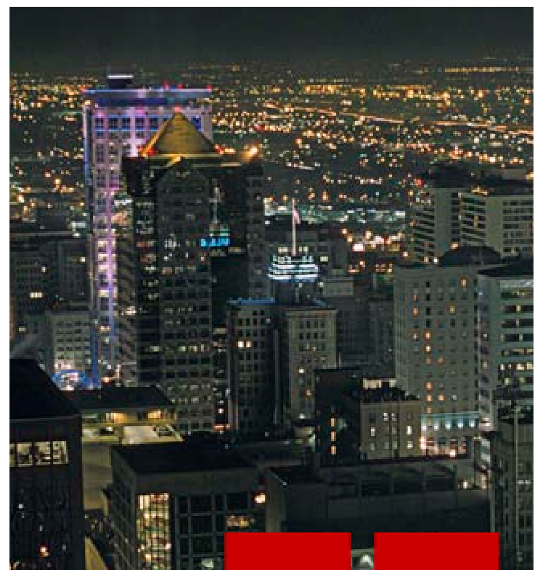
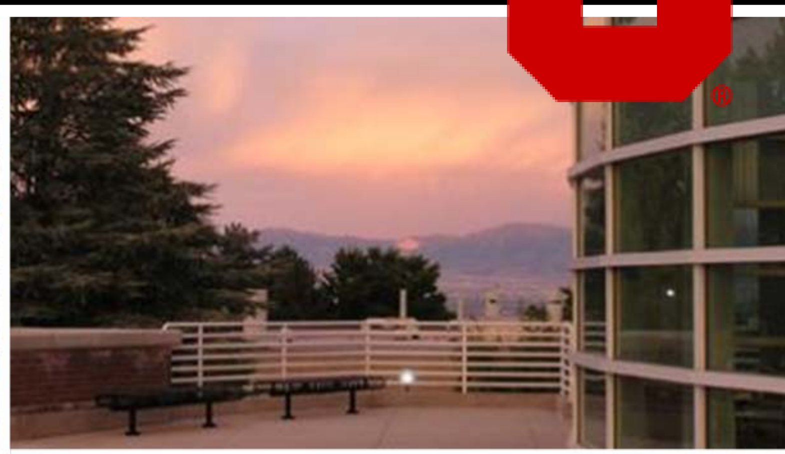



Annual Report





Student Investment Fund (2010-11)

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ACKNOWLEDGEMENTS

We would like to thank the following individuals and organizations for their generous support.

For their financial support of the Student Investment Fund, we thank

DA Davidson
Hal Milner
Daniels Foundation

For their time, we thank our speakers and the community members who participated in our presentations; those individuals are identified by name later in this report

For financial support for attending the RISE conference, we thank

David Eccles School of Business
ASUU

For sponsoring the local CFA Institute Research Challenge, we thank the Salt Lake CFA Society

BACKGROUND

HISTORY

In October 1998, David Eccles School of Business finance students joined the D.A. Davidson & Co. Student Investment Fund program, which allows students to invest $50,000 in a working stock portfolio. The purpose of this program is to bolster student learning outside the classroom in a real-world setting. The original $50,000 remains intact year to year, supported by D.A. Davidson. Any returns above five percent are split in half and shared by the firm and the Student Investment Fund. D.A. Davidson guarantees students against any losses below the original $50,000 mark, which will be replenished year to year if necessary. Since October 1998, D.A. Davidson has given over $25,000 directly to the student portfolio and Bill Child, CEO of R.C. Willey Home Furnishings, has donated another $5,000 to the fund. In March 2004, U students received an additional $50,000 from Hal Milner in a program similar to D.A. Davidson's. Mr. Milner has donated over $12,000 to the investment fund program.

Beginning in December 1998, students formed a Student Investment Fund Club and met regularly to develop an investment strategy, research and invest in specific stocks, listen to investment professionals, and track their investments. The original club that first year was comprised of 12 students and their advisor, Finance professor, Dr. Elizabeth Tashjian.

That first year, the students eventually selected a strategy of investing in volatile stocks in the technology and finance sectors. Between January and April 1999, the portfolio realized returns of more than 40 percent. In April, the students voted to sell a third of their equity positions to reduce the fund's risk over the summer. By the end of the summer, the portfolio's annualized return was 35 percent.

In the fall of 1999, the Student Investment Fund developed from a club into a restricted-enrollment class. This class is limited to 18 students through a rigorous application process. Dr. Tashjian teaches the year-round class. The class meets once a week to track the fund and to research potential investments. In 2003, the class was designated as an honors class. The fund is subject to an annual audit by fellow students in the Beta Alpha Psi accounting society.

In September 1999, D.A. Davidson calculated earnings from the first year of the Fund, and students earned more than a 35% return. The 2000-2001 class learned some painful lessons about diversification and selling strategies. The group had significant holdings in Global Crossing and Exodus Communications, both telecom companies that ended up in bankruptcy. The 2001-2002 class outperformed both the S&P and Nasdaq indexes, losing a mere 22% during the year the class managed the portfolio. The next year's class had a better outcome, earning 30% on a relatively balanced portfolio from August, 2002 to August, 2003. In the spring of 2004, the fund adopted a strategy of investing in a portfolio of small cap stocks.

In March 2003, the class made a brief live appearance on CNBC's Power Lunch and in January 2004, the class again appeared on CNBC in a segment on D.A. Davidson's Investment Fund program. Since 2001, the class has made regular presentations to distinguished members of the Salt Lake business community. The 2008-2009 year was marked by extreme volatility, resulting in a very active strategy of buying undervalued stocks and selling once they reached their target prices. The 2009-2010 year was a period of steady growth for the funds as the market began to rebound from the recent economic crisis.

During the 2010-2011 academic year, the fund experienced strong growth in every portfolio as the fund managers focused on investing in the expanding oil and refinery sectors as well as in technology and health care. As of April 11, 2011, the University of Utah Student Investment Fund was ranked first in terms of year-to-date gain among the twenty universities that participate in the D.A. Davidson & Co. Student Investment Fund Program (See Exhibit 1). Additionally, the fund received $25,000 to begin the Daniels Socially Responsible Fund in the spring semester of 2011. This new portfolio will be strictly devoted to investments in stocks that the fund managers deem to be socially responsible based on a number of criteria; however, these investments must also meet the managers' standards in terms of financial and economic performance in order to be held in the fund.

ANALYST PROFILES

During the 2010-11 academic year, the Student Investment Fund had 16 student analysts managing equities across four portfolios.

Chase Arneson

Chase is a graduating senior, earning his degree in Finance. During his time at the University of Utah, Chase worked at the University Venture Fund on numerous deals in varying industries. He also served in a leadership role for the Finance Club and volunteered weekly at Shriners' Hospital. In June 2011, Chase will begin work at Goldman Sachs as an equity analyst in their Global Investment Research group. In his free time, Chase is an avid skier and rock climber.

Britt Boril

Britt is currently pursuing B.S. degrees in Honors Finance and Accounting as well a minor in Spanish with an expected graduation date in May of 2012. Over the summer, Britt will be interning with the University Venture Fund working with local startup companies and entrepreneurs. She currently has aspirations to land a career in financial planning or private wealth management.

Dustin Carruth

Dustin is a graduating senior with a B.S. degree in Finance. He has accepted a full-time financial/operations analyst position with HN Capital in the Salt Lake City area, and will begin working in June 2011. HN Capital is a private equity firm that currently invests in a number of commercial real estate projects and several global restaurant concepts. After graduation, Dustin plans to golf every day until his start date with HN Capital in June. He plans to pursue an MBA degree in the coming years.

Christopher Child

Chris will graduate in December 2011 with a B.S. in Finance and a B.S. in Accounting. He currently works as an intern with Rocky Mountain Advisory, an accounting firm that specializes in forensic accounting, bankruptcy and turnaround, dispute analysis, and business valuation. Over the summer, Chris will be involved in investigating a $400 million Ponzi scheme in Texas. His career plans include transaction advisory services in the Big Four international accountancy and professional services firms.

Paul Goerke

Paul is a senior graduating with a B.S. degree in Finance and Information Systems. He is currently working in the investments department at Utah Retirement Systems as an Information Analyst intern. Utah Retirement Systems is responsible for managing pensions for state employees and currently has over $17.7 billion under management. His future plans include returning to school to receive an MBA after gaining a few years' work experience.

Adam Hennings

Adam is a graduating senior with a B.S. degree in Finance and Entrepreneurship. Currently, Adam works as an intern for Aster Capital, an early to mid-stage clean energy venture fund joint financed by Schneider Electric, Alstom, and Rhodia Group. Over the summer, Adam plans to pursue a social academic startup with USparkFoundry, a new peer-driven business incubator sponsored by the U, alongside his role at Aster.

Tim King

Tim is a graduating senior with a B.S. degree in Finance. Currently, he is attempting to get into law school and has applied to a handful of schools in the Western United States. He also ran a failed contracting company for 12 years and aspires to one day enter into an entrepreneurial endeavor again. Tim enjoys spending time with his family and two small children and believes that his seven year old daughter is actually smarter than he is.

Chris Lee

Chris is a graduating senior, earning a B.S. degree in Honors Finance. Currently, he is the Treasurer of the Salt Lake City Rotaract Club and is applying for the publication of his honors thesis, Momentum Investing Profits and Predictive Variables, in multiple finance journals. Chris is weighing multiple job offers against the option to travel for a few months before entering the work force--a tough call. Chris accepted a position with Unitrin in Chicago in July.

Geoff Lewis

Geoff is a Junior majoring in Finance and Accounting. He will be interning at Ernst and Young in San Francisco over the summer, where he will work in their Asset Management Assurance practice. He expects to graduate in the spring of 2012.

Julie Murphy

Julie will graduate in August of 2011 with a B.S. Degree in Honors Finance. For the past two years, Julie has served as President and Co-President of Upsilon Upsilon chapter of Alpha Sigma Lambda, a national honor society for adult students. Julie founded Hearthstone Mortgage, Inc., and has been a mortgage loan officer for the past 15 years. This summer she plans on finishing her thesis, exploring employment opportunities in the Salt Lake City area and spending a couple of weeks sailing, surfing and enjoying friends and family on the beaches of southern California. Julie plans to return to school while working in 2012 to pursue a Professional or Executive MBA degree.

John Pearson

John is graduating in May 2011 with a B.A. in Finance and a B.S. in Economics. He currently serves as the Student Body Vice President and has been very involved on campus in other organizations including Sigma Chi Fraternity, Bennion Service Center, Student Alumni Board, ASUU, and U of U Men's Soccer Team. John recently accepted a job with Cisco Systems as a Financial Analyst in their North Carolina, Research Triangle Park office and will begin work in the summer of 2011. He plans to work for a few years before returning to earn a Masters in Business Administration. When John is not in school or working hard, he enjoys spending his time water skiing, golfing, and road biking.

Kyle Poulin

Kyle is a junior pursuing a B.S. in Honors Finance. This summer Kyle will be interning with Nomura Securities in New York City, where he will work in their Investment Banking Division. Kyle has worked with the University Venture Fund where he has conducted the full due diligence process on several early stage companies in a variety of industries. In his spare time, Kyle enjoys weightlifting, reading novels, and meeting new people.

Brett Sanchez

Brett is a senior graduating with a Bachelor of Science in Finance. In addition to his work at the Student Investment Fund, Brett is also a consultant in the Student Consulting Initiative at the University of Utah. Following graduation, Brett will work for Zions Bank, where he accepted a full time position as a financial analyst in the capital markets department.

Lindsay Stahl

Lindsay is a graduating senior studying Finance. Lindsay has served as the 2011 VP and Conference Chair at University of Utah Finance Club, the 2010 Finance Chair of the Wells Fargo Bank, Salt Lake Region diversity group Amigos and the Co-Director of the Special Events Committee for the Junior League of Salt Lake City.Lindsay has worked full-time at Wells Fargo Bank to fund her education. She currently holds a position within the Corporate Trust Department heading a high level project to mitigate business line risk. Her past duties with the department include working on a team to manage a portfolio of 600+ trust accounts. Additionally, Lindsay is a Senior Associate at the University Venture Fund. Lindsay has accepted a position with Goldman Sachs and will start as an Analyst in the Global Investment Research group June 2011. In her spare time, Lindsay enjoys traveling, road-biking and golfing.

Devin Stevenson

Devin is a senior majoring in Mathematics. He plans on starting graduate school this fall in pursuit of a Masters in Financial Engineering. He began working at The Overland Group in 2007 as a project manager in its real estate development division after completing his double major in Finance and Accounting from the U. He held that position for three years until returning to the U full time to pursue his Mathematics degree.

Robbie Tanner

Robbie will graduate in December of 2011 with a B.S. Degree in Honors Finance. He recently founded a small business that provides custom engraving on personal electronic devices and is an intern with the Student Consulting Initiative, a student program that provides management consulting services to local companies. He has accepted an offer to work at Goldman Sachs as a Summer Analyst in asset management.

LETTER FROM FUND ADVISOR

Many of the most important investment lessons for this year's portfolio managers occurred during the summer. At the time the semester ended, our portfolio was up by more than 25% and was outperforming the S&P. We were first among the 20 schools sponsored by DA Davidson. For most of the summer, our portfolio continued to perform well; toward the end of July, the portfolio was up over 30% from the beginning of the academic year. Then, international stock markets plummeted. Spain and Italy joined Greece, Portugal, and Ireland in the European debt crisis. The US came within days of hitting its debt ceiling, raising the possibility of a default on Treasuries. Although the debt ceiling was raised, the absence of a long term solution left the world wondering whether politicians in Washington can work together to reach a long term solution to the US's debt problems. Job growth and housing sales remain slow, and some economists are beginning to speak of a double dip recession. On August 5, Standard & Poors downgraded US government debt.

As of August 19, our portfolio was up about 4% from when we took over; the S&P was up by 7%. What happened?

At the time that most of this report was written, we were holding about 13% of our money in cash. Most of that money was invested over the next few weeks, at close to the peak of the market. We invested about 95% of the Daniels portfolio in April and early May. That portfolio is now down almost 16%. Timing makes a big difference. Stock markets do nothing many days, and move by large amounts on other days. One way to avoid investing everything at a peak is to invest gradually over several months.

In this tumultuous period, our portfolio fell by more than the broad market indexes. Many of the stocks we hold have betas greater than 1. As the market was rising, our portfolio outperformed; as the market fell, our stocks tended to outperform on the downside, too. High beta stocks are more sensitive to market movements.

