STUDENT INVESTMENT FUND

2015-2016 Annual Report

David Eccles School of Business
THE UNIVERSITY OF UTAH

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Acknowledgements

The Student Investment Fund would like to thank the following individuals and organizations for their support of our program.

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

D.A. Davidson
Hal Milner

For underwriting the Trading Floor at the Spencer Fox Eccles Business Building, we thank

The Okland Family

For their financial support of our many programs, we recognize the following donors who are recognized on the Okland Trading Floor

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Alex Wall
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Max Wilson

For sponsoring the local CFA Institute Research Challenge, we thank

The CFA Society of Salt Lake

We thank the speakers who addressed our class and the distinguished professionals who attended our presentations. These individuals are named in the report.

Finally, we thank **Dr. Elizabeth Tashjian** and her TA, **Connor Allen**, for their terrific teaching, feedback, and guidance throughout the year. We could not have done it without them.

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 program exists to bolster student learning outside the classroom by allowing them to invest in a real-world setting. The original $50,000 remains intact year to year, supported by D.A. Davidson. The firm and the Student Investment Fund share any returns above five percent equally. D.A. Davidson guarantees students against any losses that would cause the portfolio to fall below the original $50,000 mark, replenishing it year to year if necessary. Since October 1998, D.A. Davidson has given over $35,000 directly to the student portfolio and Bill Child, then-CEO of R.C. Willey Home Furnishings, 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 $35,000 to the investment fund program. The Fund received $25,000 to begin a Socially Responsible Fund in the spring semester of 2011 and received another $17,000 in the summer of 2013. 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 analysts' standards in terms of financial and economic performance in order to be held in the portfolio.

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.

In the fall of 1999, the Student Investment Fund (SIF) developed from a club into a restricted-enrollment class. Enrollment is capped at 23 students and admission is granted based on a rigorous application process. More than 60 students applied to join SIF for the 2015-2016 academic year. Dr. Tashjian teaches the year-round class, which meets once a week to track the Fund and to research potential investments. In 2003, the class became an honors course.

The Student Investment Fund's performance has varied widely from year to year. In 1999, the Fund gained over 60% on a portfolio strong in tech, only to lose 44% in 2001 as the tech bubble burst. In the fall of 2008, the Fund held a relatively large proportion of its holdings in cash and then invested in the spring of 2009 while prices were low, leading to a gain of over 45% in calendar year 2009.

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.

SIF students and alumni have won recognition in a number of national and international competitions. One such competition is the CFA Institute's Research Challenge, an equity research competition that attracts student competitors from over 1,000 universities worldwide. Competitions begin at the local level with winning teams progressing to international competitions. Many of the teams consist of MBA students; most of our teams have been exclusively undergraduates. We have won the state competition each of the last four years and progressed to the Americas regional competition, competing against teams from North, Central, and South America. Similarly, the National Investment Banking Competition draws several hundred teams of students from around the world in an investment banking case competition. Our undergraduate teams have advanced to finals twice. In 2014, we won first place in a portfolio competition at the country's largest student investment conference. Most recently, in 2015, SIF received the inaugural Fred Dickson Award from D.A. Davidson, presented to the most distinguished university fund in the D.A. Davidson program.

Analyst Profiles

The 2015-2016 Student Investment Fund comprised of a team of 23 student analysts.

Jay T Anderson

Jay T is pursuing an Honors B.S. in Finance and will graduate in May 2017. He recently accepted and began an equity research internship at Wasatch Advisors, a $16 billion AUM mutual fund manager. He has also worked as an investment analyst intern at Lincoln Financial Group and spent 3 years as the manager and marketing director for the Utah Men's Tennis Team. Currently, Jay T holds leadership positions on campus such as Vice President of Communications for the Finance Club and is part of Beta Theta Pi Fraternity. He is passionate about humanitarian work with Global Business Brigades in Panama and an avid Utah Athletics supporter. Jay T enjoys tennis, golf, photography, hiking, attending concerts, and does not regret any sleep lost during his junior year.

Austin Baker

Austin Baker is a junior pursuing a B.S. in Finance and will graduate in May 2017. In addition to the Student Investment Fund, he has served as an ASUU Assembly Representative for the business school, Vice President of the Interfraternity Council, and Vice President of Pi Kappa Alpha during the past academic year. He also completed a study abroad in Paris, France, where he studied international finance. Austin has accepted a summer internship with Goldman Sachs working as an analyst in the Data Resource Group within the investment banking division. Besides traveling, Austin enjoys hiking, skiing, and mountain biking in his free time.

Diego Barajas

Diego Barajas is a junior pursuing an H.B.S. in Finance. He has accepted an offer to join J.P. Morgan's investment banking division for the summer covering consumer and retail companies. Prior to joining SIF, Diego interned at Credit Suisse in New York City in the equity research division where he covered financial companies. He is currently an associate at the University Growth Fund and will be serving as President of the Finance Club next year. His career at the University of Utah has been enriched through participation in the Finance Club, Beta Theta Pi, and the Student Investment Fund. Diego enjoys playing basketball, football, tennis, and traveling.

Liyang Cai

Liyang Cai is a senior pursuing Bachelor of Science degrees in both Finance and Accounting, graduating in June 2016. Liyang has accepted an offer to pursue a Master of Public Accounting degree at the University of Texas at Austin. During his time at the University of Utah, Liyang was involved with Beta Alpha Psi and the Sigma Alpha Pi. In his free time, Liyang enjoys playing badminton and swimming.

Runzhi Dong

Runzhi Dong is a rising senior majoring in Honors Finance and Statistics. She enjoys being involved with student clubs. In addition, she participated in an Honors Praxis Lab, researching solutions to air quality issues in Salt Lake City. Runzhi plans to pursue a degree in Financial Mathematics after graduation. Her hobbies include hiking and badminton.

Steven Goodwill

Steven Goodwill is a senior graduating with a Bachelor of Science in Finance. During his time at the University of Utah, Steven has spent his time working as teaching assistant in the finance department, helping to raise the next generation of finance and Student Investment Fund students. His previous professional experience includes working in venture capital at the University Growth Fund and in wealth planning and management at Northwestern Mutual. He will spend the next few years working in the Salt Lake Valley to support his rock climbing and hiking addictions. His future aspirations include attending Stanford Graduate School of Business and pursuing university teaching.

Dana Huynh

Dana is a junior pursuing an HBS in Finance. Dana currently works as a research analyst at Grandeur Peak Global, a mutual fund based in Salt Lake City. She will be spending her summer as a consulting associate at the Sorenson Center for Discovery and Innovation. Her participation at the University of Utah has included the Finance Club, where she served as president, the Business Scholars program, the Daniels Fund Ethics Competition, and the Early Assurance Program.

Drew Konopasek

Drew Konopasek is a junior pursuing a B.S. in Finance and will graduate in December 2016. He currently works for Cross Creek Advisors, a later-stage, pre-IPO venture capital firm, as an analyst and University Growth Fund, a student-ran $30M venture capital fund, as a senior associate. Drew has also completed internships with Peak Ventures and Beneficial Financial Group. On campus, Drew has been actively involved with the Finance Club, serving as Treasurer. This summer, Drew will be interning with Moelis & Company as a summer investment banking analyst in New York City. Outside of school, Drew enjoys hiking, skiing and playing intramural sports.

Mitko Kurtev

Mitko is a graduating senior with Bachelor of Science degrees in Finance and Accounting. During his time at the University of Utah, Mitko was an active member of Beta Alpha Psi, as well as a tutor and a teaching assistant for several business courses. He also participated in the 2013 Deloitte & Touche CPA National Tax Case Competition and the 2015 CFA Institute Equity Research Challenge. Prior to joining the Student Investment Fund, Mitko interned with the Securities Division Compliance at Goldman Sachs and the SEC Reporting Division at Overstock.com. During his senior year, he served as a partner at Campus Founders Fund, a student-run venture capital fund. This summer, Mitko will be interning with Deloitte & Touche's Advisory Division in Seattle.

Andres Lancheros

Andres will graduate in May 2017 with an H.B.S. in Finance and a B.A. in Economics. He spent summer 2015 as a rotational summer analyst at Citi and he is excited to return for summer 2016 as an Equity Capital Markets summer analyst. During his time at the University of Utah, Andres served as an Associate Director of Finance in ASUU, a Lassonde Ambassador and Mentor, as well as a Presidential Ambassador and Lead Ambassador for University President David W. Pershing. Andres has learned lots from his professors and fellow students. He is thankful for his time at the University of Utah and he is excited to represent the Eccles School of Business throughout his career.

Patrick Lewis

Patrick will graduate in December 2016 with a B.S. in Finance. This summer, he will be interning in corporate finance at Orbital ATK in Magna, UT. Previously, he interned as an investment analyst at Beneficial Financial Group and served as a tank gunner for the US Army in South Korea. Patrick is currently considering law school, and has interests in M&A, real estate, and securities law.

Chase Lindsey

Chase is a graduating senior with a B.S. in Finance. He has experience in commercial real estate finance and acquisitions and worked as an analyst for Extra Space Storage while attending the University of Utah. During his time at the university, Chase participated as a member of the 2016 CFA Institute Research Challenge team that placed first in Utah and competed in Chicago at the global competition. Upon graduation, Chase will be moving to Austin, TX to work as a Real Estate Investment Analyst with Leon Capital Group, focusing on the development and acquisition of commercial real estate assets. Chase aspires to start his own company and travel extensively. He is passionate about aviation and loves to spend his free time flying whenever possible.

Fiana Lomu

Fiana Lomu is a junior pursuing a B.S. in Finance. After her introduction to business as a freshman, she went on to complete a sales and marketing summer internship in San Francisco. She later transitioned into finance as a sophomore, accepted a part-time job working for the Utah Educational Savings Plan during the school year, and landed an internship with Goldman Sachs in the Investment Management Division the following summer. Currently, she holds various leadership positions within the U and looks forward to joining Citi's Investment Research Summer Associate Program in New York City. She enjoys traveling whether by car, airplane, or through whatever new novels she comes across.

Nirvon Mahdavi

Nirvon will be graduating May 2017 with a major in Finance and minor in chemistry. He has experience interning at a private equity firm, Newpark Capital. This summer, Nirvon will be interning at Alta Capital in the trading and operations division.

Joe Malach

Joseph is a graduating senior with a B.S. in Finance. During his time in SIF, he competed in the CFA Institute Equity Research Challenge as a member of the team that advanced to the Regional Semi-Final. In his spare time, Joseph enjoys watching and playing sports - primarily soccer, hockey, and football - and spending time with his friends, most of whom are also members of the program. Upon graduating, Joseph will start his career as a Research Associate for D.A. Davidson and Co. in Seattle, a position he connected to via the Student Investment Fund. He is extremely grateful for the friends and faculty he was able to spend time with and learn from while a member of the program and wishes them the best.

Vlad Malugin

Vlad will be graduating in May of 2017 with an HBS in Finance. He has previously interned with Wells Fargo Corporate Bank and D.A. Davidson Investment Bank during his time as a student. This summer, Vlad will be interning with Wells Fargo Securities as an Investment Banking Analyst in Los Angeles. During his time at the University, Vlad has been a part of the Sigma Chi fraternity, Finance Club, and other on-campus organizations. He enjoys playing and watching basketball and football.

Kelsey Paulding

Kelsey Paulding is a junior pursuing a B.S. in Finance and B.A. in International Studies with an aim to graduate in May 2017. She has had diverse experiences throughout the finance industry including internships in equity research and venture capital. This summer, she will be studying the effects of microfinance on rural communities in Fiji. Kelsey's time at the University of Utah has been greatly enriched by involvement in the Student Investment Fund, ASUU, Finance Club, the Honors College and the Student Center for Public Trust. Fluent in Mandarin, Kelsey loves international travel and pursuing adventures in rock climbing and mountaineering.

Curtis Pierce

Curtis Pierce is a junior pursuing an Honors B.S. in Finance and will graduate in May 2017. He has worked in a variety of capacities within the financial services industry including private equity with Horizon View Capital, compliance with Goldman Sachs, and venture capital with University Growth Fund. In addition, Curtis is looking forward to interning in investment banking this summer with Wells Fargo in New York City. During his time at the University of Utah, Curtis has served as the president and vice president of education for the Beta Theta Pi Fraternity and as both the vice president of career conference and assistant vice president of speaker relations for the Finance Club. Curtis enjoys playing basketball and skimboarding in his free time.

George Rao

George is finishing bachelor degrees in Finance (Honors), Mathematics, and Economics. His experience includes conducting varied academic research in finance and economics at the university. He plans to pursue a Ph.D. degree in economics in 2017 after gaining a solid mathematical foundation over the next year. George loves playing many sports and has participated in intramural soccer for three years.

Connor Robbins

Connor Robbins will graduate in May of 2017 with a B.S. in Finance. This summer, he will be working as an Investment Analyst for Beneficial Financial Group. His experiences include working at Zions Wealth Advisors, Seed Equity, and as a Research Assistant at the David Eccles School of Business. He plans to pursue an MBA after gaining work experience. In his spare time, Connor enjoys playing tennis and soccer.

Mason Seehusen

Mason Seehusen is a junior pursuing a B.S. in Finance and will graduate in May 2017. Mason will work as a labor optimization intern at Nike in summer 2016. He hopes to pursue a career in venture capital within the Utah market.

Mark Storey

Mark Storey is a graduating senior pursuing a B.S. in Finance. Upon graduation, Mark will join Goldman Sachs as a compliance analyst in Salt Lake City, focusing on financial crime. He previously interned on the sales team for the Utah Jazz. In addition to SIF, during his time at the University of Utah, Mark competed in the 2016 CFA Institute Research Challenge and was active in several on-campus clubs and organizations. In the future, Mark hopes to pursue work in financial public policy and potentially run for elected office.

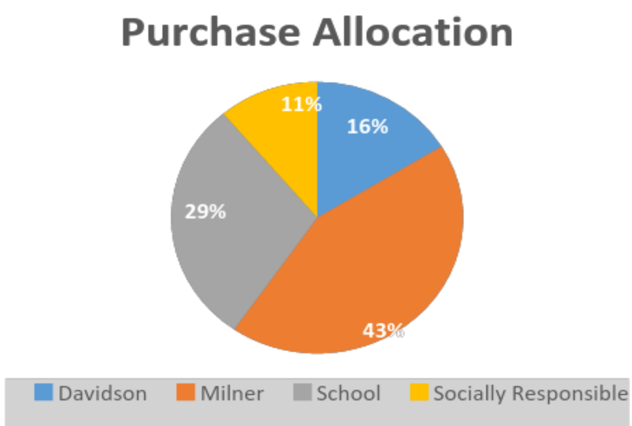
Travis Warner

Travis Warner is a junior pursuing an Honors B.A. in Finance and will graduate in May of 2017. During his senior year, Travis will be completing an honors thesis, researching term spreads on U.S. Treasury bonds and their relationship with recessions. He plans to pursue a graduate degree in Real Estate Development upon completion of his undergraduate degree.

Portfolio Overview

Analysis of Purchases

The total value of purchases for the year totaled $76,796. The current value of those purchases, including dividends, totals $80,304 representing a 4.57% increase. Throughout the year, the Fund made 32 different purchases.



Above is a breakdown of the distribution of purchases by value across our four portfolios.

We made sixteen purchases during the fall semester, representing 54% of the dollar value of total purchases. The remaining sixteen purchases were made during the spring semester. Of the 32 purchases, 15 gained value and 17 lost value from purchase through April 15. Only twelve of our purchases outperformed the S&P 500 over a matched period. To assess the overall performance of our purchases against the S&P 500, we weighted each purchase by its percentage of our total purchases. We then multiplied that by the percent that that company either over- or under-performed relative to the S&P 500. Cumulatively, the purchases underperformed the S&P 500 by -2.13% over their matched time horizons.

Company	Over/Under performance for matched investment period	Weight of Total Purchases	Value-weighted Performance
LGI Homes	12.86%	0.08	1.01%
Blue Buffalo Pet Products Inc.	30.40%	0.03	0.97%
Deckers Outdoor Corp.	15.08%	0.04	0.64%
AMN Healthcare Services Inc.	9.12%	0.06	0.57%
PayPal	11.16%	0.04	0.47%
Planet Fitness Inc.	4.44%	0.04	0.19%
Vail Resorts Inc.	1.53%	0.06	0.09%

AeroVironment Inc.	2.73%	0.02	0.07%
Sportsman's Warehouse Holdings	4.65%	0.01	0.05%
Instructure Inc.	1.77%	0.02	0.04%
Paycom Software Inc.	0.18%	0.03	0.01%
Under Armour Inc.	0.07%	0.03	0.002%
T-Mobile US Inc.	-1.34%	0.02	-0.03%
NextEra Energy Inc.	-2.47%	0.02	-0.04%
Black Stone Mortgage Trust Inc.	-4.70%	0.01	-0.04%
Starbuck Corporation	-2.30%	0.02	-0.05%
Black Stone Mortgage Trust Inc.	-6.65%	0.01	-0.06%
Delta Air Lines	-2.47%	0.03	-0.07%
Micron Technology	-11.24%	0.01	-0.08%
Under Armour Inc.	-7.76%	0.03	-0.23%
Buffalo Wild Wings Inc.	-8.16%	0.03	-0.26%
Extra Space Storage Inc.	-4.97%	0.07	-0.34%
Netflix Inc.	-11.39%	0.03	-0.37%
Lending Club Corporation	-24.45%	0.02	-0.41%
SVB Financial Group	-12.17%	0.04	-0.47%
Teladoc Inc.	-24.52%	0.02	-0.51%
Canadian Solar Inc.	-19.94%	0.03	-0.59%
Chipotle Mexican Grill	-25.75%	0.02	-0.64%
The Walt Disney Company	-9.99%	0.07	-0.69%
Lazard Ltd.	-22.46%	0.06	-1.37%
Total		1.00	-2.13%

We recognize that none of these equities was held for a significant period and that long-term performance may not produce similar results.

The table below shows the performance of each of the Fund's purchases. We still hold all of our purchases.

Ticker	Return	S&P Matched Return	Above /Below	Purchase Date	Portfolio
BUFF	40.17%	9.77%	30.40%	24-Feb-16	Socially Responsible
PYPL	19.32%	8.16%	11.16%	1-Oct-15	Davidson
LGIH	15.02%	2.16%	12.86%	23-Mar-16	Davidson
PLNT	14.94%	10.50%	4.44%	27-Jan-16	Milner
DECK	14.67%	-0.40%	15.08%	20-Nov-15	School
UA	10.74%	10.67%	0.07%	5-Feb-16	Milner
AVAV	10.71%	7.99%	2.73%	17-Feb-16	School
AHS	9.93%	0.81%	9.12%	30-Mar-16	School
TMUS	6.48%	7.82%	-1.34%	24-Feb-16	School
INST	6.15%	4.38%	1.77%	3-Mar-16	School
SPWH	4.23%	-0.42%	4.65%	29-Oct-15	School
EXR	3.53%	8.50%	-4.97%	19-Feb-16	Milner
MTN	3.15%	1.62%	1.53%	9-Dec-15	Socially Responsible
PAYC	2.34%	2.16%	0.18%	23-Mar-16	Milner
DAL	0.80%	3.27%	-2.47%	9-Oct-15	Milner
NEE	-0.31%	2.16%	-2.47%	23-Mar-16	Milner
MU	-0.73%	10.50%	-11.24%	27-Jan-16	Milner
SBUX	-2.32%	-0.02%	-2.30%	19-Nov-15	School
BXMT	-5.09%	-0.39%	-4.70%	25-Nov-15	Milner
DIS	-6.73%	3.27%	-9.99%	9-Oct-15	Milner
BXMT	-7.70%	-1.04%	-6.65%	1-Dec-15	Milner
SIVB	-7.92%	4.25%	-12.17%	7-Oct-15	Milner

BWLD	-8.10%	0.06%	-8.16%	2-Dec-15	Milner
UA	-8.15%	-0.39%	-7.76%	25-Nov-15	Milner
NFLX	-9.77%	1.62%	-11.39%	9-Dec-15	Milner
TDOC	-12.26%	12.26%	-24.52%	8-Feb-16	Socially Responsible
LC	-13.95%	10.50%	-24.45%	27-Jan-16	Davidson
LAZ	-19.19%	3.27%	-22.46%	9-Oct-15	School
CSIQ	-20.96%	-1.03%	-19.94%	4-Nov-15	School
CMG	-25.89%	-0.14%	-25.75%	18-Nov-15	Davidson

Analysis of Inherited and Held Decisions

The Fund's analysts held 41 of the stocks inherited from previous years across all four portfolios. Among the 41 stocks, 14 stocks outperformed the S&P 500 and 16 stocks outperformed the NASDAQ in the period from August 25, 2015, to April 15, 2016. The top five performers (excluding dividends) were EDU, MSFT, TTM, INTU, and IPG.

