

# **Todd A. Williams**

## **Student Investment Fund**

# **Annual Report**

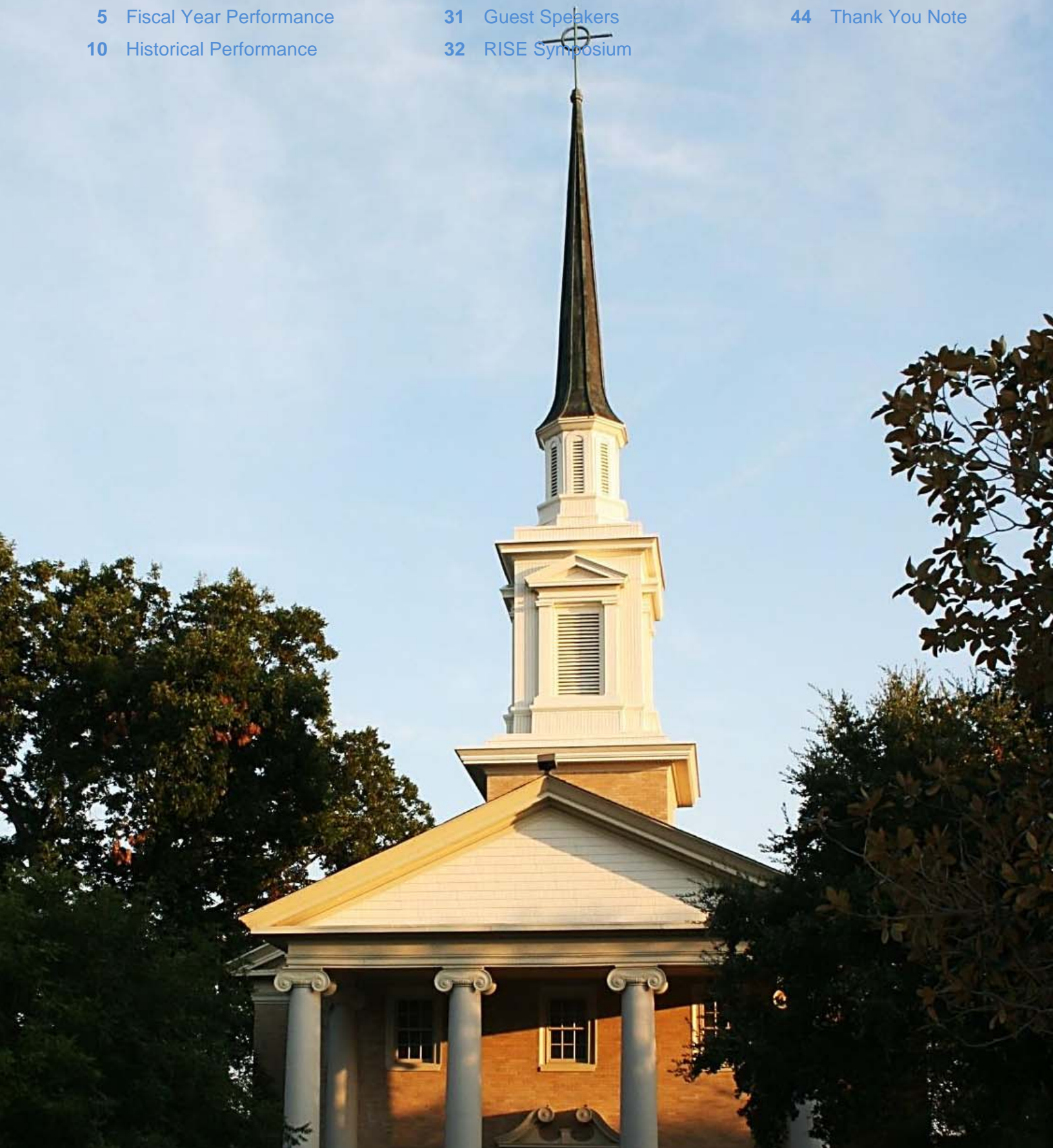
**April 2013 – March 2014**

**Austin College**



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# LETTER FROM THE FACULTY ADVISOR

Dear Todd A. Williams Student Investment Fund Constituents,

2013 was a great year for US stock market. Despite the challenges of the fiscal cliff, the Boston marathon bombing and the government shut down, the Dow Jones industrial average managed to finish the year up 26.5%, its best return since 1995 and the S&P 500 soared nearly 30%, its best performance since a 31.01% jump in 1997. The Todd A. Williams Student Investment Fund also experienced a tremendous growth in its portfolio during the 2013 calendar year with a yearly return of 23.6%. 2014 started differently than the end of 2013 due to the beginning of the Fed's tapering and the slowing down in emerging markets. During the first three months in 2014, the S&P 500 had a cumulative return of 1.29% while the Fund had a little better return of 1.72%. Overall, the Fund had a total return of 16% in the 2013-2014 fiscal year compared to the S&P 500 Benchmark's 19% return. The 3% underperformance, compared to the S&P 500, was due primarily to underperformance in the Fund's Consumer Staples sector and holdings of US Treasury Bonds.

This academic year, we have taken a deeper and closer look at our valuation methods and are seeing student managers use a wider variety of approaches. The varied evaluation approaches give the class a better understanding of how to value a corporation, weighting factors from different perspective of the economy. We believed that there were potential above average gains in the US equity market last year and we expanded our portfolio across different sectors. In May 2013, we acquired Aflac Inc. (AFL) on Financial sector, Varian Medical System (VAR) on Healthcare sector and V F Corp. (VFC) on Consumer Discretionary sector. In December 2013, we made purchases of Boeing Corp. (BA) on Industrials sector and Chevron Corp. (CVX) on Energy sector. We sold several ETFs from Bonds market in May and August 2013 to finance student scholarships. Another \$80,000 was withdrawn in August 2013.

From March 27<sup>th</sup> to 29<sup>th</sup>, 2014, four student managers were sent to attend the RISE 14 Symposium in Dayton, Ohio and finished 9<sup>th</sup> in the Growth Investment Style. While the Student Investment Fund targets the long run, the class participated in the Wall Street Journal Student Index online trading competition in April 2014 in order to grasp the concept of short-term investing.

Many achievements over the year were made possible by the generous support from our faculty advisors, alumni and friends. I would like to acknowledge and thank David Griffith, Jerry Johnson and Steve Ramsey for their continued guidance and advice. And, as well, I want to thank Todd Williams, Gail Utter, Brandon Troegle and John Mabury who were willing to share their vast array of knowledge with us as guest speakers. Lastly, I want to thank Todd Williams again for his active participating in the program and generous financial support. All the support had a positive effect not only the students in SIF class but also others on campus to establish and pursue their dreams.

The Economics and Business Administration department will continue to seek ways to develop the SIF program which goes beyond purely financial learning by also giving invaluable experience in the exchange of ideas, participation in management and development of leadership. The experience gained will translate into positive results in students' professional and personal lives. We really appreciate your support in this important mission.

Sincerely,



Dan Zhao  
Assistant Professor of Economics  
Principal Advisor for Todd A. Williams Student Investment Fund  
June 12, 2014



# HISTORY AND PROGRESS

**I**n August 2007, Todd A. Williams endowed Austin College with the sum of \$1,000,000 for the establishment of a student investment fund, now named the Todd A. Williams Student Managed Investment Fund (SIF or the Fund). The primary purpose of this endowment is to provide a learning experience for Austin College students in investment portfolio management. As of March 31, 2014, the Fund was valued at \$1,252,581.26 (after a total of \$160,000 was withdrawn from the Fund in 2013 as a scholarship contribution). Each year, student managers participate in the management of the Fund. Students who are interested in investing, but do not desire a board member position, are welcome to participate in SIF meetings. For guidance, a fund guideline document was created by Austin College alumni advisors to provide direction as to how the money should be handled by the Fund. The document emphasizes the importance of allowing the student managers the opportunity to make financial and managerial decisions regarding the corpus and operation of fund management.

The Fund, operating within this framework established by professional portfolio managers, has an objective of generating an 8 percent annual return (based on a three-year rolling average). The gains and earnings from the Fund are withdrawn and contributed to a scholarship fund, created by Todd A. Williams. As of March, 2014, there are 8 scholarships created from the Student Investment Fund, 4 are named for individuals and 4 are in a generically named fund. The names of the scholarships are as follows:

Dr. Jack Pierce Sponsored Founders Scholarship

Ms. Nan Davis Sponsored Founders Scholarship

Dr. Jerry Johnson Sponsored Founders Scholarship

Dr. Lisa M. Brown Sponsored Founders Scholarship

Williams Student Investment Fund Sponsored Scholarships (funds 4 students)



### Student Managers

From top left: Dan Zhao (Faculty Advisor), Cody Meyers, Jackson Ross, Alicia Mistry, Mitch Trentman, Zhiwei Cai, John-Phillip Seale, Katarina Heidenhofer, Eddie Contreras, and Rizwan Gangwani

From bottom left: David Smith, Yu Qin, Julie Coggins, Aaron Baldwin, Estefani Castillo and Blane Wortham

### Faculty Advisors



**David Griffith**  
Principal Advisor (2010-2012)  
Dean of Social Sciences



**Jerry Johnson**  
Professor of  
Business Administration



**Steve Ramsey**  
Principal Advisor (2007-2010)  
Department Chair



**Dan Zhao**  
Principal Advisor (2012-2014)

### Alumni Advisors



**Kirk Rimer**  
Managing Director  
Crow Holdings Capital  
Partners, L.L.C



**Todd A. Williams '82**  
Chair  
Austin College Board of



**Zeke Ashton '95**  
Managing Partner  
Centaur Capital Partners





# PROCESS AND STRATEGY

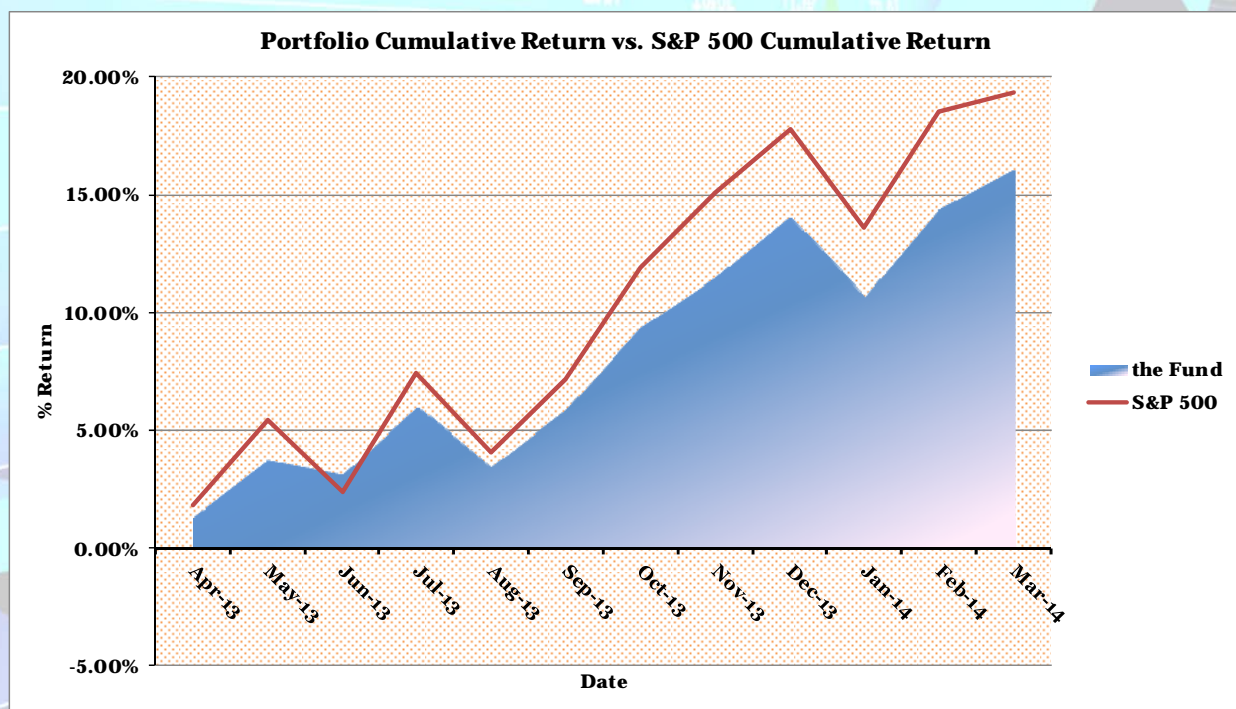
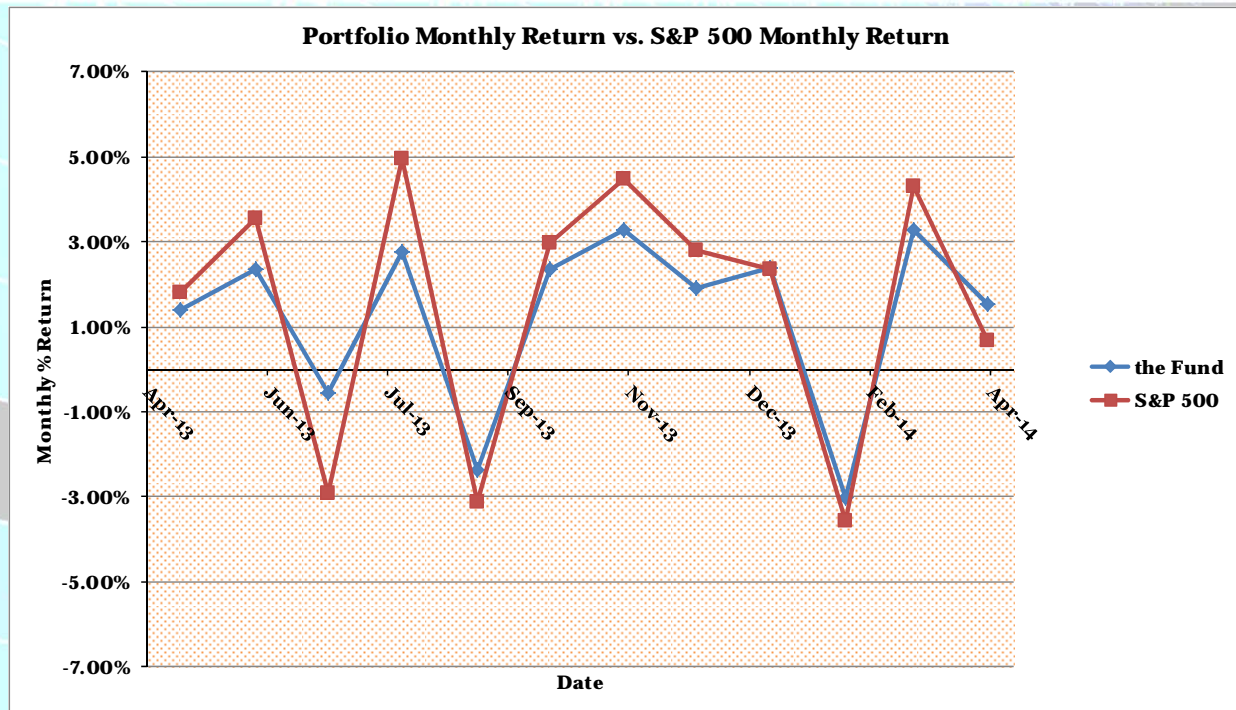
**T**here are two primary objectives of the Todd A. Williams Student Investment Fund. One is to help educate students on becoming better investors and assist them in determining whether or not investing is a field that they want to pursue as a career. The other is to involve AC alumni and assist them in reconnecting with the College by seeking graduates with investment or industry sector expertise who are willing to advise each student investment team on factors that they should consider in reaching their final recommendations.

