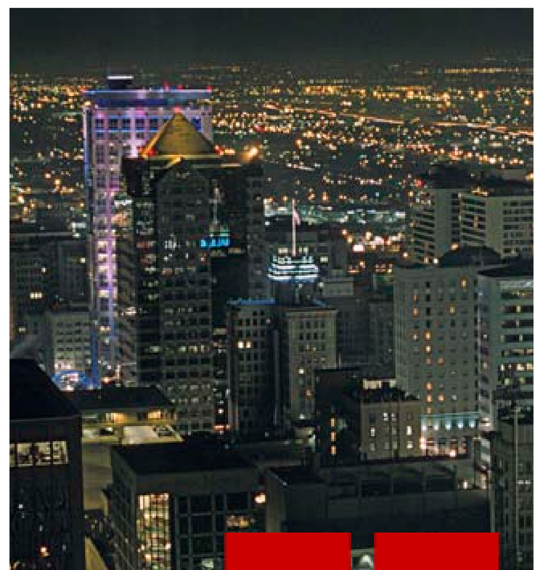
Annual Report



Student Investment Fund 2011-12

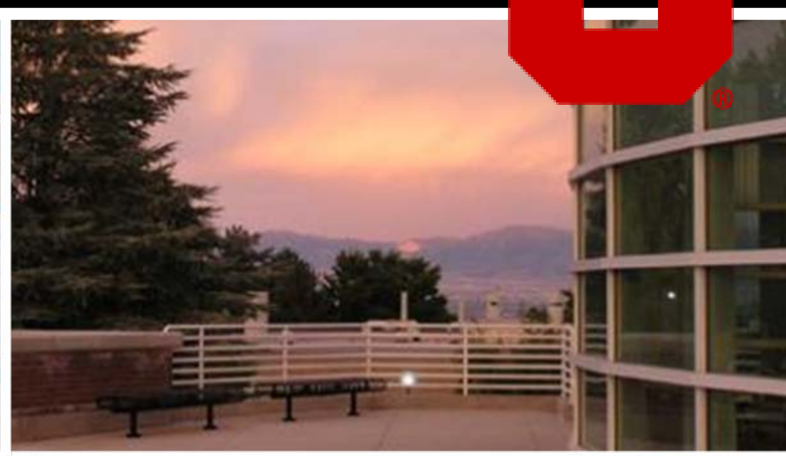


TABLE OF CONTENTS

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

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 $30,000 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 $15,000 to the investment fund program.

Beginning in December 1998, students formed the 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 was comprised of 12 students and their advisor, finance professor Dr. Elizabeth Tashjian.

For the fund's first year, the students 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. 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. Although the S&P declined by 19.3% and the NASDAQ index lost 14.4%, the Student Investment Fund lost only 4.7%.

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 fund received $25,000 to begin a Socially Responsible Fund in the spring semester of 2011. This new portfolio is devoted to investments in stocks that the fund managers deem to be socially responsible based on a number of criteria. 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 2011-12 academic year, the Student Investment Fund had 19 student analysts managing equities across four portfolios.

Aaron Anderson

Aaron Anderson is a graduating senior with a B.A. in Finance. He is fluent in Spanish, having lived abroad and traveled to various countries in South America. Aaron completed an archeology internship with Tel Aviv University, where he was able to work with archeologists on various sites in Israel. He completed an internship in real estate investments. He plans on pursuing an MBA degree in the near future.

Fernando Campos

Fernando is a graduating senior with a B.S. degree in Finance and Business Administration. He has been Treasurer of Sigma Nu Fraternity for two consecutive years. He has accepted a job at Zions Bank and will be working as a Risk/Credit Analyst within the Commercial Real Estate group. Fernando plans to continue to enjoy the outdoors and night life with family and friends. He expects to return to finish his Masters in Finance within a year, and MBA within the next 5 years.

Emilia Cedeno

Emilia is graduating with two B.S. degrees in Finance and Operations Management and is bilingual in English and Polish. She has four years of professional experience as an accountant and has continued her pursuits as a general ledger accountant with Skullcandy, Inc. Emilia plans to pursue a Masters in Accounting in the near future and will continue to explore her professional opportunities.

Hy Chau

Hy Chau is a graduating senior with a B.S. Honors degree in Finance and a B.S. degree in Accounting. She is bilingual in English and Vietnamese and has experience living in many countries including Viet Nam, Singapore, and Australia. She has worked as an accountant for over one year and has been appointed as an Associate Director of Finance for the Associated Students of the University of Utah in her senior year. After graduation, she will work as an operation analyst for Goldman Sachs.

Trevor John Coccimiglio

Trevor is a graduating senior with a B.S. with an honors distinction in Finance and a B.S. degree in Business Administration. Trevor is moving to France this summer to pursue his dream of becoming bilingual, and he is currently enrolled in an intensive 8-week program at The Sorbonne. From there, all options are on the chopping block; an MBA or a Law degree are two strong possibilities.

Matt Dombrowski

Matt is a graduating senior with a B.S. degree in Finance and Accounting. Over the summer, Matt will be moving to South America to teach English and travel the continent. Upon return, he has aspirations to start a career in financial planning or to work with a company where he can use his fluency in Spanish and interest in finance and investments.

Justin Eicholtz

Justin is an active duty Marine pursuing a degree in Finance and Management, with an expected graduation date of December 2012. During his time at the University of Utah, Justin was awarded Top Management Student 2011, held a leadership role in the Finance Club serving as the treasurer, and has interned for the University Venture Fund. Justin’s main interests lie with investment decisions and portfolio management. Post graduation, Justin looks to continue his obligations with the Marine Corps as a commissioned officer and aims to obtain an MBA and become a chartered financial analyst. Justin is also a competitive Olympic weightlifter with hopes of setting American records in the years to come.

Kevin Fullmer

Kevin is a rising junior working towards a B.S. degree in Finance and Economics. He recently finished an internship as a fixed income investment analyst and will doing a management consulting internship in the fall. When he is not pitching stocks that double in value, Kevin enjoys golfing with the golf club he founded on campus.

Arthur Jessop

Arthur is a junior majoring in Finance with a minor in Economics. This year he has been interning in the President’s Office for the University of Utah as well as working as an analyst intern at the Investment Management Office which oversees the U's endowment of $550 million. Arthur will be interning with Goldman Sachs Operations this summer in Salt Lake City. His career plans are to be an investment banker and eventually go into private equity. He expects to graduate in the spring of 2013 and plans to get his MBA after a few years in the industry. Arthur is an avid pilot and when he is not in school he enjoys taking friends flying and riding motorcycles.

David Kwant

David is currently pursuing a B.S. degree in Finance with an expected graduation date in May of 2013. Over the summer, David will be interning as an equity research analyst for Alta Capital Management and attempting to start a hedge fund centered on the strategies of investing legends. He was one of the first interns for the University Impact Fund working in a collaborative effort with investment firms, impact investors and foundations to identify social enterprises with significant potential. David has aspirations to work as an investment analyst and eventually run his own fund.

Danny Loveland

Danny Loveland is a graduating senior with a B.S. in Finance. He has accepted a full-time credit analyst position with Bank of America Merrill Lynch. After his failed attempt of selecting stocks, he realized credit may be a better fit. He recommended selling Apple Inc. on April 9, 2012, at $636.30.

Jamison Manwaring

Prior to attending college, Jamison secured $250,000 in seed capital to found an online real estate company in Phoenix, Arizona. After the real estate market crashed in 2007, he enrolled at Arizona State University and transferred to the University of Utah a year later. During his sophomore year, Jamison was an analyst for Mercato Partners, a private equity firm that invested in local start-ups Skullcandy and Fusion-IO. He was elected Vice President of the University's Finance Club and selected to be an intern for the Student Consulting Initiative. The following summer, he was an analyst for Barclays Capital in their sales and trading department in New York. During his senior year he served as the President of the U Finance Club and was also part of the University of Utah CFA team. After graduation, he will join Goldman Sachs in its Global Investment Research division.

Bao Nguyen

Bao is a junior majoring if Finance. This summer Bao will be interning with Goldman Sachs in their Finance Division. He has served as 2011 Associate VP of Recruitment for Finance Club and 2011 Treasurer of the Sales & Trading Club. In addition, he was part of the University of Utah CFA Global Research team. His previous work experience includes interning at Beneficial Financial Group, where he conducted complete due diligence on the firms fixed income securities and made recommendations of buy, sell, or hold.

Tim Schmidt

Tim is currently pursuing B.S. degrees in Honors Finance and Entrepreneurship with an expected graduation date of May 2013. Tim has worked with a number of on campus organizations including internships with the Hinckley Institute of Politics, the Lowell Bennion Community Service Center, the Student Consulting Initiative, and the club he founded, the Sales and Trading Club. He has represented the business school on the annual Week on Wall Street trip, R.I.S.E. conference, and captained the third place team in the national Daniels Ethics Competition. Tim has also interned for a number of professional organizations including Beneficial Financial, Granada Advisors, and is currently interning at Arlington Value Management, which is one of the few funds that has returned over 400% and is run by two University of Utah Alumni. Tim is pursuing his service learning designation with over 400 hours of community service in the Big Brothers Big Sisters of Utah program.

Adam Timar

Adam is from Tetonia, Idaho, and has earned a B.A. in Finance and a B.S. in Entrepreneurship. Adam graduated in May of 2012 and was commissioned as a Marine Corps officer after an eight year enlisted career. His next assignment will be in Quantico, VA at the Basic School after which he will be assigned to Pensacola, FL and begin the Marine Corps's pilot training program.

Kyle Twiggs

Kyle will graduate in the fall of 2012 with a Bachelor's in Finance. He will be spending his summer in New York interning on Nomura Securities Capital Market desk, where he hopes to solidify a full time offer in New York on Nomura's fixed income desk for the following year.

Josh Unice

Josh Unice is currently a graduating senior with a B.S. in Finance. He currently operates two of his own companies – a custom design and apparel company for businesses, and a clothing brand based on urban sports. He has currently accepted a full time offer from Goldman Sachs Operations in SLC, and has aspirations to move into a job in the private wealth management industry in the future.

Chris Williams

Chris is a junior studying finance and will graduate in May 2013. He previously completed internships with IndustryPro, a local M&A advisory; Beneficial Financial Group, a $3 billion fixed income portfolio; JP Morgan, in the Alternative Investments division; and a boutique investment bank in New York. Chris was a finalist in the Wharton Private Equity Case Competition. He is interested in the Oil and Gas industry and will be interning this summer at an energy-focused private equity firm--Pelican Energy, and also in mergers and acquisitions at an investment bank--Evercore. Chris is interested in the outdoors and history, and currently works full-time as a tour guide to pay for school.

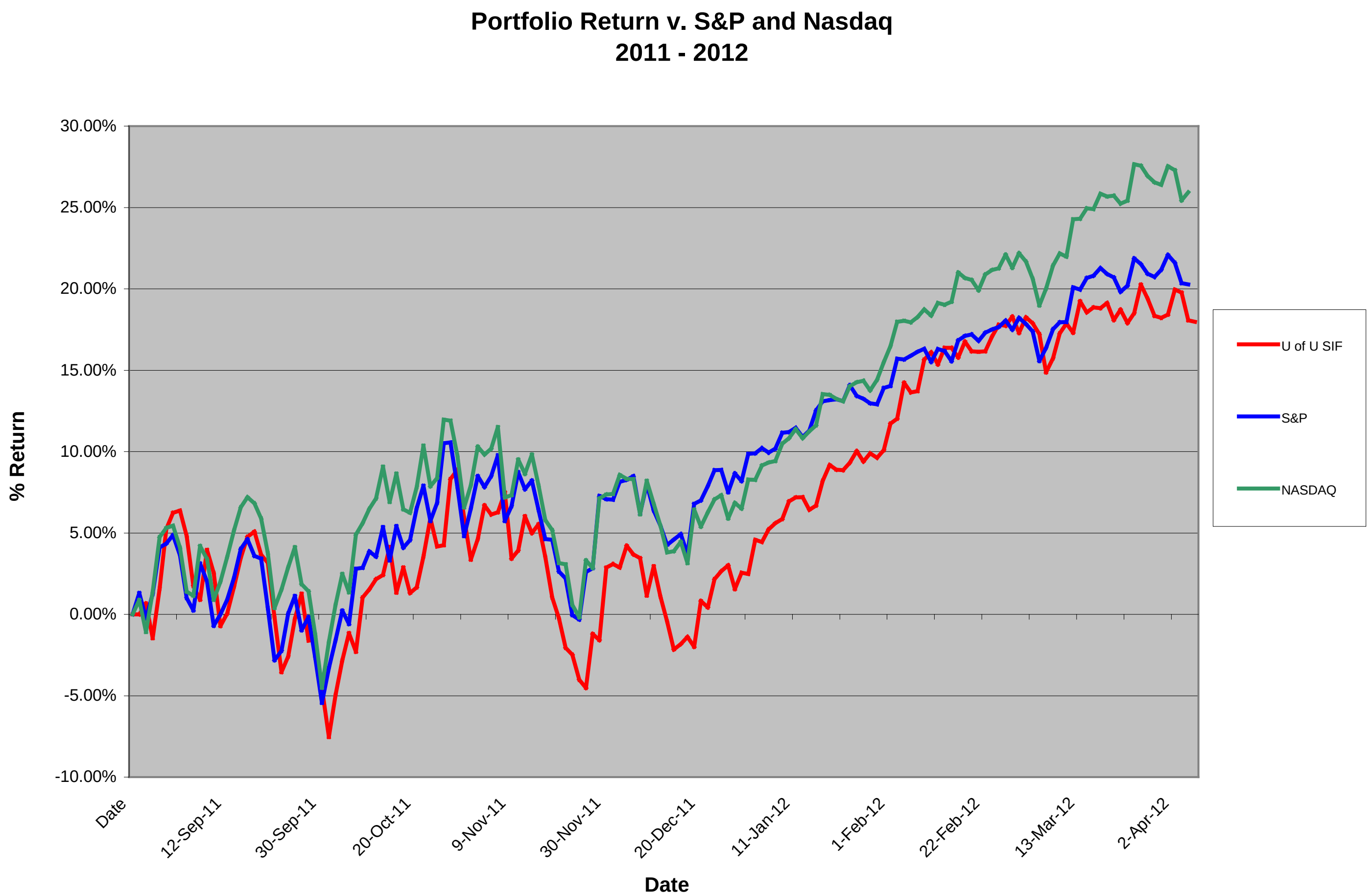
Di Yang

Di Yang is a graduating senior with a B.S. degree in Finance and he is from China. He has accepted a full-time operation analyst position with Goldman Sachs in Salt Lake City, and will begin working in July 2012. He plans to pursue an MBA degree after gaining a few years' work experience and considers moving to New York or Toronto in the future. In his spare time, Di enjoys practicing the piano, playing tennis, and travelling around the world.