Analysts recommended holding our inherited stocks for many reasons. For some stocks, analysts believed that the initial investment thesis had not changed. For other stocks, analysts thought previously underperforming stocks could rebound provided changing market conditions and promising opportunities in certain industries. During the holding period, the market experienced the first interest rate increase by the Federal Reserve in the past 9 years, the lowest oil prices since the global financial crisis, a slowdown of the Chinese economy, and volatile global financial markets. As one would imagine, with so many notable events, the U.S equity market also exhibited volatility. During the holding period, the S&P 500 closed as high as 2109.79 on November 3, 2015, and as low as 1829.08 on February 11, 2016. Additionally, the S&P 500 decreased by more than 9.1% from January 1, 2016, to February 11, 2016, and subsequently climbed more than 13.7% by April 15, 2016. Given the volatile overall equity market, analysts did not make decisions based on short-term stock price fluctuations and focused on equities' fundamentals instead.

Overall, 25 out of 41 hold decisions generated positive returns, excluding dividends, over the holding period.

Analysis of Sales

The Student Investment Fund made 21 sales during the academic year, with the Milner Portfolio accounting for nine sales, the School Portfolio for seven sales, the Socially Responsible Portfolio for three sales, and the Davidson Portfolio for two sales. This year's sales resulted in a total loss of $1,329. Seven of the sales resulted in a profit, while we divested 14 positions at a loss. Our sale of Ambarella resulted in a gain of $3,090, our largest monetary gain. Conversely, our largest loss was $2,077 from the sale of AVID. The number of losses compared to the number of gains suggests that our analysts quickly got out of losing positions while holding winners for longer periods.

One way to analyze our sales discipline is to examine whether the stocks we sold subsequently experienced losses that we avoided by selling. Notable sales that contributed to avoiding losses were Ambarella (AMBA) and AVID Technology (AVID). AMBA was in the Milner Portfolio and sold at a 105% gain, but fell 27% after the sale. We sold AVID for a 50% loss, but the Fund avoided a further 29% decline after the sale.

An additional component of our sales discipline is whether we missed gains by selling stocks that subsequently experienced price gains. The largest gains forgone for the year were Anadarko Petroleum (APC) and iShares Russell 2000 Index (IWM). Anadarko shares appreciated 45% after the Fund sold its holdings. IWM shares were sold for a 3% loss and the Fund missed a potential 12% gain had we continued to hold it. Of our 21 sales, nine saw price appreciation after the sale, while 12 sales avoided losses.

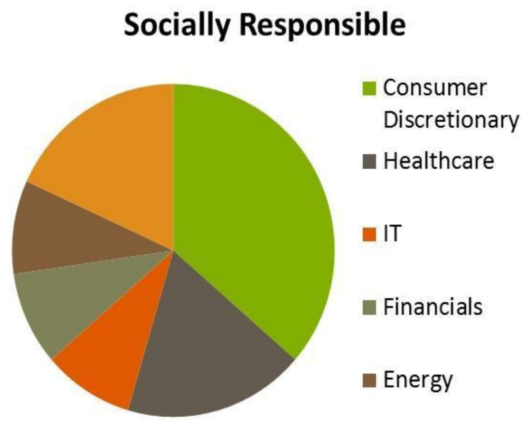
Sharpe Ratios and Asset Allocation

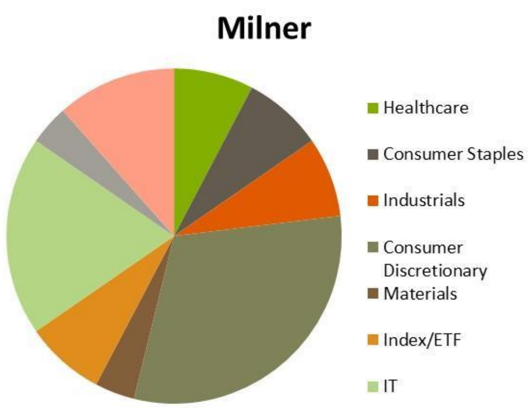
Following unstable market conditions, poor performance, and the rapid influx of purchases throughout fall semester, we decided to investigate the returns and asset relationships within our portfolios. Unlike in our stock pitches that focus on a single company, analyzing a portfolio and its return based on where and how we have allocated our assets revealed valuable insight we could use in the future. During the analysis, we calculated the Sharpe ratios for each portfolio, analyzed industry imbalance and bias, as well as incorporated information regarding asset allocation standards for similar funds.

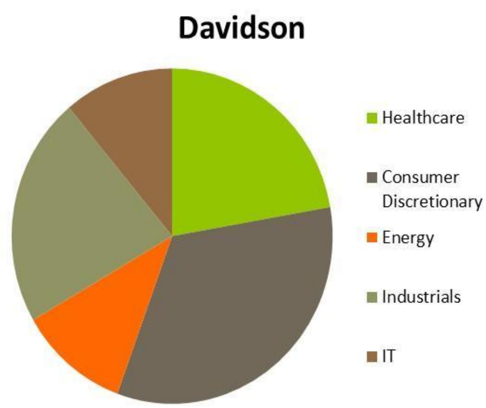
To calculate the Sharpe ratios for each portfolio, monthly risk-free rates and returns were used to calculate a five-year average value that was divided by the standard deviation. The results measure risk-adjusted return, or how much excess return a stock provides for the riskiness it poses. The results revealed that the Sharpe ratios varied, with the Milner Portfolio performing the best and the Socially Responsible Portfolio performing worst. This is helpful information as we look forward to future investment and our tolerance for risk and return.

Portfolio	Sharpe
Davidson	0.930822
School	0.609167
Socially Responsible	0.488333
Milner	0.949167
5 year monthly averages calculated from 01/01/11-12/31/15	

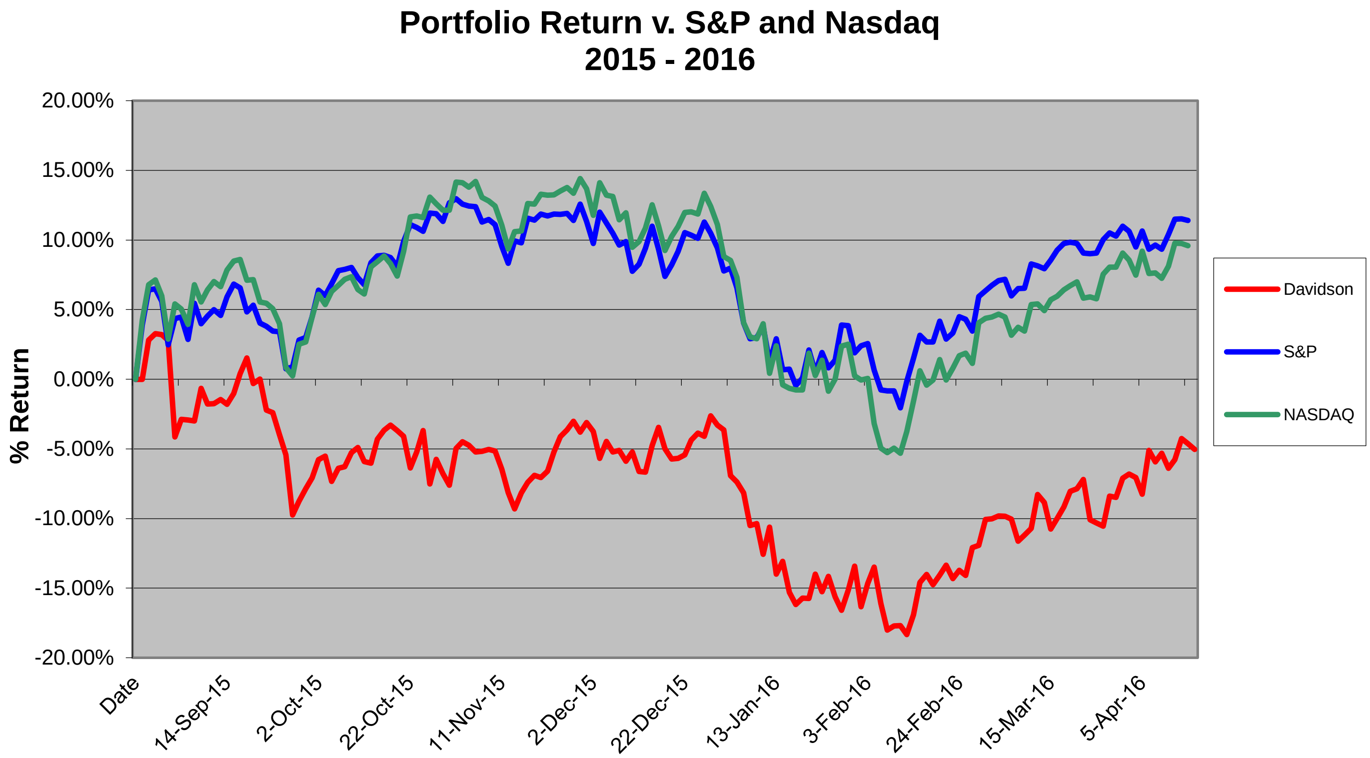
Analyzing the industry balance within our portfolios as well recognizing our bias towards certain companies was also extremely insightful. Using GICS industry classifications, each position was classified and grouped into a sector. Overall, all of our portfolios were extremely different from the S&P 500 sector balance. On the whole, our portfolios tended to be extremely overweight in Consumer Discretionary companies which is unsurprising as these are the companies whose products we interact with every day. The portfolios were significantly underweight in Financials, Utilities, Consumer Staples, and Telecommunication companies. Since the Student Investment Fund focuses more on small cap companies than does the S&P, it is understandable that we have a different balance of industries. With different risk tolerances and different aims for each portfolio, it can be desirable to stray from the market sector weights. However, our key takeaway is that deviation should be intentional and not due to a lack of analysis. We should look at our portfolios carefully when deciding where to invest in a specific company and consider the other holdings in the portfolio.







Lastly, we performed an analysis on how much—if any—cash we should hold in each portfolio. According to the SEC, typical funds investing in US equities hold on average 3.1% of the portfolio value in cash. We aim to make our cash balance a strategic decision rather than a haphazard result of purchases and sales.



Portfolio Discussion

Davidson Portfolio

Strategy

D.A. Davidson maintains the Davidson Portfolio. The portfolio resets to a value of $50,000 each September 1. When the portfolio experiences gains over 5%, D.A. Davidson donates half of the gains over 5% to SIF. These donations become part of the School Portfolio. SIF's strategy in the Davidson Portfolio is to invest in growth and small- to mid-cap stocks.

Highlights

The Davidson Portfolio underperformed both the S&P 500 and the NASDAQ. As of April 15, 2016, the portfolio experienced a loss of -5.04%, while the S&P 500 had a return of +11.41% and the NASDAQ had a return of +9.58%. Our worst performers in the portfolio were both purchased this year and are still held. These were Chipotle Mexican Grill (CMG), which returned -21%, and Lending Club (LC), which returned -9%. The best performing stocks, also purchased this year, were PayPal (PYPL) and LGI Homes (LGIH), returning +22% and +18%, respectively. Two partial sales of ICON (ICLR) were made this year to free up cash to make investments in LGI Homes and Lending Club. The second sale facilitated the purchase of LGIH, which has performed extremely well in a short period. Our cash position began at 17.65% on September 1 and is currently at 1.01%. Our cash position decreased to under 1% by mid-November from several purchases, including FedEx, PayPal, and Chipotle, between September and December. Our high initial cash position may have limited performance as the Davidson Portfolio's cumulative return was -2.64% compared to a 10.94% return for the S&P 500 between the beginning of the academic year and our purchase of Chipotle in mid-November. The Davidson Portfolio's ending balance as of April 15, 2016, was $48,318.64.

The table below outlines and acts as a timeline for the holdings of the Davidson Portfolio from August 25, 2015, to April 15, 2016. We have classified the investments into three action groups: Inherited, purchased, and divested.

Davidson Fund

Inherited Stocks

Ticker	Company Name	Inherited Date	Starting Price	Ending Date	Ending Price	Gross Return
ICLR	Icon	8/25/2015	$ 75.67	4/15/2016	$ 73.25	-3%
CERN	Cerner	8/25/2015	$ 60.24	4/15/2016	$ 57.02	-5%
OAS	Oasis Petroleum	8/25/2015	$ 8.07	4/15/2016	$ 8.63	7%
RCL	Royal Caribbean Cruises	8/25/2015	$ 85.06	4/15/2016	$ 81.05	-5%
CLCT	Collectors Universe	8/25/2015	$ 18.41	4/15/2016	$ 16.88	-8%
ODFL	Old Dominion Freight Line	8/25/2015	$ 64.65	4/15/2016	$ 69.30	7%

Purchased Stocks

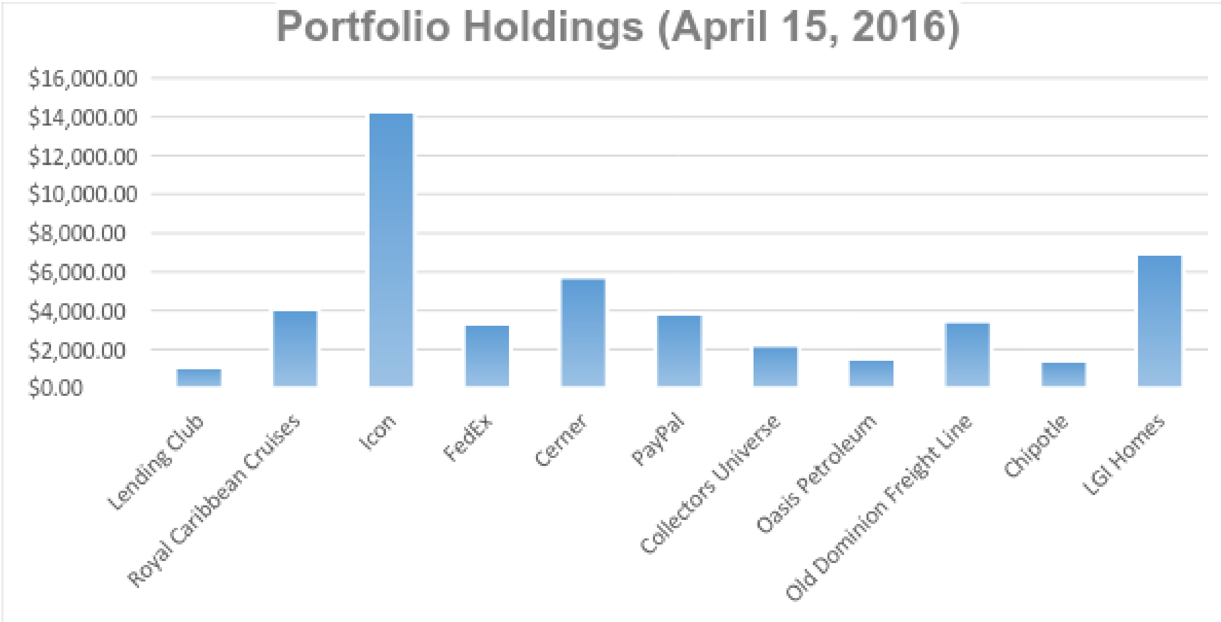
Ticker	Company Name	Purchase Date	Starting Price	Ending Date	Ending Price	Gross Return
PYPL	PayPal	10/1/2015	$ 31.51	4/15/2016	$ 38.58	22%
FDX	FedEx	10/7/2015	$ 152.97	4/15/2016	$ 165.90	8%
CMG	Chipotle	11/18/2015	$ 583.58	4/15/2016	$ 469.29	-20%
LC	Lending Club	1/27/2016	$ 7.95	4/15/2016	$ 7.31	-8%
LGIH	LGI Homes	3/23/2016	$ 23.60	4/15/2016	$ 27.77	18%

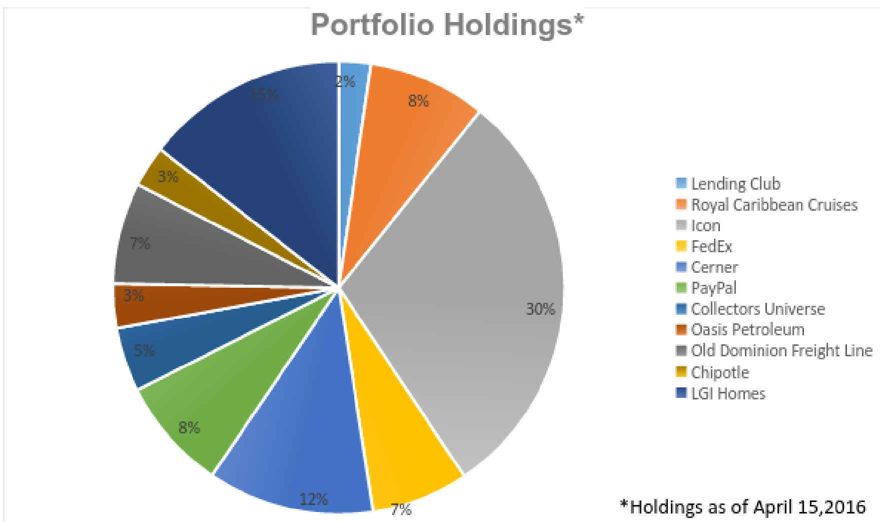
Divested Stocks

Ticker	Company Name	Purchase Date	Starting Price	Ending Date	Ending Price	Gross Return
ICLR	Icon	8/25/2015	$ 75.67	1/27/2016	$ 68.44	-10%
ICLR	Icon	8/25/2015	$ 75.67	3/23/2016	$ 71.98	-5%

Holdings

As of April 15, 2016, the Davidson Portfolio holds $487.87 in cash and is composed of 11 investments. Our largest position is ICON (ICLR) with $14,284, representing nearly 30% of the portfolio. The company has performed extremely well since we bought it in 2005 and we continue to watch it closely due to its sizeable weight in our portfolio. The portfolio is overweight in healthcare due to stellar performance by ICON and Cerner since we purchased them; however, the five investments made this year helped to diversify our portfolio. Of our 11 investments, six of were inherited from previous SIF analysts and five were purchased this year.





Divested Holdings

We only sold twice during the year, both of which were partial sales of ICON (ICLR). At the beginning of 2016, cash accounted for 0.75% of our portfolio while ICON made up nearly 50%. With a large portion of our portfolio in ICON, we felt justified in realizing some gains from the investment and placing them in other equities. On January 27, 2016, we sold 20 shares of ICON to facilitate buying Lending Club. On March 23, 2016, we sold 85 shares to facilitate buying LGI Homes. Although ICON is up approximately 5% from the January sale date and 3% from the March sell date, we felt our decision was warranted as it allowed purchases of LGI Homes and Lending Club.