The fund was initially allocated 30% toward fixed income securities and 70% in equities, with the equity component initially allocated 20% to non-U.S. equities and 50% to U.S. equities. At the beginning of each semester, the class reviews and potentially adjusts their allocations from these targeted levels based on the relative prospects for each component.

The overall goal of the Fund is to achieve an annualized return of 8% over a rolling three-year period. All securities are bought and sold through a separate Fund account with a discount brokerage firm (Wells Fargo), with the faculty sponsor for the class responsible for executing all trades as decided upon by the class. No short selling of any stock shall be permitted. Periodic reporting on the performance of the U.S. Equity Component of the Fund shall be contrasted against the overall performance of the S&P 500 during the same relative time frame. For the fixed income component, the class shall participate in the fixed income market through the purchase of Lehman Aggregate Shares ETF (AGG) unless amended by the Student Investment Fund Advisory Board.

When the managers inherited the Portfolio from last year, it held no exposures to the global market because we gradually shorted all the foreign exposures by January, 2013. Also, the financial sector and informational technology sector is a little overweight as the equities in those sectors experienced faster than average growth in the past few year. We might reconsider acquiring more global equity and rebalancing our portfolio in the future to restore the general guidelines.

# FISCAL YEAR PERFORMANCE



2013-14 Annualized Performance Statistics		Return	Standard Deviation
<i>the Fund</i>		16.15%	2.12%
<i>S&amp;P 500</i>		19.31%	3.08%

# GAINS AND LOSSES

UNREALIZED GAIN/LOSS IN 2013-14 FISCAL YEAR		% GAIN/LOSS
STJ - ST JUDE MEDICAL INC	12.36	61.70%
UNH - UNITEDHEALTH GROUP	12.34	43.31%
MSFT - MICROSOFT CORP	27.87	43.30%
GOOG - GOOGLE INC CL A VOTING	12.34	40.33%
VFC - V F CORPORATION	12.34	36.80%
JCI - JOHNSON CONTROLS INC	12.34	34.93%
ABBV - ABBVIE INC	12.34	26.04%
VAR - VARIAN MEDICAL SYSTEMS	12.34	23.09%
IWV - ISHARES RUSSELL 3000 ETF	12.34	20.17%
NRG - NRG ENERGY INC	12.34	20.05%
BRK'A - BERKSHIRE HATHAWAY INC	12.34	19.88%
IVV - ISHARES CORE S&P 500 ETF	12.34	19.56%
AFL - AFLAC INC	12.34	15.16%
CAT - CATERPILLAR INC	12.34	14.26%
GE - GENERAL ELECTRIC COMPANY	12.34	11.98%
ABT - ABBOTT LABORATORIES	12.34	9.03%
KRFT - KRAFT FOODS GROUP	12.34	8.87%
XOM - EXXON MOBIL CORP	12.34	8.40%
APA - APACHE CORP COMMON	12.34	7.50%
PG - PROCTER & GAMBLE CO	12.34	4.59%
EBAY - EBAY INC	12.34	1.88%
SHY - ISHARES 1-3 YR TREASURY BOND ETF	12.34	-0.02%
CVX - CHEVRON CORPORATION	12.34	-2.19%
AGG - ISHARES CORE U.S. BOND ETF	12.34	-2.55%
BA - BOEING CO	12.34	-4.34%
T - AT & T INC	12.34	-4.42%
<b>TOTAL UNREALIZED RETURN</b>		<b>15.51%</b>

REALIZED GAIN/LOSS IN 2013-14 FISCAL YEAR		% GAIN/LOSS
VBK - VANGARD SM CAP GRWTH ETF	12.34	16.73%
AGG - ISHARES CORE TOT US ETF	12.34	7.44%
SHY - ISHARES 1-3YR TREAS BD ETF	12.34	-0.12%
<b>TOTAL REALIZED RETURN</b>		<b>6.69%</b>



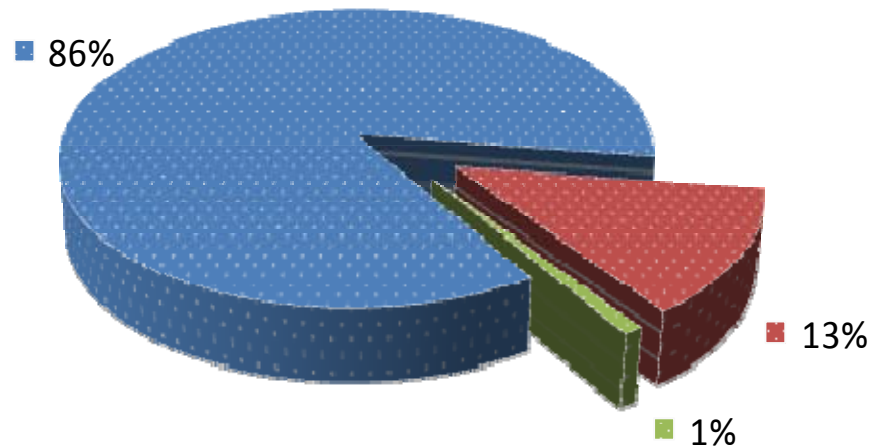
# POSITIONS

DESCRIPTION	QUANTITY	SHARE PRICE	\$ MARKET VALUE	% OF ACCOUNT
<b>STUDENT MANAGED EQUITY</b>			<b>\$879,201.60</b>	<b>70.19%</b>
<b>CONSUMER DISCRETIONARY</b>			<b>\$62,480.60</b>	<b>4.99%</b>
JCI - JOHNSON CONTROLS INC	745	47.32	\$35,253.40	2.81%
VFC - V F CORPORATION	440	61.88	\$27,227.20	2.17%
<b>CONSUMER STAPLES</b>			<b>\$68,972.10</b>	<b>5.51%</b>
PG - PROCTER & GAMBLE CO	546	80.60	\$44,007.60	3.51%
KRFT - KRAFT FOODS GROUP	445	56.10	\$24,964.50	1.99%
<b>ENERGY</b>			<b>\$94,174.65</b>	<b>7.52%</b>
XOM - EXXON MOBIL CORP	500	97.68	\$48,840.00	3.90%
APA - APACHE CORP COMMON	310	82.95	\$25,714.50	2.05%
CVX - CHEVRON CORPORATION	165	118.91	\$19,620.15	1.57%
<b>FINANCIALS</b>			<b>\$210,359.65</b>	<b>16.79%</b>
BRK'A - BERKSHIRE HATHAWAY INC	1	187,350.05	\$187,350.05	14.96%
AFL - AFLAC INC	365	63.04	\$23,009.60	1.84%
<b>HEALTH CARE</b>			<b>\$127,160.75</b>	<b>10.15%</b>
UNH - UNITEDHEALTH GROUP	400	81.99	\$32,796.00	2.62%
STJ - ST JUDE MEDICAL INC	500	65.39	\$32,695.00	2.61%
VAR - VARIAN MEDICAL SYSTEMS	290	83.99	\$24,357.10	1.94%
ABBV - ABBVIE INC	415	51.40	\$21,331.00	1.70%
ABT - ABBOTT LABORATORIES	415	38.51	\$15,981.65	1.28%
<b>INDUSTRIALS</b>			<b>\$93,808.17</b>	<b>7.49%</b>
GE - GENERAL ELECTRIC COMPANY	1500	25.89	\$38,835.00	3.10%
CAT - CATERPILLAR INC	360	99.37	\$35,773.20	2.86%
BA - BOEING CO	153	125.49	\$19,199.97	1.53%
<b>INFORMATION TECHNOLOGY</b>			<b>\$170,455.78</b>	<b>13.61%</b>
EBAY - EBAY INC	1193	55.24	\$65,901.32	5.26%
MSFT - MICROSOFT CORP	1300	40.99	\$53,287.00	4.25%
GOOGL - GOOGLE INC CL A VOTING	46	1,114.51	\$51,267.46	4.09%
<b>TELECOMMUNICATIONS SERVICES</b>			<b>\$19,989.90</b>	<b>1.60%</b>
T - AT & T INC	570	35.07	\$19,989.90	1.60%
<b>UTILITIES</b>			<b>\$31,800.00</b>	<b>2.54%</b>
NRG - NRG ENERGY INC	1000	31.80	\$31,800.00	2.54%
<b>EXCHANGE-TRADED FUNDS (ETFs)</b>			<b>\$362,044.36</b>	<b>28.90%</b>
<b>ETFs - BONDS AND FIXED INCOME</b>			<b>\$163,553.10</b>	<b>13.06%</b>
AGG - ISHARES CORE U.S. BOND ETF	960	107.91	\$103,593.60	8.27%
SHY - ISHARES 1-3 YR TREASURY BOND ETF	710	84.45	\$59,959.50	4.79%
<b>ETFs - DOMESTIC EQUITIES</b>			<b>\$198,491.26</b>	<b>15.85%</b>
IVV - ISHARES CORE S&P 500 ETF	550	188.14	\$103,477.00	8.26%
IWV - ISHARES RUSSELL 3000 ETF	846	112.31	\$95,014.26	7.59%
<b>CASH AND SWEEP BALANCES</b>			<b>\$11,335.30</b>	<b>0.90%</b>
<b>TOTAL ASSET VALUE</b>			<b>\$1,252,581.26</b>	<b>100.00%</b>

# ASSET ALLOCATION

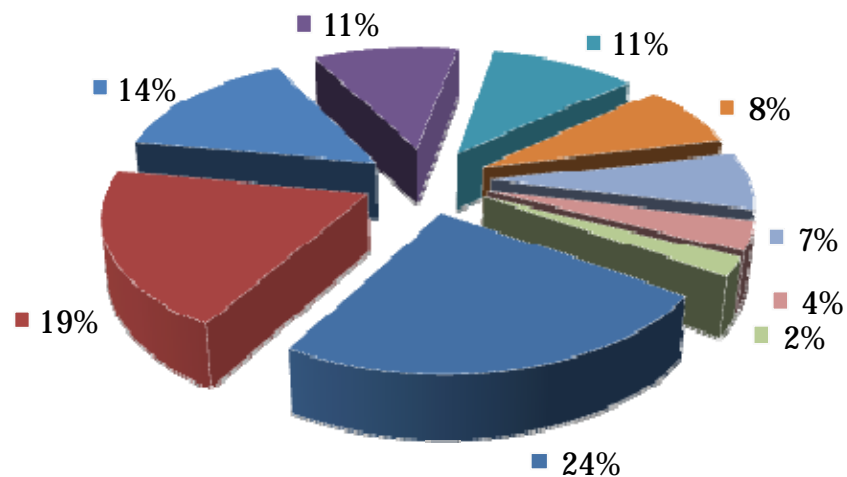
## Asset Allocation By Asset Class

■ Equity ■ Fixed Income ■ Cash



## Student-Managed Equities by Sector

■ Financials ■ Information Technology ■ Health Care  
■ Energy ■ Industrials ■ Consumer Staples  
■ Consumer Discretionary ■ Utilities ■ Telecommunications Services



