



# Sellinger Applied Portfolio Fund

Portfolio Review | Fall 2016



# Table of Contents

- I. Overview
- II. Economic Conditions
- III. Sector Summary
- IV. Portfolio Strategy and Composition
- V. Risk Analysis
- VI. Performance Review
- VII. Student Biographies
- VIII. Professor Biography



# I. Overview



# Background & Learning Objectives

The Sellinger Applied Portfolio (SAP) Class is designed to allow Loyola's finance students to gain practical experience in portfolio management, including asset valuation, constraint setting, asset allocation, asset selection, risk management, & performance evaluation. The class was allotted \$500,000 from the Loyola endowment & was tasked with the goal of crafting an investment portfolio that outperforms the S&P 500. Allowable investments are U.S. exchange listed stocks & ADRs, as well as ETFs. The Fall 2016 SAP class ran from September 6, 2016 to November 25, 2016 & was comprised of 20 undergraduate finance students from Loyola's BBA program.



LOYOLA  
UNIVERSITY MARYLAND

Sellinger  
School of Business



# Process

The class was divided into groups, with each group being responsible for presenting 4 separate investments to the rest of the class for consideration. Those recommendations that passed with a majority vote were purchased for the portfolio. Additionally, each group was assigned 2 or 3 S&P 500 sectors to follow during the course of the semester & was responsible for monitoring the portfolio's investments in those sectors.





# Sectors & Strategies (9/6/2016)

The class was required to allocate the portfolio according to agreed-upon sector weightings, as well as across strategies (growth, value & dividend stocks/ETF).

On the right are the sector weightings agreed upon at the first class meeting on 9/6/16.

At first, the class had difficulties aligning the target weights with the agreed-upon position strategy for each sector.

Throughout the semester, the class altered the portfolio's composition to adjust for certain economic factors.

Sector	Position	Target	S&P 500
Consumer Discretionary	Overweight	15.6%	12.62%
Consumer Staples	Market	10.0%	9.97%
Energy	Market	7.2%	7.19%
Financials	Overweight	15.2%	13.21%
Health Care	Overweight	17.7%	14.73%
Industrials	Overweight	12.0%	9.67%
Information-Technology	Overweight	23.0%	20.76%
Materials	Underweight	0.0%	2.89%
Real Estate	Underweight	0.0%	3.05%
Telecommunications	Market	2.7%	2.67%
Utilities	Market	3.3%	2.26%
Cash	Overweight	2.0%	0.00%



# Sectors & Strategies (11/25/2016)

On the right are the agreed-upon sector weightings as of the final portfolio on 11/25/16.

Throughout the semester, the portfolio's actual contribution (in terms of overweight, underweight, market) did not always align with the agreed-upon position strategy.

Both sector & strategy weightings are discussed more thoroughly during the course of this report.

Sector	Position	Target	S&P 500
Consumer Discretionary	Overweight	14.6%	12.62%
Consumer Staples	Underweight	9.0%	9.97%
Energy	Underweight	7.2%	7.19%
Financials	Overweight	15.2%	13.21%
Health Care	Overweight	16.7%	14.73%
Industrials	Overweight	12.0%	9.67%
Information-Technology	Overweight	23.0%	20.76%
Materials	Underweight	0.0%	2.89%
Real Estate	Underweight	0.0%	3.05%
Telecommunications	Underweight	0.0%	2.67%
Utilities	Underweight	0.0%	2.26%
Cash	Overweight	0.7%	0.00%



# Requirements & Restrictions

SAP students are required to follow the guidelines set forth by the university:

Investment Philosophy:

1. Allowable investments include:

- U.S. exchange listed stocks, including ADRs
- Unleveraged ETFs, including stock index ETFs & commodity ETFs
- Only investment grade securities

2. Unallowable investments include “sin” stocks, e.g., manufacturers of cigarettes, alcohol, firearms, or companies engaged in gambling activities. Moral & social considerations must be taken into consideration throughout the investment process, with emphasis on the United States Conference of Catholic Bishops principles of investments.



# Requirements & Restrictions, cont'd

## Investment Strategies:

1. The primary investment strategy is to select stocks that are undervalued & will outperform their industry & the S&P 500 index over the course of the investment period.
2. Diversification across sectors will be a key part of the investment strategy, although given market conditions in a particular time period, certain sectors may be significantly under-weighted & others over-weighted. Asset allocation targets include:
  - Not more than 10% will be invested in any one stock
  - Not more than 25% will be invested in a single index
  - Not more than 30% will be invested in a single sector
3. There will ordinarily be three types of investment strategies within the SAP Fund:
  - A growth investment strategy
  - A value investment strategy
  - A dividend strategy



# Objective



The following report details the strategy & outcomes of the Fall 2016 SAP class, including the prevailing economic & market conditions, investment decisions, risk analysis, & performance review. For reporting purposes, the dates for the Fall 2016 portfolio are considered to be from 9/6/16 through 11/25/16.





## II. Economic Conditions



# Economic Conditions Overview



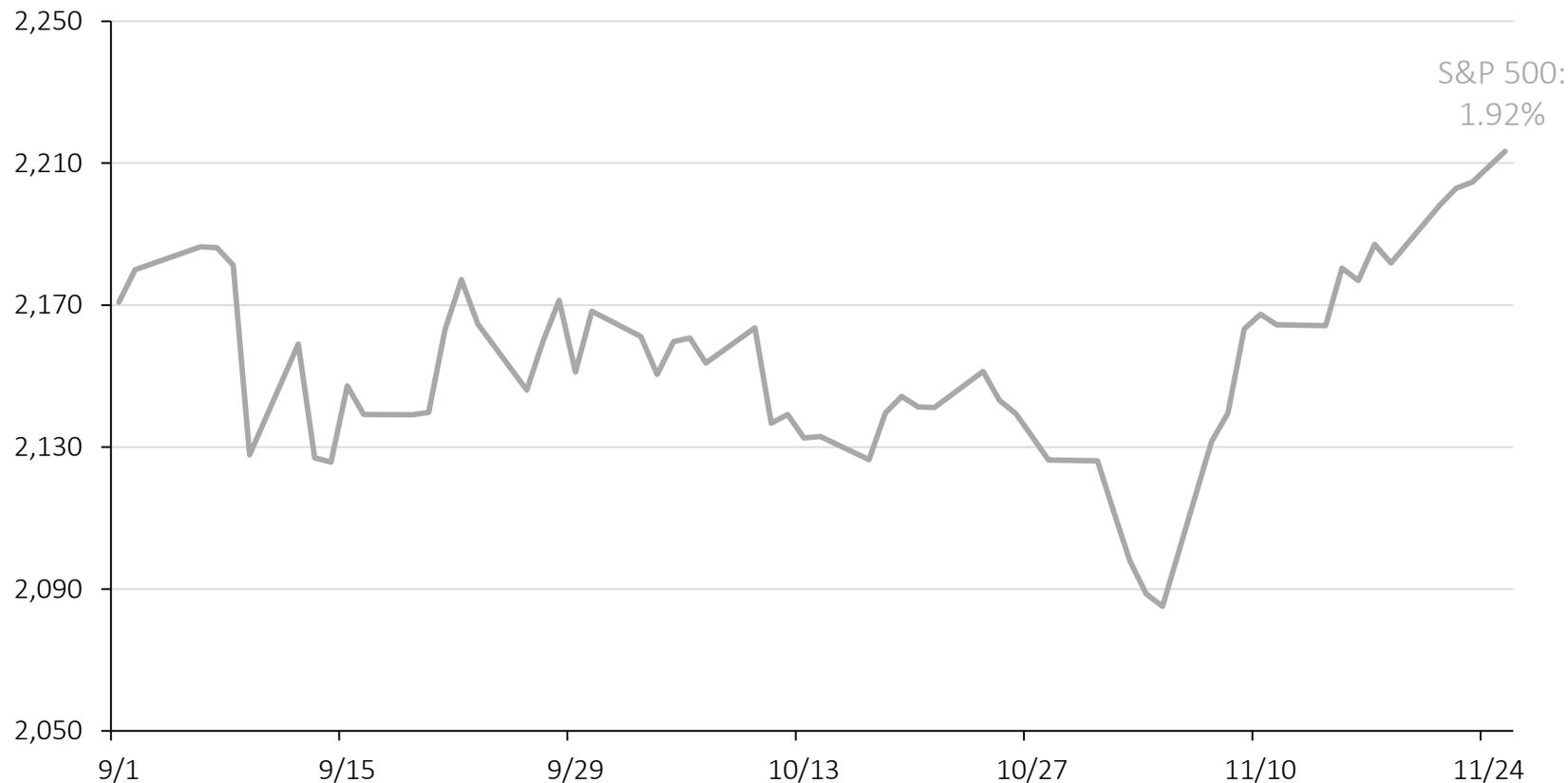
During its first meeting, the class decided on a set of 4 prevailing economic conditions it would use as its primary factors in assessing reward & risk during the semester. The following section discusses these factors, as well overall market conditions.