ICON PLC (NASDAQ: ICLR)		
Portfolio: Purchased: Purchase Price:	Davidson & Milner February 3, 2005 $8.48 (Split-adj.)	ICON PLC is a contract research organization based in Ireland that provides outsourced development services on a global basis to the pharmaceutical, biotechnology, and medical device industries. It operates in the medical laboratories and research industry. ICON is a best-in-class clinical research

Inherited Price:	$68.98
Sale Date:	January 27, 2016; March 23, 2016
Sale Price:	$68.44 (20 shares), $71.98 (85 shares)
Current Price:	$73.25
Analyst:	Drew Konopasek

A Symbol of Excellence

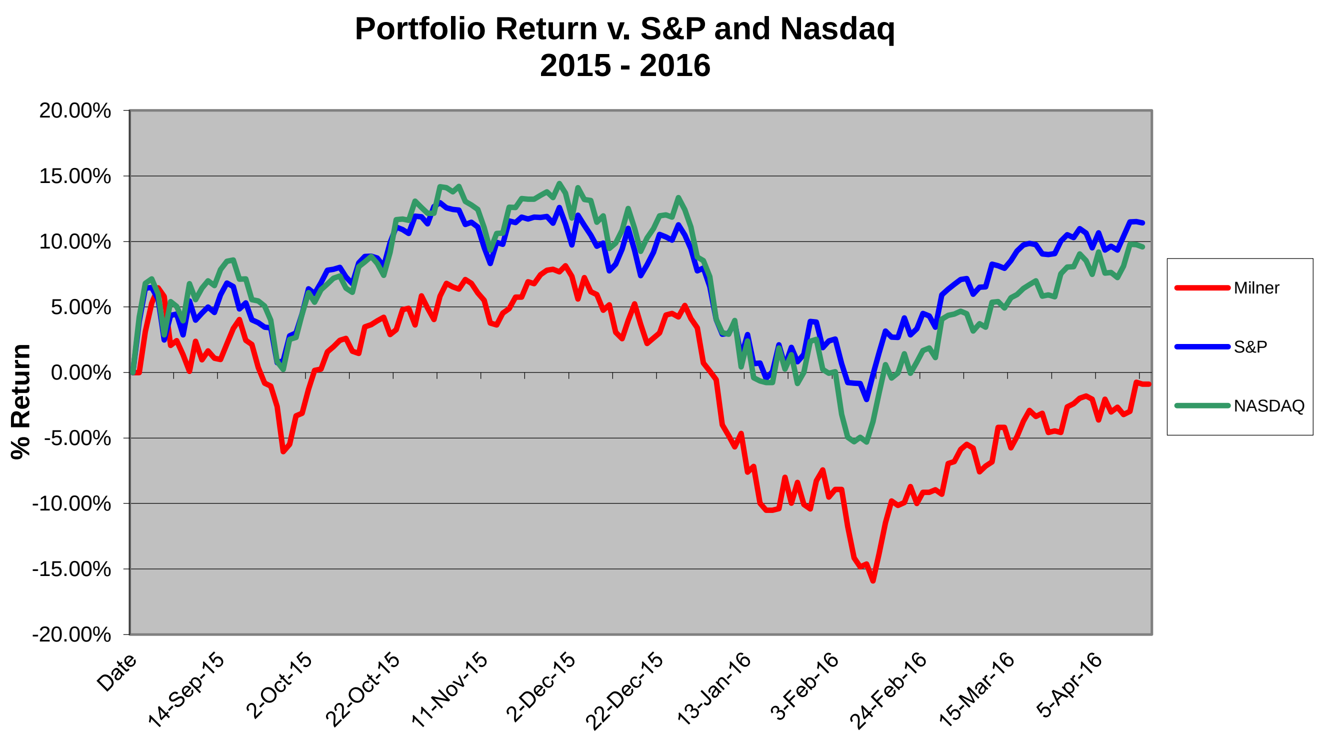
organization (CRO) with industry-leading margins and rapid top line historical growth of 17.9% since 2013. ICON currently operates in a highly fragmented market with the top four players accounting for less than 27% of total industry revenues. The CRO market represents a significant opportunity with numerous drivers pointing toward sustained growth going forward. The combination of best in class operations, rapid historical growth, and advantageous consolidation opportunities provide significant upside potential for ICON moving forward.

A key concern I would monitor closely is the company's gross and operating margins and determine how much higher they can grow them, as they are key drivers for earnings growth. Additionally, customer concentration (particularly the company's reliance on Pfizer) is another cause for concern. I would suggest rebalancing the Fund's portfolio to reduce ICON exposure to more moderate levels.

Milner Portfolio

Strategy

The Student Investment Fund receives a donation of half of the annual gains in excess of 5% on holdings in the Milner portfolio. The focus of this portfolio is high-growth companies.



Highlights

The Milner Portfolio lost 0.9 percent over the course of the portfolio year, attributable to general underperformance across most of the portfolio's investments. As of April 15, 2015, it is worth $134,161, of which 0.39 percent is cash.

Our worst lost as measured in alpha was Ambarella (AMBA), which underperformed the market by 65.92%, adjusted for risk. This was due to its largest customer, GoPro (GPRO), missing revenue estimates and forecasting declining sales. Fortunately, we divested half our AMBA holdings on October 7, 2015, saving approximately $3000 in losses. Other notable losses include OneMain Holdings (OMF) and VeriFone (PAY).

New Oriental Education and Tech Group (EDU) boasted the biggest risk adjusted return, earning +62.67 percent above its expected return. Additionally, Intuit (INTU) beat its expected return by +16.67 percent, making it the second largest risk adjusted winner in the Milner Portfolio. Note that these stocks were inherited August 25, 2015, meaning that their returns are based on the entire portfolio year and more indicative of long-term growth rather than short-term volatility.

Ticker	Closing Shares	Date Acquired/ Inherited	Initial Price	Closing/ Sale Price	Holding Period Return	Beta (Yahoo)	Market Return per Holding Period	Expected Return (CAPM)	Alpha	
DIS	50	14-Sep-15	105.56	98.59	-6.60%	1.030	6.54%	6.68%	-13.28%	LOSER
AVID	0	25-Aug-15	7.91	8.19	3.54%	1.030	6.01%	6.14%	-2.60%	LOSER
EMC	0	25-Aug-15	22.67	26.00	14.69%	1.000	9.64%	9.64%	5.05%	WINNER
PAYC	65	23-Mar-16	33.59	34.70	3.30%	1.720	2.16%	2.37%	0.93%	WINNER
NEE	10	23-Mar-16	117.69	117.43	-0.22%	0.650	2.16%	2.06%	-2.28%	LOSER
EXR	60	19-Feb-16	86.20	90.19	4.63%	0.670	8.50%	6.31%	-1.68%	LOSER
BWLD	15	2-Dec-15	159.66	147.36	-7.70%	1.020	0.06%	0.02%	-7.73%	LOSER
ICLR	220	25-Aug-15	75.67	73.25	-3.20%	0.830	11.41%	9.79%	-12.99%	LOSER
RL	0	25-Aug-15	105.02	108.46	3.28%	1.120	0.82%	0.70%	2.58%	WINNER
PLNT	240	27-Jan-16	13.57	15.78	16.29%	0.615	10.50%	7.18%	9.11%	WINNER
MU	50	27-Jan-16	10.39	10.69	2.89%	1.650	10.50%	16.11%	-13.23%	LOSER
IWN	0	25-Aug-15	109.69	100.41	-8.46%	1.000	2.41%	2.41%	-10.87%	LOSER
CERN	110	25-Aug-15	60.24	57.02	-5.35%	1.000	11.41%	11.41%	-16.76%	LOSER
LYB	30	25-Aug-15	77.72	88.15	13.42%	1.380	11.41%	15.04%	-1.62%	LOSER
PAY	200	25-Aug-15	29.45	28.27	-4.01%	1.600	11.41%	17.13%	-21.14%	LOSER
BXMT	50	25-Nov-15	27.62	26.84	-2.82%	0.730	-0.39%	0.22%	-3.05%	LOSER
SIVB	25	7-Oct-15	119.39	108.82	-8.85%	1.400	4.25%	5.21%	-14.06%	LOSER
EBAY	100	25-Aug-15	25.23	25.22	-0.04%	0.920	11.41%	10.65%	-10.69%	LOSER
PYPL	100	25-Aug-15	32.70	38.58	17.98%	1.250	11.41%	13.80%	4.19%	WINNER
INTU	75	25-Aug-15	79.87	102.83	28.75%	1.070	11.41%	12.08%	16.67%	WINNER
NXST	50	25-Aug-15	43.95	47.23	7.46%	1.450	11.41%	15.70%	-8.24%	LOSER
EDU	250	25-Aug-15	20.36	35.54	74.56%	1.050	11.41%	11.89%	62.67%	WINNER
DEO	100	25-Aug-15	102.64	109.95	7.12%	0.840	11.41%	9.89%	-2.76%	LOSER
DAL	45	9-Oct-15	47.21	47.50	0.61%	1.150	3.27%	3.48%	-2.86%	LOSER
AMBA	100	25-Aug-15	87.00	44.39	-48.98%	1.580	11.41%	16.94%	-65.92%	LOSER
ABB	0	25-Aug-15	18.62	17.23	-7.47%	1.110	2.41%	2.46%	-9.93%	LOSER
UA	50	25-Nov-15	46.05	43.08	-6.45%	1.070	-0.39%	-0.55%	-5.90%	LOSER
UAC	50	8-Apr-16	42.23	42.00	-0.55%	1.070	1.62%	1.60%	-2.15%	LOSER
MXWL	0	25-Aug-15	4.98	6.03	21.08%	1.490	6.87%	9.31%	11.77%	WINNER
OAS	150	25-Aug-15	8.07	8.63	6.94%	1.990	11.41%	20.86%	-13.92%	LOSER

OMF	300	25-Aug-15	41.89	26.94	-35.69%	1.340	11.41%	14.65%	-50.34%	LOSER
NFLX	20	9-Dec-15	124.20	111.51	-10.22%	1.510	1.62%	1.49%	-11.70%	LOSER
TTM	211	25-Aug-15	23.50	31.02	32.00%	1.430	11.41%	15.51%	16.49%	WINNER
QQQ	120	25-Aug-15	98.09	110.64	12.79%	1.000	11.41%	11.41%	1.38%	WINNER
SAM	0	25-Aug-15	202.61	188.03	-7.20%	0.970	9.05%	8.84%	-16.03%	LOSER

Divested Holdings

ABB LTD. (NYSE: ABB)

Portfolio:	Milner
Purchased:	March 24, 2009
Purchase Price:	$14.22
Inherited Price:	$18.62
Sale Date:	February 3, 2016
Sale Price:	$17.10
Analyst:	Joseph Malach

ABB is a multinational corporation based in Zurich, Switzerland, which operates in the robotics, power, and automation technology arenas. The company designs and builds power products and power systems. In 2015, approximately 14% of the Company's customer base was oil and gas companies.

Over the past few years, industry participants, including ABB, faced a slowdown in overall demand. Concern over ABB's heavy reliance on oil and gas companies prompted discussion about the Fund's position in the company. Analysts expected further slowdown in demand due to a decrease in oil prices and rig count and, as a result, sold all held shares on February 3, 2016.

Avid Technology, Inc. (NASDAQ: AVID)

Portfolio:	Milner
Purchased:	April 29, 2015
Purchase Price:	$16.45
Inherited Price:	$7.91
Sale Date:	October 7, 2015
Sale Price:	$8.20
Analyst:	Dana Huynh

Avid Technology specializes in video and audio production software. Avid provides industry standard for high-end audio and video production and has a strong reputation among high-end users. Despite the transition to a recurring revenue model, our analysts believe the company lacks capabilities to meet management's higher guidance in an increasingly competitive and dynamic media industry environment. As such, we sold our position.

Boston Beer (NYSE: SAM)

Portfolio:	Milner
Purchased:	April 24, 2015
Purchase Price:	$266.00
Inherited Price:	$202.61

Boston Beer is a large domestic producer of beer, malt beverages, and hard ciders. The company is best known for its iconic Samuel Adams brand, but also owns several subsidiaries including Alchemy & Science, the Travel Beer Co., Angel City Brewery, Coney Island Brewing Co., and Concrete Beach Brewery.

Sale Date:	March 23, 2016	Initially, the company was attractive as a large producer of craft beers- a fast growing segment of the beer market- but many people now view the company's iconic brand to be too large to be a craft beer, and sales of Samuel Adams beers took a significant hit. In response, guidance was lowered significantly. The company is no longer positioned to take advantage of the craft beer segment, and so our analysts voted to sell
Sale Price:	$187.80	
Analyst:	Austin Baker	

THE BOSTON BEER COMPANY INC.

iShares Russell 2000 (IWM)

Portfolio:	Milner	iShares Russell 2000 is an exchange traded fund from Blackrock. This ETF tracks the performance of Russell 2000, an index comprised of small-cap equities.
Purchased:	Mar. 26, 2015	
Purchase Price:	$122.45	iShares Russell 2000 has a relatively low Sharpe ratio compared with mainstream ETFs. In addition, iShares Russell 2000 has over 25% of its fund equity in financials, which can be easily affected by the volatile global macroeconomic conditions. We inherited 65 shares of IWM from last year. On November 25, 2015, we sold 20 shares of IWM. By February 3, 2016, we fully liquidated our position in this ETF.
Inherited Price:	$109.69	
Sale Date:	Nov. 25, 2015; Feb. 3, 2016	
Sale Price:	$118.74; $99.40	
Analyst:	George Rao	

Maxwell (NASDAQ: MXWL)

Portfolio:	Milner	Maxwell develops ultra-capacitors, an innovative energy storage technology that provides ultra-fast charging and output. Main uses for Maxwell's products are in hybrid vehicles, information technology, and renewable energy production. After looking at Maxwell's competitive landscape, we determined that our thesis stating that Maxwell would provide the leading technology for electric cars no longer held true, therefore warranting the liquidation of our position.
Purchased:	Nov. 18, 2009	
Purchase Price:	$17.46	
Inherited Price:	$4.45	
Sale Date:	October 7, 2015	
Sell Price:	$6.10	
Analyst:	Chase Lindsey	

Maxwell TECHNOLOGIES

Ralph Lauren (NYSE: RL)

Portfolio:	Milner	Ralph Lauren Corporation is a multinational apparel and accessories company. Previous analysts recommended holding Ralph Lauren due to its investment in infrastructure for online offerings, new product lines, and global expansion. However, it has failed to perform as expected and sales have been decreasing. While the new CEO brings hopes of reviving the company, he has provided no new guidance or direction for the company. This lack of insight and decreased sales are our reason for divesting. The stock has decreased since it was sold by the Fund.
Purchased:	Nov. 14, 2012	
Purchase Price:	$150.25	
Inherited Price:	$105.02	
Sale Date:	Jan. 27, 2016	
Sale Price:	$108.46	
Analyst:	Travis Warner	

RALPH LAUREN

School Portfolio

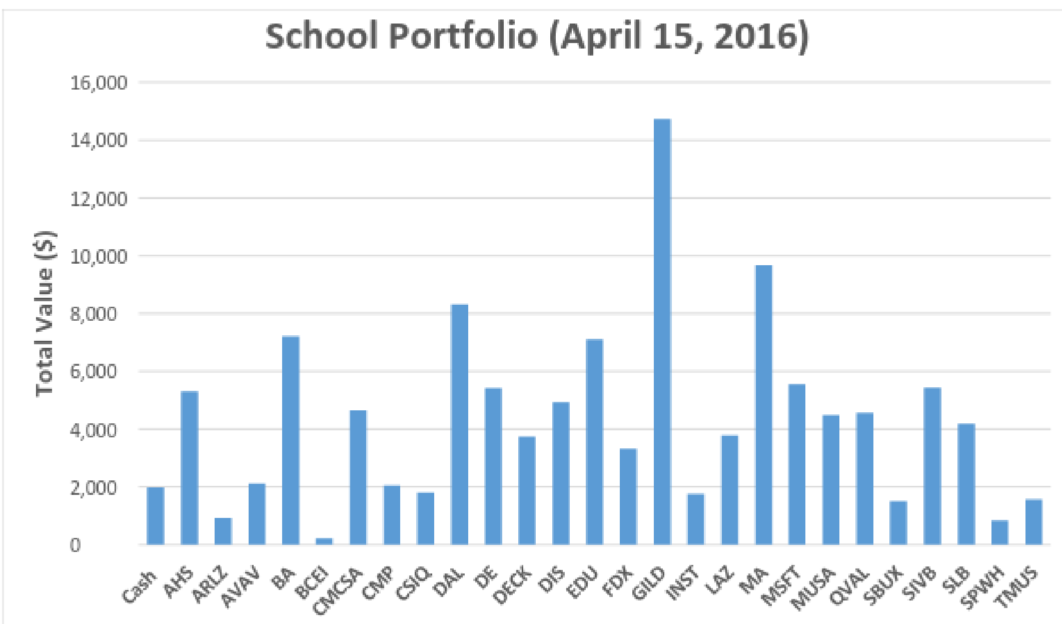
Strategy

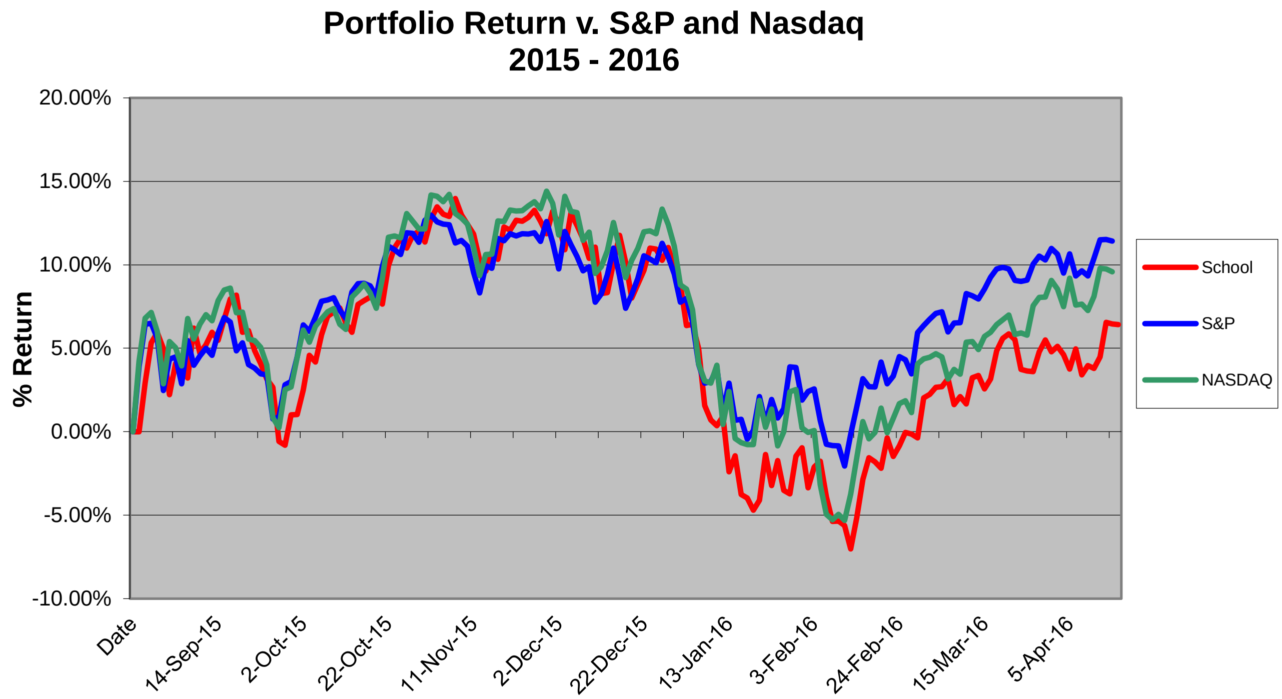
The funds in the School Portfolio come from donations to the Student Investment Fund and returns generated from the portfolio itself. This portfolio has historically focused on a long-term (3-5 year holding periods) large-cap blended strategy. During the 2015-2016 school year, we invested in nine stocks and divested six of 21 inherited stocks.

Highlights

The School Portfolio achieved a 6.42% return this year. Of the portfolio's 30 positions held throughout the year, 18 produced positive returns, with five stocks over 15%. Of the portfolio's nine purchases, six produced positive returns. The top three best performing stocks were New Oriental Education & Technology Group Inc. (6.06% of total portfolio value), Microsoft Corporation (4.75% of total portfolio value), and Murphy USA Inc. (3.82% of total portfolio value), which generated 76.33%, 40.05%, and 22.73% of return respectively. On the other hand, the three worst performing stocks were Bonanza Creek Energy, Inc., Anadarko Petroleum Corporation, and POZEN Inc., which had returned -55.86%, -46.26% and -26.99%, respectively, this year. During this same time, the S&P500 was up 11.41% and the NASDAQ was up 9.58%.

As of April 15, 2016, the School Portfolio holds $ 1,971.01 in cash and $115,243.40 in equity investments for a total value of $117,214.40.