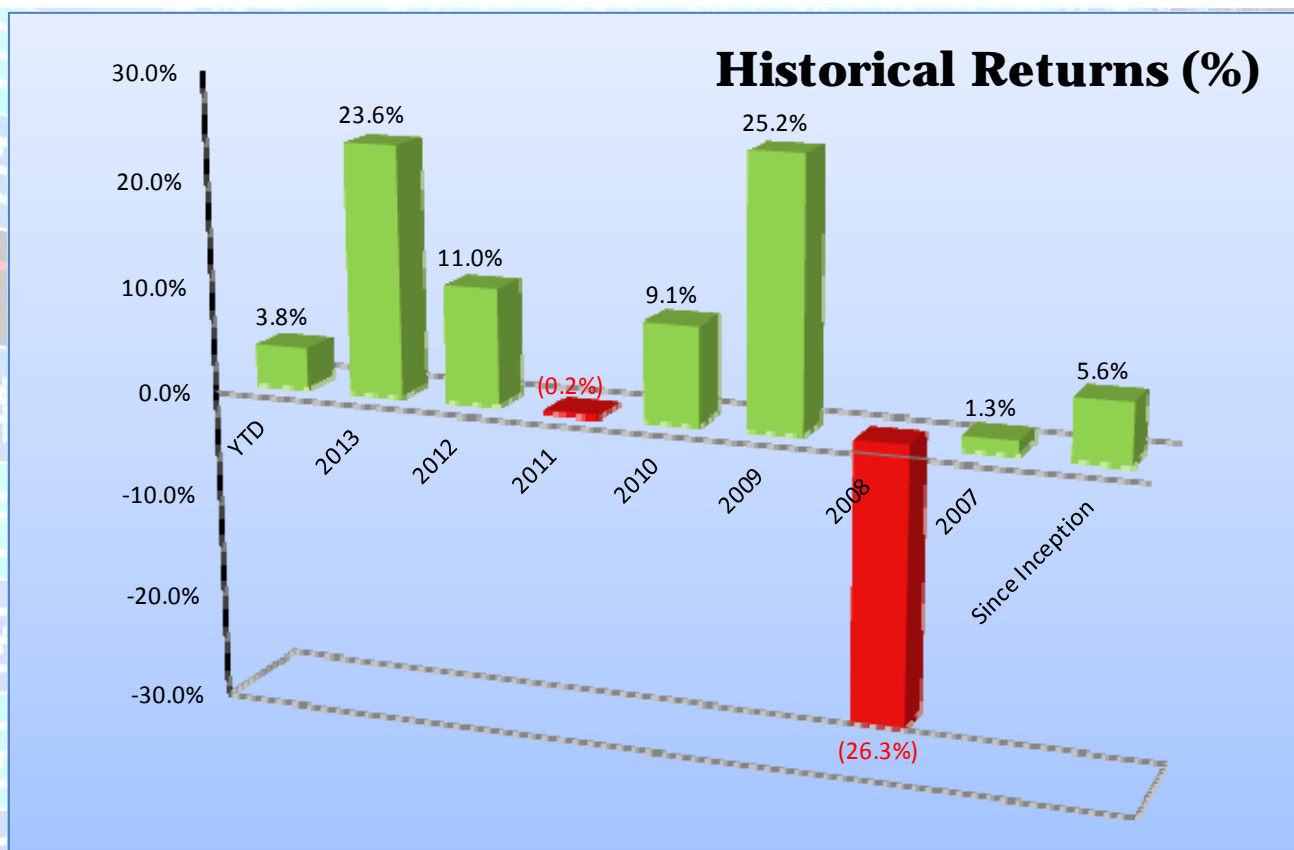


# RECONCILIATION OF ACTIVITIES

<b>Portfolio Income and Expenses</b>					<b>\$18,548.12</b>
Interest and Dividends					\$19,422.59
Tax and expenses					(\$874.47)
<b>Net Realized Gains and Losses</b>					<b>\$6,823.78</b>
<b>Realized Gains and Losses</b>	<b>Close Date</b>	<b>Quantity</b>	<b>Adj. Cost</b>	<b>Sale Proceeds</b>	<b>Gain/Loss</b>
VBK - VANGARD SM CAP GRWTH ETF	5/10/2013	280	\$24,466.80	\$28,560.76	\$4,093.96
AGG - ISHARES CORE TOT US ETF	8/9/2013	375	\$37,340.06	\$40,118.92	\$2,778.86
SHY - ISHARES 1-3YR TREAS BD ETF	8/9/2013	475	\$40,119.49	\$40,070.45	(\$49.04)
<b>Net Unrealized Gains and Losses on Short-term Holdings</b>					<b>\$13,610.90</b>
<b>Unrealized Gains and Losses</b>	<b>Open Date</b>	<b>Quantity</b>	<b>Adj. Cost</b>	<b>Market Value</b>	<b>Gain/Loss</b>
AFL - AFLAC INC	5/10/2013	365	\$19,981.32	\$23,009.60	\$3,028.28
VAR - VARIAN MEDICAL SYSTEMS	5/10/2013	290	\$19,787.65	\$24,357.10	\$4,569.45
VFC - V F CORPORATION	5/10/2013	440	\$19,903.65	\$27,227.20	\$7,323.55
BA - BOEING CO	12/4/2013	153	\$20,071.50	\$19,199.97	(\$871.53)
CVX - CHEVRON CORPORATION	12/4/2013	165	\$20,059.00	\$19,620.15	(\$438.85)
<b>Net Unrealized Gains and Losses on Long-term Holdings</b>					<b>\$153,073.32</b>
<b>Unrealized Gains and Losses</b>	<b>Open Date</b>	<b>Quantity</b>	<b>Adj. Cost on 4/1/13</b>	<b>Market Value</b>	<b>Gain/Loss</b>
ABBV - ABBVIE INC	11/17/2010	415	\$16,923.70	\$21,331.00	\$4,407.30
ABT - ABBOTT LABORATORIES	11/17/2010	415	\$14,657.80	\$15,981.65	\$1,323.85
AGG - ISHARES CORE U.S. BOND ETF	8/28/2007	960	\$106,300.80	\$103,593.60	(\$2,707.20)
APA - APACHE CORP COMMON	4/12/2012	310	\$23,919.60	\$25,714.50	\$1,794.90
BRK'A - BERKSHIRE HATHAWAY INC	3/6/2009	1	\$156,280.00	\$187,350.05	\$31,070.05
CAT - CATERPILLAR INC	10/20/2011	360	\$31,309.20	\$35,773.20	\$4,464.00
EBAY - EBAY INC	5/1/2008	1193	\$64,684.46	\$65,901.32	\$1,216.86
GE - GENERAL ELECTRIC COMPANY	3/13/2009	1500	\$34,680.00	\$38,835.00	\$4,155.00
GOOG - GOOGLE INC CL A VOTING	5/12/2011	46	\$36,532.64	\$51,267.46	\$14,734.82
IVV - ISHARES CORE S&P 500 ETF	8/28/2007	550	\$86,548.00	\$103,477.00	\$16,929.00
IWV - ISHARES RUSSELL 3000 ETF	8/28/2007	846	\$79,067.16	\$95,014.26	\$15,947.10
JCI - JOHNSON CONTROLS INC	11/6/2012	745	\$26,127.15	\$35,253.40	\$9,126.25
KRFT - KRAFT FOODS GROUP	11/6/2012	445	\$22,930.85	\$24,964.50	\$2,033.65
MSFT - MICROSOFT CORP	9/19/2008	1300	\$37,186.50	\$53,287.00	\$16,100.50
NRG - NRG ENERGY INC	2/10/2010	1000	\$26,490.00	\$31,800.00	\$5,310.00
PG - PROCTER & GAMBLE CO	9/26/2007	546	\$42,074.76	\$44,007.60	\$1,932.84
SHY - ISHARES 1-3 YR TREASURY BOND ETF	11/1/2010	710	\$59,973.70	\$59,959.50	(\$14.20)
STJ - ST JUDE MEDICAL INC	3/8/2012	500	\$20,220.00	\$32,695.00	\$12,475.00
T - AT & T INC	10/24/2007	570	\$20,913.30	\$19,989.90	(\$923.40)
UNH - UNITEDHEALTH GROUP	3/8/2012	400	\$22,884.00	\$32,796.00	\$9,912.00
XOM - EXXON MOBIL CORP	2/10/2010	500	\$45,055.00	\$48,840.00	\$3,785.00
<b>Change in Total Stock</b>					<b>\$166,684.22</b>
<b>Cash withdrawn</b>					<b>(\$80,000.00)</b>
<b>Income and Expenses</b>					<b>\$18,548.12</b>
<b>Beginning Balance of Fund - April 1, 2013</b>					<b>\$1,147,348.92</b>
<b>Ending Balance of Fund - March 31, 2014</b>					<b>\$1,252,581.26</b>

# HISTORICAL PERFORMANCE

BASED ON CALENDAR YEAR AS OF 5/31/2014



Year	Return (%)	Beginning Market Value	Deposits Minus Withdrawals	Investment Results	Ending Market Value
YTD	3.8%	\$1,230,884	\$0	\$46,170	\$1,277,053
2013	23.6%	\$1,145,307	(\$160,000)	\$245,577	\$1,230,884
2012	11.0%	\$1,031,634	\$0	\$113,673	\$1,145,307
2011	(0.2%)	\$1,033,897	\$0	(\$2,263)	\$1,031,634
2010	9.1%	\$947,965	\$0	\$85,933	\$1,033,897
2009	25.2%	\$757,399	\$0	\$190,566	\$947,965
2008	(26.3%)	\$1,027,563	(\$31)	(\$270,133)	\$757,399
2007	1.3%	\$1,014,658	(\$125)	\$13,030	\$1,027,563
Since Inception	5.6%	\$1,014,657	(\$160,156)	\$422,552	\$1,277,053



A black street sign for Wall Street, featuring the text "WALL ST" in large white letters. Above "WALL" is a white arrow pointing left with the number "1-9" next to it. The sign is mounted on a black pole. In the background, a blurred view of a city street with buildings is visible.

←1-9  
WALL ST

# CURRENT PORTFOLIO ANALYSIS

CURRENT DATE AS 3/31/2014

## ABBVIE INC.

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Ticker: ABBV  
Current Price: \$52.10  
Target Price: \$49  
Recommendation: Hold  
Analyst: Dagan Newsome

The Abbvie logo, consisting of the word "abbvie" in a lowercase, blue, sans-serif font.

Abbvie Inc is a research-based biopharmaceutical company whose products are used to treat diseases such as rheumatoid arthritis, psoriasis, Crohn's disease, HIV, cystic fibrosis and many more. Abbvie is in the healthcare sector as well as the Drug Manufacturers-Major Industry. The company at this time has around 25,000 employees with its stock type and stock style classified as classic growth and large core, respectively. Abbvie's long-term debt has increased from \$1,537 million in 2011 to \$17,827 million in 2013. This of course does not necessarily mean the company is on a downward spiral to bankruptcy, but it is still good to keep an eye on in the future.

Another problem according to Morningstar, not only for Abbvie but all drug companies, is that they will no longer be able to withhold the results of unfavorable clinical trials, if European laws are passed in the next month. If this happens, all drug companies could potentially lose a lot of customers/sales due to unfavorable studies that have been conducted and hidden from consumers in the past. For Abbvie Inc., the Austin College Student Investment fund already holds 415 shares valued at \$21,011.45 as of April 10, 2014. I have recommended staying neutral in terms of buying or selling our shares but if we did decide to buy more shares of this company, it could be beneficial in the long term.



## APACHE CORP.

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Ticker: ABBV  
Current Price: \$83.78  
Target Price: \$107  
Recommendation: Hold  
Analyst: Dayne Read



Apache's strength is exploitation and development in mature basins, including the Anadarko Basin of Oklahoma, the Permian Basin of West Texas and New Mexico, the San Juan Basin of New Mexico, the Texas and Louisiana Gulf Coast and the Outer Continental Shelf in the Gulf of Mexico. Apache has a proven record of adding value by increasing production and reserves in properties acquired from others.

