	CARR	\$ 122.85
6/2/2025	WFC	\$ 155.20
6/10/2025	CVX	\$ 181.26
6/12/2025	MSFT	\$ 74.70
6/12/2025	RTX	\$ 142.12
6/13/2025	EXC	\$ 353.60
6/13/2025	PFE	\$ 584.80
6/16/2025	GOOG	\$ 147.00
6/23/2025	BLK	\$ 260.50
6/25/2025	ELV	\$ 135.09
6/26/2025	QCOM	\$ 311.50
6/30/2025	DLR	\$ 286.70
<b>Total Dividends</b>		<b>\$ 6,029.15</b>
Foreign Tax		\$ (25.05)
Fees		\$ (13.42)
<b>Total Income</b>		<b>\$ 5,990.68</b>
<b>Portfolio Annualized Yield</b>		<b>1.73%</b>
Interest		\$ 3.72
<b>Total Income w/ Int on cash</b>		<b>\$ 5,994.40</b>