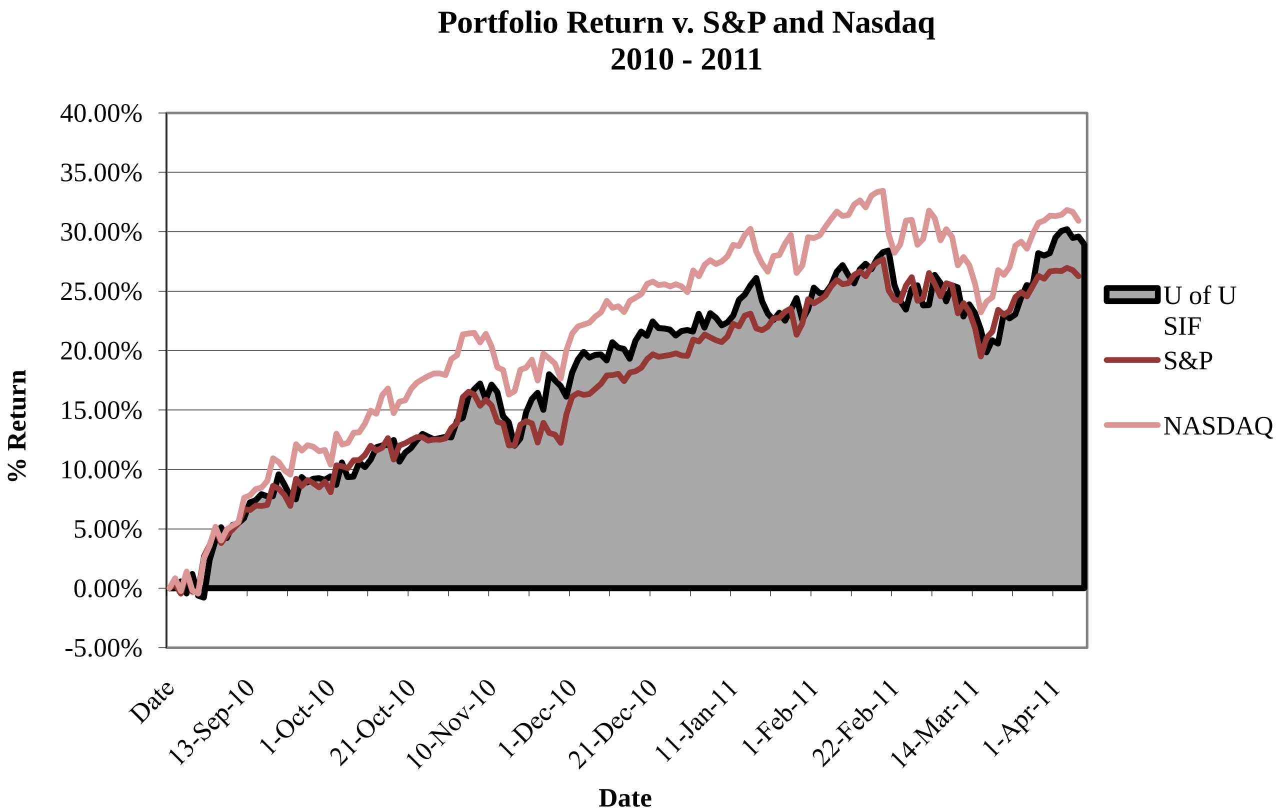
Stock selection matters. Of the 21 new equity investments made by the 2010-2011 managers, only six (29%) outperformed the S&P over the time-matched period we held each stock. Although part of that performance can be attributed to high betas, some of our poor performers, including Active Power, Transocean, and Dolby, have betas below 1 and should have fared better in the recent downturn.

For 11 of the last 12 months, our portfolio did very well; the last month was dismal. A year is a relatively short investment horizon, and as this year's performance illustrates, it can be quite misleading to focus on evaluating performance over short intervals.

In addition to running the fund, the 2011-2012 managers began the process of developing an investment policy for the Daniels Socially Responsible Portfolio. I was impressed by the thoughtful and creative proposals put forward by the group, and by the passion you exhibited in the process. I look forward to watching future classes build on your excellent work.

STUDENT INVESTMENT FUND OVERALL (APRIL 8, 2011)

Historically, the Student Investment Fund has focused on long-term investments in high growth stocks. The typical investment horizon is three to five years, but can be longer for certain stocks that are considered "staples" such as Microsoft. The 2010-2011 fund managers were interested in gaining portfolio exposure to rapidly growing industries such as semiconductors and petrochemicals. The graph below depicts the Fund's performance throughout the academic year in comparison with the S&P 500 and NASDAQ.



The Fund generally outperformed the S&P 500 throughout the year, but consistently underperformed the NASDAQ. Several of the Fund's best performing stocks were from the energy sector, including Anadarko (APC), Hess (HES), and SunPower (SPWRA).

Best 5 Investments Across All Portfolios

Rank	Ticker	Gross return
1	UA	100.62%
2	APC	83.66%
3	HES	68.37%
4	SPWRA	66.67%
5	WAB	60.25%

Worst 5 Investments Across All Portfolios

Rank	Ticker	Gross return
47	AKAM	-18.11%
46	TBT	-1.17%
45	SPY	-0.38%
44	ILF	0.33%
43	RIG	0.94%

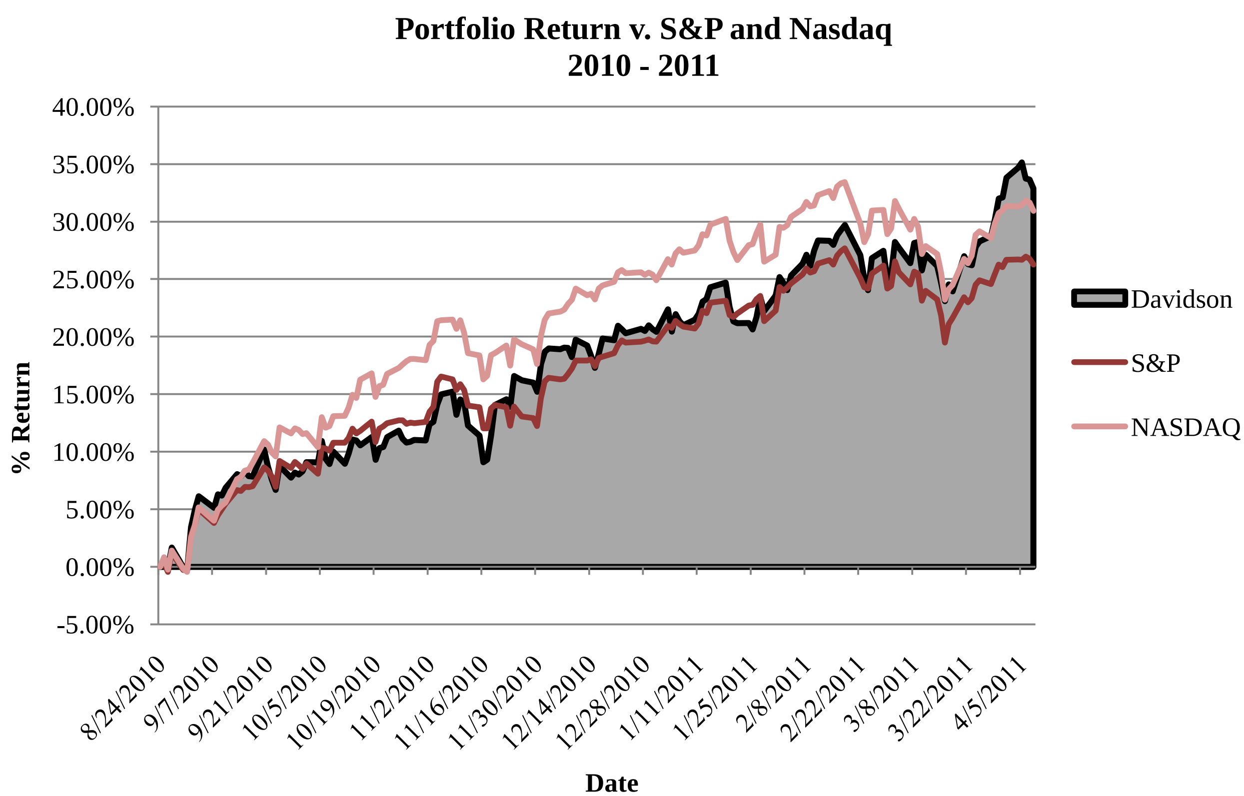
DAVIDSON PORTFOLIO

STRATEGY

The Davidson Portfolio is maintained by D.A. Davidson. The fund is reset to $50,000 each September 1. When the Fund experiences gains over 5%, D.A. Davidson contributes half of the gains over 5% to the Student Investment Fund. The Fund strategy for the Davidson Portfolio is to invest in high growth stocks that are often small cap and may carry considerable risk.

When the managers inherited the Portfolio, it was heavily weighted in the healthcare and medical research industries. It also held two ETFs: one tracking the S&P 500 (SPY) and the other tracking crude oil futures (OIL). The current Fund managers purchased stock in Aircastle (AYR), Transocean (RIG), and iShares S&P Latin America 40 Index ETF (ILF) thereby gaining portfolio exposure to the airplane leasing and off-shore drilling industries as well as to emerging markets in Latin America.

HIGHLIGHTS



The Davidson Portfolio generally outperformed both the S&P 500 and the NASDAQ over the academic year holding period. Since inheriting the Davidson Portfolio on August 24, 2010, the portfolio had a return of 32.89%% as of April 8, 2011. Some of the best performing stocks included Under Armour (UA), Westinghouse Air Brake Technologies (WAB), and Cerner (CERN).

On April 8, 2011, the Davidson portfolio had a total value of $66,644.75, and had a return of 32.94%, after adjusting for the cash withdrawn for rebalancing by D.A. Davidson. The table below separates the performance into two groups, investments we inherited and stocks we acquired.

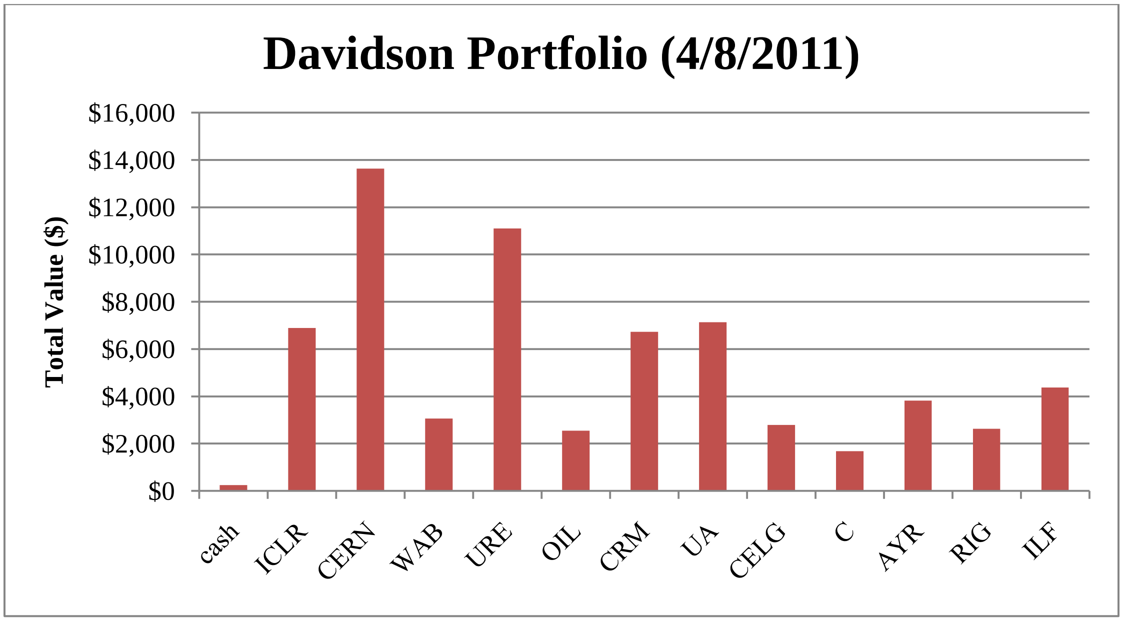
Ticker	Shares*	Date inherited or acquired	Initial Price	Date Sold or Valued	Final Price	Dividends received**	Gross return
				Inherited Stocks			
ICLR	300	24-Aug-10	$22.49	8-Apr-11	$22.96		2.09%
CERN	125	24-Aug-10	$73.34	8-Apr-11	$109.07		48.72%
WAB	45	24-Aug-10	$42.44	8-Apr-11	$67.98	$0.03	60.25%
URE	200	24-Aug-10	$39.12	8-Apr-11	$55.49	$0.26	42.51%
OIL	85	24-Aug-10	$20.59	8-Apr-11	$29.98		45.60%
OIL	85	24-Aug-10	$20.59	14-Feb-11	$24.00		16.56%
TBT	100	24-Aug-10	$30.63	25-Aug-11	$30.27		-1.17%
SPY	30	24-Aug-10	$105.53	25-Aug-10	$105.13		-0.38%
SPY	35	24-Aug-10	$105.53	6-Apr-11	$133.56	$1.81	28.27%
CRM	50	24-Aug-10	$113.29	8-Apr-11	$134.65		18.85%
UA	100	24-Aug-10	$35.59	8-Apr-11	$71.40		100.62%
CELG	50	24-Aug-10	$51.05	8-Apr-11	$55.92		9.54%
C	370	24-Aug-10	$3.71	8-Apr-11	$4.56		22.91%
				Acquired Stocks			
AYR	300	8-Dec-10	$10.39	8-Apr-11	$12.71	$0.20	24.28%
RIG	33	14-Feb-11	$78.86	8-Apr-11	$79.60		0.94%
ILF	80	6-Apr-11	$54.58	8-Apr-11	$54.76		0.33%
Davidson Portfolio Total***		24-Aug-10	$55,497.77	8-Apr-11	$66,644.75		32.94%

* Split adjusted

** For foreign shares, dividends net of taxes

*** $5,353.88 was withdrawn on August 31, 2010 to reset account to $50,000.00

The Fund held the following positions in the Davidson Portfolio as of April 8, 2011. The Portfolio held only $241.30 in cash.



The Fund managers chose to divest stocks held in the Davidson Portfolio on three separate occasions during the 2010-2011 academic year. The Fund sold about half of its holdings in SPY, an ETF that tracks the S&P 500, on August 25, 2010, and sold the remaining 35 shares on April 6, 2011. The Fund also divested 85 shares of OIL, an ETF that tracks crude oil, on February 14, 2011. For a full account of the motivating factors behind these sales, please see the full stock descriptions below (Note: As the Fund still owns shares of OIL, its profile appears in the Current Holdings section.)

SPDR S&P 500 (NYSE: SPY)

Ticker: SPY
Purchased: 6/23/2009
Purchase price: $96.27
Inherited price: $105.53
Initial sale date: 8/25/2010
Sale Price: $105.94
Second sale date: 4/6/2011
Sale price: $133.66
Analyst: Geoff Lewis

The SPDR Trust is an exchange-traded fund that holds all of the S&P 500 Index stocks. It is comprised of undivided ownership interests called SPDRs. The fund issues and redeems SPDRs in multiples of 50,000 in exchange for S&P 500 Index stocks and cash. As this ETF seeks to replicate the S&P 500, it is heavily weighted in large cap stocks.

The Fund managers initially invested in SPDRs to maintain a presence in the market. We believed that the funds could be better used investing in more attractive, high growth securities rather than in the ETF.