School Portfolio								
Ticker	Shares	Ending Shares	Date Inherited or Acquired	Inherited Price	Date Sold or Valued	Final Price	Dividends Received (net of tax)	Gross Return
Inherited Stocks								
BCEI	100	100	25-Aug-15	5.03	15-Apr-16	2.22		-55.86%
POZN	250	0	25-Aug-15	8.15	8-Feb-16	5.95		-26.99%
LNVGY	200	0	25-Aug-15	16.35	17-Feb-16	17.03	0.13	4.99%
LNVGY	50	0	25-Aug-15	16.35	19-Feb-16	17.09	0.13	5.36%
EDU	200	200	25-Aug-15	20.36	15-Apr-16	35.54	0.36	76.33%
QVAL	100	0	25-Aug-15	22.8	9-Oct-15	24.4	0.08	7.36%
QVAL	200	200	25-Aug-15	22.8	15-Apr-16	22.79	0.31	1.30%
MC	170	0	25-Aug-15	26.76	30-Sep-15	26.2	0.3	-0.97%
MSFT	100	100	25-Aug-15	40.47	15-Apr-16	55.65	1.03	40.05%
DAL	175	175	25-Aug-15	41.37	15-Apr-16	47.5	0.41	15.80%
WWAV	35	0	25-Aug-15	42.1	22-Oct-15	41		-2.61%
MUSA	75	75	25-Aug-15	48.7	15-Apr-16	59.77		22.73%
CMCSA	75	0	25-Aug-15	53.85	30-Mar-16	61.12	0.43	14.31%
CMCSA	75	75	25-Aug-15	53.85	15-Apr-16	61.97	0.43	15.88%
APC	50	0	25-Aug-15	63.99	27-Jan-16	33.85	0.54	-46.26%
SLB	55	55	25-Aug-15	72.52	15-Apr-16	76.25	1.5	7.21%
DE	70	70	25-Aug-15	79.09	15-Apr-16	77.44	1.2	-0.57%
CMP	28	28	25-Aug-15	79.62	15-Apr-16	73.22	2.02	-5.51%
MA	100	100	25-Aug-15	86.82	15-Apr-16	96.68	0.19	11.58%
DIS	50	50	25-Aug-15	95.89	15-Apr-16	98.59	0.71	3.56%
GILD	150	150	25-Aug-15	102.56	15-Apr-16	98.29	1.29	-2.91%
SIVB	50	50	25-Aug-15	112.74	15-Apr-16	108.82		-3.48%
BA	55	55	25-Aug-15	125.49	15-Apr-16	131.13	2.91	6.81%

FDX	20	20	25-Aug-15	145.06	15-Apr-16	165.9	0.75	14.88%
Divested Stocks								
CMCSA	75		25-Aug-15	53.85	30-Mar-16	61.12	0.43	14.31%
LNVGY	200		25-Aug-15	16.35	17-Feb-16	17.03	0.13	4.99%
LNVGY	50		25-Aug-15	16.35	19-Feb-16	17.09	0.13	5.36%
APC	50		25-Aug-15	63.99	27-Jan-16	33.85	0.54	-46.26%
WWAV	35		25-Aug-15	42.1	22-Oct-15	41		-2.61%
QVAL	100		25-Aug-15	22.8	9-Oct-15	24.4	0.08	7.36%
MC	170		25-Aug-15	26.76	30-Sep-15	26.2	0.3	-0.97%
Acquired Stocks								
AHS	150	150	30-Mar-16	32.1616	15-Apr-16	35.43		10.16%
INST	100	100	3-Mar-16	16.48	15-Apr-16	17.6		6.80%
TMUS	40	40	24-Feb-16	36.65	15-Apr-16	39.29		7.20%
AVAV	75	75	17-Feb-16	25.32	15-Apr-16	28.18		11.30%
DECK	65	65	20-Nov-15	49.98	15-Apr-16	57.49		15.03%
SBUX	25	25	19-Nov-15	61.55	15-Apr-16	60.51		-1.69%
CSIQ	100	100	4-Nov-15	22.7	15-Apr-16	18.02		-20.62%
SPWH	75	75	29-Oct-15	10.66	15-Apr-16	11.25		5.53%
LAZ	100	100	9-Oct-15	46.8	15-Apr-16	37.9	1.9	-14.96%
Beginning Cash						4,308.21		
Beginning Investment						105,833.6		
Total Beginning Balance						110,141.8		
Ending Investment						115,243.4		
Ending Cash						1,971.01		
Total Ending Balance						117,214.4		
							Total Return	**6.42%**

Divested Holdings

Anadarko Petroleum (NYSE: APC)		
Portfolio:	School	Anadarko Petroleum, headquartered in Texas, is one of the largest oil and gas exploration and production companies in the world. The company held approximately 2.0 billion BOE of proven reserves at year-end 2015. Anadarko operates in Texas and surrounding states, the Rocky Mountain region, Alaska, and the Gulf of Mexico. Internationally, Anadarko has exploration and/or production operations in Africa, Asia, South America, and the Caribbean. Anadarko has a high debt position compared to its peers and had its debt recently downgraded to "junk" rating by Moody's. With a sizable amount of debt due in the upcoming years and the increasing uncertainty of oil prices, Fund analysts voted to sell our position as we felt the company might have trouble meeting debt obligations in the near future.
Purchased:	December 3, 2008	
Purchase Price:	$36.33	
Sale Date:	February 17, 2016	
Sale Price:	$40.50	
Analyst	Connor Robbins	

Moelis & Company (NYSE: MC)

Portfolio:	School
Purchased:	Mar 12, 2015
Purchase Price:	$31.35
Inherited Price:	$26.76
Sale Date:	Sep 30, 2015
Sale Price:	$26.20
Analyst:	Diego Barajas

Moelis & Company is an investment banking advisory firm. Moelis was founded by former UBS partner Ken Moelis and went public in April 2014 at $25 a share. At the time of the sale, MC was trading at $26 with a P/E ratio of 17x. The stock was trading right in line with its peers which were also trading at about 17x. The stock had not performed well and we did not see much upside in our valuation analysis so we decided to sell. Additionally, our outlook on M&A activity, which pointed to, increased activity in the energy and European markets, favored peers such as Lazard and Evercore.

After selling Moelis, we bought Lazard to maintain exposure in the financial services sector, specifically investment banking and asset management. Since the sale, Moelis underperformed the S&P by 7.0% and its peers by 2.0%.

MOELIS & COMPANY

Lenovo Group (HKSE: 992) (ADR: LNVGY)

Portfolio:	School
Purchased:	March 5, 2014
Purchase Price:	$20.07
Inherited Price:	$16.35
Sale Date:	February 23, 2016
Sale Price:	$17.02
Analyst:	Andres Lancheros

Lenovo Group is a leader in consumer, commercial, and enterprise technology. The China-based company makes laptops, tablets, desktops, and a series of business products.

The Fund initiated coverage on the stock with the thesis that future cash flows were undervalued; however, the projected appreciation never materialized. The company's joint ventures did not add as much value as our analysts previously forecasted. Lenovo has an inherent advantage as the world's largest computer maker, but economic woes in China and lackluster growth in the industry led us to close our position.

Lenovo™

Whitewave Foods (NYSE: WWAV)

Portfolio:	School
Purchase Price:	$15.21
Inherited Price:	$42.10
Sale Date:	October 22, 2015
Sale Price:	$41.00
Analyst:	Kelsey Paulding

Whitewave Foods is a consumer food and beverage company that manufactures, markets, distributes, and sells plant-based and dairy products. Its brands include Silk, Earthbound Farms, International Delight and Land O' Lakes. At the time of sale, the company was trading at 32.7x trailing P/E with a market cap of $6.652 billion. Considering the strong stock performance the company had within the last year, the stock appeared overvalued compared to peers. In addition, we felt the company's organically focused products were facing more competition in an increasingly saturated market. Therefore, we opted to sell the stock while our realizable return was still significant.

Socially Responsible Portfolio

Strategy

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 analysts of the 2010-2011 academic year proposed the following mission statement:

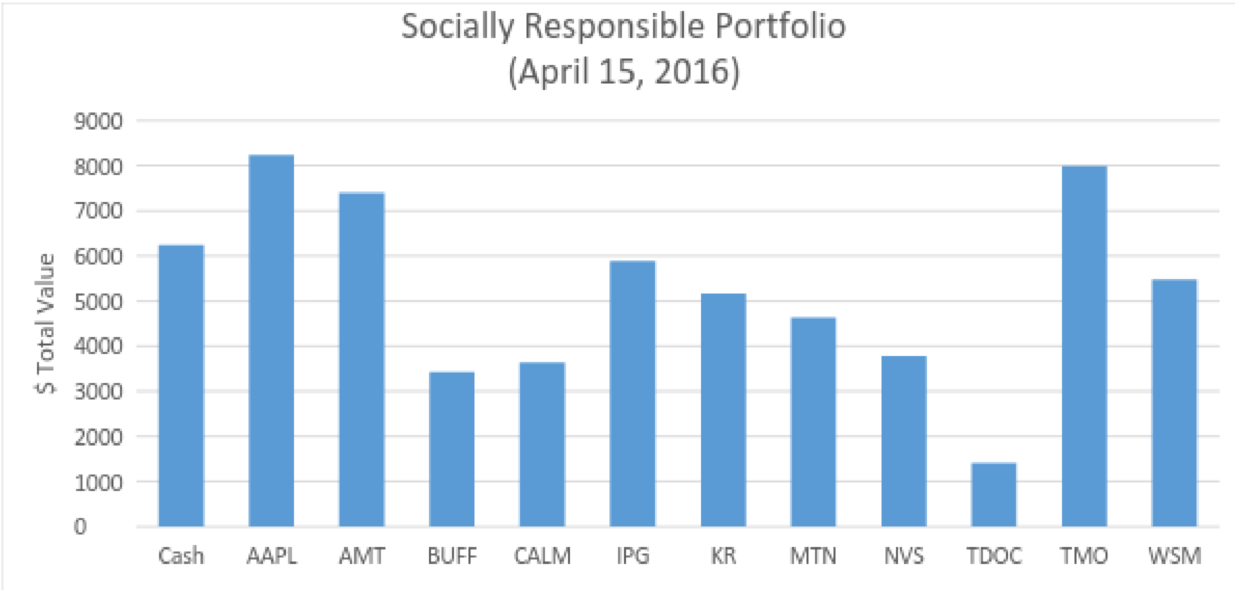
"The Student Investment Fund's Socially Responsible Portfolio targets equities that provide maximum returns while meeting our social investing criteria---ethical labor practices, respect for the environment, and equitable distribution of wealth."

Fund analysts explored a variety of ways to define a socially responsible investment. One concept Fund analysts developed to capture a socially responsible company is the idea of social alpha, defined by the 2011-2012 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 analysts examine internal factors for a candidate firm as well as the firm's external activities. Items identified as important internally to a prospective investment include ethical and equitable treatment of employees, employee benefits, executive pay, corporate culture, and support for 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.

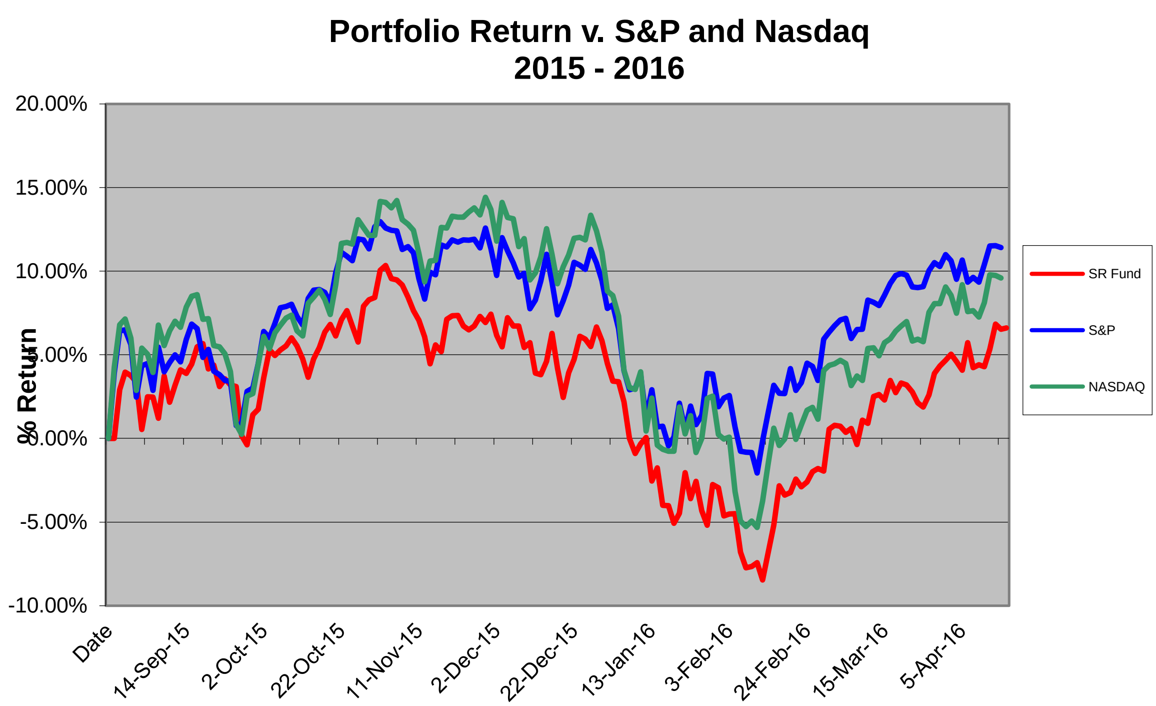
Each investment in the SRP must clear two hurdles. When a new investment is proposed, it must first meet the Student Investment Fund's criteria for a good investment with strong potential for capital appreciation. Once the analysts determine, with a majority vote, that these criteria are met, a second vote is taken to decide whether the company qualifies as socially responsible. This second hurdle requires a two-thirds majority before an investment can be made.



Highlights

The Social Responsible Portfolio was funded on April 6, 2011. The analysis below captures the portfolio's position as of April 15, 2016. We made three new investments in 2015-2016 school year in the Socially Responsible Portfolio: Vail Resort (MTN), Teladoc (TDOC), and Blue Buffalo Pet Products (BUFF). We also divested our holding in Renewable Energy Group (REGI), Siemens (SIEGY), Intercontinental Hotel Group (IHG), and Apple (AAPL). The total return of the Socially Responsible Portfolio during this year was 6.60%. The S&P 500 and NASDAQ returned 11.41% and 9.58%, respectively over the same time-period.

As of April 15, 2016, our largest holdings in the Socially Responsible Portfolio were AAPL (13.01%), TMO (12.63%), AMT (11.70%), and IPG (9.31%).



We began the 2015-2016 school year with 4.58% of the portfolio in cash. The additional investments we made during the year freed up our cash balance to $6242.52, approximately 10% of the portfolio.

The best performing stocks in the Socially Responsible Portfolio during the 2015-2016 school year were BUFF, IPG, and TMO. The most significant contribution to the overall return came from BUFF, which produced gross return of 40.75%. However, because of its smaller weight in the portfolio, the weighted return is 2.21%. IPG produced a gross return of 29.64% and a weighted return of 2.76%. TMO produced a gross return of 21.07% and a weighted return of 2.66%.

The worst performing stocks in the Socially Responsible Portfolio during the 2015-2016 school year were WSM, which decreased by 23.57%, and NVS, which decreased by 20.49%. Neither position is weighted heavily in the portfolio, however, so the contributions to the overall portfolio returns were just -2.04% and -1.22%, respectively.

Divested Holdings

Siemens AG (OTC: SIEGY)		
Portfolio:	Socially Responsible	Siemens AG is a global conglomerate that specializes in energy, industrial, healthcare, and infrastructure engineering equipment. Previously, the company served as a diversifier to our Socially Responsible Fund due to its operations in many different industries. We divested our holding in November 2015 due to our lack of confidence in the company's growth prospects. Weak oil prices drove down demand in its energy segment and China's economic slowdown caused decreased demand in its industrial segment.
Purchased:	May 6, 2011	
Purchase Price:	$138.16	
Sale Date:	Nov. 4, 2015	
Sale Price:	$100.27	
Analyst:	Patrick Lewis	

SIEMENS

Socially Responsible Portfolio								
Ticker	# of Shares	Date Inherited or Purchased	Inherited or Purchased Price	Date Sold or Valued	Final Price	Dividends Received	Gross Return	Weighted Return
Inherited Positions								
KR	140	25-Aug-15	33.66	15-Apr-16	36.91	44.10	10.59%	0.86%
NVS	50	25-Aug-15	95.14	15-Apr-16	75.65	0.00	-20.49%	-1.22%
IPG	250	25-Aug-15	18.49	15-Apr-16	23.58	97.50	29.64%	2.76%
TMO	55	25-Aug-15	120.05	15-Apr-16	145.34	0.00	21.07%	2.66%
AAPL	75	25-Aug-15	103.74	15-Apr-16	109.85	78.00	6.89%	0.90%
WSM	90	25-Aug-15	81.07	15-Apr-16	60.91	94.50	-23.57%	-2.04%
CALM	70	25-Aug-15	47.76	15-Apr-16	51.94	121.38	12.38%	0.71%
AMT	70	25-Aug-15	89.51	15-Apr-16	105.78	66.50	19.24%	2.25%
New Investments								
MTN	35	9-Dec-15	128.07	15-Apr-16	132.41	0.00	3.39%	0.25%
TDOC	125	8-Feb-16	12.73	15-Apr-16	11.24	0.00	-11.70%	-0.26%
BUFF	140	24-Feb-16	17.40	15-Apr-16	24.49	0.00	40.75%	2.21%
Divested Positions								
REGI	200	25-Aug-15	7.67	27-Jan-16	6.54	0.00	-14.73%	-0.30%
SIEGY	22	25-Aug-15	97.44	4-Nov-15	100.27	0.00	2.90%	0.10%
IHG	138	25-Aug-15	36.36	15-Apr-16	40.84	37.26	13.06%	1.16%
AAPL	25	25-Aug-15	103.74	15-Apr-16	95.1	26.00	-7.33%	-0.28%
				Beginning Investment	56669.21			
				Beginning Cash	2719.06			
				Total Beginning Balance	59388.27			
				Ending Investment	57067.60			
				Ending Cash	6242.52			
				Total Ending Balance	63310.12		**Total Return**	**6.60%**

Renewable Energy Group, Inc. (NASDAQGS: REGI)

Portfolio:	Socially Responsible
Purchased:	November 6, 2014
Purchase Price:	$10.37
Inherited Price:	$8.93
Sale Date:	January 27, 2016
Sale Price:	$6.26
Analyst:	Mitko Kurtev

Renewable Energy Group is one of the largest producers and distributers of biodiesel and renewable chemicals in the United States. After its 2010 IPO, the company showed signs of rapid growth and expansion, which formed the basis for our investment thesis.

With the sharp decline in oil prices over the past two years, the demand for alternative energy plummeted. As a result, Renewable Energy Group experienced severe slowdown in revenue growth and generated relatively large net losses. In efforts to sustain operations, the company continuously increased its debt levels, which reached approximately 48% of its capital structure during FY 2015. In addition, the company showed signs of liquidity and solvency problems, which ultimately prompted us to divest our holding.

Current Holdings

AeroVironment (NASDAQ: AVAV)

Portfolio:	School
Purchased:	February 17, 2016
Purchase Price:	$26.00
Current Price:	$28.18
Analyst:	Andres Lancheros

AeroVironment is a forward-thinking organization focused on unarmed aircraft and tactical missile systems. AeroVironment has a large intellectual property portfolio. The company has a close relationship with the United States government and its allies, but in recent years, management has focused on the development of commercial applications for the company's products. Entering the commercial space decreases the risks associated with a singular source of revenue and sets the company up to grow over the next few years.

Our analysts initiated coverage due to AeroVironment's success via innovation and entrepreneurship. The company routinely leads the market with unique technological creations. We believe that commercial applications and the focus on long-term trends will catapult the company into a market-leading position.

Ambarella (NASDAQ: AMBA)

Portfolio:	Milner
Purchased:	February 11, 2014
Purchase Price:	$29.58
Inherited Price:	$87.58
Current Price:	$44.39
Analyst:	Chase Lindsey

Ambarella develops semiconductor processing solutions that are both efficient and powerful, using less energy to perform tasks faster than its competitors' products. The company provides products and services to sports camera and security camera makers. The stock provided exposure to GoPro prior to its IPO. GoPro is believed to be the company's single largest client. AMBA maintains strong relationships with its distributors and suppliers.