PORTFOLIOS UNDER MANAGEMENT

STUDENT INVESTMENT FUND OVERALL (APRIL 5, 2012)

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 graph below compares the Fund's performance to the S&P 500 and NASDAQ index from when we took over the portfolio on August 23, 2011, through April 5, 2012.



The Fund generally underperformed the major indexes throughout the year. There was no strong theme in our winners; two were tech stocks (AKAM and AAPL); two were international (TTM and LYB). Two of the worst performers were Utah companies (ZAGG, SKYW).

Best 5 Investments Across All Portfolios

Rank	Ticker	Gross return
1	AKAM	74.50%
2	TTM	74.12%
3	AAPL	66.61%
4	LYB	60.23%
5	CMCSA	48.50%

Worst 5 Investments Across All Portfolios

Rank	Ticker	Gross return
60	SPWRA	-35.55%
59	TZOO	-26.78%
58	ZAGG	-20.71%
57	SKYW	-14.07%
56	ACPW	-13.67%

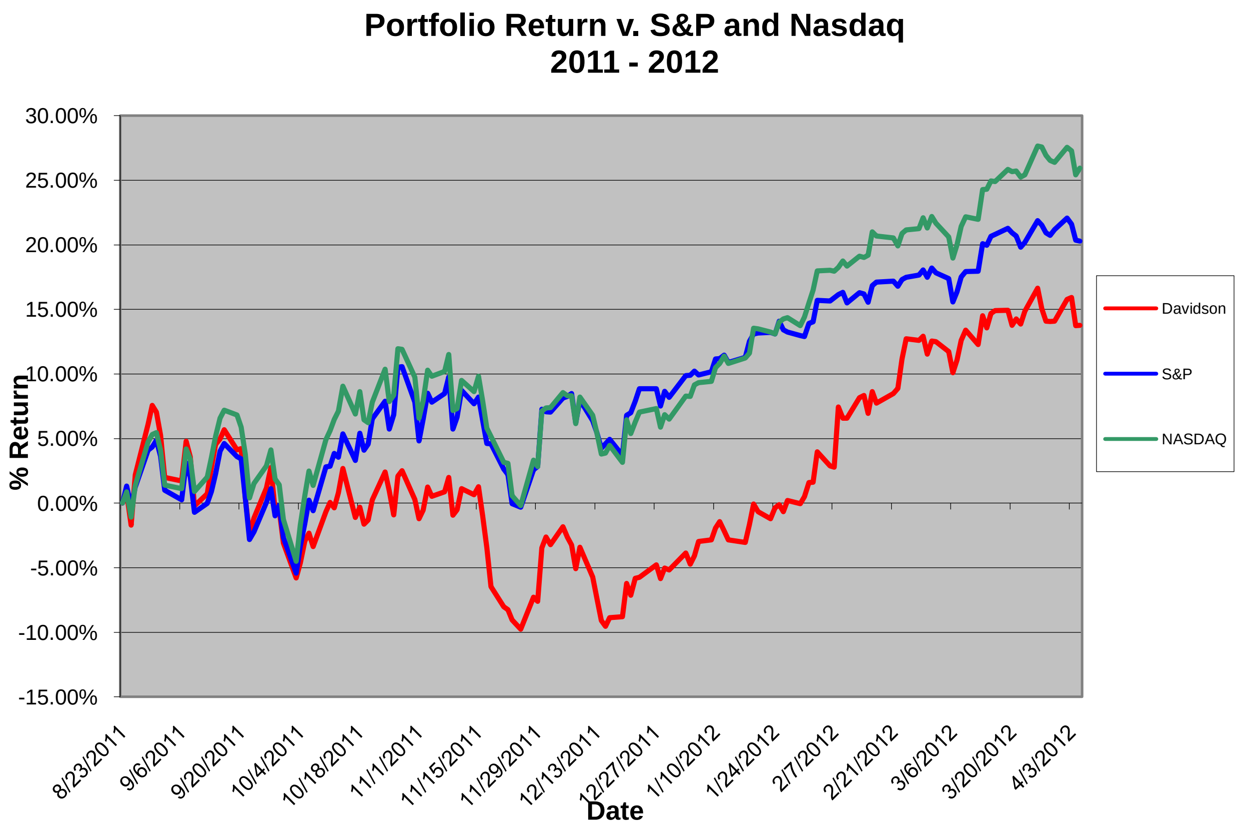
DAVIDSON PORTFOLIO

STRATEGY

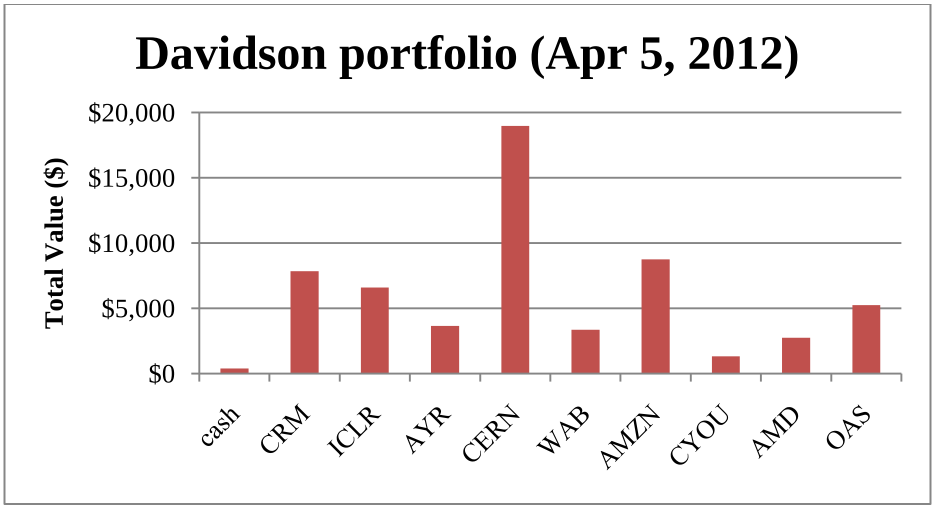
The Davidson Portfolio is maintained by D.A. Davidson. The fund is reset to $50,000 each September 1. When the Fund experiences gains over 5%, D.A. Davidson contributes half of the gains over 5% to the Student Investment Fund. The Fund strategy for the Davidson Portfolio is to invest in high growth stocks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

HIGHLIGHTS

The Davidson Portfolio underperformed both the S&P and the NASDAQ for the majority of the academic year holding period. As of April 5, 2012, since inheriting the Davidson Portfolio on August 23, 2011, the portfolio has had a cumulative return of 13.77% after adjusting for cash withdrawn for rebalancing by D.A. Davidson. On April 5, 2012, the Davidson portfolio had a total value of $52,835.33. Some of the best performing stocks included Advanced Micro Devices (AMD), Salesforce.com (CRM), and Westinghouse Air Brake Technologies (WAB).



The Fund held the following positions in the Davidson Portfolio as of April 5, 2012. The Portfolio held only $399.92 in cash. Cerner is the largest holding, constituting almost a third of our holdings.



The table below separates the performance into two groups, investments we inherited and stocks we acquired. Throughout the academic year, the Fund managers purchased stock in Advanced Micro Devices (AMD), Changyou (CYOU), Oasis Petroleum (OAS), and Amazon (AMZN).

Davidson Portfolio

Ticker	Shares*	Date inherited or acquired	initial price	Date sold or valued	Final price	Dividends received**	Gross return
Inherited stocks							
CRM	50	23-Aug-11	118.66	5-Apr-12	157.04		32.34%
UA	100	23-Aug-11	62.63	31-Aug-11	71.00		13.36%
ICLR	300	23-Aug-11	19.22	5-Apr-12	21.96		14.26%
AYR	300	23-Aug-11	11.60	5-Apr-12	12.17	0.43	8.62%
C	37	23-Aug-11	27.32	24-Aug-11	27.91	0.01	2.20%
CERN	250	23-Aug-11	61.69	5-Apr-12	75.87		22.99%
WAB	45	23-Aug-11	55.52	5-Apr-12	74.36	0.09	34.10%
OIL	85	23-Aug-11	21.83	15-Feb-12	25.81		18.23%
RIG	33	23-Aug-11	52.07	31-Aug-11	55.70	0.79	8.49%
URE	200	23-Aug-11	47.17	28-Sep-11	43.43	0.39	-7.09%
ILF	80	23-Aug-11	44.92	31-Aug-11	46.83		4.25%
Acquired stocks							
AMZN	45	5-Oct-11	214.52	5-Apr-12	194.39		-9.38%
CYOU	50	2-Nov-11	26.79	5-Apr-12	26.41		-1.42%
AMD	350	9-Nov-11	5.60	5-Apr-12	7.87		40.58%
OAS	175	15-Feb-12	31.89	5-Apr-12	29.91		-6.21%

* split-adjusted

** net of foreign tax withheld

CITIGROUP (NYSE: C)

Portfolio:	Davidson
Purchased:	April 21, 2010
Purchase Price:	$48.60
Inherited Price:	$27.32
Sale Date:	October 24, 2011
Selling Price:	$34.79
Analyst:	Ryan Thorpe

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. The current Fund managers chose to sell Citi to reduce the Fund's exposure to risk within the financial sector. Citi was sold on October 24, 2011, for a holding period return of -44%. If Citi had been held until April 6, 2012, the stock would have returned an additional 25%, with the S&P returning 19% over the same period.

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

Portfolio:	Davidson
Purchased:	April 29, 2009
Purchase Price:	$18.48
Inherited Price:	$21.47
Sale Date:	February 15, 2012
Selling Price:	$25.81
Analyst:	Trevor Coccimiglio

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.[1] The Fund initially purchased OIL in 2009 when it had been trading near a six month low.

The current Fund managers chose to sell the remaining 85-share position in the Davidson Portfolio's holdings in the ETN to free up money for a more attractive oil investment.

ISHARES LATIN AMERICA 40 INDEX (NYSEARCA: ILF)

Portfolio:	Davidson
Purchased:	April 6, 2011
Purchase Price:	$54.70
Inherited Price:	$44.92
Sale Date:	August 31, 2011
Selling Price:	$46.83
Analyst:	Aaron Anderson

iShares Latin America 40 Index 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. Previous fund managers bought this ETF in order to gain exposure to emerging markets in Central and South America. The current fund managers chose to sell this ETF due to underperformance when compared with other emerging market investments. ILF was sold from the Davidson Portfolio on August 31, 2011 with a loss of -14.38%.

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

PROSHARES ULTRA REAL ESTATE (NYSEARCA: URE)

Portfolio:	Davidson
Purchased:	April 29, 2010
Purchase Price:	$3.71
Inherited Price:	$47.17
Sale Date:	September 29, 2011
Selling Price:	$42.95
Analyst:	Jamison Manwaring

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 REITs which own properties in all types of commercial real estate. The fund uses leveraging techniques while mirroring the underlying index to achieve higher returns.

On September 29, 2011, we sold the URE ETF at $42.95/share because of the anticipated weakness in the commercial real estate sector. Since that time, the ETF has continued to increase in value and is now selling at $60.21/share.

TRANSOCEAN LTD. (NYSE: RIG)

Portfolio:	Davidson
Purchased:	February 14, 2011
Purchase Price:	$78.86
Inherited Price:	$49.58
Sale Date:	August 31, 2011
Selling Price:	$55.70
Analyst:	Chris Williams

Transocean is one of the largest offshore drilling companies in the world. It had a 25% interest in the Macondo well in the Gulf of Mexico, which experienced an infamous blowout in 2010. Last year's Fund managers believed the stock had been oversold and the depressed price provided a good entry point. This investment was sold by the current year Fund managers due to a significant drop since initial purchase, and remaining legal uncertainty regarding its future liability in the Macondo well. Oilfield service companies like Transocean provide their services to oil and gas exploration and production companies. The post-Macondo environment saw a slow return to issuing operating leases in the Gulf of Mexico, even a year after the disaster.

* All of the Under Armor (UA) shares were sold from both the Davidson Portfolio and the Milner Portfolio. For information regarding the decision to sell and the company profile, please refer to the Divested Holdings section of the Milner Portfolio.