MILNER PORTFOLIO

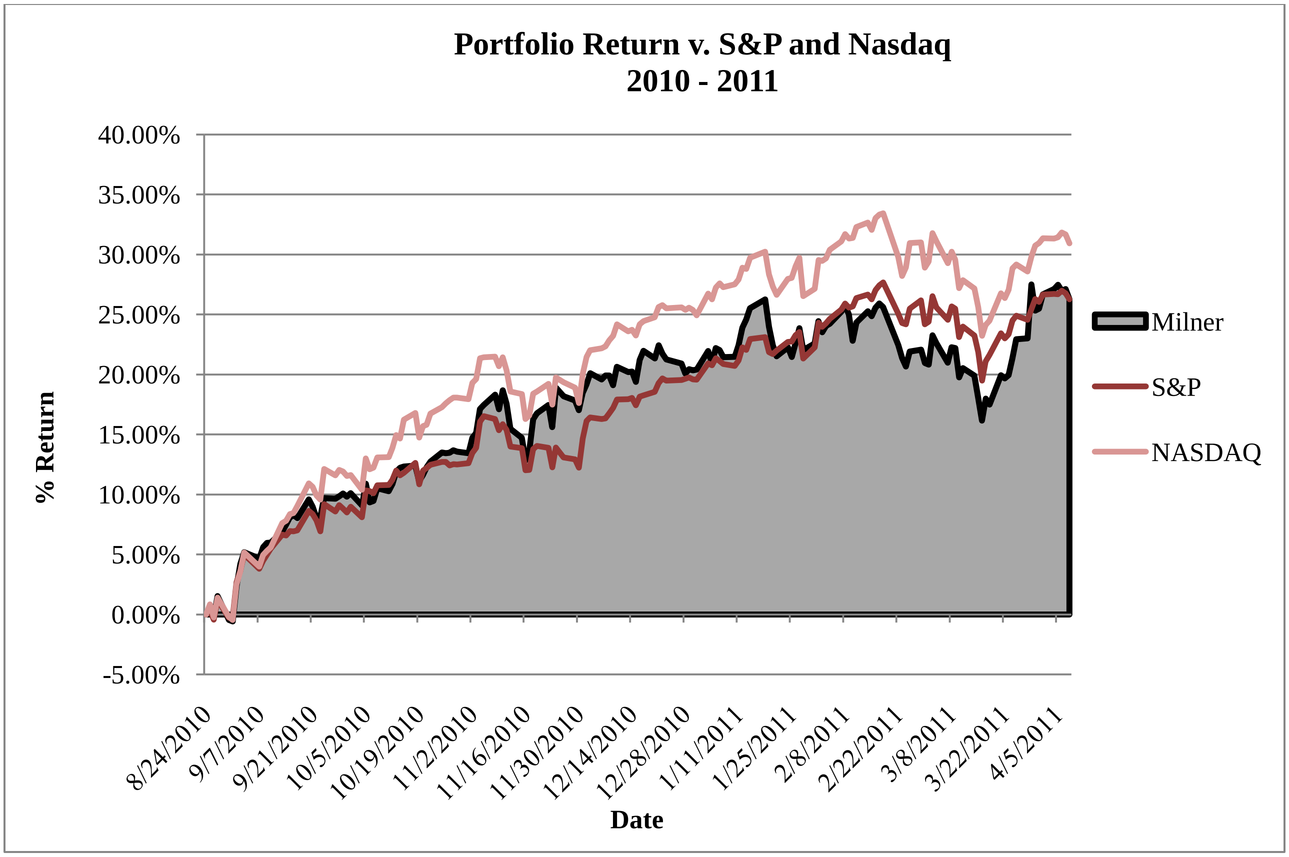
STRATEGY

As in the Davidson portfolio, the Fund receives a donation of half of the gains in excess of 5% on holdings in the Milner Portfolio. However, the Portfolio’s value is not reset each year. The Fund managers therefore pursue a similar strategy of investing in high growth, generally small cap stocks.

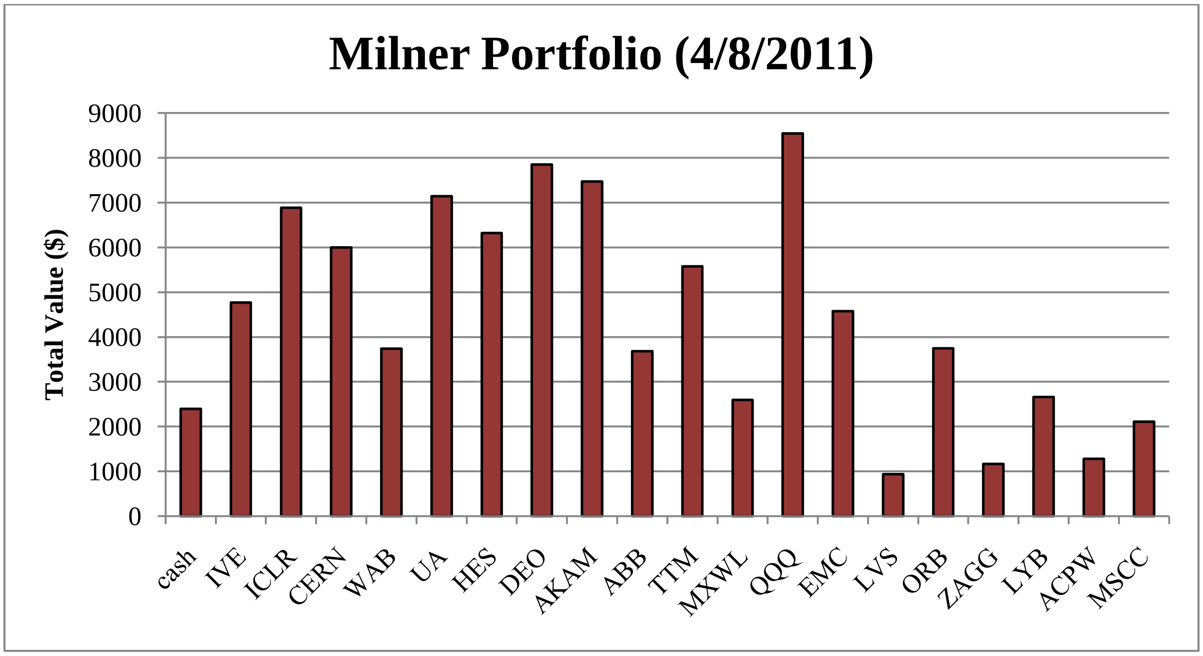
Throughout the academic year, the Fund managers purchased stock in Orbital Sciences (ORB), Zagg Inc. (ZAGG), LyondellBassell Industries (LYB), Active Power (ACPW), and Microsemi Corporation (MSCC).

HIGHLIGHTS

The Milner Portfolio generally outperformed the S&P 500 and underperformed the NASDAQ until about February. From the date of inheritance on August 24, 2010, through April 8, 2011, the Milner Portfolio had a rate of return of 26.28%. Some of the best performing stocks include Under Armour (UA), Hess (HES), Westinghouse Air Brake Technologies (WAB), Cerner (CERN), and Maxwell (MXWL).



On April 8, 2011, the Milner Portfolio had a total value of $88,505.90, with about 3% held in cash ($2,394.55). The Fund held the following positions in the Milner Portfolio as of April 8, 2011.



Milner Portfolio							
Ticker	Shares*	Date inherited or acquired	Initial Price	Date Sold or Valued	Final Price	Dividends received**	Gross return
Inherited Stocks							
IVE	75	24-Aug-10	50.76	8-Apr-11	63.63	1.309	27.93%
ICLR	300	24-Aug-10	22.49	8-Apr-11	22.96		2.09%
CERN	55	24-Aug-10	73.34	8-Apr-11	109.07		48.72%
WAB	55	24-Aug-10	42.44	8-Apr-11	67.98	0.030	60.25%
NUS	**125**	**24-Aug-10**	**26.58**	**1-Oct-10**	**28.95**		**8.92%**
ATVI	**100**	**24-Aug-10**	**10.75**	**30-Mar-11**	**10.98**	**0.165**	**3.68%**
UA	100	24-Aug-10	35.59	8-Apr-11	71.4		100.62%
HES	75	24-Aug-10	50.21	8-Apr-11	84.24	0.300	68.37%
DEO	100	24-Aug-10	66.58	8-Apr-11	78.5	2.487	21.64%
AKAM	200	24-Aug-10	45.61	8-Apr-11	37.35		-18.11%
ABB	150	24-Aug-10	18.87	8-Apr-11	24.57	0.673	33.77%
TTM	200	24-Aug-10	22.1	8-Apr-11	27.89		26.20%
MXWL	150	24-Aug-10	11.69	8-Apr-11	17.32		48.16%
QQQ	150	24-Aug-10	43.65	8-Apr-11	56.95	0.418	31.43%
EMC	175	24-Aug-10	18.12	8-Apr-11	26.13		44.21%
LVS	**25**	**24-Aug-10**	**27.49**	**16-Mar-11**	**37.49**		**36.38%**
Acquired Stocks							
ORB	200	10-Nov-10	17.15	8-Apr-11	18.74		9.27%
ZAGG	140	1-Dec-10	7.15	8-Apr-11	8.33		16.50%
ACPW	1000	1-Dec-10	2.149	8-Apr-11	2.66		23.78%
LYB	30	21-Mar-11	39.33	8-Apr-11	42.58	0.085	8.48%
MSCC	100	30-Mar-11	20.359	8-Apr-11	21.07		3.49%
Milner Portfolio Total		24-Aug-10	$70,088.47	8-Apr-11	$88,505.90		26.28%

* Split
** For foreign shares, dividends net of taxes

DIVESTED HOLDINGS

LAS VEGAS SANDS (LVS: NYSE)

Ticker: LVS
Purchased: 4/15/2010
Purchase price: $23.72
Inherited price: $28.94
Sale date: 3/16/2011
Sale price: $37.49
Analyst: Paul Goerke

The current fund managers inherited LVS from the previous year's class. Las Vegas Sands develops multi-use, integrated resorts worldwide. The company owns and operates the Venetian Resort Hotel Casino, the Palazzo Resort Hotel Casino, and the Sands Expo and Convention Center in Las Vegas, Nevada as well as the Sands Macao, the Venetian Macao Resort Hotel, and the Four Seasons Hotel Macao in Macao, China. The previous managers purchased this stock because they were optimistic about development projects that would expand the company's exposure to a growing market in Singapore.

The Fund managers decided to sell LVS on March 16, 2011, upon perceiving multiple red flags involving the company's operations out of Macao. First, the company was denied building permits for the final two development projects in the Sands Macao. Secondly, the company has been involved in litigation dealing with the potential wrongful termination of Chief Executive, Sheldon Adelson. Mr. Adelson was allegedly terminated due to a refusal to comply with a scheme to bribe Macau officials. At the time of this litigation, current managers felt that it was a good time to liquidate their holdings in Las Vegas Sands Corp, securing a compounded annualized growth rate of 74.21%.

NUSKIN ENTERPRISES (NYSE: NUS)

Ticker: NUS
Analyst: Chris Child
Portfolio: Milner
Purchased: November 25, 2009
Sold: October 13, 2010
Purchase price: $27.30
Inherited price: $26.32
Sale price: $28.95

NuSkin is a multilevel marketing company headquartered in Provo, UT. It sells anti-aging skincare and nutritional products worldwide. Following a rapid increase in the stock price, several key insiders began selling their shares. Fund managers saw this as a sell signal, and lacking other compelling reasons to hold the stock, they decided to sell. The managers were generally uncomfortable with NuSkin's legal risk exposure in Japan and uncertain the company could effectively exploit new markets in China. If NUS had been held to April 8, 2011, the stock would have returned an additional 5%. The Milner portfolio returned more than 10% since the divestiture of the NUS position.

NU SKIN

ACTIVSION BLIZZARD (NASDAQGS: ATVI)

Ticker: ATVI
Analyst: Will Roach
Portfolio: Milner
Purchased: 10/20/2008
Sold: 3/30/2011
Purchase price: $12.41
Inherited price: $10.75
Selling price: $10.98

Activision Blizzard is a leading online and console game developer and publisher. The company was formed through a merger between Activision and a subsidiary of Vivendi S.A. in July 2007. Activision Blizzard is headquartered in Santa Monica, California. The company produces game software that is utilized on the Xbox, Playstation, and Nintendo consoles as well as other portable devices and personal computers. Popular Activision Blizzard game titles include Call of Duty, World of Warcraft, StarCraft, Guitar Hero, and various expansion packs and variations.

The Fund managers chose to sell the Milner Portfolio's holdings in ATVI because of its unimpressive performance since initial acquisition. The stock peaked at $18.62 in July of 2008 and never recovered. However, the Fund managers were able to recognize a 3.61% IRR over the inherited stock price of $10.75.

ACTIVISION
BLIZZARD

SCHOOL PORFOLIO

STRATEGY

The School Portfolio has been funded by donations to the Student Investment Fund. The capital belongs to the school; therefore, the Fund bears all losses, and enjoys all gains. This Portfolio is governed by the Student Investment Fund bylaws. The investment objective for the School Portfolio is long-term, steady growth. Therefore, the stocks found in this Portfolio are generally more mature, stable companies than many of those that the Fund holds in the Davidson and Milner Portfolios. Stocks in the School Portfolio are more likely to pay dividends.

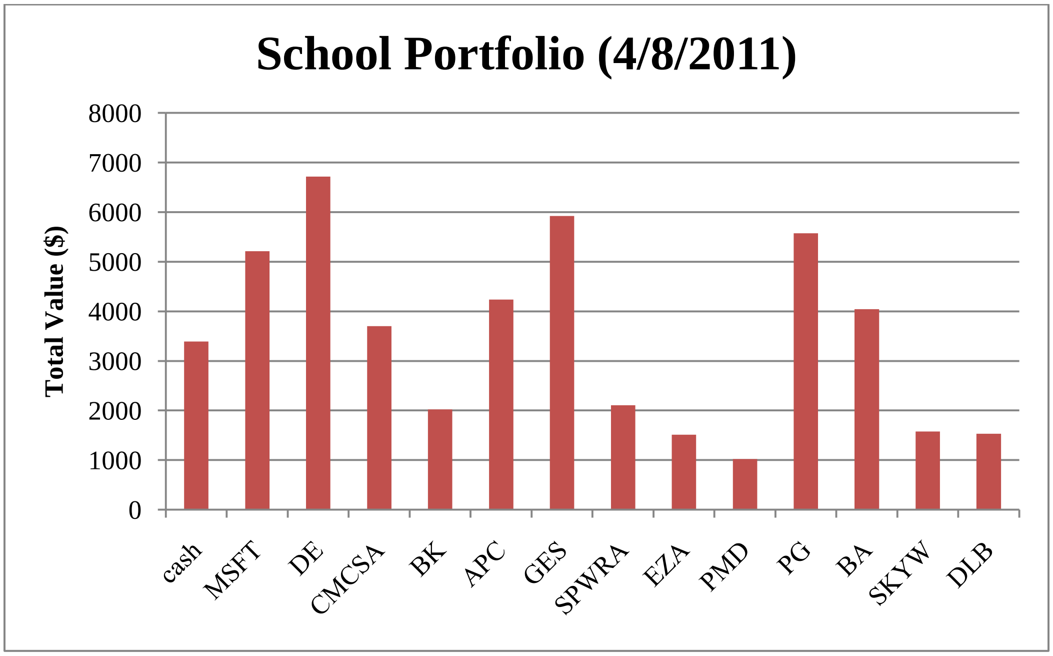
HIGHLIGHTS

The School Fund outperformed the S&P 500 and underperformed the NASDAQ for most of the period that the current Fund managers held the portfolio. Over the 2010-2011 academic year, the School Portfolio had a rate of return of 28.45% and ended with a value of $48,560.47. The top performing stocks included Anadarko Petroleum Corporation (APC), SunPower Corporation (SPWRA), and Deere & Company (DE).