Ambarella fell rapidly after the beginning of the fall semester, leading us to divest half of our holding at a price of $60.55. Since Ambarella has great exposure to the rapidly growing drone market, we felt that holding onto the remaining 100 shares was worthwhile over the long-term.

American Tower (NYSE: AMT)

Portfolio:	Socially Responsible
Purchased:	November 6, 2013
Purchase Price:	$79.62
Inherited Price:	$89.51
Current Price:	$105.78
Analyst:	George Rao

American Tower is a real estate investment trust that owns communication real estate around the world. American Tower independently operates and develops multitenant communications real estate. As of April 2016, American Tower has over 143,000 towers in the U.S. and globally.

American Tower has had an increasing revenue through both acquisition and organic growth in the past two years. The company has boosted its position around the world, especially in emerging markets. With the global proliferation of smartphones, American Tower has the potential to add more towers and tenants, boding well for future growth.

AMERICAN TOWER

AMN Healthcare (NYSE: AHS)

Portfolio:	School
Purchased:	March 30, 2016
Purchase Price:	$33.75
Current Price:	$35.43
Analyst:	Travis Warner

AMN Healthcare is a healthcare staffing and workplace solutions company. The company partners with some of the largest and most prestigious hospitals in the country, including Kaiser Foundation Hospitals, Johns Hopkins Health System, and Stanford Hospital and Clinics.

AMN maintains a high-quality network of healthcare professionals, which creates a competitive advantage. Its exceptionally strong management team correctly responded to the needs of its clients to create a compelling product mix. Its Managed Services Program has created numerous cross-selling opportunities for the company as it builds strong relationships with clients.

AMN® Healthcare

Apple Inc. (NYSE: AAPL)

Portfolio:	Socially Responsible
Purchased:	April 18, 2011; October 8, 2014
Purchase Price:	$71.08; $98.56
Current Price:	$109.85
Analyst:	Curtis Pierce

Apple Inc. makes mobile communication and media devices, personal computers, portable digital media players, and a variety of related software, services, digital content, and applications. 66.3% of Apple’s 2015 revenue came from iPhone sales, 9.9% from iPad, 10.9% from Mac, with the rest coming from iTunes, Services, iPod, and accessories. With a market cap of $601.7 billion, Apple is the world’s most valuable company.

At the beginning of fiscal year 2016, Apple announced it was expanding its offering of the Apple Watch (the company's fastest-selling product), the iPad, and the Apple TV. Apple Watch will now include new styles, finishes, software, and third-party application integration. A new model of iPad, the iPad Pro, will be available with a smart-stylus called Apple Pencil, and Apple TV will have Siri capabilities. Despite these new offerings, we remain skeptical of Apple's future growth potential.

Given these factors, we chose to sell a portion of our common stock holding. We began the year with 100 shares and sold 25 shares on February 24, at $95.10.

Aralez (NASDAQ: ARLZ)

Portfolio:	School
Purchased:	January 30, 2013
Purchase Price:	$5.08
Inherited Price:	$8.06
Current Price:	$3.70
Analyst	Connor Robbins

Aralez Pharmaceuticals Inc. is a pharmaceutical company that specializes in pain medications and cardiovascular disease medications. One of its focuses is creating a hybrid drug to eliminate side effects that are present in many generic medicines. Aralez has a nontraditional business model with a consistent record of receiving approvals by the FDA. Once the company obtains FDA approval, Aralez collaborates with larger pharmaceutical companies to manufacture, sell, and distribute products.

We originally purchased the stock in 2013 as Pozen Pharmaceuticals. In February 2016, Pozen completed a merger with Tribute Pharmaceuticals, becoming Aralez Pharmaceuticals Inc. Pozen shareholders received one share of Aralez for each share of Pozen owned.

The company is in the final stage of receiving FDA approval for its PA product line, Yosprala. There have been problems with getting the product approved in the last stage, but we continue to hold the stock. We believe that company's stock price will appreciate significantly if Yosprala gains approval and that the merger will provide significant advantages for the company.

Blackstone Mortgage Trust, Inc. (NYSE: BXMT)

Portfolio:	Milner
Purchased:	Nov. 25, 2015; Dec. 1, 2015
Purchase Price:	$28.00; $28.80
Current Price:	$26.84
Analyst:	George Rao

Blackstone Mortgage Trust, Inc. is a real estate finance company organized as a real estate investment trust. The company originates and purchases senior loans that are collateralized by properties in North America and West Europe. The majority of the company's loans are floating loans that are diversified in different real estate industries.

Blackstone Mortgage Trust has a high dividend yield that is close to 9%. Focusing on the origination of senior loans has helped Blackstone Mortgage to excel in the volatile financial market. The lower total leverage and higher liquidity ratio provide the company with the flexibility to adjust its loan portfolio. Thanks to the affiliation with Blackstone, the company has superior sourcing and underwriting capabilities. In addition, macro factors that include the increasing household income, growing housing prices, and the projected slow-pace of interest rates increase will be favorable for the company.

Blue Buffalo Pet Products (NASDAQ: BUFF)

Portfolio:	Socially Responsible
Purchased:	February 24, 2016
Purchase Price:	$17.40
Current Price:	$24.49
Analyst:	Kelsey Paulding

Blue Buffalo produces and distributes pet food through subsidiaries. Founded in 2002, the company produces organic dog and cat food using meats, vegetables and fruits. Our investment thesis recognized the undervalued company post-IPO with very strong financial results and growth potential. Pet food and care products are inversely related to the market as more people spend money on pets and wait to have children until later in life. The stock jumped significantly after a strong earnings report renewed interest in the company. We believe the investment thesis continues to be very strong.

Boeing (NYSE: BA)

Portfolio:	School
Purchased:	December 27, 2010
Purchase Price:	$64.00
Inherited Price:	$125.49
Current Price:	$131.13
Analyst:	Travis Warner

Boeing is the world's leading aerospace company and the largest manufacturer of commercial jetliners and military aircraft.

Boeing has increased its offering of more efficient aircraft with lower maintenance costs. While low oil prices have decreased orders in the short-term, we believe its new offerings will leave Boeing well positioned when oil prices rise.

Bonanza Creek Energy Inc. (NASDAQ: BCEI)

Portfolio:	Milner
Purchased:	October 31, 2012
Purchase Price:	$24.50
Inherited Price:	$5.37
Current Price:	$2.22
Analyst:	Dana Huynh

Bonanza Creek Energy is an oil company engaged in both exploration and extraction with assets located in the Wattenberg field in Colorado and Dorcheat Macedonia in Southern Arkansas. The company focuses on fracking and horizontal drilling to increase production rates and cash flows. Our analysts decided to hold our position despite weakening oil environment, which continually worsened through 2015. We continued to hold thinking a sale at the bottom would be a poor decision, but did not feel comfortable enough to increase our position.

Buffalo Wild Wings (NASDAQ: BWLD)

Portfolio:	Milner
Purchased:	December 2, 2015
Purchase Price:	$159.89
Current Price:	$147.36
Analyst:	Nirvon Mahdavi

Buffalo Wild Wings is a growing owner, operator, and franchisor of restaurants. The company offers a variety of menu items, specializing in its recognized New York-style chicken wings spun in any of its 16 signature sauces or 5 seasoning flavors. Buffalo Wild Wings features a unique environment, giving patrons the option of watching sporting events or other popular programs on each restaurant's approximately 50 televisions and projection screens. Buffalo Wild Wings differentiates the dining experience by creating a social, exciting atmosphere.

Buffalo Wild Wings has experienced rapid revenue growth in a saturated industry, with a 23% compound annual growth rate since 2010. We believe that Buffalo Wild Wings will be a good investment as the company focuses on acquiring its franchised locations.

Cal-Maine Foods, Inc. (NASDAQ: CALM)

Portfolio:	Socially Responsible
Purchased:	Jan. 28, 2015
Purchase Price:	$36.39
Inherited Price:	$40.00
Current Price:	$51.94
Analyst:	Drew Konopasek

Cal-Maine Foods is a fully integrated producer, grader, packager, marketer, and seller of fresh chicken eggs. The company is the largest player in the space as it holds 23% market share in the United States and has completed 18 acquisitions since 1989, further strengthening its position in a rapidly consolidating industry. Specialty egg (e.g., free range, omega 3, cage free) demand continues to increase as customers have more discretionary income and are more health conscious. Consequently, the company has placed an increased focus on this segment via joint ventures as the number of dozens sold and revenue have both dramatically increased for the company. The company benefitted significantly from an avian flu outbreak, which harmed competitors in the spring of 2015. However, the industry is beginning to recover, resulting in declining egg prices, which is something I suggest be monitored closely going forward.

Overall, the company is an attractive investment due to its dominant position in a rapidly consolidating industry, its strong financial profile and consistent record of growth, a reasonable valuation, and its healthy dividend yield, all of which make it a compelling choice for a small position in our Fund.

Canadian Solar (NASDAQ: CSIQ)

Portfolio:	School
Purchased:	October 15, 2015
Purchase Price:	$21.60
Current Price:	$18.02
Analyst	Connor Robbins

Canadian Solar Inc. is one of the largest solar manufacturing companies in the world. The company designs and manufactures solar products for commercial, residential, and industrial purposes and recently began providing solar services as well. Although headquartered in Canada, most of its manufacturing is done in China.

We purchased Canadian Solar because of a favorable industry outlook, its rapid expansion into a growing international market, and the diverse and growing set of high-quality products it offers. The company has been focusing more attention to the downstream segment of the industry, which will improve margins over time. In addition, Canadian Solar's plans for a yieldco should provide an additional method for financing operations.

The company has significantly increased its market share over the past several years and we believe it is fundamentally strong, allowing it to continue growing.

Cerner Corporation (NASDAQ: CERN)

Portfolio:	Davidson, Milner
Purchased:	Feb. 10, 2006
Purchase Price:	$21.05
Inherited Price:	$60.24
Current Price:	$57.02
Analyst	Fiana Lomu

Cerner Corporation is a global company focusing on information technology within the healthcare industry. Rated the most admired company in healthcare by FORTUNE in 2015, Cerner provides solutions to over 20,000 facilities worldwide. The company provides everything from medical devices to efficient electronic medical record platforms for patients.

We believe that the decision to hold this position allows the Fund to capitalize on Cerner's significant growth outlook. Additionally, the company has a strong backlog and recently secured a competitive 10-year contract with the U.S. Department of Defense. Although the company invests in R&D at high levels, management has proven effective at using these funds to find ways of differentiating its products and services, which we believe, will continue into the future as the company maintains its competitive advantage.

Chipotle Mexican Grill (NYSE: CMG)

Portfolio:	Davidson
Purchased:	October 18, 2015
Purchase Price:	$583.68

Chipotle Mexican Grill, Inc. owns and operates a chain of nearly 1,900 Mexican fast-casual restaurants in the United States and select international locations. The company offers a small, but highly customizable, menu of burritos, burrito bowls, tacos, and salads. What sets Chipotle apart from other quick-service Mexican restaurants is its commitment to preparing its offerings using classical cooking

Current Price: $469.29
Analyst: Mark Storey

techniques and high-quality ingredients. At the heart of this is Chipotle's "Food with Integrity" commitment, which pledges to serve meat only from sustainably raised animals that have not been treated with antibiotics or hormones and locally sourced produce that has not been genetically modified. With this strategy, Chipotle cultivated an appealing, socially conscious brand image that also incorporates the perceived health advantages of its ingredients.

Chipotle had years of impressive returns, fueled largely by its impressive ability to maintain high margins in a traditionally low margin industry. The company was rocked by an E.coli outbreak in October 2015 that forced a temporary closure of several restaurants and attracted widespread bad publicity. In the initial aftermath, the stock price fell nearly 20%. Despite the recommendation of the analyst to wait, the Fund took a position in Chipotle, thinking the E.coli scare would be over quickly and we were getting the stock at a discount. Unfortunately, the food contamination issues worsened the following week, pushing the stock to depths from which it has not yet recovered.

Collector's Universe (NASDAQ: CLCT)

Portfolio:	Davidson
Purchased:	March 4, 2015
Purchase Price:	$23.22
Inherited Price:	$18.42
Current Price:	$16.88
Analyst:	Kelsey Paulding

Collector's Universe is the leading company in authentication and grading services on high-value collectible items such as coins, gemstones, sports cards, autographs, stamps, and currency notes. The Fund invested because of the increasing popularity of online marketplaces such as EBay, as well as the company's strong position in the industry. Despite the drop in share price over the past year, the investment thesis remains intact and the company's financial data remains strong. Due to its continued profitability, our hold recommendation remains.

Comcast Corporation (NASDAQ: CMCSA)

Portfolio:	School
Purchased:	January 17, 2007
Purchase Price:	$29.99
Inherited Price:	$53.85
Sale Date:	March 29, 2016
Sale Price:	$60.75 (75 shares)
Current Price:	$61.97
Analyst:	Steven Goodwill

Comcast Corporation is the largest broadcasting and cable company by revenue. Its subsidiaries and brands, including Xfinity, NBC Universal, MSNBC News, Telemundo, and Universal Studios, generate revenues across multiple entertainment segments and industries.

Comcast was originally purchased for its strong forward EBITDA projections and was continuously held in our portfolio due to its stable cash flows and low beta. We have witnessed a +112.08 percent split-adjusted holding period return as of portfolio close this year.

On March 29, 2016, we decided to divest half of our CMCSA holdings to actualize a +12.81 percent return since inheriting the stock. The sale proceeds were used to purchase AMN Healthcare Services Inc. (AHS) The remaining position earned a +15.02 percent return from its inherited price as of portfolio close this year.

Compass Minerals (NYSE: CMP)

Portfolio:	School
Purchased:	April 22, 2015
Purchase Price:	$88.82
Inherited Price:	$79.23
Current Price:	$73.22
Analyst:	Austin Baker

Compass Minerals International produces and markets salt and plant nutrition products in the US and North America. We purchased 28 shares based on the following three main points. First, the Fund did not have much exposure to industrial, agricultural, or mining companies. Secondly, the company has stable and consistent cash flows. The company also has been increasing its dividends for the past few years. Finally, the company's management team has focused on improving margins, especially since the tornado strike in 2012. Since that time, we have seen improved margins, and we expect this to continue moving forward in the future.

Deckers Brands (NYSE: DECK)

Portfolio:	School
Purchased:	November 20, 2015
Purchase Price:	$49.98
Current Price:	$57.49
Analyst:	Chase Lindsey

Deckers Brands, headquartered in Goleta, CA, is engaged in the business of designing, marketing and distributing footwear, apparel and accessories through its five brands (UGG Australia, Teva, Sanuk, Hoka One and Ahnu). Deckers primarily wholesales its footwear to large specialty and high-end retailers such as Nordstrom, Neiman Marcus, REI and Zappos and also sells directly to consumers through its rapidly expanding network of company-owned retail concept stores.

We believe Deckers is currently underappreciated by the market. Investors have doubted the future success of Deckers' largest brand, UGG Australia, for years leading to a current valuation below its peer group. Additionally, we feel the market has underestimated the growth in Decker's retail segment going forward. We feel that this is likely to change because: (1) The UGG Australia brand is stronger than the market believes it to be, (2) the other four brands have shown higher than average sales growth and we expect this trend to continue, and (3) Deckers Brands has successfully forward vertically integrated into retail by opening its own retail concept stores. We believe this retail segment will be a large driver for future growth and will reduce the threat that wholesale buyers pose to Deckers' bottom line.

Deere and Company (NYSE: DE)

Portfolio:	School
Purchased:	November 30, 2005
Purchase Price:	$34.63 (split adj.)
Inherited Price:	$79.09
Current Price:	$77.44

Deere and Company operates in the farm and construction industry manufacturing personal and commercial farm machinery, construction and forestry machinery, and offering in-house financial services. It operates in the US and internationally, particularly in China.

Analyst:	Steven Goodwill

Deere was originally purchased for its strong brand recognition and under the assumption that the market was undervaluing it future sales growth. The Fund has earned a 123.62 percent split-adjusted holding period return on this position as of portfolio close this year.

The decision to hold Deere came soon after the late-August market correction amid concerns of falling productivity in China. While Deere's stock price fell in response to this correction as a significant portion of its sales are directly or indirectly linked to Chinese agriculture, Fund analysts believed the effects of this correction would leave the fundamentals of the company intact. This position lost -2.08 percent on its inherited price as of portfolio close this year.

Delta Air Lines, Inc. (NYSE: DAL)

Portfolio:	School, Milner
Purchased:	February 4, 2015 & October 9, 2016
Purchase Price:	$32.05 & $46.97
Inherited Price:	$41.37
Current Price:	$47.50
Analyst:	Jay T Anderson

Delta Air Lines provides scheduled air transportation for passengers and cargo worldwide. The company operates about 900 aircraft and has a major hub in Salt Lake City. One of the world's largest airlines, DAL has rebounded from bankruptcy and has recently seen significant bottom line growth from lower fuel prices.

Delta Airlines downsized its fleet to incorporate more large planes. This has resulted in increased efficiency, lower costs, and improved load rates. The company has announced it will return 50% of free cash flow to investors through 2017 and utilize low fuel costs to reduce net debt to $7.1B by 2016. We believed these strategies along with a low P/E relative to other airlines to be positive catalysts for the stock through 2017, so SIF analysts purchased additional shares of DAL. Threats of terrorism and a decrease in international capacity could pose significant risks in the near future.

Diageo (NYSE: DEO)

Portfolio:	Milner
Purchased:	Feb. 4, 2009
Purchase Price:	$55.43
Inherited Price:	$102.64
Current Price:	$109.95
Analyst:	Runzhi Dong

Diageo currently has the world's largest market share as a provider of spirits. The firm currently produces six of the 20 most popular spirit bands, including Smirnoff Vodka, Johnny Walker Scotch, Guinness, and Jose Cuervo. The company is vertically integrated as it produces, packages, and distributes the spirits, wine, and beer it sells.

Despite currency headwinds and regional issues, we believe DEO remains attractive because of its broad portfolio, geographic reach and its strong acquisition positions.

eBay (NASDAQ: EBAY)

Portfolio:	Milner
Purchased:	November 14, 2012
Purchase Price:	$19.75
Current Price:	$25.22
Analyst:	Mason Seehusen

eBay Inc. is a global technology company that operates in two business segments: marketplaces, including eBay and StubHub, and enterprise, including Magento, a provider of omni-channel operations and marketing solutions for merchants.

eBay is the former parent company of PayPal, which was spun off in July 2015 after immense pressure from investors. As a result of the split, we received 100 shares of PayPal. We decided to hold the position through the split because we believe there is potential for increased upside post-split, particularly from the increased focus of eBay on its primary businesses.

EMC Corporation (NYSE: EMC)

Portfolio:	Milner
Purchased:	December 9, 2009
Purchase Price:	$16.75
Inherited Price:	$23.76
Sale Date:	December 9, 2015
Sale Price:	$26.03
Analyst:	Mark Storey

EMC Corporation manufactures, markets, and supports hardware and software products worldwide. The company delivers many of its products as information technology as a service (ITaaS). EMC also holds a controlling stake in VMware, which diversified the company's software as a service (SaaS) offerings.

In September 2015, Dell announced that it would purchase EMC in a $60 billion deal. EMC shareholders would receive cash and a tracking stock for VMware, an offer worth approximately $26 per share. The stock quickly rose in response to the news. We divested our stake in EMC on December 9, figuring the upside in the stock was exhausted and our capital could be redeployed elsewhere more effectively.

Extra Space Storage, Inc. (NYSE: EXR)

Portfolio:	Milner
Purchased:	February 19, 2016
Purchase Price:	$87.00
Current Price:	$90.19
Analyst:	Chase Lindsey

Extra Space Storage is a Real Estate Investment Trust (REIT) that owns and/or operates more than 1400 rent-producing self-storage facilities. The company engages in property management and development activities that include acquiring, managing, developing, and selling, as well as the rental of self-storage facilities in 34 states.

We believe that Extra Space Storage presents a low risk exposure to real estate that has the potential to continue its track record of outperformance. The company has a proven system of making accretive acquisitions and continues to outperform its peer group in operating metrics. We believe that Extra Space is a great long-term holding for the Milner portfolio that should yield an impressive risk-adjusted return.