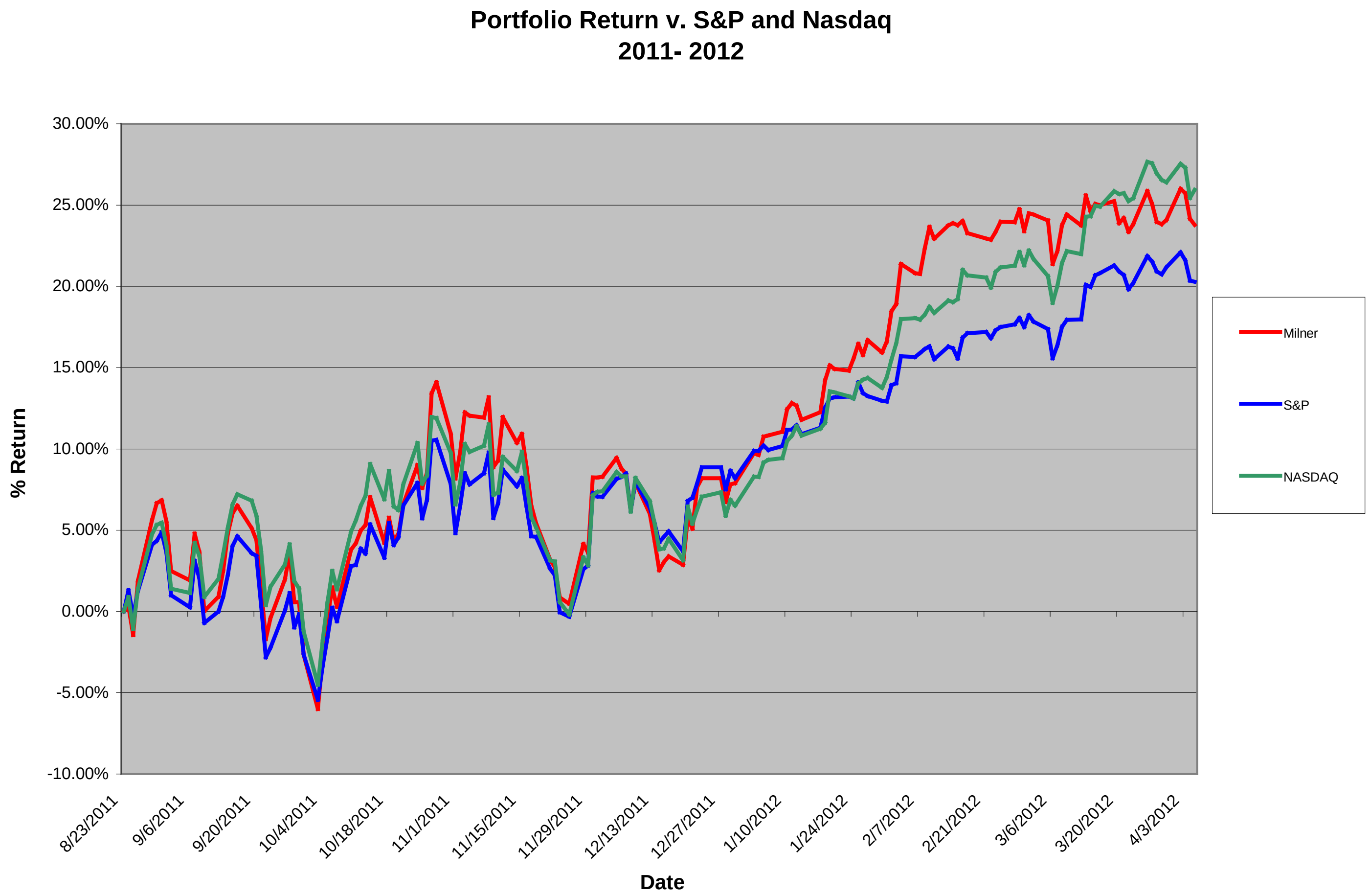
MILNER PORTFOLIO

STRATEGY

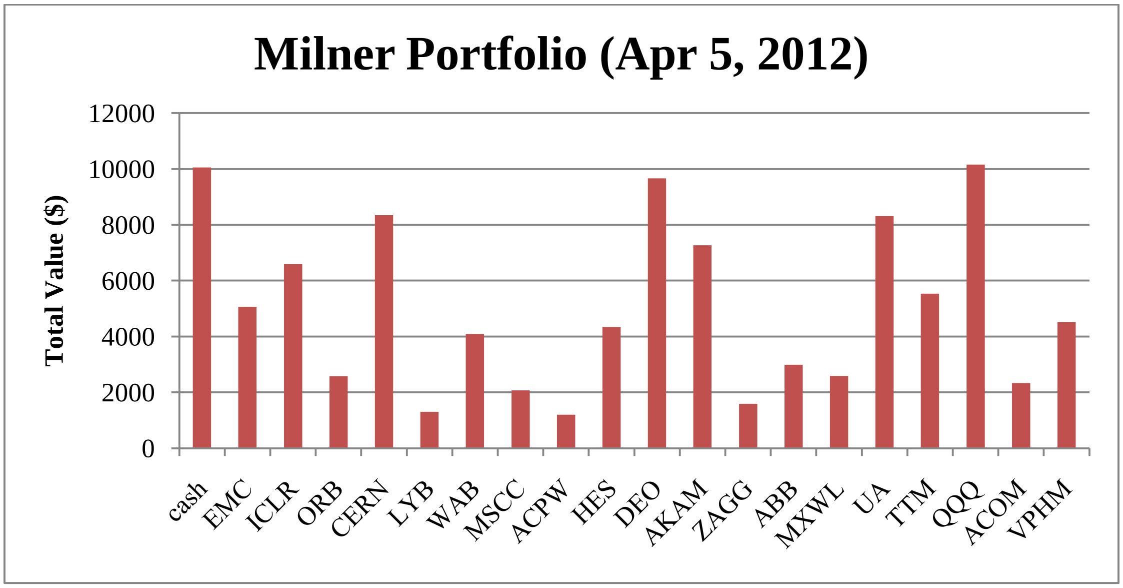
The Student Investment Fund receives a donation of half of the gains in excess of 5% on holdings in the Milner portfolio. Unlike the Davidson portfolio, its value is not reset at the beginning of each school year. In the past, student fund managers have generally targeted investments in small-cap stocks in the high-growth technology and pharmaceutical sectors.

HIGHLIGHTS

In the 2011-2012 academic year, the Fund sought to maintain the same strategic focus by making investments in Ancestory.com and ViroPharma. As of April 5, 2012, Ancestry.com and ViroPharma are down 2% and 7%, respectively. The three best-performing stocks in the portfolio this academic year (since August 23, 2011) include Akamai Technologies with a 75% gain, LyondellBasell Industries with a 60% gain, and Tata Motors with a 74% gain. The three worst-performing stocks in the portfolio were Zagg with a 21% loss, ActivePower with a 14%loss, and Orbital with a 12% loss. As of April 5, 2012, the Milner portfolio held $10,057.87 in cash and $81,004.35 of equity investments in 16 companies, for a total value of $91,062.22.



The fund held the following positions in the Milner portfolio on April 5, 2012. QQQ, Diageo, and cash each made up about 10% of the holdings.



Milner Portfolio							
Ticker	Shares*	Date inherited or acquired	initial price	Date sold or valued	Final price	Dividends received**	Gross return
Inherited stocks							
EMC	175	23-Aug-11	21.21	5-Apr-12	28.94		36.45%
ICLR	300	23-Aug-11	19.22	5-Apr-12	21.96		14.26%
ORB	200	23-Aug-11	14.55	5-Apr-12	12.89		-11.41%
CERN	110	23-Aug-11	61.69	5-Apr-12	75.87		22.99%
LYB	30	23-Aug-11	29.85	5-Apr-12	43.41	4.42	60.23%
WAB	55	23-Aug-11	55.52	5-Apr-12	74.36	0.09	34.10%
MSCC	100	23-Aug-11	15.94	5-Apr-12	20.7		29.86%
ACPW	1000	23-Aug-11	1.39	4-Oct-11	1.20		-13.67%
IVE	100	23-Aug-11	53.46	14-Feb-12	62.36	0.74	18.03%
HES	75	23-Aug-11	55.38	5-Apr-12	57.87	0.30	5.04%
DEO	100	23-Aug-11	75.26	5-Apr-12	96.58	1.59	30.44%
AKAM	200	23-Aug-11	20.82	5-Apr-12	36.33		74.50%
ZAGG	140	23-Aug-11	14.34	5-Apr-12	11.37		-20.71%
ABB	150	23-Aug-11	20.34	5-Apr-12	19.92		-2.06%
MXWL	150	23-Aug-11	16.41	5-Apr-12	17.22		4.94%
UA	100	23-Aug-11	62.63	5-Dec-11	83.088		32.66%
TTM	200	23-Aug-11	16.12	5-Apr-12	27.67	0.40	74.12%
QQQ	150	23-Aug-11	52.28	5-Apr-12	67.72	0.26	30.04%
Acquired stocks							
ACOM	100	16-Nov-11	23.92	5-Apr-12	23.38		-2.26%
VPHM	150	29-Feb-12	32.42	5-Apr-12	30.06		-7.28%

DIVESTED HOLDINGS

ACTIVE POWER (NASDAQGM: ACPW)

Portfolio: Milner
Purchased: December 1, 2010
Purchase Price: $2.15
Inherited Price: $1.39
Sale Date: October 4, 2011
Selling Price: $1.20
Analyst: Tim Schmidt

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 power outages, sags, and surges will not effect operations. 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 sell the Milner Fund holdings in Active Power (ACPW) because of its poor performance and financials. Since its first earnings announcement in October of 2001, ACPW has had negative returns. Additionally they have negative return on equity, assets, and capital, and have had negative cash flows since at least 2004. The Fund managers sold the company at a 44% loss, but saved the fund from an additional 21% loss that would have been realized if they continued to hold the company.

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

Portfolio: Milner
Purchased: March 14, 2007
Purchase Price: $75.49
Inherited Price: $52.47
Sale Date: Febuary 14, 2012
Selling Price: $63.99
Analyst: Kevin Fullmer

IVE is an exchange-traded fund of S&P 500 value stocks. It was originally purchased in 2007. At that time, the Fund made identical investments in the Davidson and Milner portfolios, and 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 decided to sell IVE due to pursue opportunities in more profitable securities.

ORBITAL SCIENCES CORPORATION (NYSE: ORB)

Portfolio: Milner
Purchased: November 10, 2010
Purchase Price: $17.15
Inherited Price: $14.55
Current Price: $12.89

Analyst: Hy Chau

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 previous year's Fund Managers chose Orbital because it offers high reliability delivery systems at very low relative cost. However, the stock did not perform as expected due to unforeseen federal budget cuts in the defense industry[2] and National Aeronautics and Space Administration (NASA)'s launch delays.[3] As of April 6, 2012, the stock has recognized about 25% loss.

UNDER ARMOUR, INC. (NYSE: UA)

Portfolio: Davidson, Milner
Purchased: December 9, 2009
Purchase Price: $26.13
Inherited Price: $62.92
Sale Date: August 31, 2011
Selling Price: $71.00
Sale Date: December 5, 2011
Selling Price $83.09
Analyst: Adam Timar

Under Armour is an athletic apparel company focused on heat technology and comfortable clothing. They have recently added footwear to their arsenal. This fall Fund analysts decided early in the semester that it was time to "ring the register" on a few of our star performers. We believed that Under Armour stock had seen a wild run and after experiencing a nasty fall in the market in August voted to sell half of our stake in Under Armour. We made an additional $1,200 on the stock we kept through December. After a successful fall season and another solid earnings announcement, we elected to sell our remaining holdings in Under Armour. UA continues to be a stellar performer and consequently, we have missed out on some additional gains.

[2] "Obama Defense Plan Presented as Diagnosis Without Prescription." *Bloomberg*. N.p., n.d. Web. 06 Apr. 2012. <http://www.bloomberg.com/news/2012-01-06/obama-defense-plan-presented-as-diagnosis-without-prescription.html?cmpid=yhoo>.

[3] "Orbital Sciences Threatened by NASA Delays, Budget Cuts." - *Washington Business Journal*. N.p., n.d. Web. 06 Apr. 2012. <http://www.bizjournals.com/washington/morning_call/2011/11/orbital-sciences-threatened-by-nasa.html?ana=yfcpc>.

VIROPHARMA INC. (NYSE: VPHM)

Portfolio:	Milner
Purchased:	February 17, 2012
Purchase Price:	$32.42
Inherited Price:	N/A
Sale Date:	April 10, 2012
Selling Price:	$22.44
Analyst:	Tim Schmidt

VIroPharma Incorporated, a biotechnology company, develops and commercializes therapeutic products that address serious diseases in the United States and internationally. It focuses on developing products used by physician specialists or in hospital settings. Fund managers chose the company due to its strong financials and significant moat. The company had annual growth rates of 40% for revenues, 81% for earnings, 77% for unlevered free cash flows, and 61% for tangible book value. Additionally, due to the nature of the drugs in which the company specializes, they are protected under the orphan drug act, which gives them additional time and legal protection for their products.
The Fund managers bought the company shortly before a rival won approval from the FDA to produce a generic version of ViroPharma's lead product. Additionally, the FTC began investigating whether the company engaged in unfair methods of competition. Due to the dramatic fundamental impact this development had on the company, the managers decided to sell the company at a 32% loss, almost all of which took place the day of the patent announcement.

ZAGG, INC. (NASDAQGM: ZAGG)

Portfolio:	Milner
Purchased:	December 1, 2010
Purchase Price:	$7.15
Inherited Price:	$14.34
Current Price:	$11.37
Analyst:	Emilia Cedeno

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. We sold the stock for $11.022 per share on April 11, as we predicted slowing growth following an increase in competition.

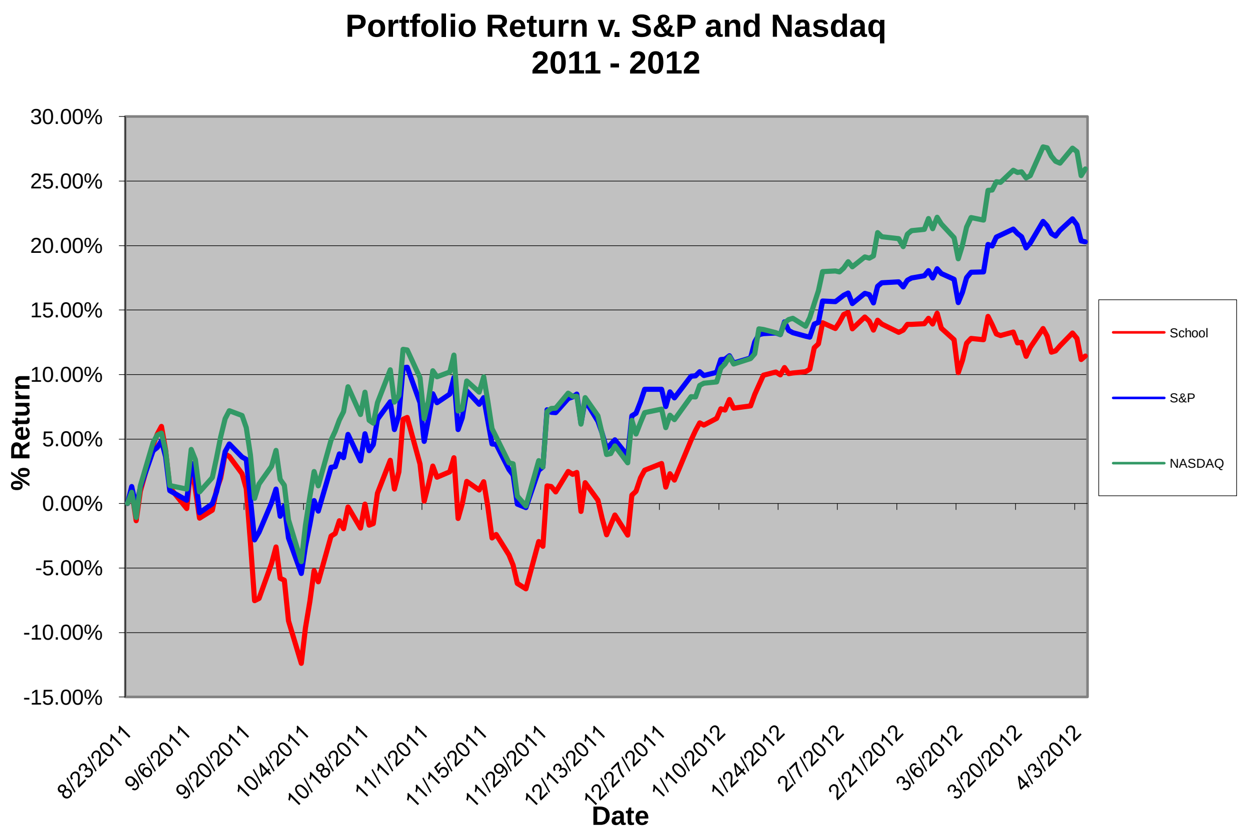
SCHOOL PORFOLIO

STRATEGY

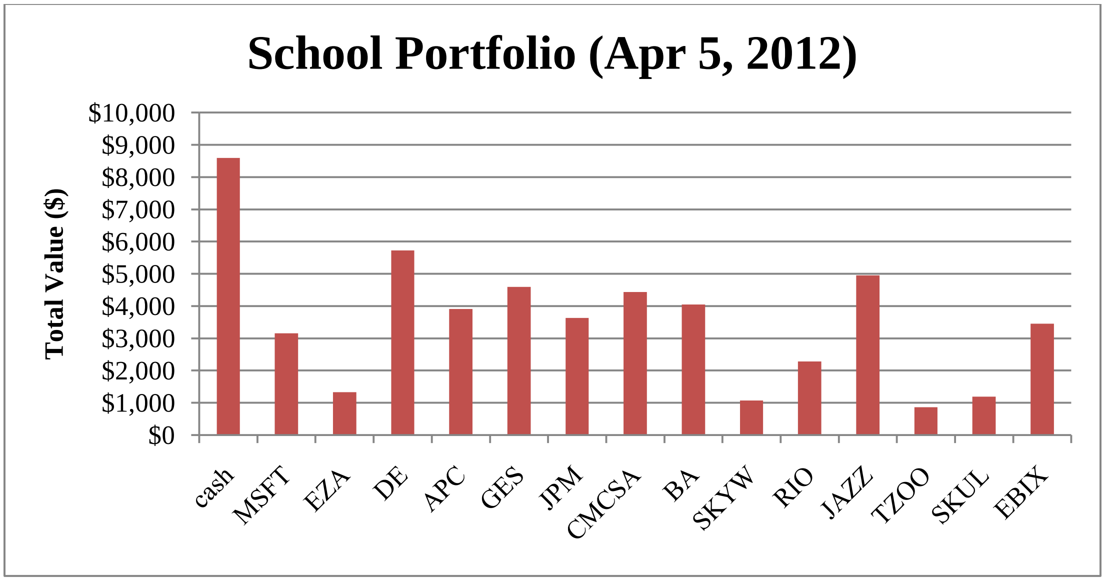
The School portfolio has been funded by donations to the Student Investment Fund. The capital belongs to the school; therefore, the Fund bears all losses, and enjoys all gains. This portfolio is governed by the Student Investment Fund bylaws. The investment objective for the School Portfolio is long-term, 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. This year, we deviated from our long term strategy and invested in some more speculative stocks.