School Portfolio							
Ticker	Shares*	Date inherited or acquired	Initial Price	Date Sold or Valued	Final Price	Dividends received **	Gross return
Inherited Stocks							
MSFT	200	24-Aug-10	24.04	4/8/2011	26.07	0.450	10.32%
DE	70	24-Aug-10	62.34	4/8/2011	95.93	0.650	54.92%
CMCSA	150	24-Aug-10	17.01	4/8/2011	24.68	0.19	46.20%
BK	67	24-Aug-10	24.34	4/8/2011	30.22	0.180	24.90%
ATVI	**200**	**24-Aug-10**	**10.75**	**3/31/2011**	**11.05**	**0.165**	**4.33%**
APC	50	24-Aug-10	46.27	4/8/2011	84.71	0.270	83.66%
GES	150	24-Aug-10	37.45	4/8/2011	39.46	2.360	11.67%
SPWRA	125	24-Aug-10	10.11	4/8/2011	16.85		66.67%
EZA	20	24-Aug-10	57.9	4/8/2011	75.62	1.550	33.28%
PMD	100	24-Aug-10	8.23	4/8/2011	10.2	0.360	28.31%
PG	90	24-Aug-10	59.66	4/8/2011	61.9	0.964	5.37%
Acquired Stocks							
BA	55	27-Dec-10	64.37	8-Apr-11	73.47	0.420	14.79%
SKYW	100	24-Jan-11	15.33	8-Apr-11	15.8	0.040	3.33%
DLB	30	16-Mar-11	49.1	8-Apr-11	51.04		3.95%
School Portfolio Total***		24-Aug-10	$32,589.25	8-Apr-11	$48,560.47		28.45%

* Split
** For foreign shares, dividends net of taxes
*** The fund received $6,500 in new

The Fund held the following positions in the School Portfolio as of April 8, 2011, including $3,288.43 in cash.



The only stock that the Fund chose to divest in was Activision Blizzard. For information regarding the decision to sell and the company profile, please refer to the Divested Holdings section of the Milner Portfolio.

DANIELS SOCIAL RESPONSIBILITY PORTFOLIO

The Daniels Social Responsibility Portfolio (DSRP) was formed in the spring of 2011 to give students at the University of Utah the opportunity to build and manage a socially responsible portfolio of public equities. The Fund thanks the Daniels Foundation for its generous support. The Fund managers of the 2010-11 academic year proposed the following mission statement.

> *The Student Investment Fund's Daniels Socially Responsible Portfolio targets equities that provide maximum returns while meeting our social investing criteria—ethical labor practices, respect for the environment, and equitable distribution of wealth.*

Fund managers explored a variety of ways to define a socially responsible investment. One concept fund managers developed to capture a socially responsible company is the idea of "social alpha," defined by the 2010-11 SIF as:

> *A benefit to stakeholders above what is normally expected for a company with a similar set of stakeholders. Positive social alpha indicates a social good, whereas negative social alpha represents a social ill. Social alpha may be measured both quantitatively and qualitatively.*

To drill down the determinants of what tips the scale either way on social alpha, Fund managers examined factors internal to a target firm as well as the firm's external activities. Items identified as important internally to the target firm include ethical and equitable treatment of employees, employee benefits, executive pay, corporate culture, and work-life balance. Items identified as important externally to the target firm include human rights, environmental impact, contracting with socially responsible suppliers and customers, community involvement, ethical dealings with suppliers and governments, anti-corruption policies, and animal rights.

Managers concluded that social responsibility for Fund managers includes fiduciary responsibility, and so each investment in the DSRP must meet two hurdles: the proposed investment must meet the Student Investment Fund's investment criteria and in addition, each investment must meet the criteria for social responsibility. As in the other three funds SIF manages, a majority of votes by managers is needed to meet the investment hurdle.

Social responsibility proved difficult to define. For example, the Fund managers struggled with whether it is the proper role for a corporation to donate directly to charities, or whether a corporation has an obligation to return profits to its investors and allow the investors to direct their own charitable giving. Managers also disagreed over whether producing a product that is inherently harmful to the environment in a less harmful manner than competitors met the criteria for social responsibility. Managers also debated the length of time that should elapse following irresponsible behavior on the part of a candidate firm before it became eligible for consideration for the Portfolio.

The Fund managers agreed that good attributes in some dimensions could not counterbalance a significant failing in another. For example, ethical treatment of employees could not offset poor environmental practices. Ultimately, mangers adopted a more stringent requirement for meeting the standard for social responsibility prior to investing. In addition to meeting the investment criteria, two thirds of managers present must vote in favor of a motion that a candidate investment meets the social responsibility standard.

The practice of holding two votes appeared to work reasonably well. Managers were able to propose investments that received favorable votes in both dimensions. There were proposed stocks that failed to receive the required votes in both or one dimension, as well.

The Daniels Social Responsibility Portfolio is a work-in-progress. These ideas are only the first iteration of developing a sound framework for evaluating stocks for the DSRP. The investment criteria should be reviewed by each incoming class and revised when needed. The 2010-11 analysts challenge incoming students to think critically, debate passionately, and refine these philosophies in years to come.

Responsible Fund Bylaws – first draft

1. **PURPOSE**

   The Student Investment Fund's Socially Responsible Fund will invest in companies that practice the behaviors that the managers of the Fund believe to be socially responsible. These behaviors shall include the internal practices of the company, external behavior of the company, and other public behaviors that are deemed significant.

2. **CRITERIA**

The criteria determining what is "socially responsible" shall be determined by each incoming class at the beginning of the year. Proposed or continued criteria shall be decided by a simple majority.

3. INVESTMENTS

Investments proposed will be evaluated based on quality of investment and on whether the proposed company meets the values necessary to be considered socially responsible by the fund managers. Each company that receives a buy proposal will see two votes; one based on quality of investment and another that considers whether the company meets the criteria to be placed in the socially responsible fund. In order for a company to be placed in the socially responsible fund, it must be agreed upon by two-thirds of the Fund managers present that it meets the criteria established by the Fund and by one half that the investment meets the financial criteria for investment.

4. REMOVAL

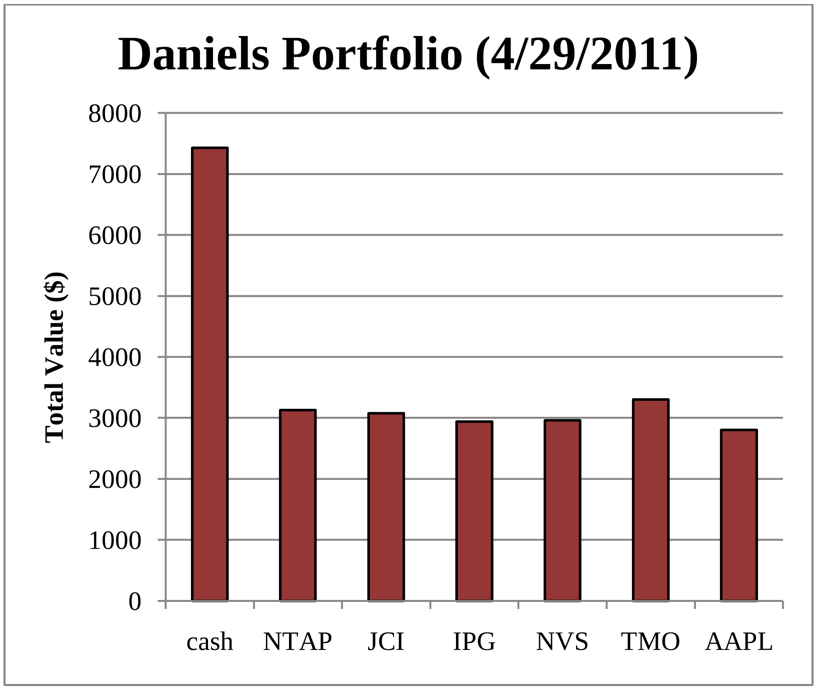
If any company that has been placed in the Socially Responsible Fund no longer meets the criteria established by the Fund managers, a vote of at least half of the present managers' votes shall be required to remove a stock from the Fund.

HIGHLIGHTS

The Daniels Socially Responsible Portfolio was funded by on April 6, 2011. Therefore, the analysis below captures the portfolio's position as of April 29, rather than April 8, the date at which the other three portfolios are measured. As of April 29, the portfolio value was $25,624.31, of which about 30% was held in cash.

Daniels Socially Responsible Portfolio							
Ticker	Shares	Date inherited or acquired	Initial Price	Date Sold or Valued	Final Price	Dividends received**	Gross return
			Acquired Stocks				
NTAP	60	13-Apr-11	48.65	29-Apr-11	52.11		7.11%
JCI	75	15-Apr-11	39.00	29-Apr-11	41.00		5.13%
IPG	250	20-Apr-11	11.82	29-Apr-11	11.75		-0.59%
NVS	50	20-Apr-11	57.69	29-Apr-11	59.17		2.57%
TMO	55	20-Apr-11	55.69	29-Apr-11	59.99		7.72%
AAPL	8	20-Apr-11	346.00	29-Apr-11	350.13		1.19%
Daniels Total Portfolio		6-Apr-11	$25,000	29-Apr-11	$25,624.31		2.50%

* Split adjusted
** For foreign shares, dividends net of taxes
Note: This fund was created after the Milner, Davidson, and School funds were measured for performance.



CURRENT HOLDINGS (CURRENT PRICES AS OF APRIL 8, 2011)

ABB LTD. (NYSE: ABB)

Portfolio:	Milner
Purchased:	March 24, 2009
Purchase Price:	$14.22
Inherited Price:	$18.87
Current Price:	$24.57
Analyst:	Adam Hennings

ABB is a globally diversified energy equipment and service company serving utility, industrial, and commercial markets. Their broad product portfolio consists of items for energy transmission and distribution, power generation automation, process control and other related technologies. The company's stock is listed on the SIX Swiss Exchange and NASDAQ OMX Stockholm Exchange in addition to the NYSE where it is listed as an American Depository Receipt.

Looking toward the future, ABB is targeting its strategy toward energy infrastructure modernization in developed countries and build out in emerging markets. It plans on specifically focusing on energy efficiency, renewable energy integration, and networked energy systems.

The Fund acquired 150 shares of ABB in the spring of 2009 believing that ABB would benefit from increased business stemming from the stimulus package. As of early 2011, the Department of Energy had funded 27 American Recovery and Reinvestment Act (ARRA) projects from the $5 billion allocated for grid modernization.[1] Over the 2010-11 academic year, the stock has been propelled higher, up almost $6 per share. The current Fund managers anticipate this infrastructure modernization trend to continue into the near future and see the investment as an opportunity for market exposure.

ACTIVE POWER (NASDAQGM: ACPW)

Portfolio:	Milner
Purchased:	December 1, 2010
Purchase Price:	$2.15
Inherited Price:	N/A
Current Price:	$2.66
Analyst:	Tim King

Active Power, Inc. designs, manufactures, and markets products that deliver clean power and power quality solutions. The company especially markets its products and services to data centers and other companies which need UPS (Uninterruptible Power Supply) solutions so that operations will not be effected by power outages, sags, and surges. ACPW provides CleanSource UPS based on flywheel energy storage technology; its UPS products are among the most efficient in the industry, have the smallest carbon footprint, and are capable of storing power and operating without a battery. The company also offers turnkey continuous power services and solutions to clients in which Active Power will tailor each system to the customers' specifications. With its subsidiaries and original manufacturer partnerships, Active Power has a presence in over 40 countries.

The Fund managers chose to purchase ACPW because as more information and crucial business functions are digitized, companies will require a constant, reliable source of power. Active Power is a play both in the power grid space and in clean energy. Active Power's products help smooth power flow, which is important for sensitive electronic equipment, provide uninterrupted power in sensitive areas, such as hospitals, and utilize innovative, less polluting methods to address these issues. The Fund managers also chose to invest because of the stock's attractive price point. The stock has been fairly volatile, but returned 83.55% as of April 8, 2011.

AIRCASTLE LIMITED (NYSE: AYR)

Portfolio:	Davidson
Purchased:	December 08, 2010
Purchase Price:	$10.39
Inherited Price:	N/A
Current Price:	$12.28
Analyst:	Lindsay Stahl

Aircastle operates within the highly competitive secondary aircraft leasing industry with a diverse portfolio of commercial aircraft ranging from narrow-body passenger jets to wide-body passenger aircraft and freighters. Aircastle also boasts a diverse customer base having a presence in five major regions. Aircastle was founded by Fortress, a private equity investment firm, as a result of a build versus buy decision.

The Fund managers' decision to purchase Aircastle stock was based upon the expected growth in the aerospace market and the industry shift in aircraft ownership to leasing

[1] http://www.renewableenergyworld.com/rea/partner/sbi-energy/news/article/2011/02/u-s-investment-in-smart-grid-capabilities-paces-global-industry

companies. This shift allows for greater efficiency in the aviation market by providing airlines with fleet flexibility and a reduction in residual value risk of the aircraft. Leasing companies have stable cash flows which allow for better financing options and make the company better equipped to mitigate the risk associated with the cyclicality of the airline industry. The Fund managers also took the extensive knowledge base and experience in the aircraft leasing industry provided by Aircastle's management team into account when choosing to buy the stock.

AKAMAI TECHNOLOGIES (NASDAQGS: AKAM)

Portfolio:	Milner
Purchased:	Feb 29 2009
Purchase Price:	$18.31
Inherited Price:	$46.73
Current Price:	$39.73
Analyst:	Brett Sanchez

Akamai Technologies is a web caching firm that provides services to help speed up delivery content over the internet. Globally, the company has over 15,000 servers that store internet data which allows for fast load times of streaming data between different businesses and consumers. Some of its most notable clients include Hulu.com, Yahoo.com, ESPN.com, and CNN.com.

The Fund managers believe that as information and services continue to be digitized, the demand for Akamai's technology will continue to increase. The fund has decided to hold Akamai because of the company's strong positioning in rapidly growing markets, where it will be able to continue to grow both domestically and internationally. Earnings per share was up nearly 17% in 2010, and the Fund managers believe that demand growth related to online video, content streaming, mobile devices, and cloud computing will allow the company to continue to grow earnings per share in 2011.

ANADARKO PETROLEUM (NYSE: APC)

Portfolio:	School
Purchased:	December 3, 2008
Purchase Price:	$36.33
Inherited Price:	$46.27
Current Price:	$84.71
Analyst:	Julie Murphy

Anadarko Petroleum Corporation focuses on finding and producing oil and gas. Most of the company's operations are in the deep water of the Gulf of Mexico and in Algeria. In addition, the company operates in Brazil, China, Ghana, and Indonesia. The company markets natural gas, crude oil, condensate, as well as oil and natural gas liquids (NGLs).

The Fund managers chose to hold the School Portfolio's position in ACP because they believe energy prices will continue to rise in the near future and believe Anadarko will benefit. The Fund also saw upside potential in a number of Anadarko's current exploration projects. Since inheriting the stock, APC had an internal rate of return of 164.60% as of April 8, 2011.

APPLE, INC. (NASDAQGS: AAPL)

Portfolio:	Daniels
Purchased:	April 28, 2011
Purchase Price:	$346.00
Inherited Price:	N/A
Current Price:	$374.01
Analyst:	Chris Child

Apple Inc. makes personal computers, mobile phones, and portable digital music and video players and sells related software, services, and peripherals. Apple, Inc. has a strong history of innovation. The company outperforms the industry in its ROE. The company is projected to have 48% sales growth in 2011. SR rationale: Apple tracks & reduces its carbon footprint, the company has developed a supplier code of conduct and has a supplier diversity program, the company has a conflict-free smelter program, and the company is in the FTSE4good index.