# Market Overview

Indexed S&P 500 9/1/2016 – 11/25/2016



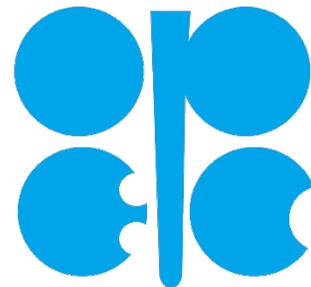
The S&P 500 ETF (SPY), which is the benchmark for the Sellinger Applied portfolio, was up 1.92% from September 1, 2016 to November 25, 2016, the timeframe during which the Fall 2016 SAP was active. Due to the geopolitical climate, European & Asian markets were mostly down.



# Economic Factor Overview

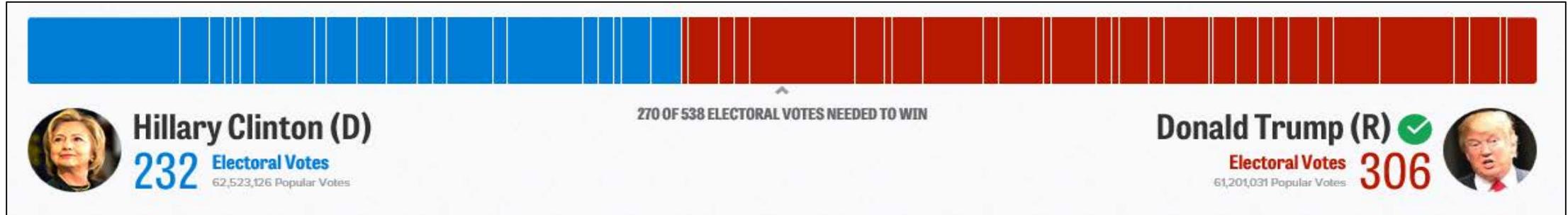
Over the course of the Fall 2016, the SAP Fund's investment decisions were made in the context of 4 major economic factors:

- The 2016 Presidential Election
- The Federal Reserve's Rate Policy
- Oil Prices & the OPEC deal
- China's Economy





# 2016 Election

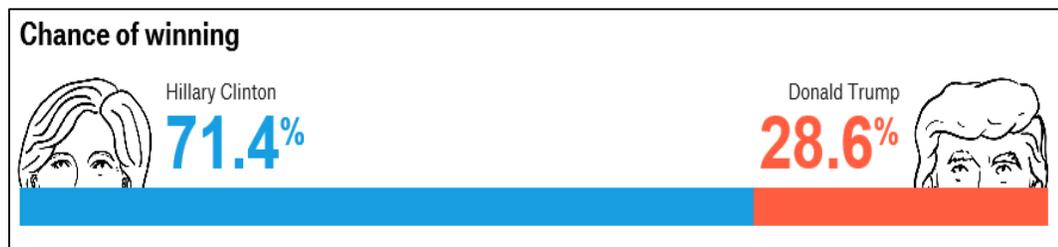


## Sectors Expected to Outperform

- **Industrials:** Major infrastructure projects
- **Financials:** Deregulation & less taxation of business
- **Energy:** More focus on fossil fuels, less taxation on carbon emissions

## Sectors Expected to Underperform

- **Information Technology:** Most labor & materials are made in undeveloped countries, (China & India) which Trump wants to disconnect global trade
- **Real Estate:** In major cities, international buyers buy the most expensive houses, with less immigration, less houses sold
- **Consumer Staples:** With more American jobs, more people will spend on “wants” rather than “needs”



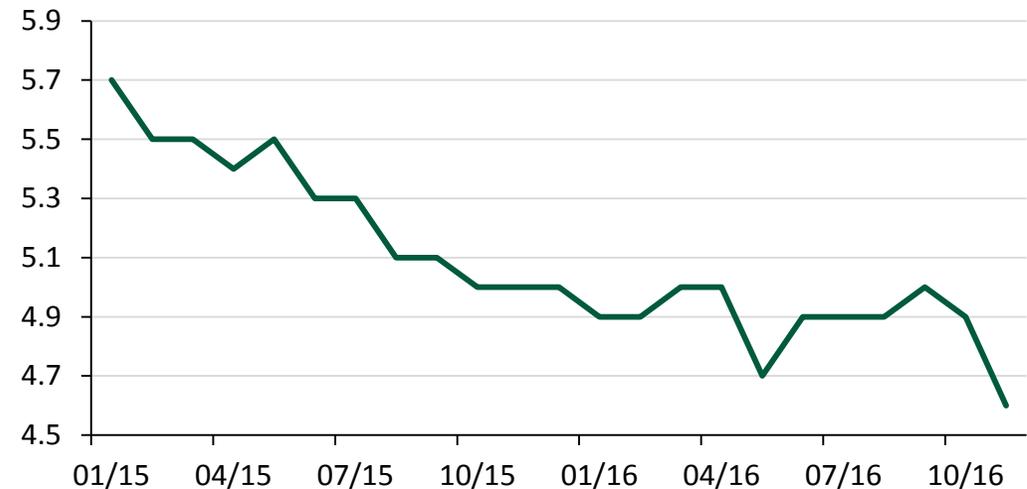


# Interest Rates

- Fed said 'case for an increase in the federal funds rate has continued to strengthen' to control inflation
- The Fed had left its benchmark federal-funds rate unchanged since December of 2015
  - Between 0.25% & 0.5%.
- The next Fed meeting is expected to be on December 13<sup>th</sup>-14<sup>th</sup>
- Initially the Fed said wanted to see "some further evidence" of economic progress before raising rates, but it is very likely the rates will rise in December of 2016

*"To my mind, the evidence we've seen since (the Fed's early November meeting) reinforces our judgment" that the federal funds rate should go up soon. "When there is greater clarity about Trump's economic policies, the Fed will "perhaps adjust our outlook." - Janet Yellen on Trump's Presidency*

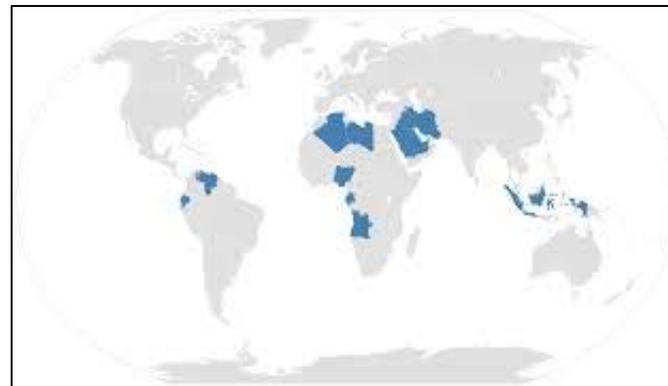
## Unemployment Rate





# Oil Prices

- Oil prices (per barrel) were Sept. 1<sup>st</sup> \$48.29 per barrel - Dec.1<sup>st</sup> \$50.53
- On November 30<sup>th</sup>, The Organization of Petroleum Exporting Countries (OPEC) agreed to cut oil production by 1.2 million barrels of oil per day. This was the first agreement since 2008, which drastically effected oil prices, jumping roughly 9% in one day.
- The agreement for the cut was reached in September, but was finalized during the November OPEC meeting
  - Non-member countries agreed to cut production by 600,000 barrels per day, most of which would be from Russia
  - Saudi Arabia agreed to make the biggest production cut at 486,000 barrels per day
  - Iran will be exempt from the production cap along with Libya & Nigeria
  - Indonesia requested a suspension from OPEC since they could not agree to the production cut



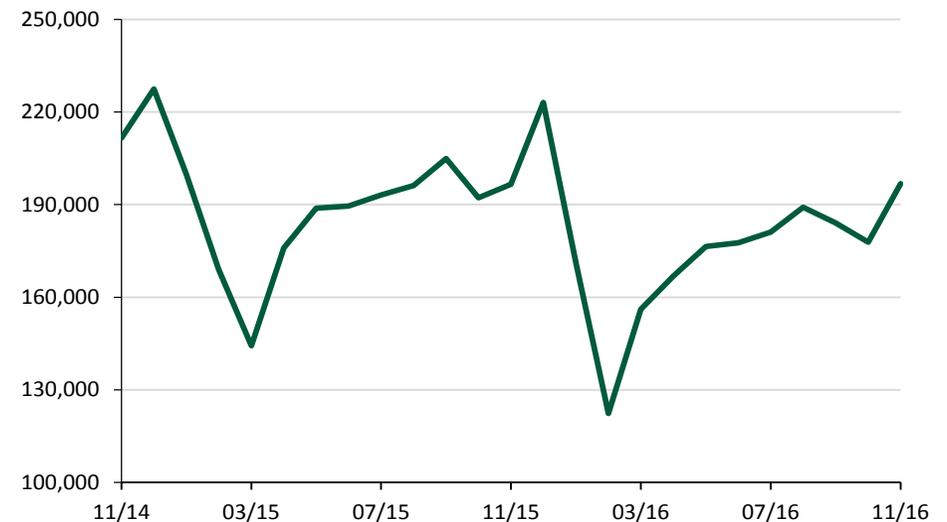


# China

At the start of the Fall 2016 SAP class, China was not meeting their exports targets easily, causing fear that they would no longer be a “backstop” for the rest of the world.