HIGHLIGHTS

During the academic year, the Fund managers purchased stock in Ebix Inc. (EBIX), Skullcandy Inc. (SKUL), Jazz Pharmaceuticals plc (JAZZ), and Travelzoo Inc. (TZOO). On April 5, 2012, the School fund was worth $54,212.06 and had experienced an 11.60% return, after adjusting for new gifts.



On April 5, the value of the School fund was $54,212.06. The Fund held the following positions in the School Portfolio as of April 5, 2012. The largest holding was $8,596.25 in cash, representing about 16% of the portfolio's value; the second largest holding, Deere, constituted about 11% of holdings.



Top performers in the school portfolio include Comcast (49%), JP Morgan (30%), and Microsoft (29%). Top losers include SunPower (-36%) and Travelzoo (-27%).

				School Portfolio			
Ticker	Shares*	Date inherited or acquired	initial price	Date sold or valued	Final price	Dividends received**	Gross return
				Inherited stocks			
MSFT	100	23-Aug-11	24.72	5-Apr-12	31.52	0.56	29.77%
MSFT	100	23-Aug-11	24.72	22-Feb-12	31.43	0.56	29.41%
DLB	30	23-Aug-11	32.36	22-Feb-12	39.2		21.14%
SPWRA	125	23-Aug-11	14.29	21-Oct-11	9.21		-35.55%
EZA	20	23-Aug-11	64.27	5-Apr-12	66.65	1.07	5.37%
DE	70	23-Aug-11	72.66	5-Apr-12	81.83	0.82	13.75%
APC	50	23-Aug-11	68.82	5-Apr-12	78.26	0.27	14.11%
PMD	100	23-Aug-11	8.35	4-Oct-11	9.83	0.36	22.04%
GES	150	23-Aug-11	33.45	5-Apr-12	30.61	0.50	-7.00%
JPM	82	23-Aug-11	34.78	5-Apr-12	44.34	0.79	29.76%
CMCSA	150	23-Aug-11	20.06	5-Apr-12	29.56	0.23	48.50%
BA	55	23-Aug-11	60.77	5-Apr-12	73.59	1.28	23.20%
SKYW	100	23-Aug-11	12.58	5-Apr-12	10.69	0.12	-14.07%
RIO	42	23-Aug-11	58.19	5-Apr-12	54.24		-6.79%
BK	67	23-Aug-11	19.50	28-Sep-11	18.92		-2.97%
				Acquired stocks			
JAZZ	100	9-Feb-12	49.52	5-Apr-12	49.47		-0.10%
TZOO	40	26-Oct-11	29.35	5-Apr-12	21.49		-26.78%
SKUL	70	30-Nov-11	15.45	5-Apr-12	17.06		10.42%
EBIX	150	23-Nov-11	19.00	5-Apr-12	23.00	0.04	21.26%

* split-adjusted

** net of foreign tax withheld

the School fund received $8,900 in gifts which were deposited to the account in January 2012

DIVESTED HOLDINGS

BANK OF NEW YORK MELLON (NYSE: BK)

Portfolio:	School
Purchased:	March 5, 2008
Purchase Price:	$45.19
Inherited Price:	$19.50
Sale Date:	September 28, 2011
Selling Price:	$18.92
Analyst:	Bao Nguyen

The Bank of New York Mellon Corporation provides a range of financial services including wealth and asset management, as well as issuing, 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. BK stock was negatively affected at the time of the subprime mortgage crisis, when the financial services industry was hit particularly hard.

The current Fund Managers chose to sell all holdings in BK due to uncertainties in its financial position and an attempt to reduce the Fund's overall exposure to the financial sector. Upon the disposition on September 28, 2011, from the School Fund, BK recognized a -58% return. If BK had been held until April 6, 2012, the stock would have returned an additional 26% to the fund, with the S&P realizing a 21% gain over the same period.

DOLBY LABORATORIES (NYSE: DLB)

Portfolio:	School
Purchased:	March 16, 2011
Purchase Price:	$49.10
Inherited Price:	$32.36
Sale Date:	February 22, 2012
Selling Price:	$39.20
Analyst:	Tim Schmidt

Dolby Laboratories was founded in 1965 in San Francisco, California. The company went public in 2004 and is listed on the NYSE as DLB. It develops technologies for accurate recording and storage, and is an industry leader in the 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 chose to sell Dolby due to its poor performance and negative business outlook. Dolby's stock price has dropped 24% in the last year, most of which happened over the course of a week in the summer. Additionally, the company's earnings growth has been negative, which the Fund Managers did not see the likelihood of improving. The Fund sold the company at a 20% loss after the price rebounded slightly, and prevented an additional loss of 4%.

SUNPOWER CORPORATION (NASDAQGS: SPWRA)

Portfolio:	School
Purchased:	Dec. 9, 2009
Purchase Price:	$23.27
Inherited Price:	$14.29
Sale Date:	October 21, 2011
Selling Price:	$8.84
Analyst:	Emilia Cedeno

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. The systems segment sells solar power systems directly to system owners and developers. The company offers its products and services through its network of dealers primarily in North America, Europe, Asia, and Australia. The previous fund managers felt that SunPower was an attractive investment due to a differentiated solar technology that improved efficiencies. The current fund managers decided to divest its shares of SunPower from the School Fund due to unimpressive stock performance since acquisition. SPWRA was sold on October 21, 2011, for a holding period return of -60%. If the fund had held onto SPWRA until April 6, 2012, it would have realized an additional return of -38%.

* We sold 100 shares of Microsoft Corporation (MFST) from the School portfolio. As there are still 100 shares of Microsoft Corporation (MFSST), in the School portfolio, the company's profile is located in the Current Holdings section.

SOCIALLY RESPONSIBLE PORTFOLIO

The Socially Responsible Portfolio (SRP) 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 managers of the 2010-11 academic year proposed the following mission statement.

> *The Student Investment Fund's 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.*

In defining social alpha more precisely, Fund managers examined factors internal to a candidate 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. Important external qualities of a 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 SRP 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.

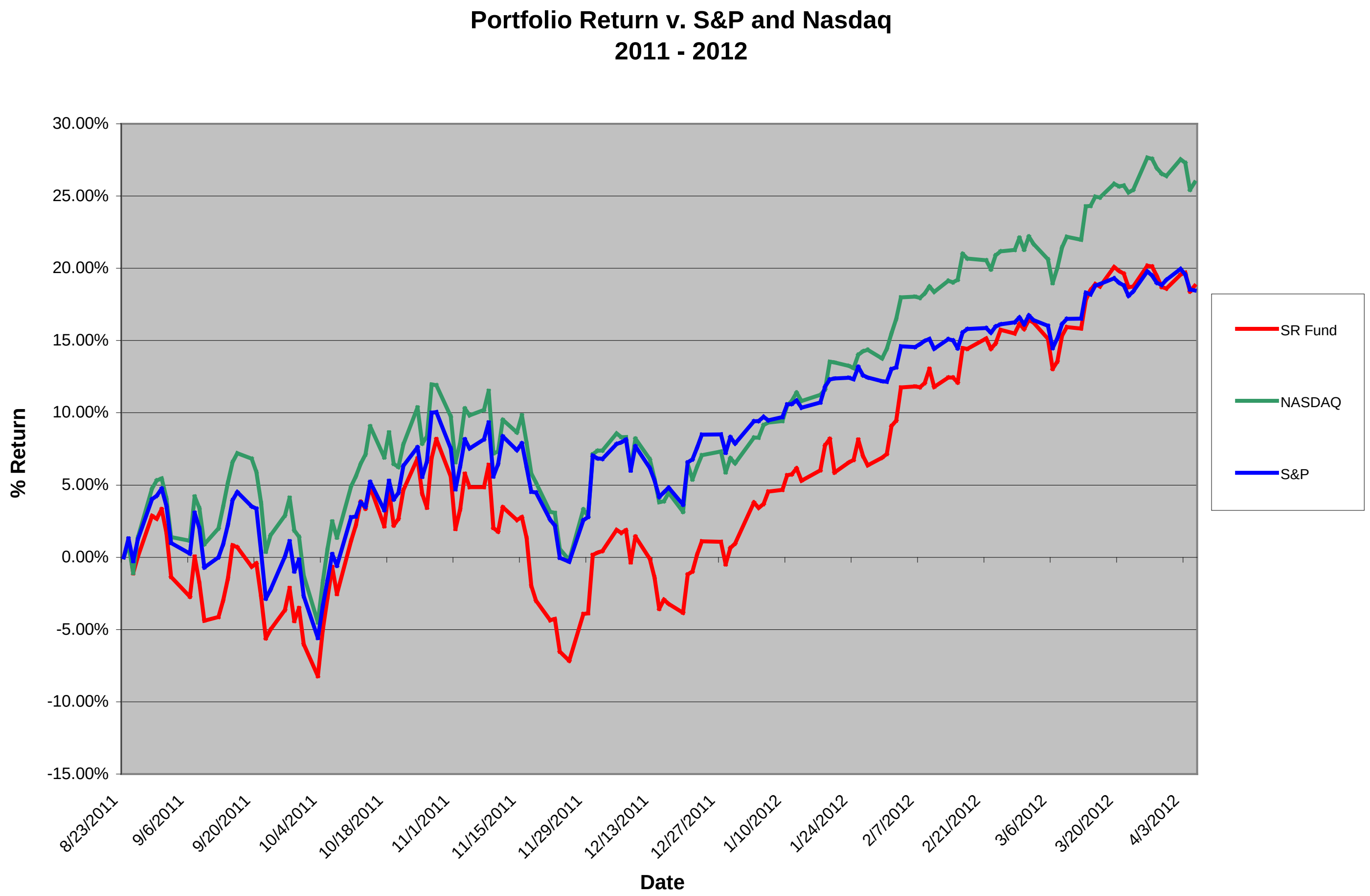
The Fund managers agreed that good attributes in some dimensions could not counterbalance a significant failing in another. For example, ethical treatment of employees could not offset poor environmental practices. Ultimately, mangers adopted a more stringent requirement for meeting the standard for 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.

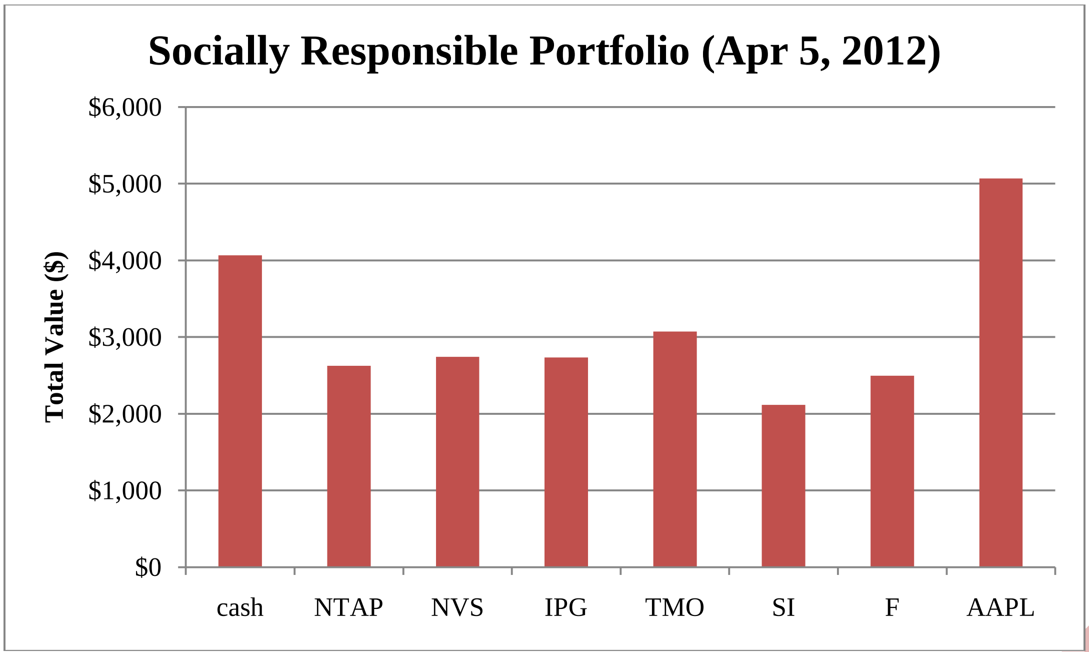
The Socially Responsible Portfolio is a work-in-progress. These ideas are only the first iteration of developing a sound framework for evaluating stocks for the SRP. The investment criteria should be reviewed by each incoming class and revised when needed. The 2010-11 analysts challenged future students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

HIGHLIGHTS

The Socially Responsible Portfolio was funded on April 6, 2011. The analysis below captures the portfolio's position as of April 5, 2012. There were no stocks acquired during the 2011-2012 school year for the Socially Responsible Portfolio. Overall, the Socially Responsible portfolio has returned 18.8% over the academic year, performing at the same level as the S&P. Most of the returns have been driven by substantial gains in Apple (AAPL).



As of April 5, 2012, we held 16% of the portfolio in cash. Our largest position was Apple (AAPL), which constituted 20% of the portfolio.