BANK OF NEW YORK MELLON (NYSE: BK)

Portfolio: School
Purchased: March 5, 2008
Purchase Price: $45.19
Inherited Price: $24.34
Current Price: $30.22
Analyst: Lindsay Stahl

BNY MELLON

The Bank of New York Mellon Corporation provides a range of financial services including wealth and asset management, asset servicing, issuer services, as well as clearing and execution services. The Fund initially invested in BK in 2008 as a long-term investment in the School Portfolio providing exposure to the financial services industry. At the time of the subprime mortgage crisis, the financial services industry was hit particularly hard and the Fund's investment in BK was negatively affected.

The current Fund managers chose to hold the investment in BK because of its steady recovery since the economic recession struck in 2008. They believe that the stock will continue to rise in the future as the economy recovers and that BK provides a good source of diversification and exposure to the financial services sector in the School Portfolio.

BOEING (NYSE: BA)

Portfolio: School
Purchased: December 27, 2010
Purchase Price: $64.37
Inherited Price: N/A
Current Price: $73.08
Analyst: Brett Sanchez

BOEING

The Boeing Company engages in the design, development, manufacture, sale, and support of commercial jetliners, military aircraft, satellites, missile defense, human space flight, and launch systems and services worldwide. It is the second largest commercial airplane manufacturing company, as well as the third largest military weapons maker.

The Fund purchased Boeing, believing that its stock was undervalued due to delays in the release of its newest commercial airplane, the 787 Dreamliner, which is more than three years overdue. The Fund, along with most industry analysts, expects Dreamliner deliveries to begin in the early part of the third quarter of 2011, a factor which should have a significant upside impact on the company's stock price. The company has strong fundamentals and an experienced management team that has consistently met or exceeded analyst estimates over the last five years. The Fund also believes that the cyclicality of the stock will benefit it as the economy continues to recover from the 2008 recession. Boeing earns approximately 50% of its revenue from the department of defense budget, giving its revenue stream a great deal of stability as the company moves forward.

CERNER (NASDAQGS: CERN)

Portfolio: Davidson, Milner
Purchased: February 10, 2006, October 7, 2009
Purchase Price: $42.10, $75.76
Inherited Price: $73.34
Current Price: $109.07
Analyst: Chris Lee

CERNER All Together

Cerner Corporation provides healthcare information technology, healthcare devices, and content solutions for healthcare organizations and consumers in the Americas, Europe, the Middle East, and the Asia Pacific region. The firm's Cerner Millennium software platform combines clinical, financial, and administrative data that patients, hospitals, pharmacies, laboratories, and physician offices can have access to in real time. Cerner's revenue derives from two main segments: system sales, which account for about 30% of revenue and support, maintenance, and services operations, which account for the remainder.

Previous Fund managers have held Cerner as it maintains steady cash flow and earnings growth. This year's managers have chosen to hold the stock for similar reasons. In its last fiscal year, Cerner's EPS increased from $2.31 to $2.78. Cerner is strategically and technologically well positioned to capitalize on the needs, inefficiencies, and dynamics of the world's healthcare systems, a position that will help sustain the company's future growth.

CITIGROUP (NYSE: C)

Portfolio: Davidson
Purchased: April 21, 2010
Purchase Price: $5.02
Inherited Price: $3.71

Citigroup offers a broad range of financial products and services including banking services, investment banking and advisory services to corporations, asset management services, derivatives, foreign exchange, and transaction services worldwide. Customers range from small retail clients to large institutional and corporate clients. Citigroup

Current Price: $4.56
Analyst: Chase Arneson

operates in 140 countries.

The Fund managers opted to hold all shares of Citi with the belief that as the price rises above $5, additional institutional investors will buy the stock, helping to stabilize the price. Citi has delivered a 20.63% gross return to the 2010-2011 Fund managers.

COMCAST (NASDAQGS: CMCSA)

Portfolio: School
Purchased: January 17, 2007
Purchase Price: $29.99
Inherited Price: $17.01
Current Price: $24.68
Analyst: Adam Hennings

Comcast is a provider of video, high-speed internet, and phone services in the United States. The firm serves both the residential and commercial segments of the market. At the end of the 2010 fiscal year, Comcast supported nearly 23 million video subscribers, 17 million internet subscribers and 8.6 million phone subscribers.

Since the announcement of a deal with GE to acquire its NBC Universal business, the stock price has traded down pending approval by the U.S. government. In January 2011, the deal won approval and was closed later that month. Since then, its stock price has experienced moderate gains and the effects of the deal are beginning to be realized.

Despite Comcast's recent underperformance, the 2010-11 Fund managers chose to hold the security in order to recover losses since its initial purchase and possibly gain in the short term under the assumption the NBC deal would be approved. Currently, the stock is below the fund's purchase price by approximately five dollars.

DEERE & CO. (NYSE: DE)

Portfolio: School
Purchased: November 30, 2005
Purchase Price: $34.63
Inherited Price: $62.34
Current Price: $95.93
Analyst: Tim King

Deere & Company's operations are divided into three main business segments: agricultural and turf, construction and forestry, and credit. The agriculture and turf segment is responsible for the manufacturing and distribution of farm and turf equipment, as well as their related service parts. The construction and forestry segment is responsible for the manufacturing and distribution of machines and related service parts used in construction, earth moving, material handling, and timber harvesting. The credit segment is responsible for financing the sales and leases of new and used equipment manufactured by the other two segments.

The Fund managers believe that Deere is a strong long-term investment because of its global exposure to agriculture as well as infrastructure construction in developing and developed nations. The stock price continued to rise over the past year and had an IRR of 100.07% over the academic year holding period.

DIAGEO PLC (NYSE: DEO)

Portfolio: Milner
Purchased: February 4, 2009
Purchase Price: $55.43
Inherited Price: $64.97
Current Price: $78.50
Analyst: Robbie Tanner

Diageo PLC is a UK-based alcoholic beverage company that produces, distributes, and markets spirits, beer, and wine. The company stock is traded on the London Stock Exchange and on the New York Stock Exchange as an American Depository Receipt. Founded in 1997, Diageo is the leader in premium spirits. Some of Diageo's brands include Captain Morgan, Johnnie Walker, Crown Royal, Guinness, Seagrams, and Cacique. Diageo generally broadens its product offerings through acquisitions, including the recent acquisition of Mey Icki, a Turkish wine producer. The Fund decided to hold Diageo because of the stock's low volatility, consistent dividend yield, and successful history of strategic acquisitions.

DOLBY LABORATORIES (NYSE: DLB)

Portfolio: School
Purchased: March 16, 2011
Purchase Price: $49.10
Inherited Price: N/A
Current Price: $51.04
Analyst: Dustin Carruth

Dolby Laboratories was founded in 1965 in San Francisco, California. The company went public in 2004 and is listed on the NYSE under the DLB ticker symbol. Dolby Laboratories, an industry leader in sound technology, develops technologies for accurate recording, storage, and production of sound. The company's products are used in entertainment products, electronic devices, and computers. Dolby has maintained a focus on offering audio enhancing technologies while expanding its product offerings to include an array of audiovisual equipment.

The current Fund managers elected to purchase 90 shares of Dolby because of its strong position to take advantage of future growth potential in the technology industry and its strong brand name and history of innovation. Dolby's stock was adversely affected by the news that personal computer sales are expected to decline as consumers shift to tablets. However, the Fund managers believe that the market overreacted, and Dolby should continue to have strong profits in the future as many devices aside from computers utilize the company's audio technology. The Fund's one year target price is $67.45, which represents a 31% upside based on the current market price.

EMC CORPORATION (NYSE: EMC)

Portfolio: Milner
Purchased: December 9, 2009
Purchase Price: $16.75
Inherited Price: $18.53
Current Price: $26.13
Analyst: Kyle Poulin

EMC Corp. provides products and services for external data storage and server virtualization. EMC produces systems infrastructure, storage software, virtualization, and provides open consulting services. As the open source leader in networked storage, EMC appears well positioned to take advantage of growth in information storage. This market is being driven by the growing need for firms to back up every bit of data such as digital MRIs and corporate records. EMC's inorganic growth strategy has been successful in keeping the firm ahead of the technological curve through the strategic acquisitions of small, but quickly growing IT specialty firms such as VMware and Data Domain. VMware is used by all Fortune 100 companies and has 84% of the total market for virtualization services and software.

The Fund managers chose to hold EMC due to its consistently improving stock price, returning 34% as of April 8, 2011. This growth is mainly attributable to the economic recovery and enterprises' increased investment in new technology. The current portfolio managers believe EMC will continue to be a strong performer throughout 2011 as more companies update technology and cloud computing becomes more prevalent in the corporate world.

FORD MOTOR CO. (NYSE: F)

Portfolio: Daniels
Purchased: May 6, 2011
Purchase Price: $15.18
Inherited Price: N/A
Current Price: $10.91
Analyst: Adam Hennings

Ford Motor Co. is one of the world's largest producers of cars and trucks. Ford has a 16.4% market share of cars and trucks in U.S., second to GM. Ford underwent a major restructuring prior to the recession in 2008-2009, allowing it to avoid bankruptcy and gain market share. The company currently has an attractive PEG ratio of 0.48. SR criteria: #63 on CRO's 100 Best Corporate Citizens (1st in Human rights, #82 Green Rankings (Newsweek), 2011 World Most Ethical Companies, Ethisphere, #158 Just Means Global 1000, and Most Top Saftey Picks (IIHS) of any vehicle manufacturer.

GUESS?, INC. (NYSE: GES)

Portfolio: School
Purchased: April 29, 2009
Purchase Price: $25.05
Inherited Price: $37.45
Current Price: $39.46

Guess? Inc. designs, produces, and sells clothing, footwear, and fashion accessories. The company operates primarily in the US and Canada, but also has stores in Europe, Asia, and Latin America. The company faces fierce competition, low switching costs for buyers, and changing fashion trends.

Analyst:	Chris Child

The stock was at its six month high when the 2008-2009 fund managers made the initial purchase. The managers cited increasing consumer confidence following a deep recessionary period at the time. Subsequently, the 2009-2010 fund managers decided to hold the stock, which had a holding period return of 87.6%. The stock has since realized a more modest 5.3% return. During the 2010-2011 period, the company has faced increasing input costs, with the price of cotton increasing 140% over the past year. The current Fund managers decided to hold the stock in anticipation of improved sales as the economy recovers.

HESS CORPORATION (NYSE: HES)

Portfolio:	
Purchased:	January 23, 2009
Purchase Price:	$52.28
Inherited Price:	$50.21
Current Price:	$84.24
Analyst:	John Pearson

Hess Corporation is a worldwide integrated oil and gas company. It operates in two main segments: exploration and production, and marketing and refining. The exploration and production segment explores for, develops, produces, purchases, transports, and sells crude oil and natural gas. This segment primarily takes place in Algeria, Australia, Azerbaijan, Brazil, Denmark, Egypt, Equatorial Guinea, Gabon, Ghana, Indonesia, Libya, Malaysia, Norway, Peru, Russia, Thailand, the United Kingdom, and the United States. The marketing and refining segment manufactures, purchases, markets, and trades refined petroleum products, natural gas, and electricity. It markets gasoline through its more than 1,360 HESS gasoline stations across 16 US states primarily along the east coast.

The previous year's management team stated that the company's success is highly dependent on oil prices. The price of crude oil has steadily increased since its 52-week low in May of 2010 resulting in more than a 50% increase. As a result of the rising crude oil prices, during the same period the stock has yielded an increase of over 60%. The current Fund managers decided to hold the stock because they believe the price of oil will continue to increase and Hess will benefit, especially given its successful history in exploration and production.

ICON PLC (NASDAQGS: ICLR)

Portfolio:	Davidson, Milner
Purchased:	February 3, 2005
Purchase Price:	$8.48
Inherited Price:	$23.06
Current Price:	$22.96
Analyst:	Robbie Tanner

A Symbol of Excellence

ICON PLC is an Ireland based contract research company listed as an ADR on the NYSE. ICON provides outsourced development services for clinical studies of pharmaceuticals, biotechnology, and medical devices. The company primarily operates in the United States, Ireland, and Western Europe. ICON focuses on conducting clinical trials and development projects from compound selection to Phase I and IV clinical studies.

Despite the company's decline in near-term research and development spending, the Fund decided to hold ICON because of the managers' belief in a favorable industry outlook and that ICON's efficient operations will continue to drive strong steady earnings growth for the company.

INTERPUBLIC GROUP OF COMPANIES (NYSE: IPG)

Portfolio:	Daniels
Purchased:	April 20, 2011
Purchase Price:	$11.82
Inherited Price:	N/A
Current Price:	N/A
Analyst:	Kyle Poulin

The Interpublic Group of Companies, Inc., is an advertising and marketing services company. The company operates globally. As the global recession ends, we expect an increase in advertising expenditures. Socially responsible qualifications include: Newsweek Top 500 Green Companies, $1.5M in annual contributions, charitable marketing campaigns, and AAF Diversity Award.

IPATH S&P GSCI CRUDE OIL INDEX (NYSEARCA: OIL)

Portfolio:	Davidson
Purchased:	April 29, 2009
Purchase Price:	$18.48
Inherited Price:	$20.59
Current Price:	$29.88
Analyst:	Julie Murphy

OIL is an exchange traded note that tracks the performance of the Goldman Sachs Crude Oil Total Return Index. It reflects the returns that are potentially available through an unleveraged investment in the West Texas Intermediate crude oil futures contract plus the T-bill rate of interest that could be earned on funds committed to trading the underlying contracts.[2] The Fund initially purchased OIL in 2009 when it had been trading near a six month low.

The current Fund managers chose to hold half of the Davidson Portfolio's holdings in the ETN in anticipation of continued rising oil prices. However, the managers sold 85 shares on February 14, 2011 when OIL was trading at $23.05 in order to free up cash for other investments.

ISHARES S&P 500 VALUE INDEX (NYSEARCA: IVE)

Portfolio:	Milner
Purchased:	March 14, 2007
Purchase Price:	$75.49
Inherited Price:	$50.76
Current Price:	$63.63
Analyst:	Devin Stevenson

IVE is an exchange traded fund of S&P 500 value stocks. In 2007, the proportion of cash in the Milner portfolio exceeded the proportion of cash in the Davidson portfolio. To keep the relative weighting and performance of the two portfolios equal, the 2006-07 fund managers needed to find place for the excess cash. IVE balanced the cash in the two portfolios in 2007 and gave current managers exposure to the market without creating an advantage for either portfolio.

For the current year, the Fund managers decided to hold IVE until cash was need for other investments. However, because all of this year's purchases were financed through the sale of other holdings, it was never necessary to sell IVE. The Fund managers maintain their hold recommendation to remain exposed to the market until funds are needed for future purchases. IVE is weighted heavily in financials with 26.5% of all holdings in the financial service sector; up from 17.1% from last year. IVE has been on par with the Milner Fund's overall performance this year.

ISHARES LATIN AMERICA 40 INDEX (NYSEARCA: ILF)

Portfolio:	Davidson
Purchased:	April 6, 2011
Purchase Price:	$54.70
Inherited Price:	N/A

iShares Latin America 40 is an exchange traded fund that replicates the S&P Latin America 40 index. The ETF was started in October of 2001 and is most heavily weighted in materials, financials, and consumer staples. All of the equity holdings are traded on exchanges in Mexico, Brazil, Argentina, and Chile.