- Export growth has been a major component supporting China’s rapid economic expansion. In the last 2 years, the exports declined due to weaker global demand.
- In September, exports from China dropped the most since February amid anemic global demand.
- In November, exports from China unexpectedly increased 0.1% from a year earlier, following a 7.3% drop in October.
  - This was the first increase in 8 months.
- Considering the first 11 months of 2016, exports dropped by 7.5% from the same period in the 2015.
- Chinese government weakened the yuan in an effort to stop exports from falling even more.
- The Chinese yuan has fallen more than 10% against the U.S. dollar over the past 15 months.

Chinese Exports – 2 Years ( *in USD mm* )





## III. Sector Summaries



# Sector Summaries Overview



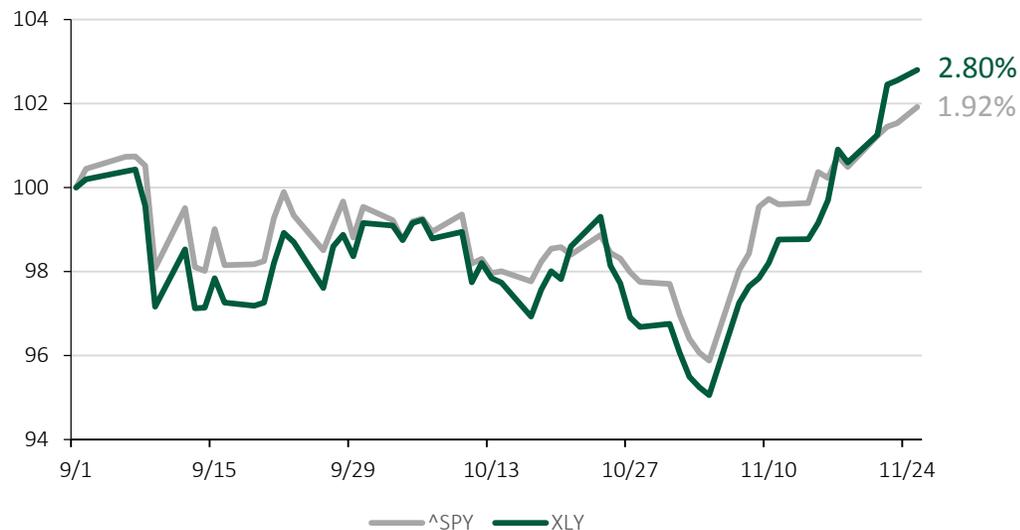
The following section discusses the sectors that comprise the S&P 500 index and their respective performance since the beginning of the Fall 2016 SAP fund semester.





# Consumer Discretionary

The Consumer Discretionary sector consists of companies that sell non-essential goods and services. Due to its reliance on luxury items, this sector is very sensitive to economic conditions. Driven by an improved jobs market, a stall on an increase in the Fed rate, and a post election market rally, the sector has gained **2.80%** over our investment horizon. That increase is 84 basis points great than the market's gain over the same time. With our bullish outlook on the economy, we are overweight in this sector as our current holdings represent 22.12% of our portfolio.



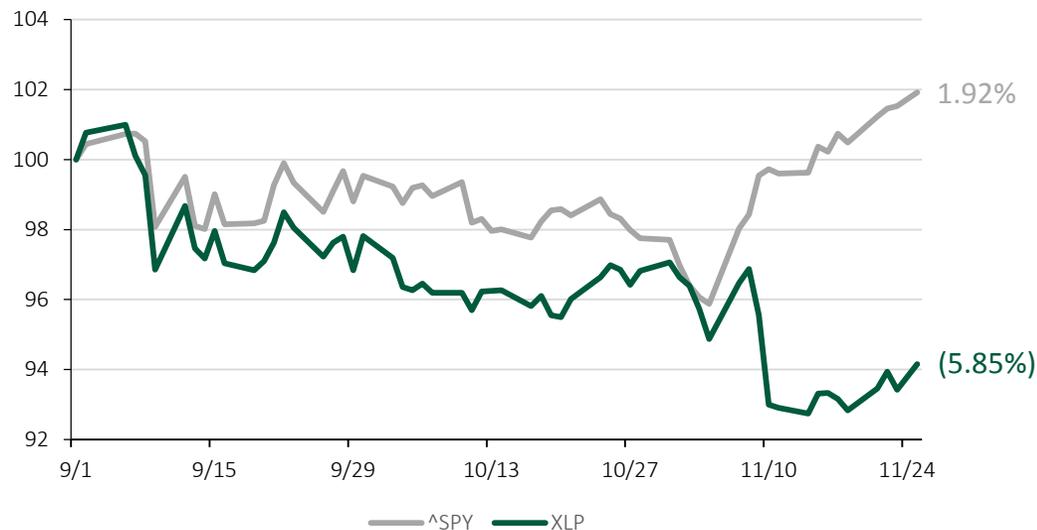
## SAP Stocks





# Consumer Staples

The Consumer Staples sector contains companies that focus on the manufacture and distribution of food, beverages, tobacco, non-durable house goods, and personal products. Being reliant on necessary goods, this sector is less sensitive to economic cycles. With the major indices hitting record highs towards the end of our investment horizon, this sector has decreased (5.85%) over this period. This is a 781 basis point difference from the market's performance. Aligning with our overweight position in the Consumer Discretionary sector, we are underweight in the Consumer Staples sector with holdings only representing 5.21% of our portfolio.



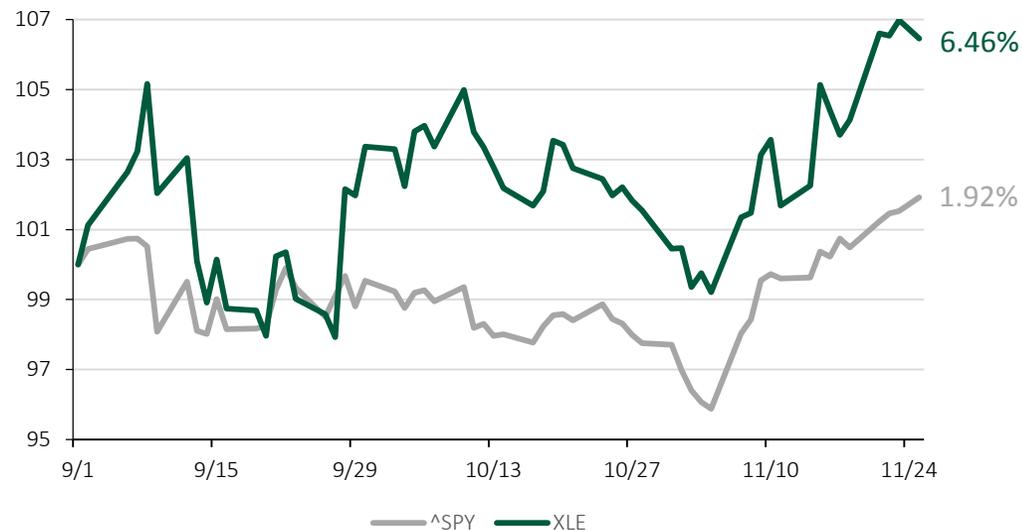
## SAP Stocks





# Energy

The energy sector is a category of stocks that relate to producing or supplying energy. This sector includes companies involved in the exploration and development of oil or gas reserves, oil and gas drilling, or integrated power firms. In the midst of the election our class decided to overweight energy around 2.5%, over our horizon period the energy sector outperformed the S&P by 4.0%. This is largely due to the outcome of the election which contributed to a massive gain though November.