Over the past couple of months, Apache Corp. has had a significant sell-off. There are a couple of reasons for this sell-off. They are: expected stagnant oil prices over the next few years and uncertainty surrounding their projects in Egypt. Apache has invested in several American companies such as Penn Energy. Apache faces challenges with big name competitors such as Conoco Phillips making it difficult for them to make the next step and become a household name in the oil and gas industry

## BOEING CO.

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Ticker: BA  
Current Price: \$123.64  
Target Price: \$72  
Recommendation: Hold  
Analyst: Eddie Contreras



Boeing is the world's leading aerospace company and the largest manufacturer of commercial jetliners and military aircraft combined. Additionally, Boeing designs and manufactures rotorcraft, electronic and defense systems, missiles, satellites, launch vehicles, and advanced information and communication systems. The firm generated nearly \$87 billion in sales and employed 168,400 people in 2013. Company sales are split 60/40 between the airplane and defense segments. However, Boeing faces uncertainty from government decisions and budgetary pressures. The company is performing well with a large \$441 billion backlog, providing a strong revenue visibility. The company decided to reengineer their 737 models instead of developing a new airplane which would have cost nearly \$10 billion.

My recommendation would be to keep this company's stock since it is doing well. Although there is a deficit in government spending, it isn't evident that this deficit is causing implications to the stock value.





## **BERKSHIRE HATHAWAY INC.**

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Ticker: BKR.A  
 Current Price: \$187,213  
 Target Price: \$215,000  
 Recommendation: Sell  
 Analyst: Julie Coggins

Given the size of Berkshire Hathaway, it will be difficult for Warren Buffet to expand the business. The company is already so large that it is difficult for them to make acquisitions that make a significant difference in capital. Additionally, Warren is nearing the age of retirement and will soon no longer be running the company. Investors are very nervous about Warren Buffet's retirement and doubt that his successor will be as successful as Buffet has been.

Berkshire Hathaway's success is due to the investment strategies that Buffet has created. Much of the public doubts that Buffet's successor will be able to maintain the growth that Berkshire Hathaway has enjoyed under Buffet.

## **BERKSHIRE HATHAWAY INC.**

Additionally, Berkshire Hathaway A stock is far more expensive (\$187,213) than any other piece of stock in the Austin College portfolio. This is a significant disadvantage because it does not allow for diversification. The Austin College portfolio has a value of approximately \$1,200,000; meaning that over 15% of its valued is tied up in one piece of stock (BKR.A). Through purchasing a less expensive stock, we would be able to ensure greater diversification of our portfolio which is key to having a successful portfolio.

## **CHEVRON CORP.**

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Ticker: CVX  
 Current Price: \$123.60  
 Target Price: \$132  
 Recommendation: Hold  
 Analyst: Estefani Castillo

Chevron is an energy company that focuses on delivering the most efficient and reliable energy now and in the future. This company began in 1879 when traces of oil were first discovered at Pico Canyon in Los Angeles, California. After merging with another company in 2005 and becoming Chevron, it became the leading energy company of the 21st century.



Chevron is exploring in the Gulf of Mexico, West Africa, northwest Australia and the gulf of Thailand. With the innovative gas projects being made in these countries, it is predicted that Chevron's profit will increase in the long-run. Chevron has also acquired 50% interest on the Kitimat LNG in Canada. Projects like these require little additional capital expenditure, so it will help reduce decline rates while also boosting free cash flow that will help reinvestments in other places or shareholder returns.



## EBAY INC.

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Ticker:	EBAY
Current Price:	\$56.04
Target Price:	\$63
Recommendation:	Hold
Analyst:	Blane Wortham

More than half of the world's Internet users are from emerging markets. eBay has a sizeable global market, with more than 52% of its revenue coming from international sales last year. An estimated 40% of new marketplace and PayPal customers used mobile devices in 2013. Many of these customers have low disposable incomes and often are from those emerging markets.



eBay has begun to rely on more of a fixed-cost system due to the small decrease in the number of auctions; however, analysts expect their fixed-cost system growth to more than offset the decrease in the number of auctions. PayPal accounted for 41% of eBay's revenue in 2013 and continues to attract buyers with its security and ease-of-use. eBay continues to acquire companies to help its platform. Merchant Services and Bill-Me-Later will likely be the primary growth engines in the coming years, and analysts estimate annual revenue growth will be in the high teens over the next five years.

## GENERAL ELECTRIC COMPANY

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Ticker:	GE
Current Price:	\$25.89
Target Price:	\$29
Recommendation:	Hold
Analyst:	Rutger Fuglesang

G.E. was founded in 1892 and is currently headquartered in Connecticut. The company is one of the largest in the world and in 2011 was listed as the 26<sup>th</sup> largest in the Fortune 500. The company operates through four segments: Energy, Technology Infrastructure, Capital Finance, and Consumer and Industrial.



G.E. was hit hard by the crisis in 2007 and the stock value dropped to \$8.51. The company has since been growing steadily but still has a distance to go before reaching its pre-crisis value of \$35. There are no major reasons to believe this steady, albeit slow, growth rate will stop and as such it would be unwise to sell any of our current stocks. G.E. has a wide economic moat primarily due to its huge presence but also due to its service model. Because of this, G.E. stocks are a very low risk. Furthermore, unlike many large companies, the separate G.E. segments synergize well with each other, lowering operational costs and giving it an edge.





## GOOGLE INC.

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Ticker: GOOG  
Current Price: \$556.97  
Target Price: \$520  
Recommendation: Hold  
Analyst: Alicia Mistry



Google is an online search company that specializes in advertising, operating systems and platforms, enterprise and hardware products. Company strengths include excellent brand recognition, a huge R&D segment, and they are very innovative. Google is also the industry leader with superior technology and has a 60% market share with no other competitor even having 10%. Google is clearly the online search industry's leader. Strong increases in online advertising will lead to increased profits and growth for the company. Its brand recognition and early dominance in this market has attracted habitual users who have built up a loyalty to Google which will most likely lead to little change in its market share. Google faces potential challenge from Apple and Facebook who are both huge competitors with large pools of resources as well.

## JOHNSON CONTROLS INC.

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Ticker: JCI  
Current Price: \$48.21  
Target Price: \$55  
Recommendation: Hold  
Analyst: Sean Rogers



Johnson Controls operates three businesses. The building efficiency segment is a \$14.6 billion group that provides controls and services for heating and air conditioning systems. The automotive experience segment is a \$21.8 billion business that primarily sells seats and interior products. The power solutions unit is a \$6.4 billion business that makes batteries for passenger vehicles, trucks, and other applications.

The company continues to diversify since 2005 as automotive segment sales contribution are down from 69% in 2005 to 51% in 2013. We believe that we should hold Johnson Control in our portfolio because the company still keeps its economic moat from cost advantages. The company makes a significant investment in the R&D which enabled innovative product technologies in all segments. The company also pays an annual dividend of 1.72%.



## *MICROSOFT CORP.*

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Ticker:	MSFT
Current Price:	\$40.99
Target Price:	\$42
Recommendation:	Hold
Analyst:	Rizwan Gangwani



With annual revenues of more than \$32 billion, Microsoft Corporation is more than the largest software company in the world; it is a cultural phenomenon. The company's core business is based on developing, manufacturing, and licensing software products, including operating systems, server applications, business and consumer applications, and software development tools, as well as Internet software, technologies, and services. Led by Bill Gates, the world's wealthiest individual and most famous businessman, Microsoft has succeeded in placing at least one of its products on virtually every personal computer in the world, setting industry standards and defining markets in the process. MSFT has risen by 39% over the past year, largely outperforming an 18% return for the S&P 500. This is a quality dividend stock which remains a buy at the current-level due to solid fundamentals, strong dividend and share buyback growth prospects and cheap valuation. In the future for Microsoft, transitioning to the cloud-based offerings should ensure continued strong cash flow generation and improve financial visibility. The company has a capacity to support 20% annual dividend growth and \$25B share buybacks through fiscal 2016.

## *PROCTER & GAMBLE CO.*

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Ticker:	PG
Current Price:	\$80.34
Target Price:	\$89
Recommendation:	Hold
Analyst:	Daniel Keene



Procter and Gamble Co. may not lead the industry among their peers in terms of growth but with a firm foundation, geographical diversification and institutional sentiment, the risk in a long-term investment in this company is very low. The company has not seen very much growth in the past year, however, it is capable. We can see in the past three years, there has been a 26% price increase and it has provided a 2.96% dividend yield for its stockholders. PG also has a solid valuation with a 16 ROE, P/Cash Flow just over the sector average of 15.6, P/S 2.6. PG has a debt to equity of .3 and a P/B of 3.2 well under the industry average. Although these numbers aren't terrific they give no alarm to bring us to sell our ownership in this company. It should be noted that Morningstar gives this company a good BUY number of 4 as well as Argus, while Charles Schwab, Reuters, Ned Davis Research and Market Edge are neutral or hold on this company. Revenue and Income have



## ST. JUDE MEDICAL INC.

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Ticker: STJ  
 Current Price: \$62.66  
 Target Price: \$59  
 Recommendation: Hold  
 Analyst: Mitch Trentman



St. Jude Medical, Inc., develops, manufactures and distributes cardiovascular medical devices for global cardiac rhythm management, atrial fibrillation therapy areas and neurostimulation medical devices for the management of chronic pain.

There was a recent raise in St. Jude Medical Inc. fair value with Morningstar. The estimated value increased to \$59 per share, up from \$53, to reflect slightly more optimistic estimates for CRM revenue growth, as well as cash flow realized since our last update. However, St. Jude faces tougher pricing conditions all around. Hospitals, under pressure themselves to remain profitable, are more likely to push back on vendors when negotiating contracts. Further cuts in Medicare reimbursement will exacerbate the situation. This effect could be more severe in competitive markets where cost-shifting is limited.

## AT & T INC.

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Ticker: T  
 Current Price: \$35.09  
 Target Price: \$34  
 Recommendation: Hold  
 Analyst: Cody Meyers



ATT is the second largest company in its industry with consistent positive cash flow. ATT has improved margins, taking market share and generating positive cash flow for several years. EBITDA margin has expanded from the mid-30's to around 40%. No one else in the industry besides VZ came close to that level of profitability. ATT recently spent \$1 billion to acquire WCS band (about 30 megahertz nationwide). Two-thirds of ATT fixed-line revenue is from business and wholesale and the company has a moat in these. They've had a positive EPS for the last 10 years. However, customers can easily switch to other companies, like T-Mobile, to save money which makes investment risky. The fixed-line moat is shrinking with a loss of customers to about 1/3 of what they used to have. ATT hasn't expanded their internet access customer base nearly as much as its cable rivals have. ATT expects cash flow to decline sharply in 2014 due to heavy spending of networks and cash taxes. This in turn would cause ATT to possibly not be able to meet debt obligations and could cut the dividend.





## UNITEDHEALTH GROUP

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Ticker: UNH  
Current Price: \$81.84  
Target Price: \$76  
Recommendation: Sell  
Analyst: Yu Qin



UnitedHealth Group®

UnitedHealth Group is the most popular healthcare company in the United States and also provides service all around the world. Ranked 17<sup>th</sup> on Fortune magazine's top 500 companies, it provided reasonable dividends in the past few years. Their position is ensured by the health care level in the United States. According to Morningstar rating, UnitedHealth's stock's value is \$76, which is below its current price. The day range and 52-week range show that the current price reached a new height. According to the graph of growth for the past few years, UnitedHealth Group's growth is below the average of the healthcare industry. The gap between these two curves indicates an increasing fall-behind tendency. The company's revenue shows consistent growth. Financial reports suggest a significant decrease in investment last year, which indicates the performance of year 2014 is not likely to be impressive. Although UnitedHealth Group is a safety stock to invest in, this investment already increased approximately 50%, compared with the purchase price. After analyzing the graph of price in years, I believe now is a good time to sell it.

## VARIAN MEDICAL SYSTEMS

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Ticker: VAR  
Current Price: \$84.30  
Target Price: \$78  
Recommendation: Hold  
Analyst: David Smith

**VAR***i***AN**  
medical systems

This company has limited competition, high barriers to entry, and high costs of changing provider. It is one of the oldest companies in the field, and helped develop the radiation therapy business. It is the leader in the market, with almost 60% of the share world-wide. Cancer is on the rise, and that means increased demand for Varian Medical Systems' services. New partnership allows for streamlining, increased efficiency, and growth. Because Varian is involved in a few high-barrier markets and are old, they have a good feel for, and grip on, their markets. Their specializations and age mean that they are widely used, have become profitable in their various markets, and can use those profits on research for existing products, or emerging markets. Increasing cancer rates means that there will be more patients in need of Varian's products, and that increase in demand will increase the supply, thereby creating revenue for Varian Medical Systems. The partnership with Siemens will help Varian reach new markets, as well as provide the capability for Varian's and Siemens' machines to communicate, thereby increasing efficiency.



## VF CORPORATION

Ticker: VFC  
 Current Price: \$60.36  
 Target Price: \$58  
 Recommendation: Hold  
 Analyst: Zhiwei Cai



VF Corporation is an American clothing corporation. VF Corporation sells jeans wear, underwear, daypacks, and work wear. The corporate headquarters are in Greensboro, North Carolina, while the International headquarters were recently moved to Stabio, Switzerland.

I believe that we should hold VFC because the Outdoor & Action Sports coalition represents over half of VF revenue and is a high-margin, quickly growing category with much room for innovation. At 17.4% in 2012. EBIT margins were about 350 basis points higher than the consolidated VF EBIT margin. In addition, international expansion and direct-to-consumer growth opportunities indicate that most existing brands are not yet mature and can yield above-average growth. Mix shifts resulting from the execution of strategic goals should lead to margin expansion.