[2] http://www.ipathetn.com/OIL-overview.jsp

Current Price: $54.76
Analyst: Lindsay Stahl

The Fund bought 80 shares of ILF on April 6, 2011, because managers believed that it offered good, diversified exposure to emerging markets in in Latin America. The Fund managers believe that Latin America will benefit from increasing oil prices, and consumer spending will increase as the nations develop.

ISHARES MSCI SOUTH AFRICA INDEX (NYSEARCA: EZA)

Portfolio: School
Purchased: March 3, 2010
Purchase Price: $56.44
Inherited Price: $57.90
Current Price: $75.62
Analyst: Britt Boril

iShares MSCI South Africa Index is an ETF comprised of South African companies. The fund is most heavily concentrated in financial sector holdings, industrial material companies, and telecommunication services. The 2009-2010 Fund managers originally chose to invest in the ETF because they believed that the FIFA World Cup 2010 would attract attention and business to the country.

The current Fund managers chose to maintain exposure to the emerging South African economy and witnessed an internal rate of return of 53.67% over the course of the academic year. South African GDP grew 4.8% in the first quarter of 2011[3] and is expected to continue to grow over the course of the next year. The Fund managers feel that EZA offers good diversification and exposure to emerging markets in the School Portfolio.

JOHNSON CONTROLS (NYSE: JCI)

Portfolio: Daniels
Purchased: April 15, 2011
Purchase Price: $39.00
Inherited Price: N/A
Current Price: N/A
Analyst: Adam Hennings

Johnson Controls Inc. is a leader in building and automotive control systems. Johnson Controls products include auto interiors and controls, building management systems including energy, HVAC, controls, security,
and mechanical systems, and lead-acid, lithium ion batteries for all types of cars and HEVs. Johnson Controls has an attractive PEG ratio and strong earnings growth. JCI has received the following recognition for socially responsible actions: 2011 World's Most Ethical Companies (Ethisphere) #1 on CR's 100 Best Corporate Citizens, #23 Global 100 (Corporate Knights), #14 Green Rankings (Newsweek), #4 in Consumer Discretionary CDLI, #2 in CDPI, #23 on JustMeans Global 1000, and SAM Gold Class 2010-11 (Auto Parts.)

J.P. MORGAN CHASE & CO. (NYSE: JPM)

Portfolio: School
Purchased: April 25, 2011
Purchase Price: $44.68
Inherited Price: N/A
Current Price: N/A
Analyst: Dustin Carruth

JPMorgan Chase & Co. is a financial holding company headquartered in New York City. The company provides investment banking services, commercial banking, retail financial services, and corporate financial services worldwide. We bought JPM to increase our exposure to the financial sector. The company has had declining default rates and increasing loans.

LYONDELLBASSELL INDUSTRIES (NYSE: LYB)

[3] http://www.tradingeconomics.com/south-africa/gdp-growth

Portfolio: Milner
Purchased: March 14, 2011
Purchase Price: $39.33
Inherited Price: N/A
Current Price: $42.58
Analyst: Devin Stevenson

LyondellBasell Industries is the world's third largest chemical company. It manufactures and sells chemicals and polymers worldwide. The company's operations are divided into Olefins and Polyolefins, Intermediates and Derivatives, and Refining and Oxyfuels. Lyondell was acquired by Basell in 2007 in a leveraged buyout. The excessive debt levels and the economic downturn caused LYB to file for chapter 11 bankruptcy. In April 2010, LYB emerged from bankruptcy with new management, had 75% of its prior debt eliminated, and was listed on the NYSE. LYB had a strong post-bankruptcy year and the new management team had exceeded its cost reduction and reorganization goals.

The Fund managers decided to purchase LYB based on its position as a market leader and its new balanced capital structure. LYB appears to be trading at a discount to its peers, which the managers believe is the result of the market having lingering doubts with the recent bankruptcy. The stock has been steadily increasing since April 2010 and insiders have been extensively purchasing shares. The Fund managers believe this has created an opportunity to purchase the company at a low price and see this as a long term investment for the fund. Given more time to prove itself, LYB should continue to increase in value and trade on par with its peers.

MAXWELL TECHNOLOGIES, INC. (NASDAQGS: MXWL)

Portfolio: Milner
Purchased: November 18, 2009
Purchase Price: $17.46
Inherited Price: $11.69
Current Price: $17.32
Analyst: Tim King

Maxwell Technologies Inc. is an energy storage company based in San Diego, California. The company engages primarily in developing, manufacturing, and marketing energy storage and power delivery products. Maxwell develops small and large ultracapacitor cells for numerous products from consumer electronics, automotive control systems, and medical devices to renewable energy systems and microelectronic components for satellites and spacecraft.[4] The company's focus is on its ultracapcitor products which entail significant research and development costs; however, Maxwell also produces two other product lines: high-voltage capacitors and radiation-mitigated products, which help to offset these costs.

As of April 8, 2011, the stock had almost recovered to its initial purchase price. The Fund managers decided to hold the investment in MXWL to maintain exposure to the highly competitive energy storage industry in which they anticipate high growth potential.

MICROSEMI CORPORATION (NASDAQGS: MSCC)

Portfolio: Milner
Purchased: March 30, 2011
Purchase Price: $20.36
Inherited Price: N/A
Current Price: $21.07
Analyst: Paul Goerke

Mircosemi Corporation engages in the design, manufacture, and marketing of analog and mixed-signal integrated circuits and semiconductors in the United States, Europe and Asia.

The Fund purchased MSCC based on the recent strategic acquisition of Actel, as well as an increase in operational efficiencies through a recent plant closure. The acquisition of Actel greatly increased Microsemi's ability to enter European markets. A recent plant closure in Arizona is also expected to increase operating efficiencies moving forward.

MICROSOFT CORPORATION (NASDAQGS: MSFT)

Portfolio: School
Purchased: April 15, 2004
Purchase Price: $25.23
Inherited Price: $24.04
Current Price: $26.07
Analyst: Britt Boril

Microsoft Corporation develops, manufactures, licenses, and markets various software products and services for computers and computing devices. The company produces the most widely used operating system for personal computers, the latest version being Windows 7, and also has entertainment, business software, and hardware product segments. The company reported revenues of $62.48 billion in 2010 and a net income of $18.76 billion.

[4] http://www.maxwell.com/about_us/overview.aspx

The Fund managers decided to hold the School portfolio's position in MSFT because of its strong market position and steady cash flows that should continue into the future. MSFT represents a stable, reliable long-term investment and fits well in the School Portfolio strategy.

NETAPP, INC.(NASDAQGS: NTAP)

Portfolio:	Daniels
Purchased:	April 13, 2011
Purchase Price:	$48.65
Inherited Price:	N/A
Current Price:	$41.72
Analyst:	Britt Boril

NetApp Inc., stores, manages, archives, and protects business data. The company was incorporated in 1992 and has been public since 1995. NetApp operates in 130 locations worldwide. We believe that NetApp is well positioned to take advantage of growth in data storage industry. The company is poised to expand to new markets following recent acquisitions. The company has a substantial cash position of $4 billion and has the best margins in the industry. Summary of SR qualification: Having servers that store more data is less costly and more environmentally friendly; the company offers an 8-point strategy for reducing storage power consumption; the company has given $1 million to non-profits and universities in 2010, plus over $900,000 in donations of product and service offerings; the company is ISO 14,000 certified.

NOVARTIS (NYSE: NVS)

Portfolio:	Daniels
Purchased:	April 20, 2011
Purchase Price:	$57.69
Inherited Price:	N/A
Current Price:	N/A
Analyst:	Kyle Poulin

Novartis AG develops and manufactures health-care products through its branded pharmaceuticals, generic pharmaceuticals, diagnostic and vaccines, and consumer products. The company has become a global leader in expanding ophthalmic market with purchase of minority stake in Alcon. Novartis has a broad range of products in the pharmaceutical arena including products in branded pharmaceuticals, generic pharmaceuticals, diagnostic and vaccines, and consumer products. The acquisition of Alcon brings an increased presence in the eye-care industry. Gilenya, an oral treatment for multiple sclerosis, recently obtained EU marketing approval, and is forecast to reach 2 billion in sales by 2016. SR highlights: # 6 on Global Green 100 list (Newsweek 2010), #1 pharmaceutical company in Fortune's World's Most Admired Companies 2011, Awarded Gold Class Medal in SAM's 2011 Sustainability Yearbook, #7 on Top 10 Companies for Global Diversity in 2010 (DiversityInc).

ORBITAL SCIENCES CORPORATION (NYSE: ORB)

Portfolio:	Milner
Purchased:	November 10, 2010
Purchase Price:	$17.15
Inherited Price:	N/A
Current Price:	$18.74
Analyst:	Chris Child

Orbital Sciences develops rockets and satellite launch vehicles for military, commercial, and scientific entities. The company produces missile interceptors and targets for the United States' missile defense program. Launch vehicles comprise the remaining revenue source, including four platforms for medium-mass satellite systems. It is also involved in the System F8 program at DARPA and the commercial replacement to the NASA Space Shuttle program.

The stock was purchased near its six-month high. The Fund managers chose Orbital because it offers high reliability delivery systems at very low relative cost. The company was also positioned to benefit from an initiative by the US to create a system of interconnected, smaller satellites to replace larger satellite platforms. The stock has realized an 8.9% gross return in five months.

POWERSHARES QQQ TRUST (NASDAQGM: QQQ)

Portfolio:	Milner
Purchased:	April 29, 2009
Purchase Price:	$34.03
Inherited Price:	$43.65
Current Price:	$56.95
Analyst:	Adam Hennings

ProShares QQQ represents an index exchange traded fund based on the stocks in the NASDAQ 100. The NASDAQ 100 is made up of the largest national and international non-financial equities listed on the NASDAQ exchange on the basis of market capitalization. Some of the stocks linked to this ETF include Amazon.com, Apple, Intel, Netflix, Google, and Starbucks. This specific collection of stocks is highly correlated to the performance of technology stocks that are publically traded.

Fund managers purchased QQQ in late April of 2009 to maintain market exposure over the summer months. The Student Investment Fund chose to hold this position through the most recent academic year because of the growing attractiveness in the technology and surrounding industries. In contrast to the previous passive rationale for the investment, the Fund looks at the position as a holding that will beat the broader market while limiting risk. The investment has done exceptionally well over the academic year as the NASDAQ 100 is trading at its highest level since early 2001.

PROCTOR & GAMBLE COMPANY (NYSE: PG)

Portfolio:	School
Purchased:	April 21, 2010
Purchase Price:	$63.28
Inherited Price:	$59.66
Current Price:	$61.90
Analyst:	Dustin Carruth

Procter & Gamble was founded in 1837 and is currently headquartered in Cincinnati, Ohio. P&G manufactures and sells personal care and household products worldwide. The company has a strong portfolio of billion dollar brands. It operates in three global business units: Beauty and Grooming, Health and Well-Being, and Household care.

P&G was purchased at $63.28 per share, a six month high. The 2009-2010 Fund managers believed that P&G's stock price would increase as the country climbed out of the recession because it would lead to consumers returning to brand name products. Since its purchase, P&G's stock has been stagnant due to high commodity prices. The Fund chose to hold this investment because P&G management has begun divesting a number of the company's underperforming business segments.

PROSHARES ULTRA REAL ESTATE (NYSEARCA: URE)

Portfolio:	Davidson
Purchased:	April 29, 2010
Purchase Price:	$3.71
Inherited Price:	$43.91
Current Price:	$55.49
Analyst:	Chase Arneson

URE is an ETF whose performance attempts to return 200% of the daily performance of the Dow Jones U.S. Real Estate Index. Its primary holdings are in REIT's which own properties in all types of commercial real estate. The fund uses leveraging techniques while mirroring the underlying index to achieve higher returns.

The Fund was looking for diversification into real estate, and to date has chosen to maintain this exposure through this ETF. The ETF was purchased at $3.71 per share, a historical low. In April 2010, ProShares reverse split the stock 5:1, resulting in a split adjusted purchase price of $18.55. The Fund managers chose to hold the investment because of the high probability that commercial real estate was poised to rebound from the recession and experienced a 34.96% gross return as a result. With leveraged strategies and fully diversified holdings, the Fund believed that this position would best capitalize on the recovering economy.

PSYCHEMEDICS CORPORATION (NASDAQCM: PMD)

Portfolio:	School
Purchased:	April 15, 2010
Purchase Price:	$7.73
Inherited Price:	$8.12
Current Price:	$10.20
Analyst:	Kyle Poulin

Psychemedics Corp. offers drug testing services to corporations, government agencies, and academic institutions worldwide. The patented hair testing method of Psychemedics has been clinically proven to be more effective than urinalysis based drug testing. On average, 85% of the drug users identified by Psychemedics would have been missed by urinalysis. This is due to the much longer detection window of approximately three months. However, a challenge the company faces is the price point. Urinalysis is by far a cheaper method of drug testing and maintains a strong presence in the market.

Psychemedics was kept in the portfolio due to the continually strong performance throughout the year. With an overall one-year return of nearly 28%, it has performed rather well. Most of the gains are attributed to the rise of the economy as a whole, particularly the increase in hiring. The stock is still far away from the pre-recession high of $18.15. However, the current Fund managers believe the stock will see slower growth through the next year and would recommend PMD as a source of capital for next year's Fund managers if a better growth stock opportunity is found.

RIO TINTO PLC (NYSE: RIO)

Portfolio:	School
Purchased:	April 26, 2011
Purchase Price:	$73.00
Inherited Price:	N/A
Current Price:	$61.00
Analyst:	Chris Child

Rio Tinto PLC is one of the world's largest mining companies, operating in the fields of iron ore, energy, industrial minerals, aluminum, copper, diamonds and gold. With strong demand for copper and other ores, we believe Rio Tinto will be a good investment. Its ROE is well above the industry average, and its PEG is well below 1. EBIT is up 39% over the prior year.

SALESFORCE.COM, INC. (NYSE: CRM)

Portfolio:	Davidson
Purchased:	October 29, 2009
Purchase Price:	$59.49
Inherited Price:	$113.29
Current Price:	$134.65
Analyst:	Britt Boril

Salesforce.com is the leading provider of enterprise solutions in customer relationship management through cloud computing. The company's main business segments are its Sales Cloud and Service Cloud through which Salesforce.com offers an array of CRM applications and support options to businesses over the internet. Cloud computing has allowed many businesses to substantially reduce IT costs and the need for privately run data centers. The stock was originally purchased by the 2009-2010 Fund managers because they believed CRM was well positioned to take advantage of the recent shift away from client-server architectures to the cloud.

The current Fund managers chose to hold the Davidson Portfolio's position in CRM because of its continued strong performance over the past two years. Salesforce.com proved have a major first-mover advantage in the cloud computing space for enterprise solutions and had an internal rate of return of 32.04% over the past academic year. The economic recession has forced companies to look for ways to reduce spending, and cloud computing offers a viable solution for substantially reducing IT costs.

SIEMENS (NYSE: SI)

Portfolio:	Daniels
Purchased:	May 6, 2011
Purchase Price:	$138.16
Inherited Price:	N/A
Current Price:	N/A
Analyst:	Adam Hennings

Siemens Aktiengesellschaft is a global leader in power T&D, oil and gas extraction, building technology, healthcare devices, information technology, and industrial products. Siemens gives us exposure to global mega-trends, with a presence in 190 countries and 420,000 employees. Siemens is a broadly diversified industrial company. The PEG ratio is uner 0.5. SR rationale: #6 on Global 100, #1 CDP Leadership & Performance Indices (in Global 500 3 consecutive years), #94 on JustMeans Global 1000, SAM Gold Class, and Sector Mover & Leader 2010-11 (Diversified Industrials).