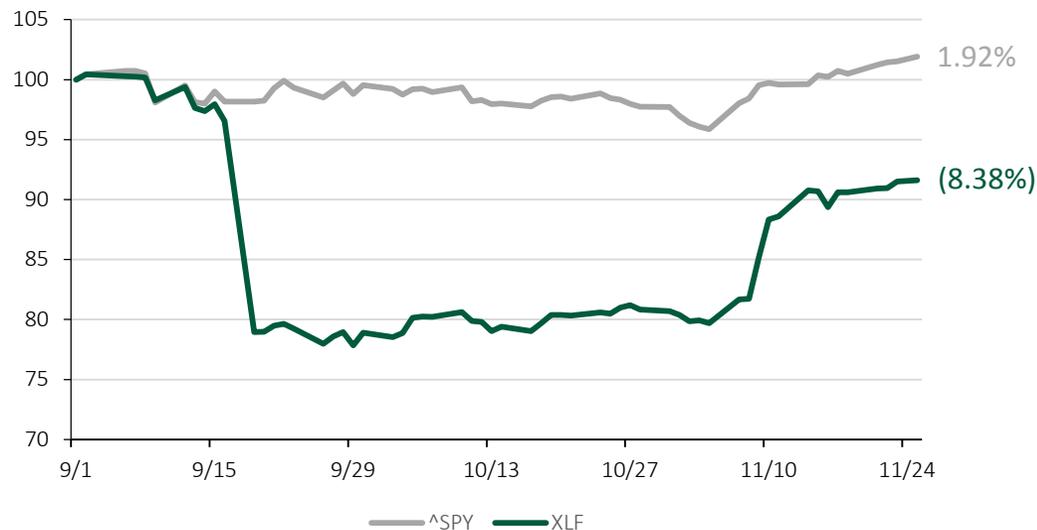
## SAP Stocks

The SAP Fund holds the Energy Select Sector SPDR ETF Fund and has recently decided to purchase stock in Valero – the Valero ownership is not represented in this report as the security was purchased after the close date of the SAP Fund.



# Financials

The Financial sector contains firms that provide financial services to both commercial & retail consumers. Specifically, this sector includes businesses such as banks, investment funds, insurance companies, etc. The financial sector is primarily driven by current economic conditions & announcements. Due to strong economic factors over the past three months, coupled with the possibility of certain acts being deregulated, the Financial sector has recognized a gain of 13.07% over our horizon period. This is substantially higher than that of the S&P 500 Index's return during this timeframe. However, given that we were investing in the midst of an election, we decided to underweight the Financial sector, as it represents 11.88% of our current holdings.

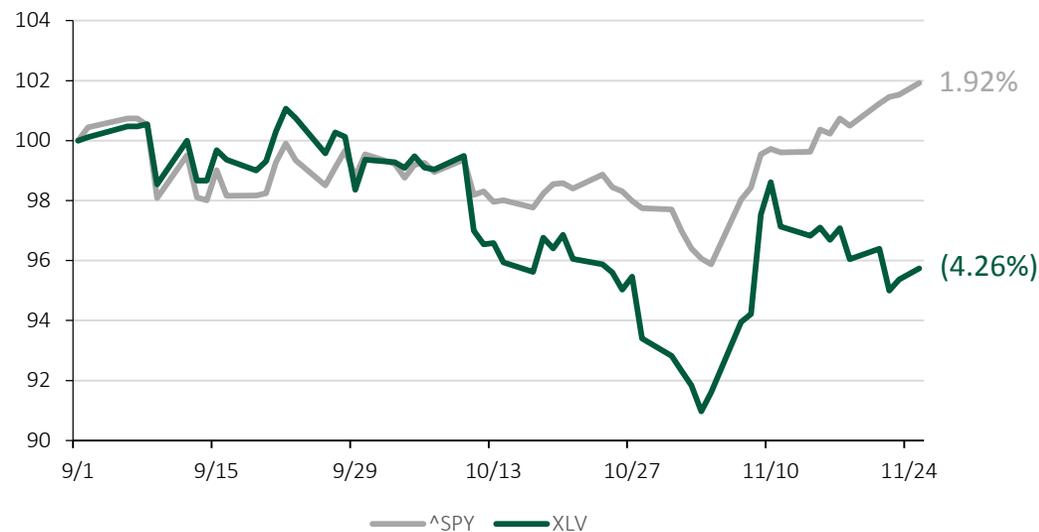


## SAP Stocks



# Healthcare

The healthcare sector is the category of stocks relating to medical and healthcare goods or services. The healthcare sector includes hospital management firms, health maintenance organizations (HMOs), biotechnology and a variety of medical products. Due to an election being in place, our class decided to underweight Healthcare to be safe in an interesting election. During our investment horizon we saw Healthcare slightly outperform the S&P during September but as the election came closer we saw a dramatic downturn. Healthcare eventually was down (4.0%) relative to the S&P and ended at an of -4% (6% below the S&P). This is once again largely due to the outcome of the November election.



## SAP Stocks



# Industrials

The industrial goods sector is a category of stocks that relates to producing goods used in construction and manufacturing. This sector includes companies involved with aerospace and defense, industrial machinery, tools, lumber production, construction, waste management, manufactured housing, cement and metal fabrication. Performance in the industrial goods sector is largely driven by supply and demand for building construction, such as residential, commercial and industrial, as well as the demand for manufactured products. In midst of the election our class wanted an overweight position in Industrials which ended up outperforming the S&P by a total of 6.94%, which derived from a late rally in November after a Trump election.



## SAP Stocks

**StanleyBlack&Decker**

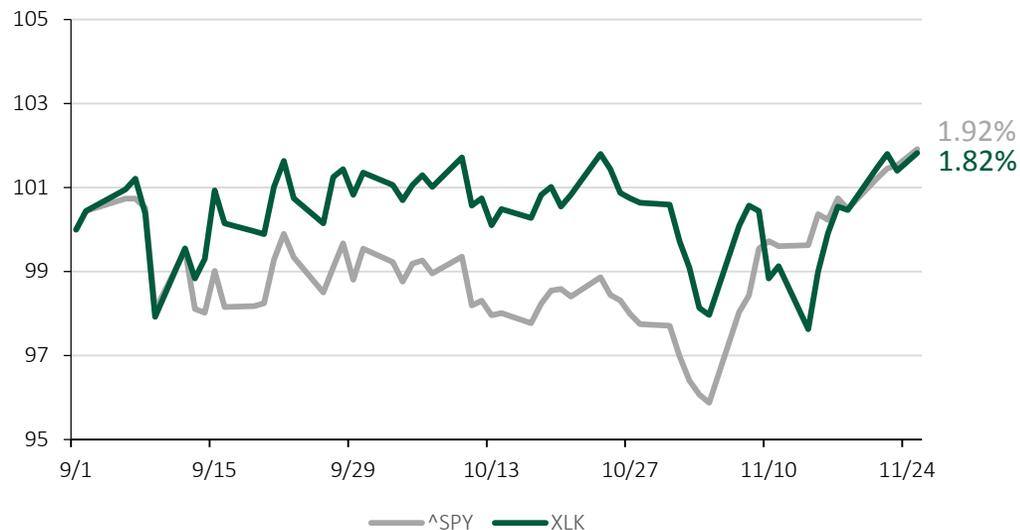
**ArcBest**  
Corporation

**FLEETCOR**<sup>®</sup>



# Information Technology

The Information Technology sector is made up of companies relating to the research, development and/or distribution of technologically based goods & services. Driven by the strongest consumer confidence level since 2007, an improved jobs market, and a post election market rally, the sector has gained 2.41% over our investment horizon. While the Information Technology sector did not outperform the S&P 500 by much during our investment horizon, it still showed sufficient gains which helped drive our portfolio. With our bullish outlook on the economy, we are overweight in this sector as our current holdings represent 26.30% of our portfolio, the most of any sector.