## EXXON MOBIL CORP.

Ticker: XOM  
 Current Price: \$97.04  
 Target Price: \$109  
 Recommendation: Hold  
 Analyst: John-Phillip Seale



Exxon Mobil Corp., or ExxonMobil, is an American multinational oil and gas corporation headquartered in Irving, Texas, United States. Exxon has made dramatic steps to compete in a world of diminishing resources. Exxon is handling its growth/reserve replacement issue by investing in projects like oil sands and LNG that produce at plateau production levels for longer than traditional projects and reduce its overall decline rates. Also, relatively little reinvestment is required after the large initial up-front capital, which results in a significant free cash flow generation after startup. This shows that Exxon is not only an industry leader but an industry innovator. The stock is also very consistent.

Exxon's production dropped by 6% last year, but Warren Buffet's buying of \$3.4 billion in Exxon stock and selling almost half of his stake in ConocoPhillips (Exxon's biggest competitor) speaks volumes to the present and future of Exxon Mobil.



# WATCH LIST

**CURRENT DATE AS 3/31/2014**

## **CVS CAREMARK CORP.**

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Ticker: CVS  
Current Price: \$74.29  
Target Price: \$68  
Recommendation: Buy  
Analysts: Daniel Keene  
Dagan Newsome

CVS Caremark Corporation (CVS Caremark), together with its subsidiaries, is a pharmacy health care provider in the United States. CVS Caremark provides pharmacy services through its pharmacy benefit management (PBM), mail order and specialty pharmacy division, CVS Caremark Pharmacy Services; approximately 7,300 CVS/pharmacy retail stores; retail-based health clinic subsidiary, MinuteClinic, and its online retail pharmacy, CVS.com. The Company operates in three business segments: Pharmacy Services, Retail Pharmacy and Corporate.

CVS has a strong root in pharmaceutical retail, services and advisement. They have seen steady growth in the past year. They are expected to increase revenue next quarter. The company has minimal debt/equity of .03. Dividend yield of 1.48. The company has a beta of Morningstar BUY 4, Schwab equity of B, Credit Suisse set to Outperform etc. This industry is expected to grow. With more people expected to need health care, pharmaceutical retailers are expected to provide more prescription medication along with a growing amount of patient welfare. After last year, Net revenues for CVS increased 3.0% to a record \$126.8 billion, with 3.8% increase in Pharmacy Services and 3.1% increase in Retail Pharmacy. Relative to the industry, their revenue growth over the last 3 years is pretty substantial (CVS has 9.8 w/ industry avg. of 5.9) We also can see that Income from continuing operations attributable to CVS for the year ended December 31, 2013 increased 18.8%, or \$729 million, to \$4.6 billion compared to \$3.9 billion the prior year. The company gives out dividends regularly throughout the year as well.

**CVS  
CAREMARK**





## Covidien PLC

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Ticker: COV  
Current Price: \$70.58  
Target Price: \$75  
Recommendation: Buy  
Analyst: Rutger Fuglesang



Covidien was originally part of Tyco, a huge security firm. However Tyco wanted to keep its health care sector as a separate company, so in 2007 Tyco health care became Covidien. Covidien sells a wide variety of products in pharmaceuticals, medical devices, and medical supplies. Covidien is an industry leader who, with Johnson & Johnson, has a monopoly on the business with a fairly large economic moat. The economic moat is significant since for other companies to join the market, they need to convince hospitals to switch away from the brand recognized Covidien to the new product. Covidien has recently begun taking steps to outshine its main competitor J&J. For instance, Covidien recently moved its headquarters to Ireland, which gave the company a more favorable tax structure. Finally, China's expenditure on health care is expected to increase dramatically in the upcoming years. If so, companies that are on the international market, such as Covidien, should see a significant increase in sales.

## DISCOVER FINANCIAL SERVICES

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Ticker: DFS  
Current Price: \$59.8  
Target Price: \$57  
Recommendation: Neutral  
Analyst: Yu Qin



Discover Financial Service was the first company to provide cash rewards credit card service, beginning in 1986, and that continues to be their primary focus. Even with the products lack of diversity, they keep 50 million cardholders and 3rd largest credit card brand ranking in the US. From the growth graph, we can see that Discover Financial Service has significantly grown in the past few years. The curve is straight, which means the performance is consistently good. Comparing Discover with the industry and S&P 500, its performance has been better than the average of both samples. Credit card service has grown since 2009, which makes a large and traditional company like Discover a safe choice. The revenue continues to increase, with dividends doubling since 2009. This shows a fast recovery after the financial crisis. The earnings per share ratio also support its profitability. On March 26<sup>th</sup>, the Federal Reserve announced that other companies' plans, including Citigroup, HSBC, and Bank of America, were rejected because of internal problems. Bad news from competitors will be helpful for Discover Financial Service's stock price.



## EATON CORP PLC

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Ticker:	ETN
Current Price:	\$75.77
Target Price:	\$86
Recommendation:	Buy
Analyst:	Cody Meyers

Eaton Corporation PLC is a power management company providing energy-efficient solutions that help its customers effectively manage electrical, hydraulic and mechanical power.

Eaton's moat is also supported in its aerospace business; once a product is specified for an aircraft's design, it is not economical to change that product after the aircraft is certified and begins production. Even if a competitor introduced a more compelling technology than Eaton's, the significant costs of changing the aircraft design and engineering would make switching away from Eaton unfeasible. ETN's niche in the aerospace market is in-flight refueling; every aircraft that is capable of in-flight refueling has Eaton's products in it. You cannot have an in-flight refuel without Eaton's manufacturing. ETN has a long dividend history, and also recently increased their dividend. Geographic expansion to faster-growing markets, especially the auto market can increase profitability in the company.



ETN is a leader in military defense. Their accounting can be trusted because it is government issued. The company makes military aerospace parts and technology. All aerial refueling in the world is equipped with Eaton's hardware. ETN makes government vehicles including USPS and four of the top five heavy duty original equipment manufacturers use ETN's transmissions in their trucks. Their hybrid technology system captures the normal power lost from braking and stores it in batteries which help trucks efficiently stop and go. This works well for stop and go trucks such as city buses, school buses, city delivery trucks, power line trucks and trash trucks. Its batteries also provide power for the hydraulic lifts. Major companies operating with the Eaton hybrid system include FedEx, Coca-Cola, PepsiCo and UPS.



## ***GILEAD SCIENCES INC.***

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Ticker:	GILD
Current Price:	\$70.65
Target Price:	\$87
Recommendation:	Buy
Analyst:	Alicia Mistry



Gilead Sciences is a biopharmaceutical company that discovers, develops, and produces new medicines. Company strengths include small salesforce, inexpensive manufacturing, and selective research and development. With the late 2013 approval of Sovaldi, a drug to treat Hepatitis C, Gilead can potentially be the only pharmaceutical company with such a cure. Competition from other pharmaceutical companies could challenge Gilead. Glaxo, for example, could introduce a Truvada/Tivicay single-tablet regimen once patents begin to expire, and generic versions of other medications like Atripla should be available beyond 2021.

## ***PETSMART INC.***

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Ticker:	PETM
Current Price:	\$69.80
Target Price:	\$71
Recommendation:	Buy
Analyst:	Sean Rogers



PetSmart Inc. provides specialty products, services and solutions for the lifetime needs of pets in North America. It offers products for all the life stages of pets, professional grooming, training, day camp for dogs and boarding. Because of their unique position to corner an entire industry, their stock has risen dramatically since last year's analysis. It would still be a good decision to buy this stock considering how cheap it is compared to its fair value estimate. Last year, I struggled between a decision on whether to support PETM or Chevron as my choice in the stock market decision we made as a class. I think I can safely say now that PETM would have been a decent choice for its price at the time. However, after a sharp decline in price over the past few months PETM has been making a massive comeback and sometimes has climbed over ten dollars in a single day. It is the time to buy into the pet market.



## COCA-COLA CO.

Ticker:	KO
Current Price:	\$38.41
Target Price:	\$44
Recommendation:	Buy
Analysts:	Rizwan Gangwani Mitch Trentman



Coca-Cola is also the leader in its industry, as it owns the top 5 sparkling beverages. The Market cap of a company helps us gauge the size of a company and the smaller Market cap companies are known as Nano caps. Nano caps are known for being more volatile, or more risky. KO has a Market cap of \$171,345 million. This passes the test and helps classify KO as a large cap company. Also, a beta of .35, much lower than 1, helps show that this investment is a low risk investment. KO's cash flow per share is \$2.41 which is greater than the market cash flow per share of \$1.67. Companies with stronger cash flow are typically the value oriented investments and that is what we look for in our portfolio. This stock also has been increasing its dividend output for 10 years now. In 2004, KO was closing near \$45 but its dividends were close to only .5%. Today the dividend yield is closer to 3%. Although consumer tastes in several developed markets are shifting away from Coke's core carbonated products, the firm has aggressively pursued growth in emerging categories. As long as Coke remains focused on the demands of the consumer, we expect its distribution network to preserve Coke's position as the leading global beverage supplier and to maintain its solid returns on invested capital.

## WHOLE FOODS MARKET INC.

Ticker:	WFM
Current Price:	\$51.10
Target Price:	\$45
Recommendation:	Buy
Analyst:	Zhiwei Cai



Whole Foods Market, Inc., with stores in the USA, Canada, and the UK, is an American foods supermarket chain specializing in natural and organic foods that first opened on September 20, 1980. Whole Foods Market is headquartered in Austin, Texas. In 2007, Whole Foods reported net revenue of \$6.6 billion; in 2013 the company reported net revenue of \$12.9 billion, representing 10.18% per year annual growth, a tremendous feat that is anticipated to continue into the future, as some analyst estimates put 2016 net revenues at nearly \$20 billion. Whole Foods has turned into much more than just the fruit stand at the end of the block; they operate 365 stores in the US, Canada, and the UK, and are not going to be seriously affected by any occurrence exclusive to one region in any country. The annualized dividend is 0.82%. This dividend nearly matches what you could get in any saving account.



## *MICHAEL KORS HOLDINGS LTD.*

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Ticker:	KORS
Current Price:	\$95.25
Target Price:	-
Recommendation:	Hold
Analysts:	Julie Coggins Aaron Baldwin



Founded in 1981 by designer Michael Kors, the company produces a diverse assortment of handbags, watches, accessories, jewelry, fragrance products and footwear. The company is present in 85 countries, selling their products through department stores and also through their own stores. 89% of their revenue comes from US sales, 10% from European sales and 1% from other markets.

Throughout the recession, Michael Kors was able to maintain strong sales growth. As the economy grows stronger, consumers have more disposable income. Some consumers will choose to spend this income on luxury goods such as the products of Michael Kors. Since the company went public in 2010, the stock price has increased five-fold and there has been a significant increase in EBITDA from \$75 million to \$988 million. Financially, the company is the strongest it has ever been. Michael Kors also has high brand recognition, meaning that consumers purchase Michael Kors because they trust that it is good quality. It is very difficult to build this recognition in the luxury goods market as there are already so many reputable brands present. Although Michael Kors has only been around for a relatively short amount of time, they have widespread brand recognition throughout the world, thanks in part to technology.

It is very difficult for American brands to break into the European luxury market, but Michael Kors has been able to do so successfully. Michael Kors has been able to appeal to European consumers by being fashion forward and yet much more affordable than European luxury brands (Louis Vuitton, Gucci). Michael Kors presence in Europe has allowed its sales to increase drastically as Europeans account for 34% of worldwide luxury purchases.

Additionally, emerging markets like China are becoming increasingly interested in luxury goods. Currently, Asia makes up less than 1% of Michael Kors sales. Michael Kors is also planning to expand their customer base by adding to its men's division. The company is determined to make its men's collection just as successful as its female, which means greater profits for the company.

# University Trading competition

**W** SJ Student Index Challenge (the "Contest") is open only to students enrolled in an accredited college or university in the United States as of April 1, 2014 who are legal residents of the fifty (50) United States (and the District of Columbia), and are at least eighteen (18) years old at the time of entry. It is a Wall Street Journal sponsored trading competition for university students. To qualify to be a winner, one must trade at least 10 different stocks/securities and cash must not exceed \$20,000 at the end of the game on April 30th, 2014. The competition is from 4/2/2014 to 4/30/2014 and there are a total of 7559 players participating in the competition. Starting budget is \$100,000.00 and all symbols can be traded. Short selling and margin trading are also enabled.