SKYWEST, INC. (NASDAQGS: SKYW)

Portfolio:	School
Purchased:	January 24, 2011

SkyWest, through its subsidiaries, is the largest regional airline in the United States. 89% of the company's revenue comes from long-term, fixed-fee, code-share agreements from

Purchase Price: $15.33
Inherited Price: N/A
Current Price: $15.80
Analyst: Geoff Lewis

its major partners: Delta Airlines, United Airlines, and Continental Airlines. SkyWest acquired ExpressJet Holdings for $133 million in cash on November 15, 2010, adding 244 aircraft to its fleet and three new hubs. The company declared its 63rd consecutive quarterly dividend in February of $0.04 per share.

The Fund managers purchased SKYW as a long-term investment because of its ability to continue to compete in the ultra-competitive and volatile U.S. airline industry. Its strong relationships with its partners and its code-share agreements that shield the company from most of its major expenses make SkyWest an extremely stable company in the industry. Its recent acquisition of ExpressJet Holdings further diversifies the company's partners and exposes the company to new markets. The current mangagers invested because they believe in the company's resilient management team, strong relationships with its major partners, safe business model, and growth potential following its acquisition of ExpressJet.

SUNPOWER CORPORATION (NASDAQGS: SPWRA)

Portfolio: School
Purchased: Dec. 9, 2009
Purchase Price: $23.27
Inherited Price: $10.11
Current Price: $16.27
Analyst: John Pearson

SunPower Corporation engages in the design, manufacture, and marketing of solar electric power technologies. The company operates in two segments: components and systems. The components segment manufactures and sells solar power products, including solar panels and inverters, which convert sunlight to electricity compatible with the utility network. This segment sells solar components for use in residential and commercial applications to installers and resellers, including its third-party global dealer network. The systems segment sells solar power systems directly to system owners and developers. Its services include development, engineering, procurement, permitting, construction, financing options, monitoring, and maintenance. The company offers its products and services through its network of dealers primarily in North America, Europe, Asia, and Australia.

SunPower competes with companies including First Solar, Suntech, and Q-Cells on price, quality and efficiencies generated from various solar products. It boasts having the most efficient solar panels on the market and the company's panels produce up to 50% more power than other solar power solutions. Most recently, on April 29, 2011, Total SA, a European oil producer, agreed to buy as much as 60% of SunPower Corporation for $1.38 billion. The stock price rose 36% in one day to $21.40 per share an increase of $5.62. The recent announcement ensures that SunPower Corporation will be an attractive investment which is why the current Fund managers have decided to continue to hold this stock in the School Portfolio.

TATA MOTORSLTD. (NYSE: TTM)

Portfolio: Milner
Purchased: April 22, 2009
Purchase Price: $7.05
Inherited Price: $22.10
Current Price: $27.89
Analyst: Geoff Lewis

Tata Motors Ltd. manufactures and sells commercial and passenger automobiles primarily in India. Tata is the largest automobile manufacturer in India, but also markets its cars in Europe, Africa, South East Asia, South America, and the Middle East. The company is listed on the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), and the New York Stock Exchange (NYSE) as an ADR. The company is well known for its production of small and inexpensive cars targeted to the growing middle classes of India and China. The company also produces trucks, buses, utility vehicles, and defense vehicles in India.

The Fund managers held Tata Motors in the portfolio because of the large growth potential that exists in the Indian car market and its ability to see a profit from its recently acquired Jaguar Land Rover brand. As the leading automobile manufacturer in India, Tata has exceptional brand recognition within the country giving it an advantage over competitors. Its $2,500 Nano, is an attractive option to first-time car buyers in India and China and its Jaguar Land Rover brand exposes the company to high-end European and North American markets. The stock has continued to perform well in comparison with its competitors and the Fund expects that this trend will continue in the future due to the company's strong growth prospects and sound business model.

THERMOFISHER SCIENTIFIC INC. (NYSE: TMO)

Portfolio:	Daniels
Purchased:	April 20, 2011
Purchase Price:	$55.69
Inherited Price:	N/A
Current Price:	N/A
Analyst:	Kyle Poulin

Thermo Fisher Scientific Inc. provides analytical instruments, equipment, reagents and consumables, software, and services. Its products and services are used in research and diagnostics. The company has recently made some attractive acquisitions. The company has a strong position in supplying materials for chromatography. SR highlights: Newsweek Top 500 Green Companies, “Green Teams," Thermo Fisher Foundation for Science, and Fortune "Best Company to Work for."

TRANSOCEAN LTD. (NYSE: RIG)

Portfolio:	Davidson
Purchased:	February 14, 2011
Purchase Price:	$78.86
Inherited Price:	N/A
Current Price:	$75.58
Analyst:	Lindsay Stahl

Transocean Ltd. is the world’s largest offshore drilling contractor and offers a versatile fleet of mobile offshore drilling units for the exploration and production of oil and natural gas reserves. Transocean experienced a significant drop in stock price as a result of the BP oil spill disaster in which it was the rig provider (Deepwater Horizon). Since the containment of the oil spill, the stock has made a steady rebound.

The current Fund managers believe the stock depression provided an opportunity to invest in the company at a relatively low entry price and benefit from the stock's steady recovery. The managers also believe that the company holds little liability in the disaster as the contractual indemnity shelters them from implication. The results of the Report to the President on the Gulf Oil Disaster produced by the National Commission further reflected this opinion. In addition to the short-term upside potential of the stock rebound, the Fund feels that Transocean is well positioned to capitalize on the advance in drilling technology and shift of the industry into deep water drilling as shallow water and onshore reserves are depleted.

UNDER ARMOUR, INC. (NYSE: UA)

Portfolio:	Davidson, Milner
Purchased:	December 9, 2009
Purchase Price:	$26.13
Inherited Price:	$36.37
Current Price:	$71.40
Analyst:	Brett Sanchez

Under Armour develops, markets, and distributes performance apparel, footwear and accessories for men, women and youth worldwide. Its products use moisture-wicking synthetic fabrics designed to regulate body temperature and enhance performance regardless of weather conditions. Under Amour Inc. was inherited by the 2010-2011 Student Investment Fund in both the Davidson and Milner portfolios.

Due to UA’s excellent ROI and sales growth as well as the company’s entrance into new markets, the Fund decided to hold its position in both portfolios. Under Armour experienced sales growth of 24% in 2010, with sales up 36% in the four quarter of 2010 compared to the fourth quarter in 2009. The Fund believes that rising input prices that affect the industry will have a lesser impact on Under Armour due to its product and channel mix. Since its inheritance, Under Armour has outperformed the S&P 500 by over 45%, and the Fund believes that its strong product mix and marketing, along with its entrance into several new markets will leave Under Armour with plenty of future growth potential

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION (NYSE: WAB)

Portfolio:	Davidson, Milner
Purchased:	November 8, 2006
Purchase Price:	$31.47
Inherited Price:	$42.44
Current Price:	$67.98
Analyst:	Devin Stephenson

The 2010-2011 Student Investment Fund inherited WAB from the 2006-2007 class. Westinghouse provides original equipment manufacturing and aftermarket services for the rail industry worldwide. Its business has two main segments: freight and transit. Its freight group manufactures and services components for new and existing freight cars and locomotives. Its transit group manufactures and service components for passenger transit vehicles, primarily subway cars and buses.

WAB was kept in the portfolio because of its large market share, global presence, and stable earnings. WAB has benefited from recent government stimulus spending and it is expected that this trend will continue. Higher oil and gas prices and the trend toward greener transportation will promote growth in this industry. WAB recently gave earnings guidance for the year that was 10% higher than estimates and it booked an additional $200 million in contracts. This company is expected to have consistent growth, and was thus held to provide stability and diversification to the portfolio.

ZAGG, INC. (NASDAQGM: ZAGG)

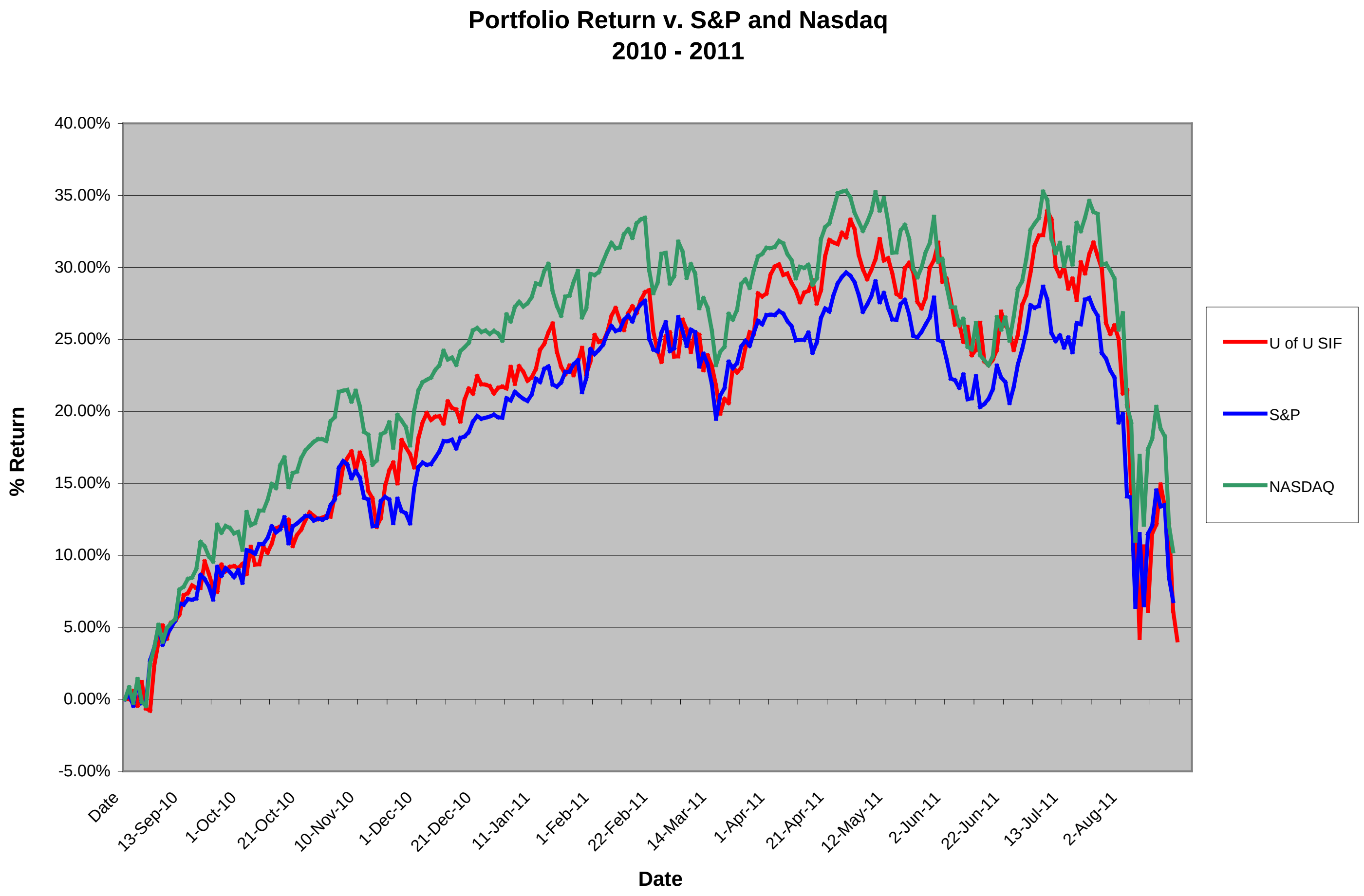
Portfolio:	Milner
Purchased:	December 1, 2010
Purchase Price:	$7.15
Inherited Price:	N/A
Current Price:	$8.33
Analyst:	Paul Goerke

ZAGG Incorporated designs, manufactures, and distributes protective coverings, audio accessories, and power solutions for consumer electronic and hand-held devices. Its flagship brand, invisibleSHIELD, includes protective film coverings designed primarily for iPods, laptops, cell phones, digital cameras, personal digital assistants, MP3 players, watch faces, global positioning systems, gaming devices, and rotary blades of military helicopters. ZAGG Incorporated is headquartered in Salt Lake City, Utah.

ZAGG was purchased based on the shift in the company's distribution channel towards big box distributors, increasing the company's product reach. The Fund managers also believe that demand for ZAGG's products will increase with the advancement in touch screen technology. Finally, with a buy price at $7.15, analysis showed that the stock was undervalued with an implied share price of $10.73.

UPDATE (AUGUST 19, 2011)

In the four months since our report was written, the S&P index has dropped over 15%. After outperforming the S&P for most of the year, the performance of our combined portfolios has slipped below the S&P in the last few days.



The table below compares each of our investments to the S&P over the period we held each investment. The middle column contains our gross return over the time we held the investment; the last column contains the return on the S&P over a matched time interval. Of the 40 equity positions we inherited, 22 of them (55%) outperformed the S&P over the time we held them. Of the 21 new equity investments we made, only six (29%) outperformed the S&P over the time-matched period we held the stock. In part, this is because we invested in some high beta stocks when the market was relatively high, and therefore, our stocks fell by more than the market.

	Gross Return	S&P return
Davidson Portfolio		
inherited stocks		
ICLR	-15.07%	6.81%
CERN	52.41%	6.81%
WAB	23.77%	6.81%
URE	15.28%	6.81%
OIL	1.85%	6.81%
OIL	16.56%	26.66%
TBT	-1.17%	0.33%
SPY	-0.38%	0.33%
SPY	28.87%	26.97%
CRM	-2.02%	6.81%
UA	48.30%	6.81%
CELG	10.70%	6.81%
C	-27.84%	6.81%
acquired stocks		
AYR	6.13%	-8.53%
RIG	-33.78%	-15.67%
ILF	-19.12%	-15.87%

	Gross Return	S&P return
School Portfolio		
inherited stocks		
MSFT	2.70%	6.81%
DE	12.96%	6.81%
CMCSA	19.78%	6.81%
BK	-20.34%	6.81%
ATVI	4.33%	26.05%
APC	43.61%	6.81%
GES	-11.67%	6.81%
SPWRA	34.22%	6.81%
EZA	12.20%	6.81%
PMD	11.54%	6.81%
PG	7.21%	26.94%
acquired stocks		
BA	-8.65%	-10.66%
SKYW	-20.74%	-12.96%
DLB	-35.48%	-10.61%
JPM	-22.56%	-15.86%
RIO	-22.58%	-16.61%

	Gross Return	S&P return
Milner Portfolio		
inherited stocks		
IVE	4.94%	6.81%
ICLR	-15.07%	6.81%
CERN	52.41%	6.81%
WAB	23.77%	6.81%
NUS	8.92%	8.97%
ATVI	3.68%	26.28%
UA	48.30%	6.81%
HES	8.92%	6.81%
DEO	13.60%	6.81%
AKAM	-55.54%	6.81%
ABB	6.85%	6.81%
TTM	-28.11%	6.81%
MXWL	27.89%	6.81%
QQQ	15.57%	6.81%
EMC	11.92%	6.81%
LVS	36.38%	19.49%
acquired stocks		
ORB	-21.75%	-7.81%
ZAGG	102.52%	-6.84%
ACPW	-39.04%	-6.84%
LYB	-28.21%	-13.47%
MSCC	-26.32%	-15.41%

	Gross Return	S&P return
Daniels Portfolio		
acquired stocks		
NTAP	-26.10%	-14.52%
JCI	-26.08%	-14.86%
IPG	-34.52%	-15.55%
NVS	-5.11%	-15.55%
TMO	-9.39%	-15.55%
AAPL	2.90%	-15.55%
SI	-29.48%	-16.17%
F	-34.19%	-16.17%

WHAT WE DID

SPEAKERS

2009-10 MANAGERS

August 24, 2010, former Fund Managers Trang Nguyen and Daniel Smart. Ms. Nguyen and Mr. Smart encouraged the class to work hard and plan ahead.