Socially Responsible Portfolio							
Ticker	Shares*	Date inherited or acquired	initial price	Date sold or valued	Final price	Dividends received**	Gross return
Inherited stocks							
NTAP	60	23-Aug-11	37.79	5-Apr-12	43.72		15.69%
JCI	75	23-Aug-11	30.08	29-Feb-12	32.94	0.34	10.64%
NVS	50	23-Aug-11	57.26	5-Apr-12	54.84	2.11	-0.54%
IPG	250	23-Aug-11	8.29	5-Apr-12	10.94	0.18	34.14%
TMO	55	23-Aug-11	52.16	5-Apr-12	55.89		7.15%
SI	22	23-Aug-11	102.03	5-Apr-12	96.25	2.85	-2.87%
F	200	23-Aug-11	10.31	5-Apr-12	12.47	0.10	21.92%
AAPL	8	23-Aug-11	373.6	5-Apr-12	633.68		69.61%

* split-adjusted

** net of foreign tax withheld

DIVESTED HOLDINGS

JOHNSON CONTROLS (NYSE: JCI)

Portfolio: Socially Responsible
Purchased: April 15, 2011
Purchase Price: $39.00
Inherited Price: $30.08
Sale Date: February 29, 2012
Selling Price: $32.94
Analyst: Arthur Jessop

Johnson Controls Inc. is a leader in building automotive control systems. Its products include auto interiors and controls, building management systems (including energy, HVAC, controls, security, and mechanical systems), and lead-acid and lithium ion batteries for all types of cars and HEVs.

The previous Fund managers chose JCI due to its attractive PEG ratio and strong earnings growth. The current Fund managers decided to sell JCI because emissions from the company's battery plant in Shanghai have been linked to lead poisoning in the area. The Fund divested all shares from the Socially Responsible portfolio for a holding period loss of 16%. If JCI had been held until April 6, 2012, the stock would have suffered an additional loss of 4%.

CURRENT HOLDINGS (AS OF APRIL 5, 2012)

ABB LTD. (NYSE: ABB)

Portfolio:	Milner
Purchased:	March 24, 2009
Purchase Price:	$14.22
Inherited Price:	$20.54
Current Price:	$19.92
Analyst:	David Kwant

ABB Ltd., is a Swiss-based holding company. The company is engaged in power and automation technologies designed to improve performance while lowering environmental impacts. Its power businesses focus on power transmission, distribution and power plant automation for both industrial and commercial customers. Its automation businesses serve a range of industries with measurement, control, protection, and process optimization applications. ABB operates in approximately 100 countries across four regions: Europe, the Americas, Asia, and the Middle East and Africa.

ABB has been awarded several long-term contracts in 2012, which continues to drive revenue for the short to medium term. In March 2015, the company received a contract for seventeen distribution substations, valued at $100 million, from Rio Tinto. In February 2012, it received a $250 million order from the Saudi Electricity Company (SEC), Saudi Arabia's national power transmission and distribution operator, to construct new substations while strengthening the old ones.

In January 2011, the company acquired Baldor Electric. As a result, sales for short-cycle electrical units have increased gradually. Fundamentally, the company has demonstrated strong performance with growing free cash flow at a compounded annual rate of 19% from 2002 to 2011 and an increase in EBITDA margins to 15% in 2011. Revenue through 2015 is anticipated to grow at low to mid-single digits because large power orders remain sluggish. The company pays a $0.70 annual dividend, yielding 3.41% at its current price. The current Fund Managers agreed that at a price of $23, the stock is giving a potential upside of 15.5%.

ADVANCED MICRO DEVICES, INC. (NYSE: AMD)

Portfolio:	Davidson
Purchased:	November 9, 2011
Purchase Price:	$5.60
Inherited Price:	N/A
Current Price:	$7.87
Analyst:	Ryan Thorpe

AMD designs, develops, and sells microprocessor products, such as central processing unit (CPU) and accelerated processing unit (APU) for servers, desktop personal computers (PCs), and mobile devices. The company operates in two segments: the computing solutions segment and the graphics segment. AMD operates worldwide and supplies product to companies such as Toshiba and Hewlett Packard.

Fund managers felt that after a number of years of poor performance and extremely high debt levels, the company has brought on new management and is exhibiting increased fiscal discipline. Managers believed that the market had not yet factored in the new culture and also believe that the company has an attractive product mix.

AIRCASTLE LIMITED (NYSE: AYR)

Portfolio:	Davidson
Purchased:	December 08, 2010
Purchase Price:	$10.39
Inherited Price:	$11.60
Current Price:	$12.17
Analyst:	Arthur Jessop

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 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:	$20.82
Current Price:	$36.66
Analyst:	Kevin Fullmer

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 its strong position in the rapidly growing markets, both domestically and internationally. Earnings per share were up about 19% in 2011. Additionally, demand growth related to online video, content streaming, mobile devices, and cloud computing are expected to contribute to stronger earnings in 2012.

AMAZON.COM INC. (NASDAQGS: AMZN)

Portfolio:	Davidson
Purchased:	October 11, 2011
Purchase Price:	$214.52
Inherited Price:	N/A
Current Price:	$194.39
Analyst:	Jamison Manwaring

Amazon is a large online retailer, bookseller, and cloud storage provider. With a growing market for tablets inaugurated by Apple's iPad, Amazon released its new Fire tablet to the media in October before it would be available to the public in November. The reviews were very positive. The Fund purchased Amazon shares based upon the premise that the new tablet would continue to fuel the company's market share in the e-book space. Amazon has an average growth rate of about 35% over the past five years and a management team known for innovation and operational excellence.

Following an increase of 16% within two weeks after the Fund made the purchase, the stock price went into a drastic decline. The underlying reason was the disappointing earnings growth. Although the stock recovered in March to a price of $205.44, it ended with a lackluster price of $194.39 on April 4, 2012.

ANADARKO PETROLEUM (NYSE: APC)

Portfolio:	School
Purchased:	December 3, 2008
Purchase Price:	$36.33
Inherited Price:	$68.58
Current Price:	$74.96
Analyst:	Chris Williams

Anadarko Petroleum is a global integrated oil and gas company headquartered in The Woodlands, Texas. It operates in three segments: upstream, midstream, and downstream. The upstream segment explores and produces oil, natural gas, and natural gas liquids. The midstream segment provides gathering, processing, and transportation services to Anadarko and third-party producers. The downstream segment sells petroleum in the United States. As of December 31, 2011, Anadarko had proved reserves of 2.5 billion barrels of oil equivalent.

Last year's Fund managers chose to continue to hold on to this investment believing oil prices would continue to rise and see potential upside in a number of Anadarko's exploration projects. The company was one of the best-performing stocks for last year's Fund. Its performance this year was good, but not great, trailing the S&P performance by seven percentage points. The current Fund managers decided to hold this investment because Anadarko is expected to be well-positioned in the industry and a potential takeover target. BHP Billiton, the largest mining company in the world, acquired an oil exploration and production company in Texas, PetroHawk, for an enterprise value of over $15 billion in the summer of 2011. BHP expressed its interest in additional acquisitions in the oil industry and would possibly make a bid for Anadarko. However, given the mild stock performance in the last several months and an enterprise value of over $52 billion, Anadarko would be a highly unrealistic target in this environment filled with worries about the European debt crisis. Therefore, the current Fund managers advise future managers to consider replacing Anadarko with a smaller exploration company having a higher growth rate.

ANCESTRY.COM INC. (NASDAQGS: ACOM)

Portfolio:	Milner
Purchased:	November 16, 2011
Purchase Price:	$23.92
Current Price:	$23.38
Analyst:	Bao Nguyen

Ancestry.com Inc. operates as an online family history resource for subscribers worldwide. The company's subscribers use Web-based services and content collection to research their family histories, build their family trees, collaborate with other subscribers, upload their own records, and publish and share their stories. In addition, they can search through Ancestry's collection of various records covering birth-, marriage-, death-, and census-related data, immigration documents, photographs, maps, military records, personal narratives, and newspapers. As of December 31, 2011, the company had 1.7 million paid subscribers.

The current Fund managers bought Ancestry because of the growth in the social media market and increasing interest in connecting with more users. They felt that the price was below analysts' conservative valuation. The company has been profitable even with a high churn rate. There is still significant room to grow, particularly internationally. Currently, about 30% of subscribers are outside the US.

APPLE, INC. (NASDAQGS: AAPL)

Portfolio:	Socially Responsible
Purchased:	April 28, 2011
Purchase Price:	$346.00
Inherited Price:	$373.60
Current Price:	$633.68
Analyst:	Jamison Manwaring

Apple Inc. makes personal computers, mobile phones, portable digital music, and video players. It also sells related software, services, and peripherals. The company has a strong history of innovation. The current Fund managers' rationale when purchasing Apple's stock is that it (1) tracks and reduces its carbon footprint, (2) has developed a supplier code of conduct and had a supplier diversity program, (3) has a conflict-free smelter program, and (4) is in the FTSE4 good index.

Although the purchase was made by last year's Fund managers, the current managers choose to maintain the Fund's position in Apple and enjoyed 69% capital gains. Their decision to retain interest in Apple was due to the anticipated release of the new iPhone 4s in the fall of 2011 and the iPad 3 in the spring of 2012. The company sold four million iPhone 4s in the first three days after its release, which made it become the most successful launch of any mobile phone ever. In addition, Apple had about $80 billion of cash on their balance sheet and kept attractive valuation multiples.

BOEING (NYSE: BA)

Portfolio: School
Purchased: December 27, 2010
Purchase Price: $64.37
Inherited Price: $73.08
Current Price: $73.59
Analyst: Adam Timar

Boeing, an aerospace and defense corporation, was under some pressure earlier this year as the Department of Defense cuts its budgets on government contracts. However, Boeing has successfully released its newest 787 Dreamliner, which helped bolster its stock. In addition, Boeing is able to produce and ship this new aircraft model without delays. Demand is certainly pent up with approximately 851 aircraft orders in the queue and eight deliveries have been made. Boeing expects to deliver between 30 and 37 Dreamliners this year. With a new production facility in Charleston, SC added, we hope the company will achieve its targets.

CERNER (NASDAQGS: CERN)

Portfolio: Davidson, Milner
Purchased: February 10, 2006, October 7, 2009
Purchase Price: $21.05, $37.88 (split-adjusted)
Inherited Price: $61.69
Current Price: $75.87
Analyst:

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. 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.

CHANGYOU.COM LIMITED (NASDAQGS: CYOU)

Portfolio: Davidson
Purchased: November 2, 2011
Purchase Price: $26.79
Inherited Price: N/A
Current Price: $26.41
Analyst: Di Yang

Changyou.com (NASDAQ: CYOU) is one of the top Chinese online game developers and operators. It began operations in 2003 as Sohu.com’s online game business unit, and was listed on the NASDAQ global Select Market in April 2009. Changyou.com had strong growth in user data and revenue. The company operates and licenses massively multi-player online role-playing games (MMORPGs), including one of the most popular MMORPGs.

The current Fund managers made the initial purchase because of the company’s strong margins, its new expansion of the MMORPGs, and its new technologies. Although Changyou.com faces fierce competition and occupies a small market share, it generates high profit. Generally, the stock has been in an uptrend after it hit 52-Week low on November 25, 2011. The current Fund managers decided to hold the stock in anticipation of sales growth over the summer.

COMCAST (NASDAQGS: CMCSA)

Portfolio: School
Purchased: January 17, 2007
Purchase Price: $29.99
Inherited Price: $20.06
Current Price: $29.56

Comcast is one of the largest providers of video, high-speed internet, and phone services in the United States. The firm serves both the residential and commercial segments of the market.

The company has increased its revenues by 47% and net income by 15% from 2010 to

Analyst:	Fernando Campos

2011. The stock has risen by 43% since inherited due to stronger financials, the sale of Advanced Wireless Spectrum to Verizon, and a long-term distribution agreement with the Walt Disney Company.

In February 2012, the company decided to increase its yearly dividend by 44% to $0.65 per share. As a result, this stock has been a great fit for the School Fund.

DEERE & CO. (NYSE: DE)

Portfolio:	School
Purchased:	November 30, 2005
Purchase Price:	$34.63
Inherited Price:	$72.66
Current Price:	$81.83
Analyst:	Aaron Anderson

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

The previous fund managers decided to hold onto the stock because of global exposure in developing and developed nations. The current fund managers held onto the stock for similar reasons. In 2011, Deere released a new line-up of equipment and management believes sales will be up 12-15% in 2012.[4] One of these products includes synch technology which allows farmers to control their tractor and grain cart at the same time. Another new product was the 7R tractor which is a more powerful utility tractor. In 2011, Deere announced the addition of a tractor unit in India. This will be Deere's second unit in India. Deere also announced that in 2013 it will be building tractor units in Brazil, Russia, and China. Deere's stock had a rate of return of 12.6% during the 2011-2012 investment fund year.

DIAGEO PLC (NYSE: DEO)

Portfolio:	Milner
Purchased:	February 4, 2009
Purchase Price:	$55.43
Inherited Price:	$75.26
Current Price:	$96.58
Analyst:	Matt Dombrowski

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 Depositary 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 J&B. 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.

EBIX INC. (NASDAQGS: EBIX)

Portfolio:	School
Purchased:	November 23, 2011
Purchase Price:	$19.00
Inherited Price:	N/A
Current Price:	$23.00
Analyst:	David Kwant

Ebix, Inc. (Ebix) is an international supplier of software and e-commerce solutions to the insurance industry. Ebix provides a range of application software products ranging from carrier systems, agency systems and exchanges, to custom software development for all entities involved in the insurance and financial industries. It has operations in Australia, Canada, China, India, Japan, New Zealand, Singapore, and Brazil.

[4] http://www.fool.com/investing/general/2012/01/20/will-deere-go-full-throttle-in-2012.aspx

Ebix, Inc.'s on-demand software service has experienced impressive historical growth on both the top line and margin expansion with a ten year CAGR of 28% for revenue and 68% CAGR in EPS. The company has a 99% customer retention rate, 75% recurring revenue, and a strategic focus on the convergence of all insurance channels, processes, and entities into a platform that will allow vertical integration into the global insurance software industry. The company's exchange business continues to be the primary growth driver with a 40.5% increase year over year to $33.1million in Q3 2011 accounting for 77.5% of total revenue.

A few factors are likely to favor this business during the next few years. First, conservative estimates forecast the growth of revenue in cloud-based application software to be 20% compounded annually for the next three years. Second, the company has proven to be a strategic and effective acquirer in cloud technology with 13 recorded acquisitions since 2008. These acquisitions have expanded the firm's Software as a Service (SaaS) insurance platform and been accretive to earnings in 90-180 days. Third, the company has historic free cash flow generation of 35% compounded annually over the last ten years. Finally, the vertical integration into all channels of the insurance industry creates an economic moat because of high switching costs. Once a customer integrates into the Ebix enterprise software solutions, switching to another platform is costly and time-consuming. Our price target for 2012 is $32.