Students from the SIF class learned a lot from participating in this competition. Especially, a difference between a "trader" and "investor" has been understood well. Cody Meyers earned the highest return from the SIF with a total return of 1030% (later he was disqualified for trading RLSPY, a highly volatile OTC stock in market). The final top players list is as follows:

Top Ranked Players					
Rank	Name	Net Worth	Total Returns	% Total Returns	# of Trades
1	Joshua Strauss	<b>\$1,334,897.33</b>	\$1,234,897.33	92.51%	2,984
2	Patrick McKenna	<b>\$1,188,225.79</b>	\$1,088,225.79	91.58%	3,118
3	Thomas Fleig	<b>\$736,708.32</b>	\$636,708.32	86.43%	1,952
4	Michael Woolf	<b>\$591,988.28</b>	\$491,988.28	83.11%	3,345
5	Andrew Macpherson	<b>\$502,064.93</b>	\$402,064.93	80.08%	4,773
6	Benjamin Chu	<b>\$500,856.47</b>	\$400,856.47	80.03%	1,084
7	Skyler Hoyt	<b>\$301,779.34</b>	\$201,779.34	66.86%	1,705
8	Xin Ge	<b>\$280,338.56</b>	\$180,338.56	64.33%	1,584
9	Ryan Evers	<b>\$229,647.61</b>	\$129,647.61	56.46%	292
10	Jaime Carreno	<b>\$194,831.61</b>	\$94,831.61	48.67%	1,581



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### Aaron Baldwin

Net Worth \$106,525.49

Overall Gains \$6,525.49

Overall Returns 6.47%

Portfolio Allocation

AAPL, KORS, HLF, ABBV, JWN,  
NFLX, SNA, T

Trading Strategy

First, I went for just some of my favorite stocks that I had been watching for a while like, KORS and JWN. Then, I went for a couple companies that I knew might have growth. All were successful except NFLX which lost the most. If I had not purchased it, I probably could have done much better.

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### Alicia Mistry

Net Worth \$94,824.00

Overall Gains -\$5,176.00

Overall Returns -5.18%

Portfolio Allocation

GOOG

Trading Strategy

I decided to invest everything in a single stock in order to evaluate if we should keep it in our portfolio or not and track the performance. I bought it in mid-April and it did well until the end of the game when it dropped in the last week of trading.

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### Blane Wortham

Net Worth \$94,000

Overall Gains -\$6,000

Overall Returns -6.30%

Portfolio Allocation

ISIS, DKS, HSTM, F

Trading Strategy

I traded two of the riskiest and most volatile stocks I have followed in the recent years due to the fact that the competition window was so short. The strategy did not pay off, mainly because ISIS dropped 6% during the month.

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### Cody Meyers

Net Worth \$1,130,000.00

Overall Gains \$1,030,000.00

Overall Returns 1,030%

Portfolio Allocation

RLSPY, AAPL, GILD, BAC, MNKD,  
FB, many more that I can no longer  
see because my account was disabled.

Trading Strategy

I found the top gainers and losers for the day and shorted the winners for the next trading day and bought the losers. I knew that I had to be more risk inclined to try to win the competition and go against normal investing strategies. I also bought RLSPY which is an unrealistic stock to buy on the market. It is traded at very low levels but has dramatic fluctuations in price (over \$100,000) within minutes. Due to trading this stock and getting ranked 14<sup>th</sup> out of over 7,000, I was disqualified from the competition.

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### Dagan Newsome

Net Worth	\$99,826.49	Trading Strategy
Overall Gains	-\$173.51	When selecting the stocks from my portfolio for the WSJ
Overall Returns	-.17%	Trading competition, I looked at the company's financial
Portfolio Allocation		statements and determined whether they would be
		profitable or not in the month of the game. I also looked to
		see if there was expected growth for the company. The first
		transaction I made was on April 3 <sup>rd</sup> for CVS, EA and
		TSLA stock. I ended up ranking 2089 out of 7566 so I
		believe that I did relatively well compared to other users.
		Gilead Sciences was my most profitable investment,
		buying 500 shares at \$75.71 and is now \$78.49.

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### Daniel Keene

Net Worth	97,382.86	Trading Strategy
Overall Gains	-2,617.14	I evaluated CVS's valuation and ratios to determine it to be
Overall Returns	-2.62%	the best, most stable growth company for my own
Portfolio Allocation		portfolio. I then purchased it for this game. I saw a huge
		opportunity for CVS to boom in its market and possibly
		overtake Walgreens in prescription sales. Although it
		performed poorly during this time, CVS has made a
		comeback and in my own portfolio has turned out to be a
		positive trade.

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### David Smith

Net Worth	\$101,638.67	Trading Strategy
Overall Gains	\$1,638.67	I selected a wide variety of stocks from different industries
Overall Returns	1.64%	as well with a wide variety of risk potential. I diversified,
Portfolio Allocation		but tried to make sure that I was balanced.
		EXC, GE, INTL, LSIC, MDXG, PEP,
		S, SCHW, SLB, TL

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### Jackson Ross

Net Worth	\$98,172.56	Trading Strategy
Overall Losses	-\$1827.44	I used fundamental analysis on stock selections to pick
Overall Returns	-1.83%	stocks that I thought would increase in price.
Portfolio Allocation		
		PCLN, AGN, VRX, YELP, POST,
		CBS, GRPN

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### Zhiwei Cai

Net Worth                    \$101,129.22  
Overall Gains                \$1,129.22  
Overall Returns              1.13%  
Portfolio Allocation

AA, CF, EIX, ENLAY, EXC, PEG

#### Trading Strategy

I used the fundamental analysis on stock selection and picked the company with highest potential to grow. I chose two sectors: Utilities and Energy that had the highest growth in the last three months. I then picked the highest growth stock in the last three months from these sectors. First transaction was made in the beginning of April on EIX.

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### J.P. Seale

Net Worth                    \$92,707.81  
Overall Gains                -\$7,292.19  
Overall Returns              -\$7.30%  
Portfolio Allocation

DDD, XOM, WWE

#### Trading Strategy

I used the fundamental analysis on stock selection and picked the company with the most stability/consistency (XOM) to help balance out my other riskier stocks (WWE & 3D). My first transaction was made in the beginning of April and I made the most overall gains with this stock. My other two riskier stocks (WWE & 3D) did not pay off and I took significant losses on each of these stocks.

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### Julie Coggins

Net Worth                    \$100,223.32  
Overall Gains                \$223.32  
Overall Returns              0.22%  
Portfolio Allocation

BBBY, COH, GOGO, LMT, MCD,  
NFLX, TM WFC

#### Trading Strategy

I used a long-term strategy and did not trade frequently. I looked at the five day chart and sought out stocks that had recently lost a lot of value. My strategy was to buy low and sell high. It worked for me as I received an overall gain of \$223.32.

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### Katarina Heidenhofer

Net Worth                    \$97,090.33  
Overall Gains                -\$2,909.67  
Overall Returns              -2.91%  
Portfolio Allocation

DIS, CAT, MSFT, PCLN, PETM,  
NFLX

#### Trading Strategy

I chose stocks that I had researched in class to see how they would perform. First transaction was made in the beginning of April on DIS, CAT and MSFT; I made most from CAT and PETM.



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### Mitch Trentman

Net Worth	\$102,529.41	Trading Strategy
Overall Gains	\$2,529.41	I used the financial analyst's perspective to be the main factor in my decision-making. I also based my decision from the graph that shows the price variation of the company in the past months.
Overall Returns	2.53%	
Portfolio Allocation		
AAPL, PCRFF, PSX, TXI, KO, DPZ, DKS, MJNA, CLX		

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### Rizwan Gangwani

Net Worth	\$97,071.32	Trading Strategy
Overall Gains	-\$2,928.68	I first used fundamental analysis on stock selection and picked the company with highest potential to grow or companies which were very stable. I soon realized I couldn't play this game to "win" without changing my strategy. I went on to trade many companies in a matter of hours. Originally, I had lost 8% using the long-term strategy, however once changing my plans I was able to finish the game only being down by 2.93%
Overall Returns	-2.93%	
Portfolio Allocation		
GM, GRPN, SWY, CMCSA, KO, FB, LMCA, CCI		

---

### Yu Qin

Net Worth	\$104,440.08	Trading Strategy
Overall Gains	\$4,440.08	I chose companies that I was familiar with, and did some research on recent news of these companies. The AAL American Airline was merging with US airway, and they would be the largest airline in the world. WB bought me all the gain.
Overall Returns	4.44%	
Portfolio Allocation		
AAL, AAPL, WB		

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### Sean Rogers

Net Worth	\$105,237.89	Trading Strategy
Overall Gains	\$5,237.89	I sunk the entirety of my funds into Twitter in hopes of the stock rocketing up in a few days based on some news. This didn't pay out completely, but I still ended up a few percentage points ahead.
Overall Returns	5.23%	
Portfolio Allocation		
TWTR		



# GUEST SPEAKERS



October 10<sup>th</sup>, 2013, **Gail Utter**, Senior Vice President – Investment with Wells Fargo, shared her thoughts on Todd A. Williams Student Investment Fund current positions and advised on new asset allocation. She also provided a macroeconomic overview in looking ahead through 2013. The discussion included the factors that traced the bullish sign of the market.

October 24<sup>th</sup>, 2013, **Brandon Troegle**, Analyst and Portfolio Manager with Hillcrest Asset Management provided his insights on how to become a better investor and specific ways of doing stock investing analysis. He showed the class the model used in the real professional world on stock selection. He also encouraged the students who were considering working in investment and consulting to take the Chartered Financial Analyst (CFA) exam in college.



November 7<sup>th</sup>, 2013, **Todd Williams**, Chair of Austin College Board of Trustees, former Chair of the DISD's Citizen Budget Review Commission and the former Vice-Chair of the Board of Trustees for Uplift Education and founder of the Fund described his career since graduating from Austin College and encouraged the class to work hard and plan ahead.

March 25<sup>th</sup>, 2014, **John Mabury**, Financial Advisor with Edward Jones shared his insights on current equity market situation and advised on our current portfolio. He also described how to best help clients as a Financial Advisor.



# RISE 14 SYMPOSIUM



The Redefining Investment Strategy Education (R.I.S.E.) Forum is an investment conference—hailed as the largest student investment conference in the world—sponsored jointly by the University of Dayton and the United Nations Global Compact. The conference seeks to bring together successful professionals from the Fed, Wall Street, corporate America, financial media, and the international community with students and professors from around the world, focusing on interactive dialogue between the best and brightest in finance and the students who will soon be their colleagues. The R.I.S.E. forum begins with a day of panel discussion, where topics—including markets, socially responsible investing, risk management, the economy, teamwork, and achievement—are discussed. The following two days provided multiple breakout sessions from which attendees may choose: specialized breakouts cover topics such as private equity, fixed income, portfolio management perspectives, and risk management; workshop breakouts focus on student skill enhancements in such areas as security analysis, hedge funds, and portfolio construction;

From March 27 to March 29, 2014, Austin College sent four students to attend the R.I.S.E. 14 forum in Dayton, Ohio and finished 9<sup>th</sup> in the Growth investment style category of R.I.S.E Student Managed Investment Fund Portfolio Competition. Attendees are Jackson Ross, Katarina Heidenhofer, Alicia Mistry and Rizwan Gangwani (as shown in the photo above).



### **Reflection from Alicia Mistry**

The RISE Conference provided to me an incredible opportunity to learn from a variety of experts in their specialized fields. During my time in Dayton, Ohio, my learning curve was exponential as I was able to investigate many different parts of the investment world by attending classes and listening to different speakers. I was able to compare a value-based approach of picking stocks to technical analysis as well as to get a good feel about the different career options available for working in the market. We were given many different examples of evolving positions and career paths that were not exactly straight, which as a graduating senior helped me a lot in thinking about the future. Attending this conference was definitely one of the highlights of my last year at Austin College, and I left with a whole new perspective on investing and armed with the tools to succeed in the investment world in the future.



### **Reflection from Jackson Ross**



From March 26<sup>th</sup> to the 29<sup>th</sup> I had the opportunity to travel to Dayton, Ohio and participate in the RISE conference held by Dayton University. RISE stands for Redefining Investment Strategy Education and is the largest business conference held for undergraduate students in the world. Before I attended RISE, I thought I knew a fair amount about investment strategies and the financial industry. However, the RISE conference exposed just how much I did not know and drastically changed the way I view investment strategies as well as the financial industry. Although this trip was brief, it turned out to be one of the most beneficial and fun times during my Austin College career.

Attending the RISE conference gave me the opportunity to learn, travel, and rediscover a professional field that I thought I knew about. I interacted and networked with students from across the United States, professionals with diverse backgrounds, and all different types of companies. I learned not only about the financial industry but also about advanced degrees previously unknown to me. The RISE conference was a phenomenal experience in terms of learning and networking and I hope that Austin College continues to send more and more students in the coming years.