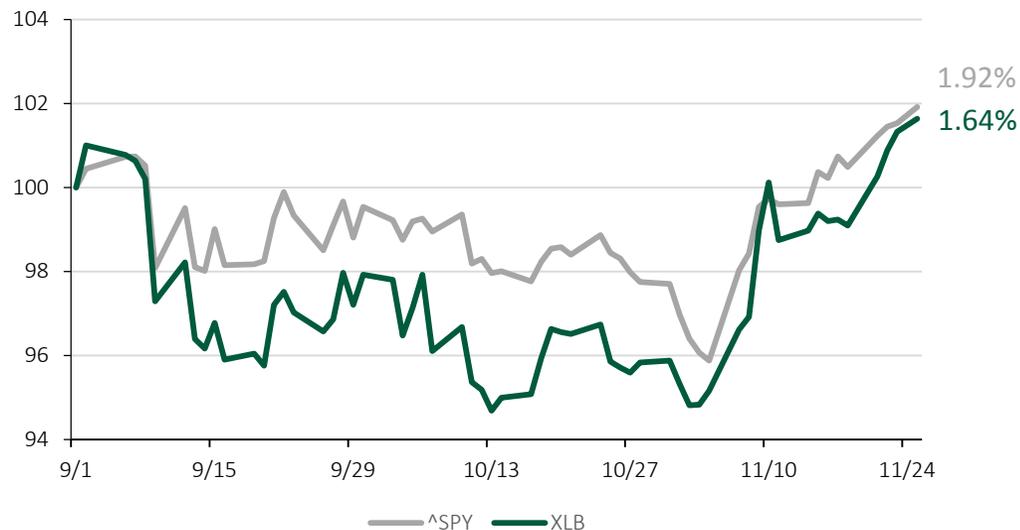
## SAP Stocks

- Alibaba Group
- Alphabet
- Xerox
- Texas Instruments
- Broadcom
- Apple
- Facebook
- Intel
- NXP



# Materials

The Material sector accounts for firms who are involved with the discovery, development & processing of raw materials. Specifically, this sector includes companies who mine & refine metals, chemical producers & companies who produce forestry products. This sector is primarily driven by the supply & demand fluctuations of raw materials. The higher the demand, the lower the prices, & vice versa. Over our three month investment horizon, the Materials sector recognized a gain of **1.68%**. While this gain is lower than that of the S&P 500, the Material sector still showed positive returns during this time. In regard to our position within the Materials sector, we decided to have no allocation; resulting in a 0.00% representation of our current holdings.



## SAP Stocks

Consistent with our underweight strategy for this sector, we did not invest in any Materials stocks for the portfolio. One stock to watch for within this sector is Sealed Air Corp. (SSE), which currently boasts a **22.50%** YTD return and strong financials, regularly beating expectations



# Utilities

The Utilities sector consists of companies designated to producing and delivering electric power, natural gas, water, and other utility services. Since utilities require significant infrastructure, these companies tend to carry higher debt loads, therefore making them more sensitive to changes in interest rates. This sector's poor performance can largely be attributed to expectations of a Federal Reserve rate hike, with futures prices predicting a 95.4% probability of a 50-75 basis point hike at the December 14<sup>th</sup> meeting. Additionally, dividend-paying stocks, such as those in the Utilities sector, have tended to underperform since president-elect Donald Trump's victory. As bond yields spiked after the election, investors moved money out of higher-yielding, dividend-paying stocks to sectors that will benefit from higher interest rates and a steeper yield curve, such as Financials.



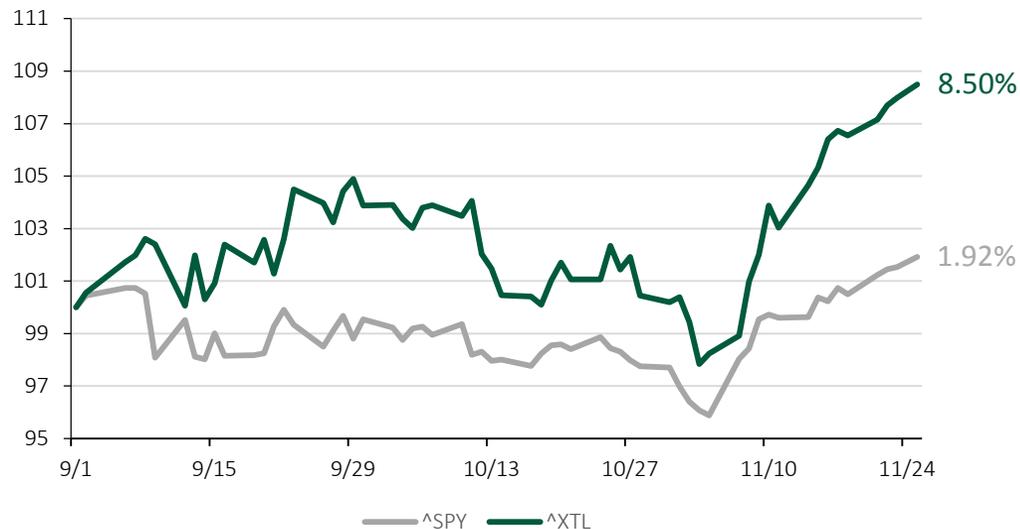
## SAP Stocks

Consistent with our underweight strategy for this sector, we did not invest in any Utilities stocks for the portfolio. One stock to watch for within this sector is Delta Natural Gas Company, Inc. (DGAS), which currently boasts a 32.50% YTD return and 48.38% 1-year return.



# Telecommunications

The Telecommunications sector includes companies that provide communication services through fixed-line, cellular or wireless, high bandwidth, or fiber optic cable networks. Year-to-date, as of October 14<sup>th</sup>, the S&P 500 Telecom Services Index was up **10.1%** in price, compared to a **4.4%** price increase for the S&P 500. Although Telecom continues to outperform the S&P 500, rising interest rates could adversely affect this sector, which tends to attract investors in low-interest rate environments for its dividend-yielding stocks.



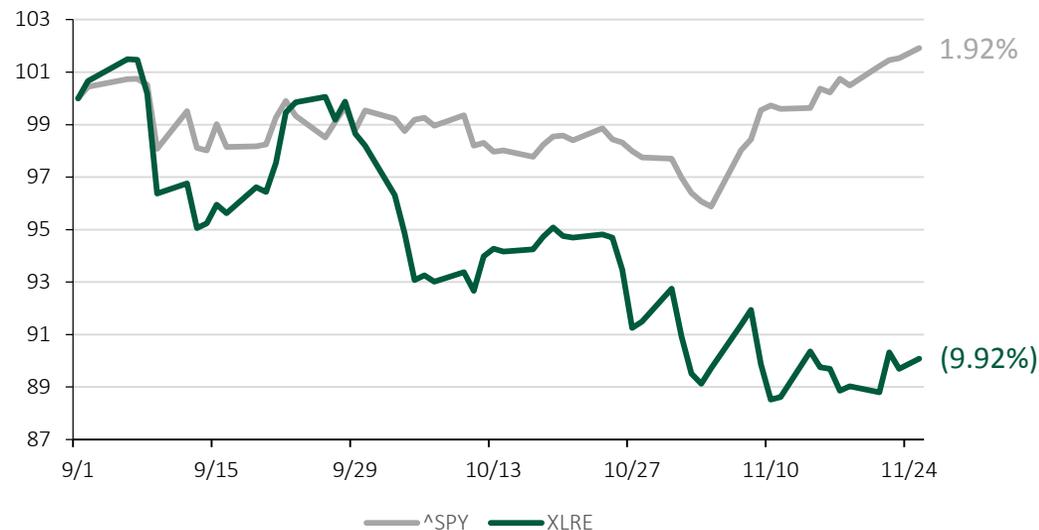
## SAP Stocks

In accordance with our underweight position, the SAP fund does not include any Telecom stocks. The top-gainer in this sector has been VimpelCom Ltd. (VIP), with a YTD return of **17.23%** and 1-year return of **24.94%**.



# Real Estate

The Real Estate sector is made up of real estate development and operations, real estate-related services, and equity Real Estate Investment Trusts (REITs). Low-interest rate environments tend to make dividend-paying REITs attractive, which has benefitted the Real Estate industry in recent years. However, as rates are expected to continue to rise, the Real Estate sector has been hurt. Real Estate continues to underperform the S&P 500, and S&P Capital IQ analysts have recommended underweighting this sector.