FedEx Corporation (NYSE: FDX)

Portfolio:	School
Purchased:	Nov. 5, 2014; Oct. 6, 2015
Purchase Price:	$168.01; $151.51
Inherited Price:	$145.06
Current Price:	$165.90
Analyst	Vladimir Malugin

FedEx Corporation (FedEx) is a Memphis, Tennessee-based domestic and international courier delivery service company. The firm specializes in freight, ground, and express delivery. The company controls nearly 18% of the global courier market share and nearly 27% of the domestic courier market share. FedEx is the second largest global carrier service provider, by market capitalization – currently at $44.9 billion. The firm competes with other notable courier delivery services such as UPS, DHL, and TNT Express. The stock was originally purchased based on the firm's consistent top-line growth, a positive outlook in e-commerce growth, prospering international expansion, speculation on continued low oil prices, and a strong acquisition strategy.

We held the original stock and purchased additional stock based on continued speculation of low oil prices, an extension in the permitted tenure for founder and CEO Fred Smith, and continued support of the firm's international expansion strategy – particularly its acquisition of TNT Express. The stock's price has been volatile, ranging from $120-170 since August 2015, reflecting the general volatility in the market, oil price uncertainty, and uncertainty related to the TNT Express acquisition. The European Commission has since approved the TNT Express acquisition and we expect the deal to materialize by the end of summer 2016, giving FedEx the greatest market share in the global market, surpassing UPS.

Gilead Sciences, Inc. (NASDAQ: GILD)

Portfolio:	School
Purchased:	February 26, 2014 & April 2, 2014
Purchase Price:	$80.76 & $73.83
Inherited Price:	$101.38
Current Price:	$98.29
Analyst:	Drew Konopasek

Gilead Sciences is a research-based biopharmaceutical company that discovers, develops, and commercializes innovative medicines in areas of unmet medical need with a specific focus on HIV, oncology, and liver diseases. The company's stock was originally purchased with the belief that the recent FDA approval of its hepatitis C drug, Solvadi, would be a major growth catalyst. The drug was a huge success and brought in $10B in revenue in 2014. In 2015, the company followed up that performance with the release of another hepatitis C drug called Harvoni, which had revenues of $13.8B in 2015. The company's latest quarter revealed limited growth that will likely continue for the foreseeable future as the company determines what its next moves are following a three-year spurt of hyper growth.

The next move many investors believe the company will make is an acquisition of a drug or biotechnology company. Currently, the company has $21.3B in cash, cash equivalents, and marketable securities. Furthermore, the company generated around $8B in free cash flow in 2015, signifying the company has the resources to make a blockbuster acquisition. In 2012, the company acquired Pharmasset, which lead to the commercialization of Solvadi, so the company has a history of making solid acquisitions. Going forward, I would monitor the company's drug development pipeline and potential acquisitions it could make, as these will provide the growth catalysts going forward.

InterContinental Hotels Group (NYSE: IHG)

Portfolio:	Socially Responsible
Purchased:	January 29, 2014
Purchase Price:	$32.80
Inherited Price:	$43.07
Sale Date:	April 15, 2016
Sale Price:	$40.84
Analyst:	Mark Storey

Intercontinental Hotels Group operates and franchises hotels worldwide. The company operates hotels under the Holiday Inn, Crowne Plaza, Kimpton, and HUALUXE brands, among others.

InterContinental Hotels began trading at a very high multiple following the merger of Marriott and Starwood the subsequent uptick in valuations across the industry. IHG had not traded at this multiple in the past and there was nothing to suggest that this was sustainable in the long term. As a result, we chose to sell at the inflated price and book the gains.

Interpublic Group of Companies, Inc. (NYSE: IPG)

Portfolio:	Socially Responsible
Purchased:	April 20, 2011
Purchase Price:	$11.82
Inherited Price:	$18.49
Current Price:	$23.58
Analyst:	Jay T Anderson

Interpublic Group is a global advertising and marketing services company, and is considered one of the "Big Four" in its industry. IPG has offices in over 100 countries, and some of its largest clients include GM, Microsoft, Samsung, and Johnson & Johnson. International revenues are a large part of the company's business model, which account for 44% of total revenue. Although there might be a slowdown in global economic spending, the firm projects 3-5% annual organic revenue growth and has ample financing flexibility for share buybacks, dividends, and potential acquisitions. Emerging markets present an intriguing growth opportunity moving forward. The shift from traditional advertising to digital marketing is another great growth opportunity. The company contributes to service projects globally and have adopted various green practices that validate IPG's holding in the Socially Responsible Fund.

Intuit (NASDAQGS: INTU)

Portfolio:	Milner
Purchased:	April 7, 2015
Purchase Price:	$98.15
Inherited Price	$79.87
Current Price:	$102.83
Analyst:	Liyang Cai

Intuit is a leading business and financial management software provider for small businesses, consumers, and accounting professionals. The company's products include QuickBooks, Quicken, TurboTax, and Mint.

Fund analysts decided that Intuit is a good investment with great potential. In Q2 2016, Intuit added approximately 100,000 QuickBooks online subscribers without cannibalizing its desktop business. Intuit's tax preparing business grew by 12%, largely thanks to innovations such as the TurboTax SmartLook feature and by increasing demand for DIY tax filings. Another huge revenue driver is international expansion. Intuit is building momentum in UK, Australia and Brazil, and recently entered the French market.

Kroger (NYSE: KR)

Portfolio:	Socially Responsible
Purchased:	March 11, 2015
Purchase Price:	$37.04
Current Price:	$36.80
Analyst:	Chase Lindsey

Kroger operates a variety of grocery stores, multi-stores, jewelry stores, and convenience stores in the US. Kroger produces many of its house-branded products under a variety of names. Although the grocery industry has small margins and low growth, Kroger has been out-performing its competitors for the last five years. The company has acquired many competitors, but retains the local name on the stores to maintain a local identity. Kroger produces many of its own house brands under a variety of names. These products have higher margins without the stigma of being "generic." Kroger is introducing many new organic products at competitive prices. The company has a number of initiatives that make it suitable for the socially responsible portfolio including a strong plastic recycling program, a program that has diverted about 90% of its waste from landfills, a waste-to-energy program, and strong support of local food banks.

This year, we continued to hold Kroger because the company repeatedly revised guidance upward and made accretive acquisitions. We believe Kroger represents a relatively low-risk holding that, despite its size, has the ability to continue to outperform.

Lazard (NYSE: LAZ)

Portfolio:	School
Purchased:	October 9, 2015
Purchase Price:	$ 46.80
Current Price:	$ 37.90
Analyst	Diego Barajas

Lazard is an independent financial advisory and asset management firm. The firm's revenues are split evenly between advisory fees and assets management fees. In the LTM, Lazard ranked 5th in overall global advisory fees. The company competes for deals against large investment banks and other independent advisors.

After divesting Moelis, we still felt strongly about the M&A market and wanted to maintain our exposure. We liked Lazard's position in the European market as well as its expertise in the energy sector. Additionally, we thought the stock has undervalued relative to its peers since the stock was trading at close to 4x PE while its peers were trading at close to 12x. The European market has yet to see the resurgence in M&A activity that the U.S. saw last year. Because of this, we still think Lazard is a good stock to hold and will benefit once the European M&A activity rebounds. We also feel strongly about the firm's asset management business as its seen consistent growth in AUM and positive net flows over the past three years.

LendingClub Corp (NYSE: LC)

Portfolio:	Davidson
Purchased:	January 27, 2016
Purchase Price:	$7.95

LendingClub is the world's largest online peer-to-peer marketplace for connecting borrowers and investors. We purchased equity in the company as we believe the company has a disruptive technology platform, a dominant market share position in the peer-to-peer lending industry, a

Current Price:	$7.31
Analyst:	Drew Konopasek

low cost business model, allowing it to pass the savings on to its borrowers, and a dual-value proposition that offers credit more efficiently than the current banking system. Furthermore, the market in which LendingClub operates represents an immediate $16B opportunity with significant revenue runway. Additionally, peer-to-peer loan volume in expected to skyrocket in the coming years and reach $150B according to some estimates. One important concern to take note of and monitor closely going forward is the *Madden vs. Midland Funding, LLC* pending lawsuit, which would affect the rate of interest that investors could collect on their loans based on state usury laws. The uncertainty surrounding this lawsuit has caused the stock priced to remain depressed, which we believe represents a significant opportunity once the dust settles. Overall, the company is a dominant player in a newly founded, rapidly growing space with a large market opportunity. We expect the company's loan origination volume and revenue to continue to grow at a rapid rate and believe the company has substantial upside going forward.

LGI Homes, Inc. (NASDAQ: LGIH)

Portfolio:	Davidson
Purchased:	March 23, 2016
Purchase Price:	$23.60
Current Price:	$27.77
Analyst:	Jay T Anderson

LGI Homes is the 21st largest homebuilder in the United States and sells homes in the $100-475 thousand range. The company targets first time homebuyers and current renters through a very successful sales and marketing process, which averages about 100 leads per community per week. Standardized floor plans allow the company to build simple homes at a low cost, which is favorable for expansion. LGI Homes has increased its number of active communities from 39 as of December 31, 2014 to 52 as of December 31, 2015.

The U.S. housing market is highly segmented with fierce competition, but LGI Homes presents a unique business model that expands into the best markets for young Americans with targeted marketing, 100% move-in ready homes, and a highly trained sales force. The company's incredible growth is evident in its 102% 3-year sales CAGR. We believe the market is overestimating the impact of the Houston real estate market on LGI's revenues with the downturn in oil. Houston is currently the firm's largest market.

MasterCard (NYSE: MA)

Portfolio:	School
Purchased:	March 25, 2013 & January 6, 2014
Purchase Price:	$52.01 (split-adjusted), $74.61
Inherited Price	$86.82
Current Price:	$96.68
Analyst:	Liyang Cai

MasterCard, Inc. provides payment services internationally. The company offers a payment processing service for MasterCard-branded credit and payment cards in addition to a variety of consulting services in managing card services, security, and fraud prevention.

MasterCard benefits from an ongoing shift toward card-based and electronic payments. According to MasterCard's 4Q earnings call, the Gross Dollar Volume increased by 13% on a constant currency basis. MasterCard operates in a defensible business with recurring revenues and high incremental margins, all of which make MasterCard a great investment.

Microsoft Corporation (NASDAQGS: MSFT)

Portfolio:	School	Microsoft is a multinational technology company that develops and licenses a wide range of software products, services, and devices for personal and business use worldwide. In 2014, the company appointed a new CEO, who quickly introduced a turnaround strategy, primarily focused around the expansion of Microsoft's software segments. During FY 2016, the company promptly adjusted its business reporting segments to reflect this strategic change. Over the past six years, Microsoft has continuously realized steady revenue, EPS, and dividend growth, a trend we expect to continue into the future, as the company continues to expand its software businesses
Purchased:	March 15, 2004	
Purchase Price:	$25.23	
Inherited Price:	$40.47	
Current Price:	$41.62	
Analyst:	Mitko Kurtev	

Murphy USA Inc. (NYSE: MUSA)

Portfolio:	School	Murphy USA is a specialty retailer of gasoline products and convenience merchandise located throughout the Midwestern and Southern United States. One of the main differentiating factors for Murphy USA is that it holds a partnership with Walmart and is therefore able to place its stores near Walmart locations, capturing a wide range of customers due to proximity. Although the company has struggled over the past year with weak earnings, we believe that management's recent decision to focus on independent growth away from its relationship with Walmart will enable the company to fully realize its potential as a low-cost convenience store.
Purchased:	January 28, 2015	
Purchase Price:	$70.67	
Inherited Price:	$48.70	
Current Price:	$59.77	
Analyst	Fiana Lomu	

NASDAQ 100 Trust (NASDAQGIDS: QQQ)

Portfolio:	Milner
Purchased:	April 29, 2009
Purchase Price:	$34.03
Inherited Price:	$90.50
Sale Date:	February 26, 2016
Sale Price:	$90.77 (30 Shares)
Current Price:	$110.64
Analyst:	Joseph Malach

The QQQ ETF follows the NASDAQ 100. We purchased this ETF in 2009 because Fund analysts wanted to invest excess cash in the market during the summer break.

We are currently holding the ETF because it is diversified and generates market returns. The position in "cubes" allows us to maintain market exposure. A portion of our position in QQQ was sold on February 26, 2016, to free up cash to invest in other assets. We recommend further sales if more attractive investment opportunities arise.

Netflix, Inc. (NASDAQGS: NFLX)

Portfolio:	Milner
Purchased:	December 9, 2015
Purchase Price:	$123.24
Current Price:	$111.51
Analyst:	Mitko Kurtev

Netflix is the world's largest subscription-based internet television network, offering unlimited instant access to an online library of movies and TV shows. In 2007, the company introduced the first subscription-based video streaming service in the world, allowing users to render media through the internet without the need for download. Ever since, Netflix has been the industry leader with the highest market share, in terms of both subscribers and annual revenues. In 2011, Netflix began investing in the production of original content, which quickly gained popularity and became an integral part of the firm's success. In 2016, Netflix completed a global expansion initiative, which made its service available in more than 190 countries and increased its subscriber base to over 81 million members. Historically, Netflix has generated consistent growth in revenue and subscribers and we believe that this trend will continue into the future, as the company is well positioned to benefit from the immense potential of relatively untapped global markets.

NextEra Energy, Inc. (NYSE: NEE)

Portfolio:	Milner
Purchased:	Mar. 23, 2016
Purchase Price:	$117.69
Current Price:	$117.43
Analyst:	Steven Goodwill

NextEra Energy, Inc. is the third-largest public utilities company in terms of revenue. It operates through its Florida Power and Light (FLP) subsidiary, the largest power company in Florida, and its NextEra Energy Resources subsidiary, the largest producer of wind and solar energy in the US.

On March 23, 2016, the Fund purchased 10 shares of NEE in the Milner Portfolio. Analysts believed NextEra's size, stable cash flows, and low beta offered a unique opportunity for the Fund to gain low- risk exposure to the energy industry, which had been devastated by declining oil prices throughout the portfolio year. Additionally, the company's investment in solar and wind energy offered the prospect for revenue growth within the next 5 years.

Since taking its position, the Fund has lost -0.22 percent on the position, essentially breaking even. The analysts reiterate their HOLD position on this position at this time.

New Oriental Education & Technology Group (NYSE: EDU)

Portfolio:	Milner; School
Purchased:	July 21, 2014; April 23, 2014
Purchase Price:	\$22.16; \$26.57
Inherited Price:	\$20.36
Current Price:	\$35.54
Analyst:	George Rao

New Oriental Education & Technology Group Inc. is the largest private educational company in China. The company offers various educational services, including foreign language training, primary and secondary school education, and overseas study consulting. In FY2015, the company had 2.9 million enrolled students.

New Oriental is a well-known brand among the foreign language learners. Its history of excellent educational services has brought the company constant revenue growth. In addition, the company has seen rapid expansion in pre-school education, K-12 after-school education, and online educational services. Furthermore, a slowdown of the Chinese economy could positively affect the company's enrollment, making the stock an attractive investment at this time.

Nexstar (NASDAQ: NXST)

Portfolio:	Milner
Purchased:	Nov. 20, 2013
Purchase Price:	\$45.93
Inherited Price:	\$43.95
Current Price:	\$47.23
Analyst:	Vladimir Malugin

Nexstar Broadcasting Group is an Irving, Texas-based television broadcasting and digital media company. The company focuses on medium-sized markets where it owns and operates television stations and websites. The firm operates over 100 stations in 25 states and has historically incorporated an aggressive strategy of acquiring and developing small-sized market stations. The firm recently expressed interest in acquiring medium-sized market stations as it seeks to gain market share in an overall consolidating industry.

In accordance with its successful acquisition strategy along with organic growth, the firm has seen consistent topline growth over the past five years, with a CAGR of 22.11%. Nexstar first became profitable in 2012 and has seen strong bottom-line growth over the past three years at a CAGR of 137%. We believe the firm will continue to see its aggressive acquisition and development strategy succeed at the small-size station level and translate into continued topline and bottom-line growth. We further believe that Nexstar's intended expansion into the medium-sized station market will allow the firm to establish itself as a large-scale player in the television broadcasting and digital media industries.

Novartis (NYSE: NVS)

Portfolio:	Socially Responsible
Purchased:	April 20, 2011

Novartis is a large multinational pharmaceutical company headquartered in Switzerland. Novartis has continued to bolster its clinical pipeline with more than 200 projects in development. In 2015, Novartis received FDA approval for a

Purchase Price:	$57.69
Inherited Price:	$95.14
Current Price:	$75.65
Analyst:	Curtis Pierce

medical device used in cataract surgery, EU approval for Tafinlar and Mekinist, a combination treatment for melanoma, and FDA and EU approval for Farydak, a treatment for multiple myeloma. In addition to organic growth, Novartis plans to make strategic acquisitions in order to further their focus on three leading divisions: pharmaceuticals, eye care products, and generic medicines.

The stock is socially responsible because of its vaccination programs for underprivileged children, the firm's Dow Jones Sustainability award, and its ranking as the number one pharmaceutical company in *Forbes*' most admired companies list.

We believe Novartis remains fundamentally sound and we are optimistic about the future growth potential in the stock. The key drivers moving forward will be Novartis' ability to secure FDA and EU approvals for clinical drugs as well as their ability to execute on acquisitions, particularly in the area of generic medicines.

Oasis Petroleum (NYSE: OAS)

Portfolio:	Davidson, Milner
Purchased:	February 15, 2012; February 19, 2014
Purchase Price:	$31.89 & $42.80
Inherited Price:	$8.07
Current Price:	$8.63
Analyst:	Joseph Malach

Oasis Petroleum is an exploration and production energy company that focuses on unconventional oil and natural gas resources. The company has 506,000 net acres in the Williston Basin covering the Bakken and Three Forks areas.

Since the unanticipated fall in crude prices in late 2014, equity in OAS has lost over 84%. Despite this steep decline, OAS will outperform its peers due to its leverage, operating efficiency, and its substantial unconventional reserves. Additionally, a majority of the company's outstanding debt does not mature until after 2020, affording the company more time for oil prices to normalize to a breakeven point, providing an attractive investment opportunity if there is a rebound in oil prices.

Old Dominion Freight Line (NASDAQ: ODFL)

Portfolio:	Davidson
Purchased:	March 25, 2015
Purchase Price:	$77.77
Inherited Price:	$65.88
Current Price:	$69.30
Analyst:	Patrick Lewis

Old Dominion Freight Line is a less-than-truckload (LTL) freight company with inter-regional and national operations in North America. The company exhibits a high ROA and growth margin relative to its peers, and has had impressive revenue growth over the last few years. We are confident in its organic growth prospects, as well as its positioning in an industry with high barriers to entry.

OneMain Financial (NYSE: OMF)

Portfolio:	Milner
Purchased:	Feb 26, 2014
Purchase Price:	$28.22
Inherited Price:	$ 41.89
Current Price:	$ 26.94
Analyst	Diego Barajas

OneMain Financial, formerly known as SpringLeaf, is a leading consumer finance company primarily serving non-prime consumers in the United States operating in both consumer lending as well as insurance.

In March 2015, The company announced the acquisition of OneMain Financial for approximately $4.3 billion in cash. The combined entity has approximately 2.5 million customers and 2,000 branches, making it the largest subprime lender in the United States. In November 2015, the company successfully completed its acquisition of OneMain and rebranded the combined entity to OneMain. During 2015, the company reported tremendous results showing 31% organic growth in consumer loans and grew earnings by 27%. We think the company has built a very strong and loyal clients base through offering reasonable rates as well as outstanding customer service. We are very optimistic on the stock now that the merger is complete. We think the company's geographic reach is unmatched in the industry and will allow for continued organic growth in its client base.

PayPal (NASDAQ: PYPL)

Portfolio:	Milner, Davidson
Purchased:	July 17, 2015; October 1, 2015
Purchase Price:	$32.25; $31.51
Current Price:	$38.58
Analyst:	Mason Seehusen

PayPal is a digital payment company that enables payment across many platforms and in multiple currencies. The company operates in four key business segments: PayPal, PayPal Credit (Bill Me Later), Venmo, and Braintree.

PayPal faced the recent addition of Apple Pay into the payments market; however, there has been no discernable impact on PayPal's business. We believe that the key to this has been the Braintree segment that processes payment for popular applications such as Uber, Airbnb, and Opentable.

In July 2015, PayPal acquired Xoom, another payment competitor. PayPal made the move to strengthen its international presence and existing customer base of 1.3 million.