STEPHEN JEFFERIES & MICHAEL THORNTON

September 1, 2010, Stephen Jeffries of Ardoure Group and Michael Thornton of LP Capital. Mr. Jeffries and Mr. Thornton described their careers since graduating from the U and the benefits of participating in the Fund. They encouraged this year's group to take advantage of the opportunity to learn how to research investments, and to begin to develop a sense of how valuation works. Both speakers talked about how much they had learned in a few short years since graduating.

RYAN SNOW, WASATCH ADVISORS

September 14, 2010, Ryan Snow, Portfolio Manager, Wasatch Advisors. Mr. Snow provided insights into investing and suggestions for our class to consider in investment research and analysis. Key points for investment included: company culture, growth, competitive advantage, cycles, management and valuation methods and theory. Investment problems discussed included: logic vs. emotion, common behavioral traps - over confidence, over optimism, information overload. An outline of personal skills and goals was also provided with an emphasis on creating check lists, researching in a cold and rational state, and learning to think critically and skeptically.

FRED H. DICKSON, D.A. DAVIDSON

February 15, 2011 Fred H. Dickson, Senior Vice President and Chief Investment Strategist, D.A. Davidson Fund.
Mr. Dickson provided a macroeconomic overview in looking ahead through 2011. The discussion included the effect of current political changes in Egypt and the middle east on oil prices, public perception that two thirds of the population feel that the United States is still in a deep recession largely because of the unemployment rate and under water mortgages, the recent recession has forced companies to become lean and more efficient which has resulted in fewer jobs and higher productivity and GDP, and that consumer spending is at an all time high. The discussion also focused on developing an understanding of behavioral finance by utilizing information and data in the analysis of how expectations are formed and what causes them to change.

HAL MILNER

April 26, 2011, Hal Milner presented a series of ethical vignettes and led a spirited discussion about whether the protagonist's behavior in each scenario was "right' or "wrong." The scenarios ranged from selling food to a starving city to misdirection in a children's game. The class members disagreed vigorously with one another. Many members of the class found themselves arguing on one side in one scenario, and on the other side in a similar scenario. The discussion highlighted clearly why we have struggled to define social responsibility. In contrast to what we have learned in our economics classes, it is clear that for many members of the class, ethics depend in part on the context.

From March 31 to April 2, 2011, the University of Utah sent seven students to attend the R.I.S.E. XI forum in Dayton, Ohio. Attendees included three current SIF portfolio managers, three aspiring portfolio managers, and one graduate-level finance student.

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. It is held annually on the University of Dayton campus, with this year being its eleventh anniversary. The conference seeks to bring together successful professionals from Wall Street, corporate America, the 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, and students are given the opportunity to guide discussion through questions. The following two days provide multiple breakout sessions for attendees to chose from: 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; and career strategies forums explore techniques for competing and succeeding in a competitive marketplace.

There is great value in the information and networks available at R.I.S.E. and we recommend the experience to future fund managers.

CFA GLOBAL INVESTMENT RESEARCH CHALLENGE

This year three Student Investment Fund members participated in the CFA International Research Challenge in Utah. John Pearson, Kyle Poulin, Geoff Lewis, and Masters of Finance student Anh Tran, developed an equity research report and presented SkyWest Airlines as an investment opportunity to a panel of professionals. The challenge provided the team with hands-on experience in evaluating a public company, writing a research report, developing a presentation, and competing against other finance students in the state of Utah. The University of Utah team finished second in the state, falling short of first place which was taken by BYU.

SPRING PRESENTATIONS TO PROFESSIONALS

TRANSOCEAN LTD. (NYSE: RIG)

Student Analysts:

Chase Arneson	**Britt Boril**	**Christopher Child**	**Paul Goerke**
Adam Hennings	**Brett Sanchez**	**Lindsay Stahl**	**Robbie Tanner**

On February 16, 2010, the University of Utah Student Investment Fund held a presentation recommending a buy for Transocean. Transocean is a Swiss oil and natural gas exploration and drilling company. The stock trades on the New York Stock Exchange as an American Depository Receipt. Transocean is an oilrig lessor. Transocean receives a day rate from contracted oil companies that employ Transocean's equipment and personnel. The day rate for a rig is dependent on supply and demand, as well as the risk of the project. The deeper oil wells are generally riskier than shallower wells and as such, require larger day rates. As on-shore and shallow water wells become exhausted, oil producers are being forced to explore in deeper waters.

Transocean has an outstanding record of setting industry records for drilling technically difficult and deepwater wells. The company leads the industry in deepwater and ultra-deepwater projects and had the largest deepwater fleet among its competitors. Although Transocean does not have the highest financial margins, we expect that competitors will be forced to move into deepwater and ultra-deepwater projects that require higher costs, causing them to have margins similar to Transocean. The transition among Transocean's competitors to deeper waters will take a significant amount of time allowing Transocean to continue to lead the industry.

The company's stock has been depressed since the Macondo Well oil spill in April 2010. The oilrig exploded due to some poor managerial decisions made by BP, the lessee and operator of the rig at the time of the incident. According our research of the lease agreement between Transocean and BP, Transocean is indemnified of all liability in the incident. We believe that the fundamentals of Transocean remain solid and that the depression of the stock price from the oil spill provides a perfect entrance opportunity into the oil drilling and exploration industry. We believe that Transocean will outperform both the market and the industry as oil prices rise and the industry continues to move into deep and ultra-deepwater oil exploration.

DOLBY LABORATORIES (NYSE: DLB)

Student Analysts:

Dustin Carruth	**Tim King**	**Chris Lee**	**Geoff Lewis**
John Pearson	**Kyle Poulin**	**Devin Stevenson**	

On March 8, 2011, the University of Utah Student Investment Fund held a presentation recommending a buy for Dolby Laboratories.

Dolby is an industry leader in sound technology space that develops technologies for accurate recording, storage, and production of sound. The company's products are used in entertainment products, electronic devices, and computers. Dolby Laboratories was founded in 1965 in San Francisco, California. The company went public in 2004 and is currently listed on the NYSE under the ticker DLB.

Dolby generates revenue by licensing technologies, product sales, and service offerings. Licensing and products sales accounted for 97% of the company's revenue in 2010. New innovation for the company aims to improve current software offerings and adapt the technology to new verticals such as mobile phones, tablets, and video games.

Dolby's gross margin has averaged about 87% over the last three years and has been stable.Of our entire competitor group, Dolby has the highest EBIT margin at 48%. Dolby's EBIT margin is at a five year high up from 32% in 2006. Dolby's selling, general and administrative expense as a percent of revenues has been declining over the last five years as it realizes greater economies of scale and was at 27% as of 2010.

Based on our discounted cash flow analysis and comparable trading multiples analysis, Dolby has an intrinsic value of $62.34 with a one year price target of $67.45. We believe that the recent revision of earnings by management to decrease 2011 revenues by $50 million was a conservative response to the reduction of PC sales growth over the next two years. We believe the market drastically overreacted to this revision by management. The company has historically outperformed management's and analysts' estimates on a consistent basis for the last four years and we believe 2011 will be no exception. Dolby's strong reputation, history of innovations and future growth potential in the technology industry positions it to take advantage of a sustainable competitive advantage.

The following industry experts attended 2011 Presentations to Professionals.

Daniel Anderson	Beneficial Financial	Jason Morrow	Utah Retirement Systems
Brad Baldwin	Wasatch Front MLS	Rich Potashner	Merrill Lynch
Dave Broadbent	Ivory Homes	Dick Pratt	Richard T. Pratt Associates
Paul Dougan	Equity Oil Company	Tom Rugh	TIAA-CREF
Lynn Dougan	Dougan & Associates	Seth Shaner	Sterling Financial Group
Spence F. Eccles	Wells Fargo Bank	Ryan Snow	Wasatch Advisors
Jake Garn	Summit Ventures	Ramona Stromness	Richard T. Pratt Associates
Brad Heitmann	Granada Capital	Amy Sunderland	Wasatch Advisors
Stephen Jeffries	Ardoure Group	Rex Thornton	D.A. Davidson & Co.
Laura Lincoln	Utah Retirement Systems	Devin Thorpe	Mona Vie
Hal Milner	Kensington Corporation	Buzz Welch	David Eccles School of Business

WHAT WE LEARNED

LESSONS LEARNED

During the course of the 2010-2011 academic year, the S&P 500 has returned over 23%. All three portfolios within the Student Investment fund have outperformed this benchmark, though the NASDAQ has outperformed the School and Milner portfolios. Stocks have trended upward steadily since March 9, 2009, when the S&P hit its low of 676. The S&P index has since risen nearly 95% to about 1,300. This is roughly equal to where the index stood in May of 1999. The index grew until March 2000, when it dropped in the dot com bust. The index again passed that mark in 2005 on its way to a high of 1,550 in 2007. Although markets have still been extremely volatile throughout the academic year, a bullish overtone has resounded through the market.

As an investment professional, it takes proper valuation, diligent study of the markets, and an ability to see inefficiencies in the market. To be a great investment professional one must also have the ability to “pitch” a good investment. This was a key lesson driven home by the presentations to professionals. Charismatic presentation skills are imperative to persuade investors to see the potential of placing capital in a company.

In hindsight, we missed out on several good opportunities. We considered investing in Abiomed (ABMD), but passed following an FDA post-approval study that was cancelled due to “conflicting variables.” The announcement led to a 15% drop in stock price the day of the pitch to the Fund. The market sentiment was rather uncertain about the future performance of the company. However, when the fiscal year ended and the earnings announcement was released in February, the stock price quickly rose nearly 47%. The stock has gone on to realize an overall gain of approximately 86% since the day it was pitched.

Prior to spring break, rare earth minerals mining company Molycorp (MCP) was pitched to the Fund with a stock value of $44.05 per share. There were several questions about the industry that led to the investment decision being held over spring break. During that time, China, the leading producer of rare earth metals and the geographic location of the largest untapped sources, declared an increased tariff on the exportation of rare earth metals. This led to the American based MCP to rise to a value of $59.65 (a gain of 35%) by the time the fund reconvened. The stock has gone on to gain nearly 63%.

This year’s Portfolio managers had the unique opportunity of starting the Daniels Socially Responsible Portfolio. As a class, we worked to determine the many criteria for determining a Socially Responsible Investment (“SRI”). However, once the capital came into the account and we began determining potential investments we found coming to a two-thirds consensus was considerably more difficult than anticipated. There were often concerns about how to measure a company’s impact on the world and how positive it actually was. We eventually allocated a large portion of the Daniels Fund capital by the end of the semester but believe there is still substantial work required to develop a good system for defining SRIs.

OTHER INFORMATION

BYLAWS

PURPOSE

The Student Investment Fund (Fund) provides students in the David Eccles School of Business (DESB) at the University of Utah with "hands on" investment experience. Students participating in the Fund will learn how to evaluate potential investments and how to structure a portfolio

The focus of the Fund will be on growth, with a three-to-five year investment horizon.

The Fund will operate as a not-for-profit organization.

TYPES OF INVESTMENTS

Investments are limited to securities listed on US exchanges, including NASDAQ or other major international exchanges. Fund investments are limited to common and preferred stock, including ADRs and other exchange-traded collateralized equity instruments, exchange-listed corporate bonds, mutual funds and money market accounts, and US Treasury instruments. Margin purchases, short sales, and investment in derivatives are not permitted.

ANNUAL REPORT

Each year, the students will prepare an Annual Report of the Fund's activities. The report will be distributed to the Dean of the DESB, the Finance Department Chair, and to other interested parties.

ANNUAL AUDIT
The Fund will be audited annually by a group of students from the accounting society Beta Alpha Psi under the supervision of their faculty advisor.

SUPPORT FOR THE FUND
The Finance Department and the DESB will provide reasonable support for the Fund, including the type of support offered for regular departmental classes such as photocopying, computer support, etc.

FACULTY ADVISOR
An advisor to the Fund will be selected each Spring for the following academic year. Students will be consulted formally in choosing the advisor and every reasonable effort will be made to accommodate the students' recommendation. The faculty advisor will be a faculty member of the Finance Department. The advisor will be responsible for ensuring that the fund offers an appropriate learning experience for students possibly including an investment class, speakers, and appropriate projects. The Advisor and the Chair of the Finance Department will designate two faculty members of the DESB who are authorized to make trades if the Faculty Advisor is unavailable. The Advisor is responsible for maintaining complete records of all transactions made on behalf of the Fund, as well as original statements from the Fund's brokers. These records shall be made available to the Fund's auditors, the Finance Department Chair, and the Dean of the DESB on request. The Advisor is responsible for supervising the students in preparing an annual report of the Fund's activities.

INVESTMENT DECISIONS
Recommendations to buy or sell a security will be decided by a simple majority of students present at a regularly scheduled Fund meeting, after careful consideration of the investment decision's contribution to the investment goals of the Fund. In addition, a member of the group may move to recommend selling a security or increasing the quantity of a security currently in the portfolio at any time by notifying the group electronically. The motion shall remain open for the minimum of either (a) the time required for a majority of participants of vote "for" or "against" or (b) for 24 hours. If the motion has not carried within 24 hours, the motion will die. The Faculty Advisor retains the right not to carry out student recommendations if, in his or her considered opinion, the recommendations are grossly inconsistent with the investment philosophy of the Fund. The Faculty Advisor, or, in his or her absence, the designated alternative, will place trades through a registered broker.

DISTRIBUTION OF FUNDS
The Fund shall operate on an annual period from May 1 to April 30. In general, earnings and appreciation will remain invested in the Fund, subject to the following. If, on April 30, the value of the Fund net of new contributions exceeds the value of the Fund the previous year, the excess, defined as the increase in Fund value net of new contributions, will be distributed as follows.
Fifty percent of the excess will be remain in the Fund. The remaining 50 percent may be reinvested in the Fund, used to purchase materials or services used by the students for research or for Fund management, used to support student scholarships, or used to support student organizations in the DESB. Student participants shall make a recommendation on the distribution of any excess at the end of each fund year. The final decision on any distributions will lie with the Faculty Advisor, the DESB Dean, and the Finance Department Chair, although there should be a strong presumption that a recommendation by a majority of the student participants is in the best interest of the Fund.

AMENDMENTS
Amendments to the Student Investment Funds by-laws will be at the recommendation of a two-thirds majority of student members.

DISSOLUTION
Should a majority of the student members of the Fund, the Fund's advisor, the Finance Department Chair, and the DESB Dean decide to dissolve the Fund, the cash and securities in the Fund would revert to a Finance Endowment Fund.

APPROVED OCTOBER 26, 1999
AMENDED SEPTEMBER 25, 2000