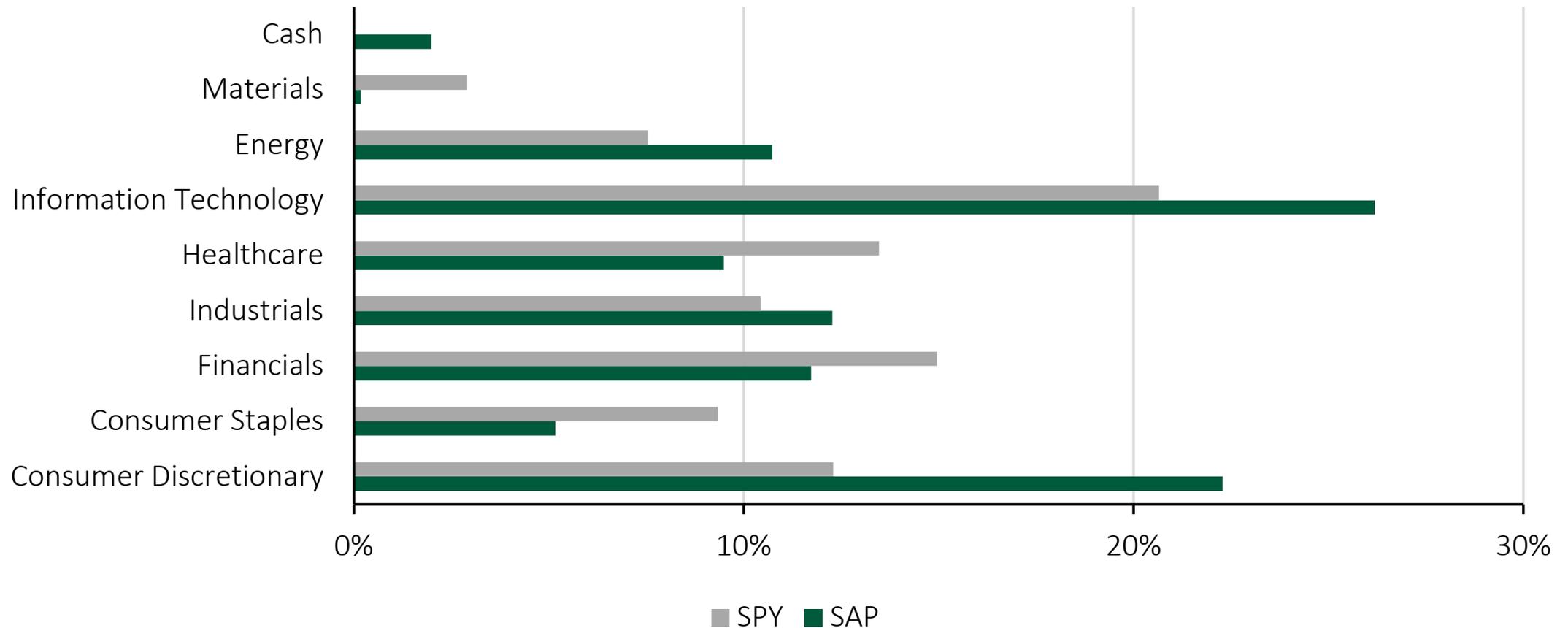
## SAP Stocks

As a result of this sector’s continued poor performance, our underweight position has proved advantageous. However, one stock that continues to generate high returns is Anworth Mortgage Asset Corporation (ANH), which has a YTD return of 22.07% and 1-year return of 33.79%.



# Sector Allocation

SAP Portfolio Sector Allocations Relative to the S&P500





## IV. Portfolio Strategy and Composition



# Strategy Overview

Buy Criteria	
<b>Conservative Mentality:</b>	Expect stock to perform better than the industry
<b>Revenue Growth:</b>	Greater than industry average and forecasted to grow
<b>Strong Earnings:</b>	5 years of strong CAGR
<b>ROE:</b>	Greater than 15% and the industry average
<b>PEG:</b>	Greater than 1.2 and the industry average
<b>Debt / Equity:</b>	Greater than 1.5 (or acceptable interest coverage ratio when D/E > 1.0)

Sell Criteria	
<b>Price:</b>	Price reaches 10% below target price or 20% above purchase price
<b>Leadership:</b>	Change in leadership that could signal distress
<b>Business Fundamentals:</b>	Deteriorating fundamentals
<b>Company Slowdown:</b>	Slowing unit volume, revenue decline, weak earnings
<b>Alternative Investments:</b>	Superior investment alternatives are identified



# Growth Strategy Positions



STARBUCKS | SBUX  
Investment Position: \$14,817  
Date Purchased: 09/29/2016  
Shares 1007.89 | \$9.95

Buy Criteria	Industry Average	Starbucks
ROE	13.60%	102.00%
5-Yr EPS CAGR	N/A	11.61%
Revenue Growth	20.40%	49.80%
PEG	N/A	1.17x
Debt/Equity	1.5x	1.4x

Starbucks was founded in Seattle, Washington in 1971. It is one of the largest coffeehouse companies in the world and it serves coffee globally to 23,768 locations. They offer hot and cold coffees, whole-bean coffee, teas, fresh juices, and other snacks and small sandwiches. It has widely popularized darkly roasted coffee since its existence in the market. Starbucks represents one of the pioneers of “second wave coffee” which refers to a higher quality coffee that comes at a higher price than other chains like Dunkin Donuts. This separates them from their competition.



# Growth Strategy Positions, cont'd

**Alphabet**      ALPHABET | GOOG  
Investment Position: \$15,733  
 Date Purchased: 10/11/2016  
 Shares 20 | \$786.66

Buy Criteria	Industry Average	Alphabet
ROE	12.00%	15.00%
5-Yr EPS CAGR	31.20%	20.00%
Revenue Growth	44.80%	19.20%
PEG	1.2x	1.2x
Debt/Equity	0.1x	0.04x

Alphabet Inc., through its subsidiaries, provides online advertising services throughout the world. The company offers performance and brand advertising services. It operates through Google and Other Bets segments. The Google segment includes principal Internet products, such as Search, Ads, Commerce, Maps, YouTube, Apps, Cloud, Android, Chrome, and Google Play, as well as technical infrastructure and newer efforts, such as Virtual Reality. This segment also sells hardware products comprising Chromecast, Chromebooks, and Nexus. The Other Bets segment includes businesses, such as Access/Google Fiber, Calico, Nest, Verily, GV, Google Capital, X, and other initiatives. Alphabet Inc. was founded in 1998 and is headquartered in Mountain View, California.



# Growth Strategy Positions, cont'd



MARKETAXESS | MKTX  
Investment Position: \$9,537  
 Date Purchased: 10/11/2016  
 Shares 60.09 | \$158.71

Buy Criteria	Industry Average	Market Axess
ROE	11.70%	27.50%
5-Yr EPS CAGR	14.70%	17.00%
Revenue Growth	2.60%	15.35%
PEG	2.25x	1.88x
Debt/Equity	0.20x	N/A

MarketAxess provides a leading electronic fixed-income trading platform that primarily connects broker-dealers and institutional investors. The company’s main trading categories are U.S. and European high-grade corporate, U.S. Agency, European government, emerging-markets, and high yield bonds. MarketAxess was formed in April 2000 in response to investors’ need for a single trading platform with easy access to multi-dealer competitive pricing in a wide range of credit products. MarketAxess earns revenue through 3 primary segments (in order of rev): Commissions (money earned on each trade made on the platform), Information and Post-Trade Services (Market Data/pre-settlement trade matching and regulatory reporting), and Technology Product/Services (fixed income consulting services/maintenance services).



# Growth Strategy Positions, cont'd



UNITEDHEALTH GROUP | UNH  
Investment Position: \$10,059  
 Date Purchased: 10/14/2016  
 Shares 75 | \$134.12

Buy Criteria	Industry Average	United Health
ROE	13.80%	17.80%
5-Yr EPS CAGR	23.40%	10.80%
Revenue Growth	10.40%	12.40%
PEG	1.49x	1.2x
Debt/Equity	.060x	0.70x

UnitedHealth Group was founded in 1977 and is headquartered in Minnetonka, Minnesota. It is a healthcare company that conducts business through two business platforms: UnitedHealthcare, which focus on health benefits and the second is Optum, which focuses on health services. UnitedHealthcare has partnered with Walgreens to create personalized medical plans for patients. Optum has partnered with Quest Diagnostics to take over their billing and collection of payments. This provides UNH with access to Quest’s laboratory expertise.



# Growth Strategy Positions, cont'd



UNIVERSAL INSURANCE | UVE  
Investment Position: \$10,260  
Date Purchased: 10/14/2016  
Shares 450 | \$22.80

Buy Criteria	Industry Average	Universal Ins.
ROE	5.80%	39.00%
5-Yr EPS CAGR	N/A	17.90%
Revenue Growth	1.40%	50.10%
PEG	1.2x	0.21x
Debt/Equity	1.5x	.046x

Universal Insurance Holdings was originally known as Universal Heights, Inc. in 1990 when it was founded. It later changed its name to Universal Insurance Holdings in January of 2001. It is a vertically integrated insurance holding company and it handles all aspects of insurance ranging from underwriting, distribution and claims. It holds several subsidiaries and their services are predominantly available on the East coast.