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EMC CORPORATION (NYSE: EMC)

Portfolio:	Milner
Purchased:	December 9, 2009
Purchase Price:	$16.75
Inherited Price:	$21.21
Current Price:	$28.94
Analyst:	David Kwant

EMC Corporation develops and supports information and virtual infrastructure technologies by helping businesses transition to cloud computing. EMC's IT infrastructure products and services help its customers store, manage, protect, and analyze massive quantities of data. The company markets its products and services to support its customers' traditional data centers, virtual data centers, and IT infrastructures through direct sales and multiple distribution channels in North America, Latin America, Europe, the Middle East, South Africa, and the Asia Pacific region

EMC maintains 28% market share worldwide for disk storage systems[5] EMC reported healthy first quarter results with revenue of $5.1 billion and adjusted EPS of $0.37 beating the Streets estimates. Management left full year revenue and EPS guidance for 2012 unchanged at $22 billion and $1.70, noting "greater confidence" in their ability to meet and potentially exceed these targets. Guidance continues to factor in a 3-4% information technology spending growth, with EMC's storage business expected to grow over twice that rate.[6]

The stock has performed very well in early 2012 breaking out of its early trading range of $19.00 - $21.00 to slightly under $29.00 giving a 36.4% return during our holding period. Analyst estimates for FYE 2012 revenue are $22.7 billion (13.5% increase year over year) with EPS of $1.82 (20.5% increase year over year), giving further upside potential for the stock.

FORD MOTOR CO. (NYSE: F)

Portfolio:	Socially Responsible
Purchased:	May 6, 2011
Purchase Price:	$15.18
Inherited Price:	$10.31

Ford Motor Co. is a global automotive company that employs over 164,000 employees and produces an award-winning lineup of cars and trucks. In 2011, the company continued to maintain a 16.5% share of the U.S. automobile's market share and sold a total of 2,062,915 vehicles, a 17% increase since 2010. Its automotive production for

[5] Source: IDC Worldwide Disk Storage Systems Quarterly Tracker
[6] Source: 1Q12 Company earnings release

Current Price: $12.47
Analyst: Justin Eicholtz

2011 also exceeded 13.5 million units. In addition, thanks to its impressive fuel efficient lineup of cars and trucks, Ford posted its strongest month of March sales during the past five years in 2012. As of March 14, 2012, Ford Motor Company's Board of Directors voted to reinstate the company's dividend payout for investors at five cents per share, starting in the second quarter of 2012.

Ford's 2011-2012 awards include Corporation of the Year recognized by the Michigan Minority Supplier Development Council (2011), Autoweek's Best in Show Award Winner with 2013 Ford Fusion, and Motor Trend Truck of the Year with 2012 F-150.

GUESS?, INC. (NYSE: GES)

Portfolio: School
Purchased: April 29, 2009
Purchase Price: $25.05
Inherited Price: $33.45
Current Price: $30.61
Analyst: Di Yang

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.

The stock was at its six month high, when the 2008-2009 fund managers made the initial purchase. The previous year's analysis stated that the company faced increasing input costs during the 2010-2011 period, and the previous fund managers decided to hold the stock in anticipation of improved sales as the economy recovers. During the 2011-2012 period the stock was volatile and hit its 52-week low on October 4, 2011.

HESS CORPORATION (NYSE: HES)

Portfolio: Milner
Purchased: January 23, 2009
Purchase Price: $52.28
Inherited Price: $55.10
Current Price: $55.28
Analyst: Chris Williams

Hess Corporation is a globally integrated oil and gas company that operates in two segments: upstream and downstream. The upstream segment engages in exploration and production of hydrocarbons in multiple countries, including Algeria, Azerbaijan, Brazil, Denmark, Egypt, Equatorial Guinea, Gabon, Ghana, Indonesia, Libya, Malaysia, Norway, Peru, Russia, Thailand, the United Kingdom, and the United States. The downstream segment engages in refining and marketing petroleum products. It serves wholesale distributors, industrial and commercial users, other petroleum companies, government agencies, public utilities, and the motoring public. As of December 31, 2011, Hess had total proved reserves of 1,573 million barrels of oil equivalent and 1,360 HESS gas stations. It operates a refinery and over 20 storage terminals with an aggregate capacity of 21 million barrels.

The Fund managers from last year held onto the stock believing the price of oil would rise and Hess would continue to benefit. The downstream segment has been a drag on the company as higher oil prices, coupled with declining demand for gasoline, squeeze margins for refiners. Downstream oil operations can be profitable under the right conditions, but are often found to be a less-desirable vertical in the oil industry. The trend in the last year has been for major integrated oil companies to spin off their refining segments and focus on exploration and production. Hess has not expressed an interest in following suit. Its exploration and production activities are located in some promising locations, including the hottest shale plays in the United States. Current Fund managers have held on to this position in anticipation of expanding trading multiples. As this remains to be seen, current Fund managers leave a note here to future Fund managers to consider evaluating this investment for sale and replacing it with a smaller upstream-focused company.

ICON PLC (NASDAQGS: ICLR)

Portfolio: Davidson, Milner
Purchased: February 3, 2005
Purchase Price: $8.48
Inherited Price: $19.22
Current Price: $21.96
Analyst: Josh Unice

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 through IV clinical studies.

This stock dipped during the fund's holding period, but has recently made gains and is again close to its 52-week high. Recently the company has grown well and we believe that a favorable industry outlook and the strong position ICON holds will lead to continued growth.

INTERPUBLIC GROUP OF COMPANIES (NYSE: IPG)

Portfolio: Socially Responsible
Purchased: April 20, 2011
Purchase Price: $11.82
Inherited Price: $8.29
Current Price: $10.94
Analyst: Kevin Fullmer

The Interpublic Group of Companies, Inc., is an advertising and marketing services company. The company operates globally. The Fund bought IPG on beliefs that as the global recession ends, there would be an increase in advertising expenditures. Socially responsible qualifications include Newsweek Top 500 Green Companies, $1.5 M in annual contributions, chartable marketing campaigns, and AAF Diversity Award.

The Fund chose to hold IPG as it beat expectations and outperformed the S&P 500 by 11%. The fund sees potential in advertising as this industry is expected to grow in the near future.

ISHARES MSCI SOUTH AFRICA INDEX (NYSEARCA: EZA)

Portfolio: School
Purchased: March 3, 2010
Purchase Price: $56.44
Inherited Price: $64.27
Current Price: $66.65
Analyst: Bao Nguyen

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. The Fund managers feel that EZA offers good diversification and exposure to emerging markets in the School Portfolio.

JAZZ PHARMACEUTICALS PLC (NASDAQGS: JAZZ)

Portfolio: School
Purchased: February 29, 2012
Purchase Price: $49.52
Current Price: $49.57
Analyst: Bao Nguyen

Jazz Pharmaceuticals Plc is a specialty pharmaceutical company that capitalizes on in-licensing contracts of experimental drugs previously shelved by larger pharmaceutical companies due to budget constraints in R&D or due to the weak margins of a previously marketed drug. In-licensing programs enable Jazz to sell experimental pharmaceutical drugs such as Xyrem that have either already hit the market or were never actually commercialized due to the specialty nature of the product and lackluster profit potential.

Fund managers purchased Jazz because of continual sales growth of its primary drug Xyrem. The Xyrem patent does not expire until 2020 and it is the only drug that treats both narcolepsy and cataplexy. In January 2012, the merger with Azur Pharmaceuticals provided increased revenues, product diversification, and new sales channels. Management's expertise in pharmaceutical industry with a record of successful mergers and acquisitions gives investors confidence in management's effective use of capital. The management team has been stable since the company's inception in 2003. Financial metrics beat competitors in gross margin, EBITDA, EBIT, and profit margin without any long-term debt.

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

Portfolio: School
Purchased: April 25, 2011
Purchase Price: $44.68
Inherited Price: $34.78
Current Price: $44.34
Analyst:

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 recently had declining default rates and increasing loans.

LYONDELLBASELL INDUSTRIES (NYSE: LYB)

Portfolio: Milner
Purchased: March 14, 2011
Purchase Price: $39.33
Inherited Price: $29.85
Current Price: $43.41
Analyst: Aaron Anderson

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 previous Fund managers purchased LyondellBasell because of its recent balance capital structure which they felt made the price of the stock undervalued. The current fund managers held onto the stock because of the company's tremendous growth in 2011. The company's profit doubled in 2011 and the company's EPS rose 95% to $4.71.[7] The company announced in December 2011 that it will spend $1.5 billion to expand its company. The company plans to expand existing plants and build new ones throughout Europe and China. During the 2011 investment fund year, the stock fell 24.1%. However the LyondellBasell stock had a rate of return of 45.4% during the 2011-2012 investment fund year.

[7] http://news.investors.com/article/600762/201202101316/lyndellbasell-misses-earnings-profit-estimates-lyb-dow.htm?ven=yahoocp,yahoo

MAXWELL TECHNOLOGIES, INC. (NASDAQGS: MXWL)

Portfolio:	Milner
Purchased:	November 18, 2009
Purchase Price:	$17.46
Inherited Price:	$11.69
Current Price:	$17.22
Analyst:	Kyle Twiggs

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. 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 6, 2012, the stock was trading slightly below the original purchase price. The stock had sold off as of late due to concerns of a global slowdown; the fund however feels that this will continue to be a profitable holding in the future.

MICROSEMI CORPORATION (NASDAQGS: MSCC)

Portfolio:	Milner
Purchased:	March 30, 2011
Purchase Price:	$20.36
Inherited Price:	15.94
Current Price:	$20.70
Analyst:	Danny Loveland

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 retained the MSCC position based on recent strategic acquisitions of Actel, VT Silicon, and Arxan Defense Systems, Inc. These acquisitions were a beacon for future performance as most of the company's competitors have been consolidating over the same time period these acquisitions occurred. The three transactions have been beneficial because (1) The acquisition of Actel greatly increased Microsemi's ability to enter European markets; (2) VT Silicon will help the company better compete with its circuits used in the mobile wireless broadband market; and (3) Arxan will allow the company to provide better service to its defense clients in regards to more secure systems, piracy solutions, and tampering protection.

MICROSOFT CORPORATION (NASDAQGS: MSFT)

Portfolio:	School
Purchased:	April 15, 2004
Purchase Price:	$25.23
Inherited Price:	$24.72
Current Price:	$31.52
Analyst:	Di Yang

Microsoft Corporation develops and licenses operating systems and software worldwide. The company is the world leader in software for the personal computer, and was founded in 1975. Today the company is the biggest software supplier in the world. The main products include Windows operating system, Internet Explorer, and Microsoft Office applications. In 1999, the company brought out MSN messenger, instant message software, and in 2001 it introduced Xbox to the world.

The previous year's analyst stated that the fund managers decided to hold the MSFT because of its strong market position and steady cash flows that should continue into the future. And during the 2011-2012 period, the stock gained 27% while the market gained 20%. The current fund managers sold 100 shares of MSFT to realize the gain, and are holding the rest 100 shares as a hedging tool in the portfolio.

NETAPP, INC.(NASDAQGS: NTAP)

Portfolio: Socially Responsible
Purchased: April 13, 2011
Purchase Price: $48.65
Inherited Price: $37.79
Current Price: $43.72
Analyst: Josh Unice

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 the rapid growth the data storage industry is experiencing The company has a substantial cash position of $4.8 billion with comparatively low debt, and has some of the best margins in the industry. Summary of SR qualification: servers that hold more data are 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, along with over $900,000 in donations of product and service offerings; the company is ISO 14,000 certified.

NOVARTIS (NYSE: NVS)

Portfolio: Socially Responsible
Purchased: April 20, 2011
Purchase Price: $57.69
Inherited Price: $57.26
Current Price: $54.84
Analyst: Emilia Cedeno

Novartis AG develops and manufactures health-care products through its branded pharmaceuticals, generic pharmaceuticals, diagnostic and vaccines, and consumer products. The company became a global leader in the expanding ophthalmic market with its purchase of stake in Alcon. Novartis has a broad range of products in the pharmaceutical arena including products in branded pharmaceuticals, generic pharmaceuticals, diagnostics 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).

OASIS PETROLEUM (NYSE: OAS)

Portfolio: Davidson
Purchased: February 15, 2012
Purchase Price: $31.89
Inherited Price: N/A
Current Price: $29.91
Analyst: Chris Williams

Oasis Petroleum is an independent oil and gas exploration and production company that was founded in 2007 and is based in Houston, Texas. It operates in the Bakken and Three Forks shale formations located in the Montana and North Dakota regions of the Williston Basin. It was formed by former management at Burlington Resources—which was acquired by ConocoPhillips in 2006—along with a large capital commitment from EnCap Investments, an energy-focused financial sponsor. As of December 31, 2011, it had 78.7 million barrels of oil equivalent in proved reserves.

In 2005, the oil and gas exploration and production industry began to see the widespread application of newly-perfected drilling techniques including horizontal drilling and hydraulic fracturing to shale rock formations containing natural and oil. This boom in oil production is prompting large exploration companies and even many national oil companies (NOCs) overseas to acquire successful operators in shale plays. Many acquisitions have taken place in the last several months, with Brigham Exploration being one of the more noteworthy. Last October, Brigham Exploration, Oasis Petroleum’s next-door neighbor in the Bakken, was acquired by Statoil of Norway for a 36% premium to its average 30-day stock price. The current Fund managers see Oasis as a prime takeover target, with a precedent transaction comparable value of $44 per share.

PSYCHEMEDICS CORPORATION (NASDAQCM: PMD)

Portfolio:	School
Purchased:	April 15, 2010
Purchase Price:	$7.73
Inherited Price:	$8.35
Current Price:	$9.83
Analyst:	Danny Loveland

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 a significantly cheaper testing method and maintains a strong presence in the market.

Psychemedics was kept in the portfolio due to the continued performance over the previous year. During the time in which PMD was held in our fund, it returned 17%. The fund believes that over the next several years improved economic stability will continue to provide favorable returns. The new health care reform may be a catalyst for growth by adding 32 million American to the currently covered healthcare base.

RIO TINTO PLC (NYSE: RIO)

Portfolio:	School
Purchased:	April 26, 2011
Purchase Price:	$73.00
Inherited Price:	$58.19
Current Price:	$54.24
Analyst:	Fernando Campos

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.

The stock has not performed as expected. The sale of specific raw materials did not materialize as anticipated. Rio Tinto was the subject of a lawsuit from the Northern Territory in Australia following a gasoline leak, and the acquisition of Riversdale Mining Ltd which has yet to show its full integration impact.