Planet Fitness (NASDAQ: PLNT)

Portfolio:	Milner
Purchased:	January 27, 2016
Purchase Price:	$13.70
Current Price:	$15.78

Planet Fitness Inc. is one of the largest franchisors and operators of fitness centers in the United States. The company operates 1,040 domestic locations and 2 international locations. Planet operates in three business segments: franchise gyms, company-owned gyms, and sales of gym equipment.

Analyst:	Mason Seehusen

Planet Fitness completed its IPO in August 2015. We believe that Planet provides a common service with unique touches that differentiate its product. It has had 33 straight quarters of positive same-store sales growth achieved by increased membership through unique marketing campaigns. We also believe that as existing franchise agreements expire and are re-signed at the current franchisee rate, the company will see increased revenue without a corresponding increase in costs.

Royal Caribbean Cruises (NYSE: RCL)

Portfolio:	Davidson
Purchased:	Dec. 10, 2014
Purchase Price:	$78.06
Inherited Price:	$85.06
Current Price:	$78.72
Analyst:	Nirvon Mahdavi

RCL owns and operates six lines of cruise ships that travel to 480 destinations. Royal Caribbean operates its ships primarily from ports in the United States.

Employment and disposable income data have been improving, driving demand for vacations. Royal Caribbean has invested in a number of new ships with additional features that are likely to drive new demand. The company has a variety of different cruise lines that appeal to a range of different market segments. The company does not compete in the lowest segment of the market, but still has brands with mass-market appeal.

Schlumberger (NYSE: SLB)

Portfolio:	School
Purchased:	November 13, 2014
Purchase Price:	$93.31
Inherited Price:	$72.38
Current Price:	$76.26
Analyst:	Diego Barajas

Schlumberger is a mega-cap oilfield service company. Schlumberger Ltd. provides the equipment and technology to get oil and natural gas out of the ground. This includes things like drill bits and drilling fluids, drilling services, and software and information management. Schlumberger's customers are typically exploration and production companies.

At the beginning of the school year in August, the company announced the acquisition of Cameron, a maker of oilfield equipment, for $14.8 billion in cash and stock. We were optimistic about the acquisition, as it offered new growth opportunities by creating a more vertically integrated company leading to expected synergies of over $600 million in the first and second years. This also served as a counter to the Halliburton-Baker Hughes deal. In more a recent development, the company’s acquisition was successful while the Halliburton-Baker Hughes deal did not go through. This makes us very optimistic about SLB and we believe the company will be able to take market share from its competitors through its more comprehensive service offering.

Sportsman's Warehouse (NASDAQ: SPWH)

Portfolio:	School
Purchased:	October 29, 2015
Purchase Price:	$10.66
Current Price:	$11.25
Analyst:	Austin Baker

Sportsman's Warehouse is a sporting goods retailer specializing in outdoors equipment for activities such as camping, fishing, and hunting.

The Fund purchased 75 shares based on three main investment points. First, the company successfully implemented several high growth strategies despite operating within a mature, retail industry. Secondly, the company is positioned to take advantage of the lack of competition through the western US. Lastly, the company utilizes an adaptable, low-cost store layout that mitigates costs and encourages store base growth. Since purchasing the stock in October, the company opened three new locations and announced it would open six more. The company outperformed expectations in the first three quarters since we purchased the stock.

Starbucks (NASDAQGS: SBUX)

Portfolio:	School
Purchased:	November 19, 2015
Purchase Price:	$61.55
Current Price:	$60.51
Analyst:	Liyang Cai

Starbucks, Corp. is the world's largest coffee company and coffeehouse chain. The company offers espresso-based drinks together with tea, food products and single-serve products through its retail locations, supermarkets, and its website.

Analysts believe Starbucks is a good investment for three reasons. First, Starbucks has a strong brand recognition in the specialty coffee industry. The dominant position allows Starbucks to charge a premium on its products and facilitate its penetration in international markets. Second, Starbucks has some key initiatives in mobile applications, especially its Order & Pay system. This function allows Starbucks to increase store efficiency and allocate more baristas to preparing drinks. Third, Starbucks rolled out its new reward program which is based on dollars spent. Compared to the old program, the dollar-based system encourages customer to make larger transactions. Currently, the market is still concerned about this change. However, after customers digest the new program, Starbucks may experience a surge in the average ticket.

SVB Financial Group (NASDAQ: SIVB)

Portfolio:	School, Milner
Purchased:	January 28, 2015; September 14,2015
Purchase Price:	$114.71 & $126.16
Inherited Price:	$112.74
Current Price:	$108.82
Analyst:	Andres Lancheros

SVB Financial Group is the holding company of Silicon Valley Bank. SVB Financial has private and commercial banking units to serve clients in the technology, life sciences, venture capital, private equity, and premium wine industries. The firm develops relationships with early-stage entrepreneurs and provides wealth management services as their enterprises grow. SVB Financial Group found a profitable niche, beating earnings expectations for all but two quarters over the past five years.

The company's exposure to early-stage technology and finance present a high level of risk, but our analysts believe that this stock will appreciate greatly as the American economy recovers. We increased our position due to our strong belief in the viability of the company's business model.

Tata Motors (NYSE: TTM)

Portfolio:	Milner
Purchased:	April 22, 2009
Purchase Price:	$7.05
Inherited Price:	$23.50
Current Price:	$31.02
Analyst:	Andres Lancheros

Tata Motors is an Indian automobile developer, designer, and manufacturer that operates across 50 countries. Tata offers micro, compact, and midsize cars, as well as heavy-duty commercial vehicles. In addition, the company provides factory automation and insurance services. Tata Motors' portfolio includes the Tata, Daewoo, Land Rover, and Jaguar marques.

Our analysts initiated coverage seeking to profit from the company's expansionary tactics. Tata Motors is positioned to take advantage of the growing economy in India. Land Rover and Jaguar have a strong presence in the European markets. Tata's offerings are perfect for the markets where they operate, setting the stage for continued growth.

Teladoc (NYSE: TDOC)

Portfolio:	Socially Responsible
Purchased:	Feb. 8, 2016
Purchase Price:	$12.73
Current Price:	$11.24
Analyst	Fiana Lomu

Founded in 2002, Teladoc is the largest telehealth provider, serving over 12.6 million members. Teladoc customers are able to consult with licensed physicians via both telephone and video conferencing, potentially receiving prescriptions or further diagnostics if needed.

Fund analysts chose to purchase this stock due to the intriguing value proposition that Teladoc offers to its customers, physicians, and end-users. Additionally, the telehealth industry has large growth prospects as it is expected to continue its annual growth rate of over 34% going forward. This is mainly due to shifts in demographics as well as a nationwide shortage of primary care physicians. We believe that Teladoc has the best exposure to the high growth within the telehealth industry and has an effective subscription-based model that provides the funds necessary to market Teladoc solutions to end-users and increase utilization, thus creating value for Teladoc customers.

Thermo Fisher Scientific (NYSE: TMO)

Portfolio:	Socially Responsible
Purchased:	Apr. 20, 2011
Purchase Price:	$55.69
Inherited Price:	$120.05
Current Price:	$145.34
Analyst	Runzhi Dong

TMO provides analytical instruments, equipment, reagents and consumables, software, and services for research, manufacturing, analysis, discovery, and diagnostics worldwide. The stock was purchased because of the firm’s strong product line and aggressive acquisition strategy – qualities that continue to drive share price performance today.

TMO remains competitive because of the firm’s continued aggressive acquisition strategy. In addition, the laboratory information management system sector is projected to grow at 8.5% every year for the next 5 years, which is an attractive opportunity for TMO. It is also of note that total share price appreciation since the Fund purchased TMO in April of 2011 is 161%.

T-Mobile (NASDAQ: TMUS)

Portfolio:	School
Purchased:	Feb. 23, 2016
Purchase Price:	$35.52
Current Price:	$39.29
Analyst	Vladimir Malugin

T-Mobile International is a Germany-based provider of telecommunication and data services. The firm is a leader in the global telecommunication market, particularly in the United States where it holds 17% market share and Europe where, in certain countries, the firm holds upwards of 50% of market share. The firm competes against major telecommunication and data service providers such as Sprint Corporation, Verizon, and AT&T.

The stock was purchased based on its aggressive strategy of deviating from conventional telecom and data service provider practices – particularly its “Un-Carrier” proposition which has already terminated long-term customer contract commitments, decreased data and line prices, improved financing options, and increased geographic coverage. Accordingly, we believe the firm is well positioned to take customers rapidly from its principal global competitors.

Since its purchase in February of 2016, the stock’s price has grown by 10.6%. We believe the firm’s stock price will continue to increase as it continues to capture market share globally, due largely to its unconventional approach to telecommunication and data service provision. We believe the firm will reach a one-year target price of $50.88.

Under Armour (NYSE: UA)

Portfolio:	Milner
Purchased:	November 25, 2015; February 5, 2016

Under Armour, Inc. is an apparel company specializing in athletic and sports apparel, shoes, and accessories as well as connected fitness applications. The company’s primary revenues stem from apparel sales. The company holds the sponsorship rights to athletes such as Stephen Curry, Tom Brady, Cam Newton,

Purchase Price:	$46.18 & $38.28
Current Price:	$43.08
Analyst:	Joseph Malach

and Jordan Spieth. The company is one of two S&P500 companies to report 20% YoY growth for over 20 consecutive quarters.

Analysts recommended a purchase of Under Armour shares due to their belief that the company has sustainable growth platforms moving forward. The company looks to increase footwear sales as a percentage of total revenues while also expanding rapidly in international markets. The vote passed on November 25, 2015 and shares of the company were purchased. After FY2015, the company's share price appreciated due to a positive earnings surprise, yet fell due to concern over overall retail trends as well as the company's high valuation. Analysts voted for an additional purchase of UA, which was approved February 5, 2016. Analysts believe that UA will continue consistent growth through FY2016 and beat expectations, justifying its high valuation. If slowdown in top-line growth occurs, the company will face a sharp decline in share price.

In April, Under Armour distributed one share of Class C non-voting stock for each share of Class A voting stock. The non-voting stock is underperforming relative to the shares with full voting rights.

Vail Resorts, Inc. (NYSE: MTN)

Portfolio:	Socially Responsible
Purchased:	December 9, 2015
Purchase Price:	$128.07
Current Price:	$132.41
Analyst:	Jay T Anderson

Vail Resorts operates twelve premier mountain resorts throughout the United States and one in Australia along with a portfolio of luxury hotels and real estate. Maintaining 34% of market share by revenue, Vail Resorts is the largest mountain resort holding company in the United States. The average income of each guest is $295K, yet the company offers value oriented "Epic Pass," which serves as a lift ticket to all of its resorts worldwide. Increased Epic Pass sales and recent acquisitions have increased revenues 11% during the last two fiscal years, with margins expanding from 20.5% in FY13 to 24.8% in FY15.

Although we bought the stock at a six-month high, competitive advantages such as the Epic Pass, high income guests, premium pricing, and its market share lead will drive growth for years to come with the consolidation of the ski and snowboard resort industry. Vail Resort's investment in its Epic Discovery program, which promotes summer tourism at resorts, presents an intriguing growth opportunity to reduce the seasonality of revenues.

ValueShares US Quantitative Value ETF (BATS: QVAL)

Portfolio:	School
Purchased:	February 18, 2015
Purchase Price:	$27.06
Inherited Price:	$22.80
Sale Price:	$24.40
Sale Date:	October 8, 2015
Current Price:	$22.79
Analyst:	Jay T Anderson

The ValueShares US Quantitative Value ETF invests in equities believed to be undervalued based on quantitative analysis. It is an actively managed fund with 41 holdings and about $44 million AUM. QVAL is heavily weighted in consumer discretionary and energy mid-cap stocks. The ETF was purchased to put excess cash to work by comparing an "actively managed quant strategy" to our customary practice of fundamental analysis.

SIF analysts sold 100 of our 300 shares in QVAL to free up cash in the School Portfolio and pursue more attractive investment opportunities, as this ETF has underperformed the benchmark. Being a relatively new

ETF (inception: 10/22/2014), it is difficult to judge its performance so soon as it seeks long-term capital appreciation.

VeriFone Systems, Inc. (NYSE: PAY)

Portfolio:	Milner
Purchased:	February 4, 2015
Purchase Price:	$32.05
Inherited Price:	$35.41
Current Price:	$28.27
Analyst:	Mitko Kurtev

VeriFone Systems is a manufacturer and distributor of point-of-sale (POS) transaction and mobile payment systems. The company was an early entrant in the credit card authorization system market, which allowed it to establish a dominant position early on. After failing to anticipate the popularity of mobile payments, the company suffered significant losses in market share, leading to major changes in its management team. In 2013, VeriFone unveiled a turnaround strategy, focused on strengthening its domestic and expanding its international market positions through organic growth and strategic acquisitions. Thanks to this strategy, in subsequent years, the company experienced favorable revenue and EBITDA growth. Despite weak share price performance over the last year, we believe that VeriFone is well positioned to benefit from the globally increasing demand for POS terminals and the currently ongoing EMV upgrades.

The Walt Disney Company (NYSE: DIS)

Portfolio:	School; Milner
Purchased:	February 18, 2015; October 9, 2015
Purchase Price:	$104.00; $105.40
Inherited Price:	$95.36
Current Price:	$98.59
Analyst:	Mark Storey

The Walt Disney Company is a diversified entertainment company that operates a movie studio, media networks, theme parks, and resort facilities around the world. The stock was originally purchased based on technical analysis surrounding the stock's momentum and earnings factors.

We increased our position in Disney in October following the stock's return to near the purchase price of our original position. We believed the original investment thesis was still valid and decided to double our position opportunistically. The stock performed well in the months following, validating our purchase, but gradually fell on news that ESPN was losing subscribers.

Williams-Sonoma, Inc. (NYSE: WSM)

Portfolio:	Socially Responsible
Purchased:	Nov. 21, 2012

Williams-Sonoma, Inc. is a leader in luxury home furnishing. The company has a total of five retail store brands, including Williams-Sonoma, Pottery Barn, Pottery Barn Kids, West Elm, and Rejuvenation. Although the company is

Purchase Price:	$44.65
Inherited Price:	$74.64
Current Price:	$60.91
Analyst:	Nirvon Mahdavi

WILLIAMS-SONOMA

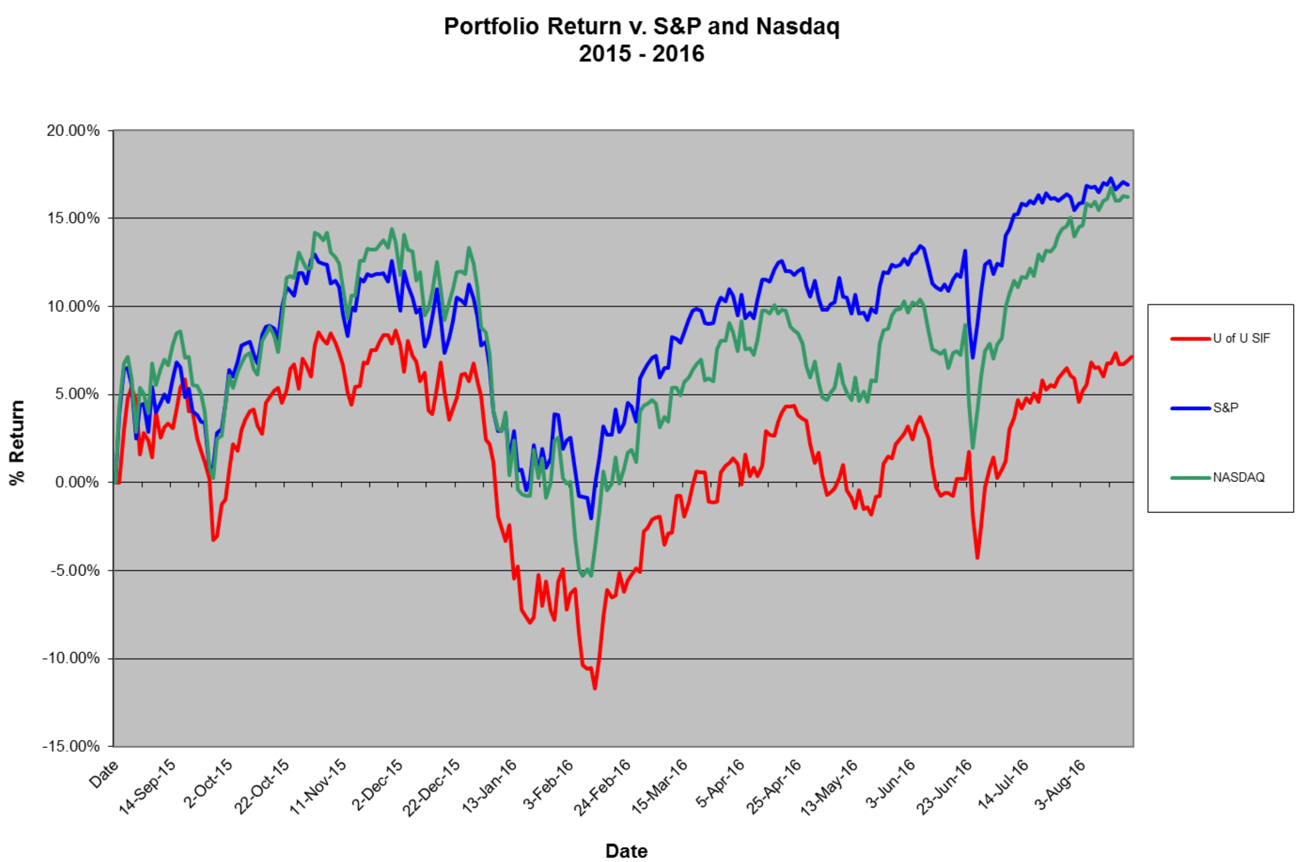
known for its catalog offers, Williams Sonoma is currently ranked as the 21st largest online retailer, with e-commerce sales growing at a compound annual growth rate of 13% since 2013.

We believe that Williams Sonoma will continue to be a good investment as the company focuses on growth in its e-commerce division and expands its operations into different markets. The economic recovery from the recent recession has positively affected high-end home furnishing stores as people have more disposable income to upgrade their furniture.

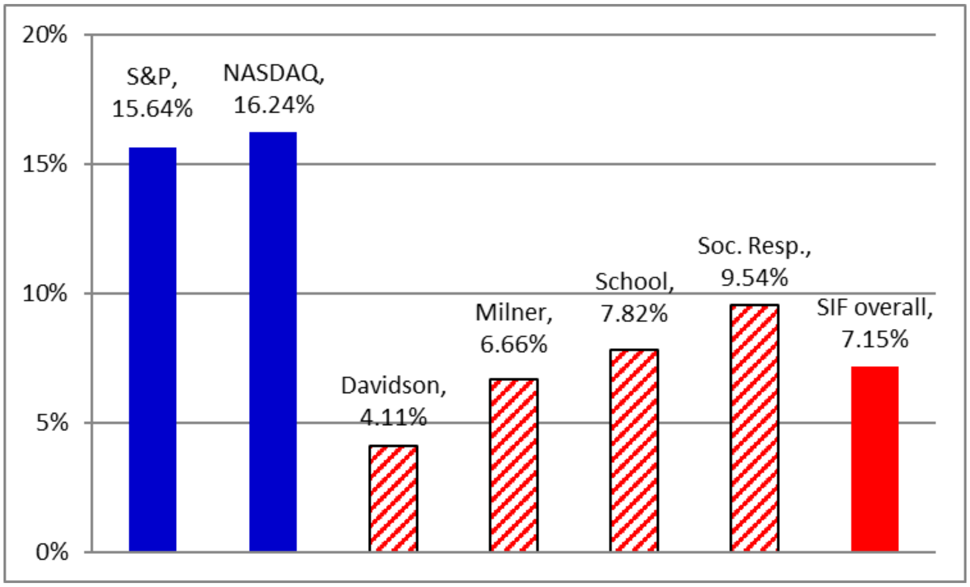
Performance Update (August 19, 2016)

Performance Summary

On May 16, we sold our stake in Learning Club following revelations that the that Lending Club employees had falsified data in loan applications to improve their appeal to potential lenders. We sold our shares in Planet Fitness on August 16 after the price reached our analysts' target. Unfortunately, the summer did not bring relief to our beleaguered portfolio. We continued to lag as the market rallied.