# Growth Strategy Positions, cont'd



NUTRISYSTEM | NTRI  
Investment Position: \$15,287.10  
 Date Purchased: 10/21/2016  
 Shares 482.32 | \$31.695

Buy Criteria	Industry Average	Nutrisystem
ROE	19.00%	40.44%
5-Yr EPS CAGR	N/A	1.30%
Revenue Growth	14.20%	15.02%
PEG	5.51x	1.15x
Debt/Equity	N/A	N/A

Nutrisystem provides weight management products and services for women and men. They are in the Consumer Discretionary sector and in the Weight-Management industry. Nutrisystem’s current product offering includes more than 150 food options. These diet plans are known to have great flexibility and customization. Under its current program, Nutrisystem Success, the company offers four categories of weight loss plans: standard plans for women and men, Nutrisystem D for diabetes, Nutrisystem Silver for heart health, and Nutrisystem for Teens



# Growth Strategy Positions, cont'd



ALIBABA | BABA

Investment Position: \$15,183

Date Purchased: 11/01/2016

Shares 150 | \$101.22

Buy Criteria	Industry Average	Alibaba
ROE	5.80%	23.60%
5-Yr EPS CAGR	N/A	26.20%
Revenue Growth	1.40%	29.30%
PEG	1.20x	1.20x
Debt/Equity	1.50x	0.30x

Alibaba Group Holding Limited, through its subsidiaries, operates as an online and mobile commerce company in the People's Republic of China and internationally. It operates Taobao Marketplace, an online shopping destination; Tmall, a third-party platform for brands and retailers; Alibaba.com, an online wholesale marketplace; Alitrip, an online travel booking platform; and AliExpress, a consumer marketplace. The company also provides Taobao Ad Network and Exchange, a real-time bidding online marketing exchange in China. In addition, it offers services for storage, database, security, and cloud computing. Alibaba Group Holding Limited was founded in 1999 and is based in Hangzhou, the People's Republic of China.



# Growth Strategy Positions, cont'd



FLEETCOR | FLT  
Investment Position: \$9,458  
 Date Purchased: 11/11/2016  
 Shares 65 | \$145.51

Buy Criteria	Industry Average	Fleetcor
ROE	8.80%	13.30%
5-Yr EPS CAGR	3.51%	29.85%
Revenue Growth	(-3.60%)	42.00%
PEG	2.05x	1.00x
Debt/Equity	1.40x	0.70x

Fleetcor Technologies Inc. (NYSE:FLT) (Industrials: Business Services) is a leading independent global provider of fleet cards and specialized payment products and services to businesses, commercial fleets, major oil companies, petroleum marketers and government entities. Fleetcor operates in over 40 countries, but primarily does business in the United States, with ancillary businesses in the UK, Czech Republic, Netherlands, Russia, Australia, Mexico, New Zealand, and Brazil. Fleetcor has 4 main business segments: Fleet Operator Business, Major Oil Partnerships, Petroleum Marketer Services, and Specialty Payment and Other Services. Acquisitions fuel Fleetcor’s growth. Most recently they acquired Comdata in 2014, Masternaut in 2015, and STP in 2016.



# Value Strategy Positions

XEROX | XRX



Investment Position: \$10,023  
Date Purchased: 09/23/2016  
Shares 1007 | \$9.94

Buy Criteria	Industry Average	Xerox
Price/Sales	1.70x	0.60x
Price/Book	5.30x	1.10x
Dividend Yield	1.90%	3.00%
Positive FCF	N/A	Yes

Xerox Corporation provides business process and document management solutions worldwide. Its Services segment offers business process outsourcing services, such as customer care, transaction processing, finance and accounting, human resources, communication and marketing, and consulting and analytics services, as well as services in the areas of healthcare, transportation, financial services, retail, and telecommunications areas. The company’s Document Technology segment offers printers, digital printing presses, copiers, and light production devices. Xerox Corporation was founded in 1906 and is headquartered in Norwalk, Connecticut.



# Value Strategy Positions, cont'd



SIGNET JEWELERS | SIG

Investment Position: \$20,251

Date Purchased: 10/21/2016

Shares 250 | \$31.695

Buy Criteria	Industry Average	Signet
Price/Sales	2.70x	1.00x
Price/Book	3.50x	2.10x
Dividend Yield	0.80%	1.20%
Positive FCF	N/A	Yes

Signet Jewelers Ltd. operates as a retail company. The company, through its subsidiaries, retails jewelry, watches, gifts, and accessories. They operate in the United States (all 50 states), the United Kingdom, Puerto Rico, and Canada. As the world's largest retailer of diamond jewelry, Signet operates 7 retailers including Kay Jewelers, Zales, Jared the Galleria of Jewelry, H. Samuel, Ernst Jones, Peoples, Piercing Pagoda, along with other regional brands. As of May 29, 2014, Signet acquired its largest competitor, Zales, giving it a strong hold on the middle market jewelry business



# Value Strategy Positions, cont'd



COMCAST | CMCSA  
Investment Position: \$9,231  
 Date Purchased: 11/01/2016  
 Shares 150 | \$61.54

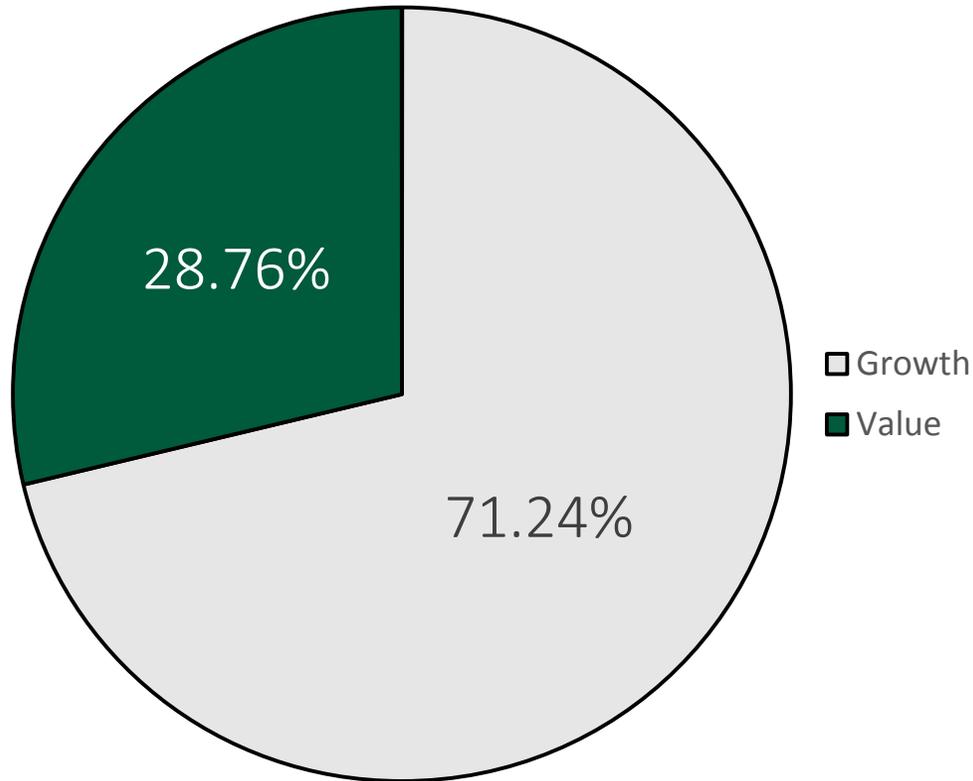
Buy Criteria	Industry Average	Comcast
Price/Sales	2.70x	2.10x
Price/Book	3.50x	2.90x
Dividend Yield	0.08%	1.70%
Positive FCF	N/A	Yes

Comcast was founded in 1963 in Tupelo, Mississippi. It is an American global telecommunications network. It is the largest broadcasting and cable television company in the world by revenue. It is also the largest home Internet service provider in the United States. They attempted to merge with Time Warner Cable in 2014 but Comcast terminated the deal. Comcast has been criticized for having very poor customer satisfaction. It was actually voted to have the lowest customer satisfaction among other cable companies in the industry last year.