SALESFORCE.COM, INC. (NYSE: CRM)

Portfolio:	Davidson
Purchased:	October 29, 2009
Purchase Price:	$59.49
Inherited Price:	$118.66
Current Price:	$157.04
Analyst:	Jamison Manwaring

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 three years. Salesforce.com proved to have a major first-mover advantage in the cloud computing space for enterprise solutions and had an internal rate of return of 32.34% 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:	Socially Responsible
Purchased:	May 6, 2011
Purchase Price:	$138.16
Inherited Price:	$102.03
Current Price:	$96.25
Analyst:	Hy Chau

Siemens Aktiengesellschaft is a broadly diversified industrial company. It is one of the world leaders in supplying electrical power T&D, converting and extracting primary fuels oil and gas, producing innovative healthcare devices, providing ecofriendly and advanced industrial products, and offering sustainable technologies for universal metropolitan centers and urban infrastructures.

The previous year Fund managers bought Siemens because of its exposure to global mega-trends, with a presence in 190 countries and 420,000 employees, and its diversification in multiple industry sectors. During 2011 and 2012, the company has not performed as expected due mainly to its equity investment loss in Nokia Siemens Network (NSN) and higher Power Transmission costs in the Energy sector.[8] However, the current Fund managers believe that Siemens will anticipate strong earnings performances in the long-term as revenues from most of its businesses, especially industrial short-cycle segments, have continued to grow steadily. Also, its free cash flow has shown signs of improvement since the first quarter of 2012.[9]

SKULLCANDY INC. (NASDAQGS: SKUL)

Portfolio:	School
Purchased:	November 30, 2011
Purchase Price:	$15.45
Inherited Price:	N/A
Current Price:	$17.06
Analyst:	Kyle Twiggs

Skullcandy Inc. develops and distributes headphones and other audio accessories to specialty retailers both domestically and internationally. It also offers mobile accessories, speaker docks, apparel, and other accessories. Skullcandy appeals to the action sports crowd, hip hop enthusiast, and fashion conscious consumer. The company recently had its IPO where trading opened at $18.00; it began trading down and provided a strong buying opportunity for the fund.

The fund purchased Skullcandy to capitalize on the growing popularity of mobile devices and the increasing popularity of music on those devices. Skullcandy is a speculative play in an industry with low barriers to entry so the fund should monitor this stock closely, despite a loyal brand following and strong revenue growth.

SKYWEST, INC. (NASDAQGS: SKYW)

Portfolio:	School
Purchased:	January 24, 2011
Purchase Price:	$15.33
Inherited Price:	$12.58
Current Price:	$10.69
Analyst:	Justin Eicholtz

SkyWest Inc., headquartered in St. George, Utah, operates both SkyWest Airlines and ExpressJet. The company operates under a fixed-fee code-share agreement, where major airline carriers such as Delta, United Air Lines, Continental, US Airways, and Alaska Airlines contract through SkyWest or ExpressJet as a regional carrier and allow SkyWest to fly planes with the above airlines respective logo.. Sky West Inc. also earns a fixed fee through the code-share agreement by supplying this regional service. Furthermore, costs such as maintenance or fuel associated with such agreement are passed through SkyWest to the major carriers for whom they are contracting through for regional flight service. The firm currently has 4,000 daily departures with locations including the U.S., Canada, Mexico, and the Caribbean. The SkyWest and ExpressJet fleet are made up of approximately 726 aircrafts.

The Fund managers had originally purchased SKYW as a long-term investment due to its ability to compete in the ultra-competitive and volatile U.S. airline industry as well as its ability to minimize major expenses through code-share agreements. However, SkyWest

[8] Siemens. "Broad-Based Revenue Growth Continues: NSN Restructuring and Transmission Charges Burden Income." *Siemens.com*. N.p., n.d. Web. <http://www.siemens.com/press/pool/de/events/2012/corporate/2012-Q2/2012-Q2-earnings-release-e.pdf>.
[9] Siemens. "Siemens Q2 FY12: IR FLASHLIGHT." *Siemens.com*. N.p., n.d. Web. <http://www.siemens.com/investor/pool/en/investor_relations/financial_publications/speeches_and_presentations/q22012/flashlight_q212.pdf>.

has been unable to rein in its rising costs for the year ending December 31, 2011, which resulted in the company posting a net income loss of $27.3 million compared to a positive net income of $96.4 million in 2010. In addition, SkyWest's share price has declined by 29% since it was bought in 2011. These negative aspects lead to the sale of its stock on April 10, 2012.

TATA MOTORSLTD. (NYSE: TTM)

Portfolio:	Milner
Purchased:	April 22, 2009
Purchase Price:	$7.05
Inherited Price:	$15.78
Current Price:	$27.67
Analyst:	Trevor Coccimiglio

Tata Motors Ltd. is an international manufacturer of both passenger and commercial vehicles based 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. It 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 American Depositary Receipt (ADR). Tata specializes in the production of small and inexpensive cars targeted to the growing middle classes of India and China. Tata also produces trucks, buses, utility vehicles, and defense vehicles in India.

The current Fund managers chose to hold Tata Motors due to high growth potential in both its low cost nano-vehicles and luxury brands Jaguar and Range Rover. The Chinese and Indian markets will have millions of new drivers and we believe Tata is the best-situated global company to capture this growth.

THERMOFISHER SCIENTIFIC INC. (NYSE: TMO)

Portfolio:	Socially Responsible
Purchased:	April 20, 2011
Purchase Price:	$55.69
Inherited Price:	$52.16
Current Price:	$55.89
Analyst:	Kyle Twiggs

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."

TMO continues to provide strong return, is a best-in-class company, and will continue to grow through acquisitions.

TRAVELZOO INC. (NASDAQGS: TZOO)

Portfolio:	School
Purchased:	10/26/2011
Purchase Price:	$29.35
Inherited Price:	N/A
Current Price:	$21.49
Analyst:	Danny Loveland

Travelzoo Inc is a global internet media company that provides travel, entertainment, and local deals to subscribers in North America, Europe and the Asia Pacific region. During 2011, the company surpassed 24 million subscribers. Travelzoo works with thousands of companies with internal associates verifying the validity of each deal. The company's revenues are generated primarily from advertising fees.

The fund purchased Travelzoo just over a year after the company launched a new local deals segment in August of 2010. The new venture was profitable in its first year of operation with gross revenues over $100 million. The company has a unique business model that targets a higher income audience; the strategy includes offering quality deals at a good price, not just cheap items or services at a discount. Unfortunately, however, the business model has yet to improve the Fund financially. Despite the company beating EPS estimates every quarter since the purchase, the market punished TZOO in Q4 after it missed revenue estimates. The fund purchased Travelzoo with a potential takeover play in mind. Rumors of a potential takeover have quietly been raised several times but no offers have been made as of this writing.

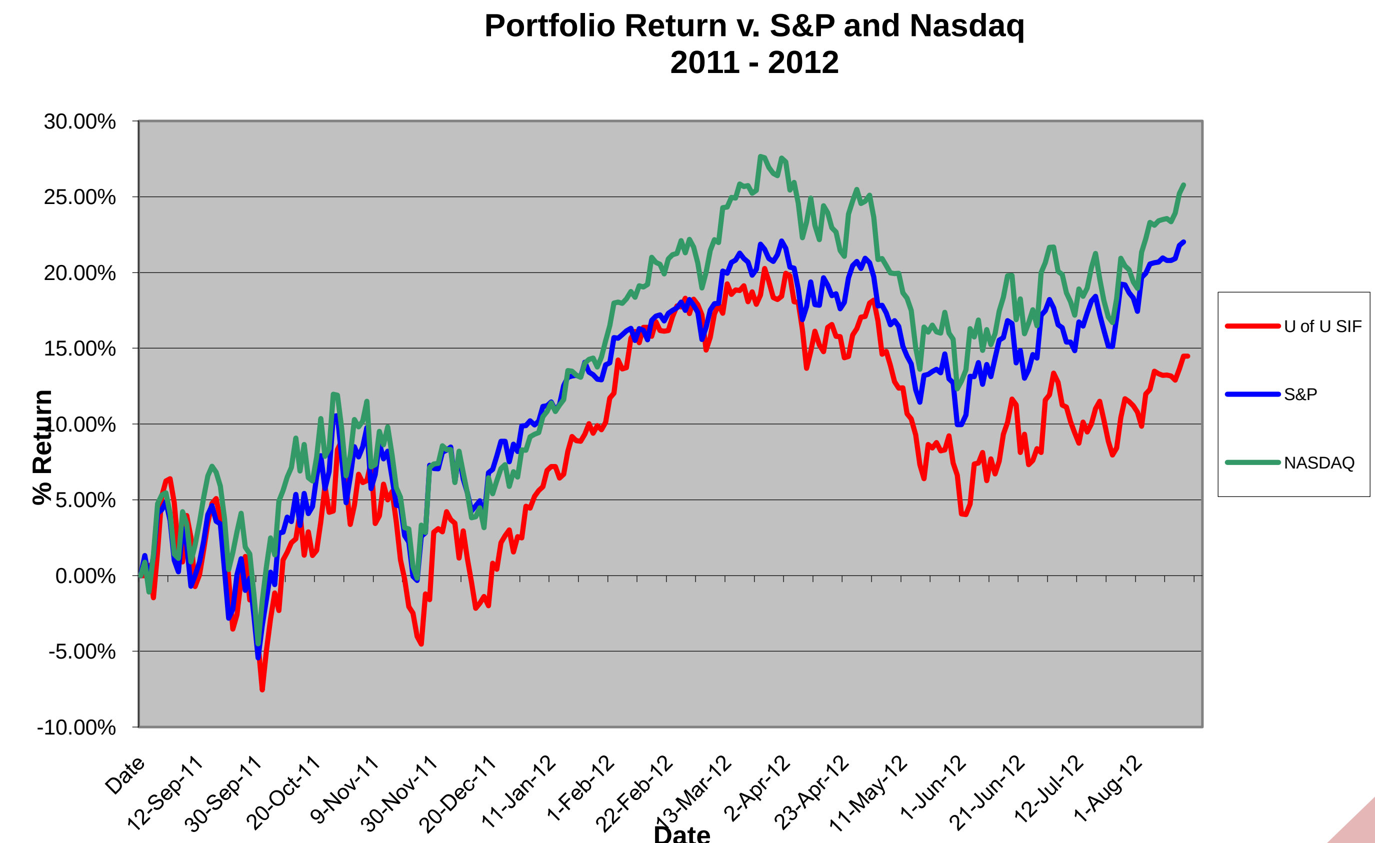
Portfolio:	Davidson, Milner
Purchased:	November 8, 2006
Purchase Price:	$31.47
Inherited Price:	$55.52
Current Price:	$74.36
Analyst:	Matt Dombrowski

The Student Investment Fund inherited Westinghouse Air Brakes in 2006. 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.

The current class kept WAB 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. This company is expected to have consistent growth, and was thus held to provide stability and diversification to the portfolio.

UPDATE (AUGUST 17, 2012)

In the four months since our report was written, the S&P index dropped and then recovered. On April 5, our total portfolio had underperformed the S&P over the year by 2.3%. By August 17, the portfolio's underperformance had widened to 7.5%.



The table below compares the return on each of our investments to a time-matched return on the S&P. For stocks we inherited, we measure from August 23, 2011, and for stocks we still hold, we measure until August 17, 2012. The left hand panel of the table contains data on the investments we inherited and still hold and the right hand panel tracks the investments we inherited and sold as well as the new investments we made this academic year. Of the 35 equity positions we inherited and held, 19 of them (54%) underperformed the S&P over the time we held them. Of the 17 positions we inherited and sold, nine on them (53%) underperformed over the time we held them. Of the 11 new equity investments we made, nine (82%) underperformed the S&P over the time-matched period we held the stock.

August 23, 2011 - August 17, 2012

Ticker	Gross Return	S&P return	Portfolio
stocks inherited and held			
CRM	24.08%	22.01%	Davidson
ICLR	20.40%	22.01%	Davidson
AYR	8.92%	22.01%	Davidson
CERN	17.62%	22.01%	Davidson
WAB	45.71%	22.01%	Davidson
EMC	26.59%	22.01%	Milner
ICLR	20.40%	22.01%	Milner
CERN	17.62%	22.01%	Milner
LYB	80.90%	22.01%	Milner
WAB	45.71%	22.01%	Milner
MSCC	30.74%	22.01%	Milner
HES	-10.24%	22.01%	Milner
DEO	44.40%	22.01%	Milner
AKAM	80.36%	22.01%	Milner
ABB	-9.13%	22.01%	Milner
MXWL	-53.32%	22.01%	Milner
TTM	36.71%	22.01%	Milner
QQQ	31.68%	22.01%	Milner
MSFT	28.07%	22.01%	School
EZA	5.41%	22.01%	School
AAPL	74.19%	22.01%	SRP
APC	2.73%	22.01%	School
BA	24.45%	22.01%	School
CMCSA	72.33%	22.01%	School
DE	8.29%	22.01%	School
F	-5.63%	22.01%	SRP
GES	-0.45%	22.01%	School
IPG	38.84%	22.01%	SRP
JPM	9.49%	22.01%	School
NTAP	-11.46%	22.01%	SRP
NVS	9.13%	22.01%	SRP
PMD	44.91%	22.01%	School
RIO	-18.34%	22.01%	School
SI	-7.10%	22.01%	SRP
TMO	9.03%	22.01%	SRP
		Number	Percent
Outperform		16	46%
Underperform		19	54%

Ticker	Gross Return	S&P return	Portfolio
stocks inherited and sold			
ACPW	-13.67%	-3.30%	Milner
BK	-2.97%	-0.97%	School
C	2.20%	1.31%	Davidson
DLB	21.14%	16.80%	School
ILF	4.25%	4.86%	Davidson
IVE	18.03%	16.19%	Milner
JCI	10.64%	17.49%	SRP
MSFT	29.41%	16.80%	School
OIL	18.23%	15.56%	Davidson
ORB	-11.38%	18.60%	Milner
RIG	8.49%	4.86%	Davidson
SKYW	-14.79%	17.75%	School
SPWRA	-35.55%	6.53%	School
UA	32.66%	8.15%	Milner
UA	13.36%	4.86%	Davidson
URE	-7.09%	-0.97%	Davidson
ZAGG	-23.14%	17.75%	Milner
		Number	Percent
Outperform		8	47%
Underperform		9	53%
stocks purchased			
AMZN	12.42%	23.96%	Davidson
TZOO	-20.24%	14.18%	School
CYOU	-12.62%	14.56%	Davidson
AMD	-26.76%	15.38%	Davidson
ACOM	35.95%	14.65%	Milner
EBIX	28.11%	22.07%	School
SKUL	7.83%	13.73%	School
JAZZ	-2.14%	4.90%	School
OAS	-2.88%	5.58%	Davidson
VPHM	-31.68%	1.60%	Milner
ZNGA	-63.28%	2.20%	School
		Number	Percent
Outperform		2	18%
Underperform		9	82%