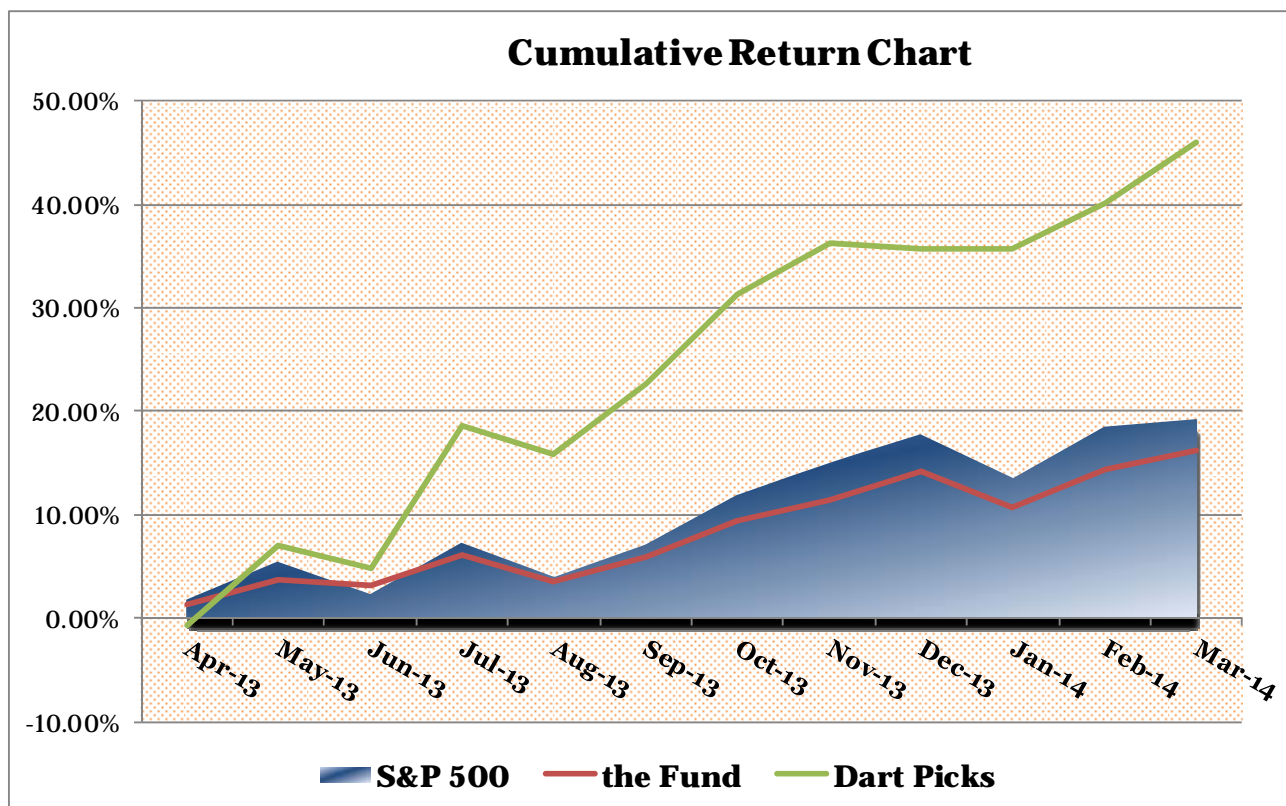
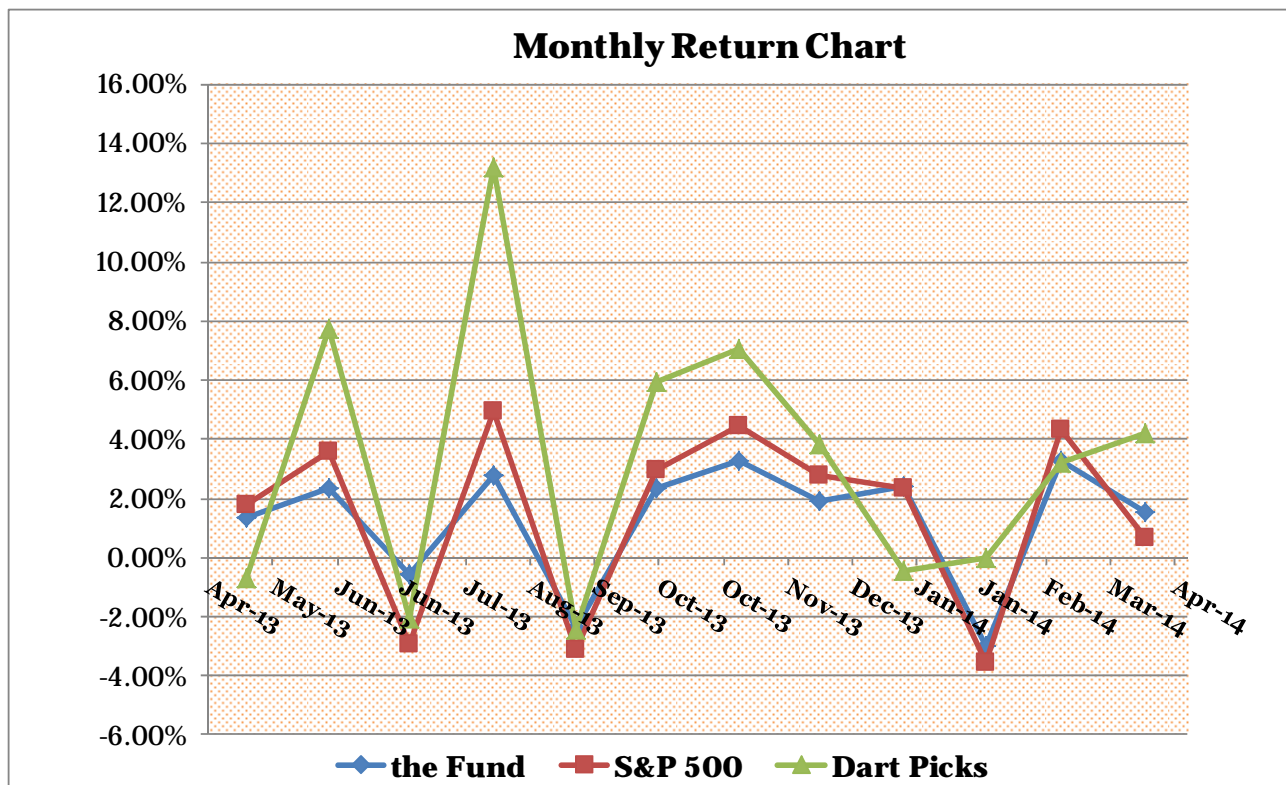
# DART PICK PORTFOLIO

In EMH (Efficient-Market Hypothesis) theory, the price of securities in an efficient market instantaneously and fully reflects all available information which preempts investors from earning abnormal market returns. If EMH holds, investors have no strong incentive to acquire information and random selection is just as effective as the selection based on extensive security analysis.

We evaluated the performance of the SIF portfolio formed on investment research and professional advice from Morningstar with another portfolio picked at random (literally, we threw darts at the “Investment Dartboard” column in the Wall Street Journal in Feb 2013 and picked 10 stocks). We used the 10 dart picks to build the portfolio with \$1,000,000 divided evenly among them.

The most recent Dart Pick portfolio performance is as follows:

Name	Shares Held	Share Price	Total Cost	Market Value	\$ Gain/Loss	% Gain/Loss
Central Garden & Pet Co	11,287.00	\$8.86	\$100,002.82	\$97,293.94	-\$2,708.88	-2.71%
Greif Inc Class A	1,986.00	\$50.35	\$99,995.10	\$107,045.40	\$7,050.30	7.05%
AVX Corp	8,489.00	\$11.78	\$100,000.42	\$114,771.28	\$14,770.86	14.77%
Movado Group Inc	2,897.00	\$34.52	\$100,004.44	\$118,342.45	\$18,338.01	18.34%
Brunswick Corp	2,834.00	\$35.28	\$99,983.52	\$122,343.78	\$22,360.26	22.36%
Ford Motor Co	8,244.00	\$12.13	\$99,999.72	\$140,518.98	\$40,519.26	40.52%
Dana Holding Corp	6,177.00	\$16.19	\$100,005.63	\$142,379.85	\$42,374.22	42.37%
O'Reilly Automotive Inc	987	\$101.35	\$100,032.45	\$149,678.55	\$49,646.10	49.63%
eHealth Inc	6,127.00	\$16.32	\$99,992.64	\$211,381.50	\$111,388.86	111.40%
Huntington Ingalls Industries Inc	2,262.00	\$44.21	\$100,003.02	\$232,058.58	\$132,055.56	132.05%
<b>Dartboard Portfolio</b>			<b>\$1,000,019.76</b>	<b>\$1,435,814.31</b>	<b>\$435,794.55</b>	<b>43.58%</b>





From the diagrams in the last pages, we can see the Dart Pick Portfolio beats both the SIF and S&P market by over 20% during the April 2013 to April 2014 period. Overall, the Dart Pick portfolio experienced higher volatility than the benchmark market with a steep fall in August 2013. The main reason for such a result is because timing makes a big difference. At the time we threw darts at the board to pick the stocks, the whole market had started to recover from the last trough and was on a strong trend of rising north. We had a good chance to find winners from a generally undervalued stock market, as we believed “even a turkey can fly high in a tornado.” It doesn’t necessarily mean you can do a better job by picking stocks randomly. One recent lesson we learned is from the student portfolio we picked at the beginning of the Spring 2014 semester (diagram as at the bottom). The class picked 14 different stocks randomly without any investment analysis, based on their interests and “feelings” and the result of 6% loss shows that the EMH might prevail here.

Name	Shares Held	Share Price	Total Cost	Market Value	\$ Gain/Loss	% Gain/Loss
3D Systems Corp	859	\$80.56	\$69,201.04	\$42,666.53	-\$26,534.51	-38.34%
Seattle Genetics Inc	1,315.00	\$53.22	\$69,984.30	\$52,481.65	-\$17,502.65	-25.01%
MiMedx Group Inc	9,576.00	\$7.31	\$70,000.56	\$59,658.48	-\$10,342.08	-14.77%
Blue Nile Inc	2,002.00	\$34.96	\$69,989.92	\$59,979.92	-\$10,010.00	-14.30%
Dick's Sporting Goods Inc	1,360.00	\$51.48	\$70,012.80	\$60,574.40	-\$9,438.40	-13.48%
VeriSign Inc	1,257.00	\$55.70	\$70,014.90	\$64,069.29	-\$5,945.61	-8.49%
Tesla Motors Inc	333	\$209.97	\$69,920.01	\$67,329.27	-\$2,590.74	-3.71%
Tencent Holdings Ltd. ADR	4,667.00	\$15.00	\$70,005.00	\$68,138.20	-\$1,866.80	-2.67%
Cash	1.00	\$20,899.51	\$20,899.51	\$20,899.51	\$0.00	0.00%
Starbucks Corp	952	\$73.55	\$70,019.60	\$70,971.60	\$952.00	1.36%
Nike Inc Class B	926	\$75.58	\$69,987.08	\$70,996.42	\$1,009.34	1.44%
Covidien PLC	982	\$71.28	\$69,996.96	\$71,735.10	\$1,738.14	2.48%
Kohl's Corp	1,351.00	\$51.81	\$69,995.31	\$72,048.83	\$2,053.52	2.93%
Boeing Co	540	\$129.56	\$69,962.40	\$73,909.80	\$3,947.40	5.64%
Hewlett-Packard Co	2,319.00	\$30.19	\$70,010.61	\$78,057.54	\$8,046.93	11.49%
<b>Student Pick SP14</b>			<b>\$1,000,000.00</b>	<b>\$933,516.54</b>	<b>-\$66,483.46</b>	<b>-6.65%</b>

# ANALYSTS PROFILE

## **Aaron Baldwin**

Aaron is a junior working toward a degree in Business and Economics. Aaron is an active officer for Zeta Chi Beta fraternity and a Sweetheart for the Kappa Gamma Chi sorority. This is his second semester in the Student Investment Fund. He expects to graduate Spring 2015.

## **Alicia Mistry**

Alicia is a senior graduating in May 2014 who came to Austin College from McKinney, TX. She is majoring in Business Administration and double minoring in Spanish and Leadership. Alicia is very active on campus, leads weekly tours to perspective students, and is a volunteer with Habitat for Humanity, Public Relations Chair of the Omega Zeta Sorority, Phi Beta Delta International Honor Society President, the former Vice President of the Student Assembly-Body, a student ambassador-admissions coordinator with STAT, a 4 year member of the Posey Leadership Institute, and is currently in her third year as a Career Services Peer Educator. In the Fall of 2012, she studied abroad in Alicante, Spain, where she had a local marketing internship for a Spanish architectural software company. The following summer of 2013, she worked at Goldman Sachs as an intern in the Realty Management Division. This school year, Alicia's leadership legacy project with the PLI is leading the Greater Dallas Business Ethics Award Scan Team to interview businesses applying for the award in the DFW metroplex. Once she graduates, she will join Goldman Sachs as a Financial Analyst in their Irving office.

## **Blane Wortham:**

Blane is currently a junior, double majoring in Economics and Business Administration, where he holds a 3.3 GPA. He serves as Treasurer of Phi Kappa Omega and is a member of the Omicron Delta Epsilon International Economics

Honors Society. He will be interning at Wal-Mart's headquarters in the summer of 2014 in their Asset Protection Division. When Blane is not busy with school, he enjoys playing golf and attending Texas country concerts.

## **Cody Meyers**

Cody is a freshman, majoring in Economics and Business Administration. He has personally invested his own money for 5 years. Also, he is on the men's basketball team.

## **Dagan Newsome**

Dagan is currently a junior majoring in Business Administration and minoring in Biology. Over the summer, he plans to intern in a Physician's Assistant program in his hometown of Flower Mound, TX. He plans to graduate in May of 2015 from Austin College and work for a while before returning to school to earn a Master's in Business Administration. In his free time, he is very active in sports and spends time with his family and friends.