We ended the academic year underperforming the major indexes in all four of our portfolios despite the differences in strategies across the different portfolios. Our best performing portfolio was the Socially Responsible portfolio; the Davidson portfolio was our worst performer.



Performance Analysis

What went wrong? Throughout the year we held over 80 names in our portfolio, which suggests that we had a reasonable degree of diversification. We held an average of 3.1% of our funds in cash in a rising market and never held more than 7.4% of funds in cash. Thus, our performance was not driven by sitting out the market run. We had a turnover ratio of about 21% (measured as the minimum of dollar purchases or sales divided by the average portfolio value) which is bit high relative to prior classes, but transaction costs for these trades are very small relative to our underperformance.

To gain additional insight into our performance, the table below examines our performance for stocks or ETFs we purchased, positions we sold, and positions we inherited and held throughout the year. In some cases, we bought additional shares of stocks we held already or divested a portion of our holdings, so the number of positions exceeds the number of names we held throughout the year. For stocks we purchased or held, the table compares the total gross return (capital gains or losses plus dividends) against returns on the S&P over a matched time interval. For stocks we sold, the table compares the total gross return we would have received had we held the position until August 19 as compared to an investment in the S&P. Finally, the dollar weighted excess returns in the dollar-weighted average under- or over-performance relative to the S&P.

	Number	% outperform the S&P	Dollar-weighted excess return relative to the S&P
Purchases	32	50%	1.36%
Sales	23	39%	-1.17%
Inherited and held	46	39%	-8.83%

Half of the stocks we purchased outperformed the S&P and the dollar-weighted excess return was a positive 1.36%. More than 60% of the stocks we sold outperformed the S&P between the date of our sale and August 19, 2016. We missed out on gains in excess of the S&P of 1.17% on these sales. Most of the investments we made used cash generated from our sales, and so on a dollar-weighted basis, we generally made good decisions on sales and new purchases, as the new investments outperformed the stocks we sold. We also drew down cash a bit throughout the year, so the net of our sale and purchase decisions was a bit more positive than the table suggests. Our poor performance came primarily as a result of the stock we inherited and held. About 60% of the inherited stocks underperformed the index – a similar fraction to those we sold – but the underperformance was much greater. Of the positions that we inherited and held, three stocks each represented more than 5% of the value of those positions: ICON, OneMain (originally SpringLeaf), and Gilead. Over a period where the S&P returned about 16%, these stocks had gross returns of -0.04%, -30%, and -19%, respectively. Despite the large number of different companies in which we invested, collectively, these three names comprised close to 25% of the stocks we inherited and held. One important lesson from our performance are that concentrated holdings can have a huge impact on the portfolio. A second key lesson is that our attention tends to be greatest on new investments: it is easier to overlook issues with a stock you did not pitch.

Presentation to Professionals

February - Teladoc

Student Analysts: Austin Baker, Runzhi Dong, Drew Konopasek, Mitko Kurtev, Fiana Lomu, George Rao, Connor Robbins

On February 8, 2016, the Student Investment Fund made a presentation to industry professionals. At the presentation, a group of students pitched a "buy" recommendation for Teladoc (NYSE:TDOC). Teladoc is the largest telehealth provider in the United States. The company's products enable users to speak with physicians via telephone or video conferencing and obtain prescriptions. Teladoc's services are offered 24/7, 365 days a year and come at a cheaper price than in-person doctor visits as Teladoc is able to pass down the cost savings that come from a lack of overhead expenses. The investment thesis for buying Teladoc stock was based upon three factors.

- Teladoc's first-mover advantage and position as market leader
- Untapped market opportunity to provide healthcare services via telehealth
- Teladoc's scalable and attractive business model involving subscription and visit fees

During the presentation, Fund analysts focused mainly on the attractive growth characteristics of the telehealth industry, as well as on Teladoc's unique PEPM (per employee per month) model. The target price for Teladoc was reached using a DCF and multiples analyses in which comparable companies consisted of those with similar disruptive software platforms and exposure to healthcare. The Q&A session at the end of this presentation allowed presenting analysts to highlight and expand upon their knowledge in areas such as interstate physician licensing, company lawsuits, executive management, industry regulations, and competitor performance.

March - Instructure

Student Analysts: Diego Barajas, Andres Lancheros, Patrick Lewis, Joe Malach, Vladimir Malugin, Kelsey Paulding, Curtis Pierce, Mason Seehusen

On March 8, 2016, the University of Utah Student Investment Fund made a presentation recommending a "buy" for Instructure, Inc. Instructure is a Software-as-a-Service firm focused on creating and providing Learning Management Systems (LMS) and related services for academic institutions and corporations worldwide. The presenting team produced a target price of $24.18, representing a 41.1% upside from $17.14 as of the presentation day.

The Student Investment Fund recommended a "buy" for the following reasons.

- **Innovative, Easy-to-use Products:** Instructure offers native, cloud-based learning management platforms that use intuitive and familiar web navigation techniques to create easy-to-use interfaces available on both computers and mobile devices.
- **Rapid Gain in Market Share:** In 2013, Instructure had roughly 8% of LMS market share. By spring 2015, Instructure had increased its market share to 17%, while all major competitors' market share diminished.
- **Open-source Platform to Fuel Collaboration:** With the launch of Canvas in 2011, Instructure provided users with Application Programming Interface (API) open-source codes. The open standards allow for collaboration with third-party publishers and software providers to implement additional learning content and applications.

April – AMN Healthcare

Student Analysts: Jay T Anderson, Liyang Cai, Steven Goodwill, Dana Huynh, Chase Lindsey, Nirvon Mahdavi, Mark Storey, Travis Warner

On April 5, 2016, the University of Utah Student Investment Fund made a presentation recommending a "buy" for AMN Healthcare. AMN Healthcare is a healthcare staffing and workplace solutions company that operates throughout the United States. The company primarily serves acute-care hospitals and partners with some of the largest and most prestigious hospitals in the country, including Kaiser Foundation Hospitals, Johns Hopkins Health System, and Stanford Hospital and Clinics. We produced an 18-month target price of $50.05, representing a 45% upside from the closing price of $34.51 on April 4, 2016.

The Student Investment Fund recommended a "buy" for the following reasons.

- AMN Healthcare's nationwide network of high-quality healthcare professionals creates a competitive advantage.
- AMN Healthcare has a strong management team, which has responded correctly to the needs of the market to create a compelling product mix.
- AMN Healthcare's Managed Services Program has created numerous cross-selling opportunities for the company as it builds strong relationships with clients.

Professional Attendees

Our presentations would not be possible without the participation of the many professionals who come to critique our investment theses. We thank the following professionals who participated in this year's presentations.

Connor Allen	JP Morgan
Gregory Aiken	Zions Bank
Brad Baldwin	First Utah Bank
Nick Bapis	Hightower Advisors
Aaron Britton	D.A. Davidson
Dave Broadbent	Ivory Homes
Dan Chace	Wasatch Advisors
Phil Clinger	Merrill Lynch (retired)
Mark DeWald	Freeport West
Jackie Ewer	Morgan Stanley
Burton Flynn	Wasatch Advisors
Jonathan Fulton	Grandeur Peak
Jack Gertino	Wayne M. Rogers & Co.
Kevin Greer	Goldman Sachs
Spencer Hackett	Grandeur Peak
Thor Kallerud	Wasatch Advisors
Todd Lindsey	ShoreTel
Jeramy Lund	Venture Fund
Hal Milner	Kensington Company
Kent Misener	Verapath Global Investments
Jason Morrow	Utah Retirement Systems
Jill Mortensen	D.A. Davidson
Taylor Nielsen	Goldman Sachs
Mori Paulsen	Merrill Lynch
Natalie Pesque	Wasatch Advisors
Beth Pratt	
Dick Pratt	Richard T. Pratt Associates
Don Rands	Zions Bank
Stuart Rigby	Grandeur Peak
Ramona Stromness	Richard T. Pratt Associates
Benton Sturt	Goldman Sachs
Michael Thornton	Millcreek Asset Management
Amy Sunderland	Grandeur Peak
Rex Thornton	D.A. Davidson
Devin Thorpe	Your Mark on the World Center
Bryant Weber	Utah Retirement Systems

Recognition

DA Davidson Award and Conference

This year, D.A. Davidson awarded our fund the inaugural Fred Dickson Memorial Award for the program's overall excellence and devotion to our objectives. Senior vice president and program advisor, Rex Thornton, honored students with the award, stating, "The students and faculty have been incredibly engaged, and it's been a privilege to see them bring their A-game throughout the year." Our fund had the highest risk-adjusted performance of all participating programs for the last five- and three-year periods, earning a compound annual return of 18 percent for the past five years. Additionally, our program was the only one to outpace the S&P 500 over that period.

In addition to the award, D.A. Davidson donated a $2,000 cash prize to the university and provided an expenses-paid trip for five students to participate in the D.A. Davidson Institute in Seattle, Washington. At this event, students were able to attend insightful presentations on a variety of topics and network with professionals from various divisions of D.A. Davidson. The institute gave students the opportunity to gain a valuable look at professions in equity research, portfolio management, and financial advising. Our analysts and faculty are incredibly proud of the award and hope to continue our program's success into the future.

CFA International Research Challenge

In October 2015, eight students—divided into two teams of four—from the Eccles School were chosen to represent the University of Utah in the 2016 CFA Institute Research Challenge. The Student Investment Fund, as usual, was well represented on the teams, with four current analysts participating.

Team 1:
Chase Lindsey*
Joe Malach*
Arman Oganov
Mark Storey*

Team 2:
Kyle Asay
Nathan Johnson
Andres Lancheros*
Taylor Swenson

**Current SIF analyst*

Each team prepared an equity research report on Nu Skin Enterprises (NYSE: NUS), which engages in the direct selling of cosmetic and personal care products with its global salesforce. Our teams undertook a huge research effort, which included meeting with the company's executive team at its Provo, Utah headquarters. The teams used this research to build detailed valuation models and arrive at target prices. Each team crafted a written report and a presentation deck outlining a recommendation for investors. The state competition took place in February 2016 and professionals from the CFA Society of Salt Lake judged the teams' reports and presentations. Team 1 recommended a HOLD on Nu Skin, while Team 2 recommended a SELL. Both teams were concerned about the viability of the company's business model, but Team 1 also believed that there was great promise in the company's Chinese operations that would not be fully known until the company reported earnings the week after the competition.

Teams 1 and 2 took first and second place, respectively, in the state of Utah, beating out teams from several Utah universities, including BYU, Utah State, and Westminster. This marked the fourth consecutive year that a team from the University of Utah won the state competition and the second consecutive year we posted a 1-2 finish. Team 1 advanced to the Americas region competition in Chicago, Illinois. The team competed against universities from across North and South America, falling to the eventual global champion, the University of Waterloo.

Special Events

Wasatch Advisors Management Meetings

Every fall, Wasatch Advisors allows SIF analysts the opportunity to attend research meetings with key executives of various companies that visit Wasatch throughout the year. These meetings serve as excellent opportunities for SIF analysts to observe buy-side equity research in a real-world context. As part of the experience, Wasatch invites students to perform research on the specific company that is presenting that day. This research includes financial, competitor, product, and management analyses, as well as completing a valuation. In many cases, students may ask questions of management in the actual meeting as an assistant to the Wasatch analyst. After the meeting, the Wasatch analyst reviews his or her opinions on the investment with the student, allowing the student to understand the thought process behind a real-world equity investment. Unfortunately, specific details of these meetings cannot be discussed due to our non-disclosure agreement with Wasatch Advisors. The meetings are an invaluable experience for SIF students and we are grateful to the analysts and portfolio managers at Wasatch Advisors for continuing to donate their time to our program.

Speakers

Amy Sunderland, a current portfolio manager and senior research analyst at Grandeur Peak, spoke with us early in September. Ms. Sunderland discussed Grandeur's thesis, which is the belief that smaller companies, including small cap and mid cap companies, trade less efficiently and are more likely to have solid competitive advantages. The fund, which invests both domestically and internationally, finds companies through attending many different conferences across the globe. The fund's due diligence includes hundreds of company visits per month and discussing growth, marketplace positioning, and barriers to entry with management teams. Ms. Sunderland also discussed what her schedule was like. It included a 7am to 10pm workday with very long hours. Ms. Sunderland also gave students advice on how to manage a high stress job coming out of school and steps to take in order to have a successful career.

Ryan Snow, a fund manager at Wasatch Advisors, which manages 18 mutual funds with over $13 billion of assets, spoke in late September. Mr. Snow started by giving us clues to help us guess companies. These companies included Tesla, Chipotle, and Netflix, which were all companies that had extremely large returns over very short time periods. Mr. Snow also discussed the characteristics he likes to see in companies which included strong management teams, competitive advantages, and companies with clear growth opportunities. Mr. Snow advised us to invest in companies that we knew well, that we were customers of, and that we saw many of our peers using. Finally, he advises us to keep an investment journal so that we could see what we were thinking pre-investment and compare that to what actually happened.

Hal Miner spoke to us in late April. Mr. Milner has contributed to the Student Investment Fund's Milner Portfolio for many years. Mr. Milner discussed business ethics, as well as advising us to choose a career that generates both wealth and happiness. Mr. Milner opened the discussion by describing the aggressive growth strategy of a major international firm and asking whether management had behaved ethically. Furthermore, Mr. Milner described many situations and asked us whether we thought the actions taken were ethical or not. Students stated their opinions on what they thought. Many students had opposing views, making for a very interesting conversation.

What We Learned

__Advice to the Incoming Fund Analysts__
First, congratulations on your acceptance to the Student Investment Fund. This program is a unique experience that will teach you a significant amount about equity research, help you foster new friendships, and provide a challenge unlike any other at the Eccles School.

Despite the Fund's underwhelming performance under our stewardship, the quality of equity analysis improved as the year progressed and investment decisions became more informed by our experiences. We took the reins of the Fund just before the first market correction since 2011, but failed to capitalize off the rebound before becoming victims to a second correction in early January. Regardless of the pitfalls, we each learned a great deal from the experience, and we would like to share these takeaways with you. It is our hope that this advice—including both best practices and poor decisions to avoid—will assist you in restoring the Fund to its usual market-beating ways.

Reap what you sow: The most important thing to know before even beginning to think about how the year will go, how you manage the Fund, and how you will perform both individually and in aggregate, is that this program is what you put into it. You will neither benefit nor perform well if you are not willing to put in the work. Our best and top-performing analysts were not necessarily those who had the strongest ability to model, but rather the ones that took the time to go deeper into their research. The constant learning that is required is both the best and worst part of equity research. It is a career path that requires a love of research and the same is expected of you in the Fund. You will have late nights—and not just one or two days. Instead, it may be a week or two in a row. Producing quality work will require you being away from potentially more entertaining things, but it is worth it. Whether it is taking the time to understand the model better, to learn every minute detail of the business model, or to question your thesis repeatedly, do it. You have the chance to impress not only your peers, but potentially top finance professionals as well, so do not squander the opportunity. Even if you find that equity research is not for you—not an unheard of issue for former SIF analysts—developing the skills required by this program will benefit you in any career path you might choose.

Take risks: As an analyst in the Student Investment Fund, you have access to the best resources, faculty, and classmates the Eccles School has to offer. From our experience, the best thing you can do to take advantage of your time in SIF is to take risks and make investment pitches. SIF is the ultimate baptism by fire. The best way to learn equity research is simply by doing it and learning from your mistakes—and you will all make mistakes. You will never have the opportunity to develop, present, and test your own investment theses in an environment like this again so take advantage of it! Ultimately, the best thing you can get from this experience is a deeper understanding of asset management and of your own interests and capabilities.

Do the due diligence: As mentioned before, you were selected because you exhibited great potential and a belief that you would be committed to putting forth your best work. First, be the most knowledgeable person on the companies you are pitching. You will be given enough time to do each assignment, so be sure to start early because it will give you more time to earn more about the company. Think about every question that could possibly be asked and be able to answer them confidently. Doing this will make you a better analyst.

Yet, regardless of how your stocks perform, this is a collective fund and a few stocks are not enough to generate alpha for a portfolio, which is the most important goal of an equity fund. What this means is that you cannot just stop at "your" stocks and call it quits. Read up on the stocks others are pitching *before* the pitch so that you have at least a basic understanding of every company and, even if you agree with a pitch, never stop questioning the thesis.

Do not be afraid to ask questions: While it may seem like some of you are more experienced than others at first, you will quickly realize that all of you have a great deal to learn. The *worst* thing you can do is fail to ask questions for fear that you will seem unqualified or that you are the only one who is confused. Trust us: You are not the only one. The longer it takes you to get your questions answered, the longer it takes you to feel comfortable making investments and taking risks. This will only hurt you in the end. You were selected to be in this program because you are intelligent and know how to ask the right questions, not because you are already masters of finance or equity analysis. That will come in time. If you neglect to ask questions, you will only be doing yourself and the Fund a disservice by taking yourself out of the game.

Play well with others: SIF is not a singular classroom experience—it is a yearlong collaborative process. As such, it is imperative that you put your best efforts into working with the other analysts in a cordial and professional manner. It feels like a given since you are all young adults who should know better—and so were we—but issues crop up from time to time.

Every person in this program deserves respect, period. You may disagree with an opinion that someone has offered in class or have trouble working together. That is not a problem. Voice your disagreements or air your concerns to try to reach an understanding. There is never a reason to personally attack the person, however. This stifles collaboration and diminishes the SIF experience. Check your biases at the trading room door and try to get to know your fellow analysts. They might just surprise you.

Learn portfolio management: The slump in oil prices hit our performance extremely hard at the beginning of our management period. We were very overweight in the energy sector and consequently suffered big losses as oil prices plunged. This is a prime example of the importance of knowing at least a little about portfolio management. While energy played a large role in the strategy employed by last year's team, it was not our strategy. We inherited it. Most of the Fund's analysts wish we could go back to the beginning of the year and take a more active approach to managing our four portfolios. Let the lesson we learned the hard way be a benefit to you. Again, you are not expected to be brilliant immediately, but your questions regarding the structure of our portfolio very well could spark a conversation that leads to better performance.

Be committed: Look at the Student Investment Fund not as a class, but as an internship. How many students at the business school get a chance to manage real money? Not many. You are going to put this on your resume, which means you are going to be asked about the work you do in an interview at some point. Know your stuff. You are not going to have a meaningful experience if you simply show up each Tuesday and listen to Liz or one of your peers talk about equity research. Do not be that person who freeloads. Engage with your peers. Give one hundred percent to your own equity report as well as every group project you will work on. Stay up late if you have to (and you *will* have to). Challenge your peers' investment theses and ask them to do the same to yours. Be encouraging, but also offer constructive criticism.

Have conviction: Having conviction is one of the most necessary qualities for an equity researcher because not having an opinion makes you useless. Have a thesis early on about each stock that you cover so that you can make informed decisions about them. Use research to either confirm or deny that opinion then use it to develop your case and stick to it. Listen to other's inputs, but do not doubt your opinion just because of some dissent. If you have done the research, the facts should speak for themselves.

Also, do not believe that just because a SIF student before you pitched a stock that it is still good. This is your fund. Trust us; we will not get mad that you sold stocks that you no longer wanted to hold as long as you have done your research. It is better to quickly get up to speed on the Fund's holdings than to be complacent and reliant on previously pitched stocks to drive performance early on. Though you will most likely be uncertain of your ability as an equity researcher at that point, you can do this. Do the research and trust your conclusions.

The trading room is your best friend: You have some incredible tools available in the Trading Room. If you invest the time necessary to learn how to use the Bloomberg terminals, Capital IQ, and the Excel templates, it will pay dividends throughout the year. Simply put, these resources will make your life easier. Use them. The Trading Room also provides a place to collaborate with a group of the best undergrads in the Eccles School. Use them, too.

A final word – seize the opportunity that has been given to you. The Student Investment Fund is for the select few and is something that no other class offers. You will be in a room that has held and will hold a handful of the top students the school has ever seen, and you are one of them. Take advantage of it. It will require consistent, tough work that will push you immensely but remember, you signed up for it. Do not waste your time by being complacent, keeping to yourself, and doing the bare minimum. Keep pushing the boundaries of what you know and all of the late nights and frustration will be worth it.

Best of luck,

The Student Investment Fund 2015-2016