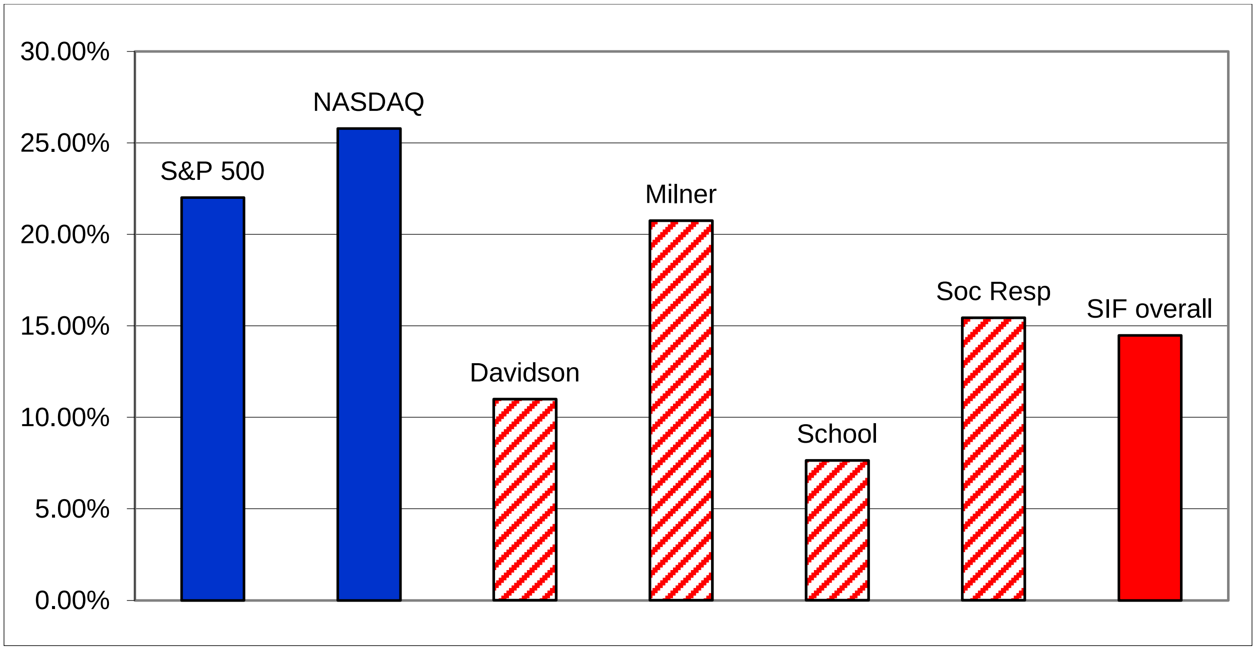
The table below examines the subsequent performance of stocks we sold from the date of our sale to August 17. If the last column is positive, then we could have made a positive return by continuing to hold the stock rather than selling it. On the other hand, negative returns represent losses avoided. For 12 of the 18 stocks we sold, we avoided losses by selling. Given that the market generally rose over our tenure, we did a good job of identifying stocks that were likely to underperform.

Analysis of stocks we sold

ticker	sale date	sale price	Aug 17 price	forgone return
ACPW	4-Oct-11	1.20	0.84	-30.0%
BK	28-Sep-11	18.92	22.73	20.1%
C	8/24/2011	27.91	29.03	4.0%
DLB	22-Feb-12	39.20	35.19	-10.2%
ILF	31-Aug-11	46.83	43.32	-7.5%
IVE	14-Feb-12	62.36	64.73	3.8%
JCI	29-Feb-12	32.94	27.38	-16.9%
MSFT	22-Feb-12	31.43	30.90	-1.7%
OIL	15-Feb-12	25.81	23.58	-8.6%
ORB	20-Apr-12	12.89	13.79	6.9%
RIG	31-Aug-11	55.70	49.44	-11.2%
SKYW	11-Apr-12	10.60	8.48	-20.0%
SPWRA	21-Oct-11	9.21	4.61	-49.9%
UA	31-Aug-11	71.00	57.73	-18.7%
UA	5-Dec-11	83.09	57.73	-30.5%
URE	28-Sep-11	43.43	67.83	56.2%
VPHM	12-Apr-12	22.15	26.12	17.9%
ZAGG	11-Apr-12	11.02	8.42	-23.6%

	Number	Percent
Losses avoided	12	67%
Gains forgone	6	33%

All four of our portfolios underperformed. The chart below shows performance as of August 17.



The 2011-2012 academic year was a rough year for the Student Investment Fund. We finished the year underperforming the S&P by 7.5%. The problem did not seem to be timing; we were not systematically in cash as the market rose, nor did we increase our investment in equities as the market fell. We were not focused in a sector that underperformed. We were well diversified, holding 60 names throughout the year. Our sell discipline was generally good: despite the fact that the market rose over 20% during the time the class managed the Fund, two thirds of the stocks we sold declined in price after we sold them. The key problem was stock selection. A bit over half (54%) of stocks we inherited underperformed the S&P and 82% of the stocks we purchased underperformed.

WHAT WE DID

SPEAKERS

Ryan Snow, Portfolio Manager, Wasatch Advisors

August 30, 2011

Mr. Snow presented a brief history of the stock market in the United States. He also gave several recommendations of key areas that we should investigate while doing investment research and analysis. These areas of focus included company culture, growth, valuation, and management team quality. Mr. Snow's investment philosophy is to invest in great companies at fair prices for the long term. He reminded the class of the challenges of being a disciplined investor and offered several suggestions to overcome this problem. Mr. Snow ended his presentation by discussing the pursuit of happiness and suggested that money should not be the driving force in our lives.

Fred H. Dickson, Senior Vice President and Chief Investment Strategist, D.A. Davidson Fund

April 3, 2012

Mr. Dickson presented a broad macroeconomic outlook for the markets. He recounted some of his personal experiences while working in the finance industry and advised students to continue to learn and be reeducated throughout their careers. Mr. Dickson also spoke about behavioral tendencies of successful leaders. Some of the main points he made were that students should commit to constant daily improvements and that attitude means everything.

Hal Milner

April 24, 2012

Hal Milner presented several short ethical dilemmas and asked students to share their opinions as to which side was "right" in each case. The situations ranged from Danny Ainge telling a base runner that the ball was hit foul to the Cicero's account of selling corn in Rhodes. The forum provided for a wild discussion of opinions as to why a situation is or is not ethical. Mr. Milner's presentation highlighted how ethics is such a complicated topic due to personal differences in opinions and the varying context of situations.

RISE SYMPOSIUM

On March 29, 2012, the University of Utah sent eight students to attend the R.I.S.E. XII forum in Dayton, Ohio. The attendees included five current SIF portfolio managers and three aspiring portfolio managers.

The Redefining Investment Strategy Education (R.I.S.E.) Forum is an investment conference sponsored by the University of Dayton in association with the United Nations Global Compact. It is has been held annually on the University of Dayton campus for the past 12 years. Known as one of the most prestigious student investment conference, R.I.S.E. seeks to bring together professionals from Wall Street, corporate America, the financial media, and the international community with students and professors from around the world. Its ultimate purpose is to focus on an interactive panel between the best and brightest in finance and the students who will soon be their colleagues.

The R.I.S.E. forum is a three day event. It begins with a day of discussion where topics are split into economy, domestic markets, asset allocation, alternative investments, international & emerging markets, and risk & rewards. During the panel, students are given the opportunity to guide the discussion through questions. The following two days provide multiple breakout sessions for attendees. These specialized breakouts cover topics such as FOREX trading, private equity & venture capital, value investing, asset management, equity research, and many more topics in Finance. In addition, there are workshop breakouts that focus on enhancing students skills. These areas include portfolio construction, risk management, careers in M&A, hedge fund and proprietary trading, and interviewing and recruiting process.

There is great value in the information and networks available at R.I.S.E. Therefore, we recommend the experience to future Fund managers.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OF DAYTON
ASHLAND
UNIVERSITY


UNIVERSITY of
DAYTON
R.I.S.E. XII

CFA GLOBAL INVESTMENT RESEARCH CHALLENGE

This year, four current Student Investment Fund members – Jamison Manwaring, Kevin Fullmer, David Kwant, and Bao Nguyen – and one future Student Investment Fund member – Matthew Cunningham – participated in the CFA International Research Challenge in Utah. They developed an equity research report and presented EnergySolutions 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 team pitched EnergySolutions as a "BUY" in September while being traded at $3.15. When they presented this company to the judges in March, its stock had already appreciated to above $5. The University of Utah team finished second in state, falling to Westminster's MBA team. In the three years of the challenge, this was the first year the University of Utah beat Brigham Young University's team, which typically consists of graduate students.

SPRING PRESENTATIONS TO PROFESSIONALS

JAZZ PHARMACEUTICALS PLC. (NASDAQ: JAZZ)

Student Analysts:

Justin Eicholtz	**Jamison Manwaring**	**Bao Nguyen**
Fernando Campos	**Trever Coccimiglio**	**Josh Unice**
Di Yang	**Kevin Fullmer**	**Arthur Jessop**
	Kyle Twiggs	

On February 7, 2012, the University of Utah Student Investment Fund held a presentation recommending a "BUY" for Jazz Pharmaceuticals. This pharmaceutical company specializes in capitalizing off in-licensing contracts of experimental dugs previously dropped by larger pharmaceutical companies due to their budget constraints in R&D or the inability of a previously marketed drug to realize a profit.

Jazz aims to advance its business by identifying and commercializing pharmaceutical drugs designed to assist patients with currently untreated medical conditions. Jazz's pharmaceutical product line consists of 12 products targeting towards neurology, psychiatry, the central nervous system, and women's health. The company was founded in 2003 and is currently based in Dublin, Ireland with U.S. operations in both Palo Alto, CA and Philadelphia, PA.

Jazz operates in one of the highest margin industries in the United States with the industry average's gross margins of 64.99%. The pharmaceutical sub-industry faces intense competition, constant innovation, and a changing regulatory environment. The pharmaceutical industry is expected to experience increased sales growth as the population gets older. This demographic characteristic accounts for 33% of total sales in the industry. The present uncertainty in the regulatory environment will continue to be a source of stress on companies in the sector. To illustrate, the Affordable Care Act is expected to slow growth for the next two years.

We initiated coverage with a "BUY" recommendation at a target price of $57.49, a 14% upside from the current stock price. We conducted both a DCF analysis and a public comparable analysis with financial projections over a five-year period to FY2016. We anticipate an overall revenue CAGR (2011-2016) of 15.1%, including expected revenue from Azur Pharma, a private company with which Jazz merged in January 2012.

IMAX CORPORATION (NYSE: IMAX)

Student Analysts:

Hy Chau
Matt Dombrowski
Aaron Anderson
David Kwant
Danny Loveland
Emilia Cedeno
Tim Schmidt
Adam Timar
Chris Williams

On March 6, 2012, the University of Utah Student Investment Fund held a presentation recommending a “BUY” for IMAX Corporation. IMAX’s principal businesses are designing and manufacturing innovative digital and film-based theater systems, and selling or leasing its technology and trademarks to commercial multiplex theaters, science and natural history museums, zoos, theme parks, tourist destination sites, fairs, and expositions.

The company differentiates itself from other theater system manufacturers in the industry through its superior in-house technologies. Its core business strategy is to create or acquire cutting-edge technologies that do not yet exist in the market. When IMAX was unable to find a firm with the technology to convert Hollywood’s 35 mm films to IMAX’s 70 mm format without distortion, the company used internal resources and capabilities to invent its own process which “digitally reduces film grain and enhances picture quality” to meets its stringent requirements.

The Student Investment Fund recommended a “BUY" for three primary reasons: (1) a **new business model** introducing a joint-revenue sharing option allows for rapid growth. the new model will also provide recurring revenue from sales of high quality systems and re-formatted digital content; (2) recent expansion to **emerging markets** has been very successful and further success is forecasted by the Fund for the next several years; (3) IMAX has proven a successful strategy by transitioning from producing documentaries and selling equipment to institutions to an entertainment company providing immersive, “big screen” Hollywood experiences. This move has created a **sustainable competitive advantage** due to the high costs associated with research and development, superior product design, and recent exclusive partnership with Kodak for intellectual property rights.

The following industry experts attended 2012 Presentations to Professionals.

David Calder	Leucadia	Matt Marsh	Sorenson Capital
Phil Clinger	Merrill Lynch (retired)	Jason Miller	Beneficial Financial Group
Peter Crow	U of Utah Investments Office	Jason Morrow	Utah Retirement Systems
Matt Crouse	Western Investment	Mori Paulsen	Merrill Lynch
Paul Dougan	Equity Oil Company	Rich Potashner	Merrill Lynch
Blake Earl	TIAA-CREF Financial Service	Dick Pratt	Richard T. Pratt Associates
Jake Garn	Summit Ventures	Nate Rhees	Alta Capital
Jack Gertino	First Interstate International	Greg Schow	Lunt Capital Management
George Goates	Leucadia	Jon Shear	University of Utah Investments Office
Brett Haymond	Zions Bank	Rick Skidmore	Goldman Sachs
Brad Heitmann	Koombea	Ryan Snow	Wasatch Advisors
Peter Jarman	Wasatch Advisors	Ramona Stromness	Richard T. Pratt Associates
Sterling Jenson	Wells Fargo	Greg Thornton	D.A. Davidson
James Lewis	Lewis Hansen Waldo & Pleshe	Michael Thornton	Assure Fund of Funds
Brody Liddiard	Brody Chemical	Rex Thornton	D.A. Davidson
Geoff Loos	D.A. Davidson		

WHAT WE LEARNED

LESSONS LEARNED

As we inherited the portfolio last fall, we began to enter a bull market where the S&P climbed 20%. This increase was led primarily by Apple and the financial sector. Apple, which the Fund holds, returned 69% as of our April 6 closing date. However, during this time period, the Fund failed to beat the S&P benchmark. This experience has exposed two large weaknesses in our performance – our initial lack of strategy and poor selection of stocks throughout the class.

As the semester began, we were advised by previous members to pick a strategy early and follow it. However, we never decided on specific strategies until late in the spring semester. While this does not explain our overall performance, our lack of congruent thought is an area of improvement. As the semester progressed, we decided to split into different groups with distinctive areas of focus – different screening methods, consumer products, energy, and innovative technology. These topics or strategies provided group members with ideas for better stock pitches.

The other area that played an important role in the Fund's poor performance was the stocks purchased throughout the semester. Of the ten stocks we purchased, only two companies beat the S&P (AMD and EBIX provide a positive gain of 36% and 21%, respectively) and only one other company provided a positive return (SKUL generated a 9% gain). This alone makes it very difficult to beat the market when 70% of the companies purchased provided negative returns. Therefore, the future Fund managers must pick strong companies and purchase those at more attractive prices. While the Fund did not perform as we had hoped, we maintain high expectations that the companies selected will improve in the future.

SCHOOL FUND 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

SOCIALLY RESPONSIBLE PORTFOLIO BYLAWS (WORKING DRAFT)

1. **PURPOSE**

   The Student Investment Fund's Socially Responsible Portfolio 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 potential investment will face 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.