## **Daniel Keene**

Daniel is a freshman majoring in Business Administration at Austin College. He plays baseball and hopes to earn a Master's in Business Administration.

## **David Smith**

David Smith is a junior with a double major in Business Administration and French and a minor in Leadership Studies. David studied for a semester in Paris, France and had a business internship there. David is also a member of the Austin College varsity tennis team, and will be the team captain for the 2014-2015 academic year. David has been part of the student committee for the Greater Dallas Business Ethics Award, and has helped inform the judging panel on the actual practices and appearances of the competing businesses.

### **Dayne Read**

Dayne is on pace to graduate early in December, 2015, majoring in Business Administration and minoring in Spanish. During his tenure at Austin College, Dayne has played football and been a very active member of Phi Kappa Omega and has studied abroad in México, Chile, and the Dominican Republic. Dayne has worked in sales for several years for his parents' high-end jewelry business in Fort Worth, Texas and will spend the 2014 summer interning and working for Kraft Food Co.

### **Eddie Contreras**

Eddie is a junior majoring in Business Administration and minoring in Biology. He will be interning for Northwestern Mutual over the summer, where he will be mentored by one of their financial advisors. After orientation, he will network and find individual clients of his own. While working in the Student Investment course, he learned how to analyze different companies and choose which company would be the best to invest in. At the beginning of the course, our professor taught us methods regarding how to invest in stocks. We utilized those methods when choosing our companies for investment. Eddie expects to graduate in the spring of 2015.

### **Estefani Castillo**

Estefani is a junior majoring in Business Administration with a minor in Spanish. She has been treasurer for Delta Phi Nu, a service sorority on campus. She has been an active member of Los Amigos, the Hispanic organization on campus, and will be taking the position of Vice-president for the upcoming year. She was the treasurer of this organization during her sophomore year. Over the summer, Estefani will intern with the City Council of Houston where she will work in their financial department. She expects to graduate in the spring of 2015.

### **Jackson Ross**

Jackson is a senior set to graduate in May, 2014 majoring in Business Administration and Political Science. During his time at Austin College, he worked collaboratively with other students choosing stock for the Student Investment Fund. After graduation, Jackson plans to return to Arizona and work in the field of commercial real estate.

### **Zhiwei Cai**

Zhiwei expects to graduate in May, 2014 with a double major in International Economics & Finance, and Computer Science. He completed his bachelor degree in 3 years with a 3.88 accumulative GPA. He finished his honor thesis in 2014 and became a member of Phi Beta Kappa. He founded the Algorithmic Trading Club, earned the Gold Impact Scholarship in 2012, and won the Will Mann Richardson Prize for Outstanding Scholarship and Service in 2013. He also created a QR-code system and 3D models for the Crow Collection of Asian Art Museum in spring 2013. Zhiwei is currently working on the application process for the MISM master's program at Carnegie Mellon University. His ultimate professional goal is to work in the field combining business and information technology.

### **J.P. Seale**

J.P. Seale is a sophomore majoring in Business Administration and Media Studies, and minoring in Spanish at Austin College. He hopes to intern at Forthea Internet Marketing where he would work with their social media department. When he is not in the library studying, he loves kickboxing, swimming, and watching sports.

### **Julie Coggins**

Julie Coggins is an Austin College senior majoring in International Economics and Finance. In July, she will be starting her career with the FDIC as a Financial Institution Specialist. During her time at Austin College, she had the opportunity to study abroad in Brussels, Belgium for a full year. Additionally, Julie has had four internships throughout her collegiate career. She interned for the Dallas Federal Reserve Bank, the FDIC (Summer 2012 in Arlington, Virginia and Summer 2013 in Oklahoma City, Oklahoma) and Harwood Levitt Consulting in Brussels, Belgium. While at Austin College, Julie was a member of the Posey Leadership Institute, Omega Zeta sorority, the Cross Country team, a tour guide, and worked in the Center for Global Learning.

### **Katarina Heidenhofer**

Katy is a freshman, double majoring in Business and in German. She will intern at Raymond James Financial over the summer, where she will work in their investment sector. She is involved in organizations including Alpha Phi Omega, German Club, and Habitat for Humanity. She is expected to graduate in spring 2017.

### **Mitch Trentman**

Mitch is a junior, earning his degree in Business Administration with a minor in Exercise Sport Science. Mitch has been a starting wide receiver for the Roos for the three years he has been here. He is Vice President of Phi Kappa Omega. Mitch is a local Grayson County native, and is very passionate about the betterment of the Texoma Area. He attends church at Fusion Bible and volunteers his time to help run local youth sporting events in Sherman. He will work at Skydive Dallas this summer, where he will receive first-hand knowledge on how to run your

own small business. Mitch expects to graduate in the Spring of 2015.

### **Rizwan Gangwani**

Rizwan is a sophomore majoring in Business Administration while minoring in Leadership studies. He had interest in investment prior to joining the SIF. He is also well known for his involvement throughout campus organizations such as Students Today, Alumni Tomorrow (STAT), Campus Activities Board (CAB), and a part of the Student Assembly. This past year Rizwan, along with 3 other colloques, was chosen to take part in the R.I.S.E conference where the students represented the SIF at the University of Dayton. Rizwan plans to do a summer 2014 internship with Big Brothers, Big Sisters.

### **Rutger Fuglesang**

Rutger is expected to graduate in May 2015 with a major in Mathematics and Economics. He currently holds a 3.4 GPA and will intern with SAAB's technical team in Stockholm in summer 2014. After Austin College, he hopes to pursue a master's degree in Physics at the Royal Institute of Technology in Stockholm.

### **Yu Qin**

Yu Qin is a freshman planning to graduate early in 2016 with a major in Economics and minors in Mathematics and Psychology. Her passion for learning and her hardworking attitude keep her name at the very top of the dean's list. She will be working in Beijing as an executive assistant this summer, and is planning to travel to Japan for an internship next summer. This is her first semester in the student investment fund class, and she is looking forward to attending this class next year.





# WHAT WE LEARNED

## **Aaron Baldwin**

The things I have learned throughout the student investment fund are numerous. Before taking this class the first semester, I knew nothing about investing especially in stocks, bonds, and ETFs. I really learned how to pick a valuable stock and analyze it, by numbers and by quality of the company. We bought a stock that I pitched first semester.

## **Alicia Mistry**

During my time in the student investment fund, I learned different methods for picking stocks, including the valued-based approach. I learned how to evaluate companies, their competitors, and their capacity for growth. Overall, I saw the great importance of good asset allocation and a balanced portfolio. The real world experience that this gave me increased my confidence in myself and my ability to evaluate companies/stocks, as well as my analytical skills which will help me greatly in my future career.

The RISE Conference provided to me an incredible opportunity to learn from a variety of experts in their specialized fields. During my time in Dayton, Ohio, my learning curve was exponential as I was able to investigate many different parts of the investment world by attending classes and listening to different speakers. I was able to compare a value-based approach of picking stocks to technical analysis as well as get a good feel about the different career options available for working in the market. We were given many different examples of evolving positions and career paths that were not exactly straight, which as a graduating senior helped me a lot in thinking about the future. Attending this conference was definitely one of the highlights of my last year at Austin College, and I left with a whole new perspective on investing and armed with the tools to succeed in the investment world in the future.

## **Cody Meyers**

I learned a more in-depth view of the speculative side of analysis using the DCF method to come up with a predictive nominal value. Also, being immersed in different trading views and techniques from the other students in class helped me to diversify the way to view stocks.

### **Dagan Newsome**

During my first semester in the Student Investment Fund, I learned how to evaluate specific stocks based on financial statements provided and can determine the amount of risk involved. I have learned how to diversify stocks based on the Industry & Sector to protect assets I will own in the future. I was also taught how to purchase stocks through a stockbroker and recently have invested in five companies of my own. Professor Zhao and the Student Investment Fund have opened my eyes to the stock market and taught me things I will be able to use for years to come.

### **Daniel Keene**

Over the course of my semester working in the Student Investment Fund, I learned numerous things concerning portfolio allocation and general stock evaluation. I enjoyed learning the language of the stock market and look forward to continuing my education in this area year after year.

### **David Smith**

From the Student Investment Fund course, I have learned some solid fundamentals, as well as varied approaches to investing and how each approach affects your portfolio. I have also learned about making decisions based on analysis and what the different ratios say about the company. I have learned about the importance of diversity in portfolios. This course gave me hands-on experience with stocks and financial websites such as Morningstar which I had never had before. It allowed for learning and growing using the tools available.

### **Dayne Read**

This semester in SIF, I have learned about picking and choosing stocks and developing portfolios. I learned how to pick companies that play significant roles in a portfolio and how to fit appropriate companies into those roles.

### **Eddie Contreras**

While working in the Student Investment course, I learned how to analyze different companies and choose which company would be the best to invest in. At the beginning of the course, our professor taught us methods to use when investing in stocks. We utilized those methods when choosing our companies.

### **Estefani Castillo**

This semester in the Student Investment Fund, I learned how to select good stocks. Depending upon their portfolio, one can conclude how a company is doing and decide whether or not to invest in those stocks. I also learned how to create a portfolio. It is important to know how a portfolio works because one can predict a company's future status.

### **Jackson Ross**

After two semesters participating in the Student Investment Fund, I have a much better understanding of the stock market and how to analyze stocks. I learned about sectors of the stock market, how to analyze risk, and about techniques that help guide stock choices. Through my experiences in SIF, I have become a much more knowledgeable investor.

### **Zhiwei Cai**

This course was informative and inspiring. I learned the fundamental analysis on stock selection and how to pick the company with the highest potential to grow. Moreover, the stocking trading experience opens a door for me into the financial world. I'd love to pursue my career in the finance field in the future.

### **J.P. Seale**

In SIF this semester, I've learned many valuable things about the stock market. I've learned the intricacies of selecting the right stocks and how to make a portfolio, too. Although there is a lot of risk, reward, and luck involved in the stock market, you must do extensive research on a company before even entertaining the thought of buying stock in it. Nothing in life is a guarantee and the same applies to the stock market. In sum, I've learned valuable things that will definitely serve me well in the future.

### **Julie Coggins**

I have learned a tremendous amount about the stock market in the Student Investment Fund course. Before this course, I did not understand the amount of research and planning that investors have to do in preparation for buying and selling stocks. I really enjoyed being able to pick our own companies that we thought the class should invest in. I was able to use background information from another course I took (Strategic Management) and chose Michael Kors as an excellent company for investment. I enjoyed hearing about the pros and cons for each company that members of the class researched. In the real world, there is no perfect stock; each company has positive and negative qualities. In the future, when I invest, I will think back on all the pros and cons the class came up with and use those opinions to determine which companies' stock to buy or sell. Additionally, I enjoyed playing the Wall Street Journal game; it was a great way of practicing how to invest. Through the game, I learned that sometimes you have to have faith in the companies you invest in. Some of the stocks I bought lost value in the first few days after I purchased them. However, I had faith that the value of the company's stock would bounce back. Luckily, I did not sell the stocks and held onto them, they increased in value, which resulted in an overall gain to my portfolio. If I had the chance, I would take this class again as I believe it will benefit me in the real world.

### **Katarina Heidenhofer**

This semester in SIF, I learned how to research stocks to create a portfolio. I also learned how to make my portfolio diverse in order to protect it against unseen factors in the stock market. Additionally, I learned how to create a template and compare different stocks on their monetary data. This semester, I also attended the RISE conference and listened to speakers who taught me the ins-and-outs of the stock market. They also advised me on the things I need to know before I invest in a stock, such as getting to know the company more; do not listen to analysts; and do not only pay attention to the price.

### **Mitch Trentman**

I've learned a lot of helpful tools that will benefit me in the future. I've learned that it's not always the best idea to try to run the market by buying and selling stocks for the short term. It's a much safer approach to buy stocks for the long term. You may not hit a grand slam with that purchase, but then again, you will most likely make a profit. I'm thankful for the knowledge I've gained this year. I believe this class has set me up for a more successful future.

### **Rizwan Gangwani**

So far this semester in SIF, I have learned a solid fundamental approach to picking good stocks and developing a portfolio. I've learned how to screen for stocks and choose stocks based on specific analytical criteria. One of the biggest learning experiences for me was being involved in the R.I.S.E conference as I was able to learn and take "classes" in multiple facets of investing. It allowed me to learn about different investing strategies and allowed me to choose particular fundamental categories to follow. I am excited to be involved in the fund once again next semester, and I am excited to see how the stocks I vouched for have fared.

### **Rutger Fuglesang**

Spring semester 2014 of the Student Investment Fund has vastly improved my knowledge regarding the stock market. I have learned a variety of methods to use in the analysis of stocks, such as the Discounted Cash Flow (DCF) model. Most significantly, I have learned how to weigh the different variables that go into choosing a stock.

### **Yu Qin**

This was the first time I became involved in studying stock. I had the opportunity to utilize knowledge from other finance classes to analyze stock. During the three months I learned basic stock knowledge and how to do financial analysis to choose stocks, instead of making choices based on preferences or just gambling. This class gave me confidence for successful future investments.





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