# Strategy Allocation

SAP Fall 2015 Investments by Strategy



Growth Stocks	Percent
Nutrisystem	12.03%
Starbucks	10.63%
Universal Insurance	7.62%
Market Axess	6.86%
UnitedHealth Group	7.72%
Fleetcor	6.72%
Alibaba	9.39%
Alphabet	10.26%
<b>Growth Stocks</b>	<b>71.24%</b>

Value Stocks	Percent
Signet Jewlers	15.67%
Comcast	6.73%
Xerox	6.37%
<b>Value Stocks</b>	<b>28.76%</b>



# Unique Attributes, cont'd

MarketAxess (MKTX)

- MarketAxess' award-winning, patented trading technologies are used by the worlds most demanding institutional clients.

Signet Jewelers (SIG)

- Signet Jewelers is currently the worlds largest retailer of diamond jewelry.

UnitedHealth Group (UNH)

- UnitedHealth Group is 6th on the Fortune 500 list.

Universal Insurance Holdings  
(UVE)

- December 31, 2015, UVE's insurance company subsidiaries serviced approximately 624,000 homeowners and dwelling fire insurance policies

Fleetcor Technologies (FLT)

- Acquisitions fuel Fleetcor's growth. Most recently they acquired Comdata in 2014, Masternaut in 2015, and STP in 2016.



# Unique Attributes, cont'd

Nutrisystem (NTRI)

- Nutrisystem offers comprehensive counseling options including trained weight loss coaches, registered dietitians, and certified diabetes educators and can be customized to specific dietary needs and preferences

The Priceline Group, Inc. (PCLN)

- The company has reported operating margins over 20% in 14 of the last 20 quarters, while its closest competitor has generated similar margins only once over the same time frame.

Harley-Davidson, Inc. (HOG)

- The company's 20-acre museum campus, which is located along the Menomonee Riverfront, is one of Milwaukee's top tourist attractions and houses more than 400 motorcycles and artifacts including Serial Number One, which is the oldest known Harley-Davidson motorcycle.

Johnson Controls, Inc. (JCI)

- Through its innovative product offerings, the company not only specializes in energy efficiency for buildings, batteries for hybrid and electric vehicles, and stationary energy storage platforms, but it also produces automotive seating that delivers superior quality and performance.

Costco Wholesale Corp. (COST)

- The company buys up half of the world's supply for cashews. Costco makes virtually no profit on the stuff its sells-80% of company gross profit comes from member fees.



# Unique Attributes, cont'd

BlackRock, Inc. (BLK)

- The firm is the world's largest asset management firm with \$4.77 trillion in assets under management.

Regions Financial Corp. (RF)

- In 2015, the firm was ranked the most reputable bank in the United States by the Reputation Institute and American Banker Magazine.

Becton Dickinson & Co. (BDX)

- Approximately two-thirds of all insulin globally is delivered through a Becton injection device.

Varian Medical Systems, Inc.  
(VAR)

- The company is the world leader in radiation oncology treatment systems and software and has pioneered advances in fast and precise radiotherapy, radiosurgery, brachytherapy, and proton therapy treatments for cancer and other indications.

Johnson & Johnson (JNJ)

- The company stands alone as a leader across the major healthcare industries. It maintains a diverse revenue base, a developing research pipeline, and exceptional cash flow generation that together create a wide economic moat.



# Unique Attributes, cont'd

ArcBest Corp. (ARCB)

- The company ranks among the top five domestic less-than-truckload (LTL) carriers by revenue and is one of the largest LTL carriers in the United States with approximately 250 service facilities, 4,200 trucks, and 20,800 trailers.

Texas Instruments, Inc. (TXN)

- The firm's dividend payout has never been cut throughout the company's history.

Apple, Inc. (AAPL)

- According to 2013 data, Apple earns approximately \$71,523 of profit per minute.

NXP Semiconductors (NXPI)

- The company has a strategic collaboration with HID Global Corporation which provides secure identity solutions; such as biometric authentication, smart card-based credentials, card printers, and RFID tags.

Facebook, Inc. (FB)

- With 1.49 billion users, the number of people using Facebook exceeds the population of China.



# Unique Attributes, cont'd

Stanley Black & Decker, Inc.  
(SWK)

- The company is the #1 supplier of power and hand tools in the world and the second largest U.S. supplier of commercial electronic security devices.

Broadcom, Ltd. (AVGO)

- The company has partnered with OpenPOWER Foundation, which is an open technical membership organization that enables data centers to rethink their approach to technology.

Intel Corp. (INTC)

- The company is the largest semi-conductor manufacturer in the world (based on market capitalization).



# Position Allocations

Healthcare	Percentage Allocated
Becton, Dickinson and Company	1.64%
Varian Medical Systems Inc.	3.17%
UnitedHealth Group	2.19%
Johnson & Johnson	2.48%
	<b>9.48%</b>

Information Technology	Percentage Allocated
Alibaba	2.67%
Texas Instruments	2.74%
Apple Inc.	2.38%
NXP Semiconductors	3.33%
Facebook	2.19%
Intel Corp	2.66%
Alphabet Inc.	2.91%
Broadcom, Ltd.	4.18%
Technology ETF	1.32%
Xerox Corp	1.81%
	<b>26.19%</b>

Consumer Staples	Percentage Allocated
Costco	4.12%
Consumer Staples ETF	1.05%
	<b>5.17%</b>

Industrials	Percentage Allocated
Stanley Black & Decker Inc	3.62%
ArcBest Corp	1.91%
Fleetcor Technologies Inc	3.65%
Industrials ETF	3.09%
	<b>12.27%</b>

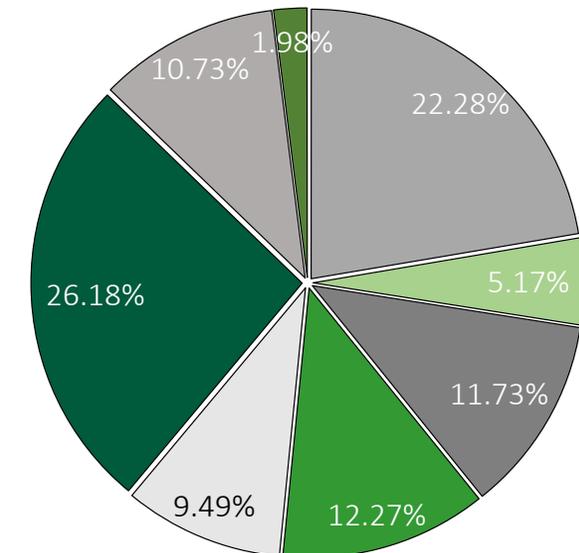
Consumer Discretionary	Percentage Allocated
Priceline	4.95%
NutriSystem	3.42%
Signet Jewelers	4.45%
Harley-Davidson Inc	2.90%
Comcast	1.98%
Johnson Controls Inc	1.56%
Starbucks	3.02%
	<b>22.28%</b>

Materials	Percentage Allocated
Adient Plc	0.18%
	<b>0.18%</b>

Cash	Percentage Allocated
Cash	1.98%
	<b>1.98%</b>

Financials	Percentage Allocated
Blackrock	4.41%
Regions Financial Co.	3.20%
Universal Insurance Holdings	2.16%
MarketAxess	1.95%
	<b>11.72%</b>

Energy	Percentage Allocated
Energy ETF	10.73%
	<b>10.73%</b>



■ Consumer Discretionary
■ Consumer Staples
■ Financials
■ Industrials
■ Healthcare
■ Information Technology
■ Energy
■ Cash



# Closed Positions

During the Fall of 2016, the class voted to liquidate some positions still existing in the portfolio. Positions were closed either for profit taking purposes or due to a poor outlook for the stock going forward.

Vanguard REIT Index ETF (VNQ)

- Sold on 10/21/16
- 115 Shares Sold @ \$83.42



Merck & Company, Inc. (MRK)

- Sold on 10/28/16
- 304 Shares Sold @ \$59.37



Parexel International Corp. (PRXL)

- Sold on 11/11/16
- 150 Shares Sold @ \$53.08



Financial Select Sector SPDR ETF (XLF)

- Sold on 10/28/16
- 288 Shares Sold @ \$19.86



Real Estate Select Sector SPDR ETF (XLRE)

- Sold on 10/28/16
- 192 Shares Sold @ \$30.69



Cognizant Technology Solutions Corp. (CTSH)

- Sold on 09/23/16
- 260 Shares Sold @ \$54.73



Cognizant



# Closed Positions, cont'd

During the Fall of 2016, the class voted to liquidate some positions still existing in the portfolio. Positions were closed either for profit taking purposes or due to a poor outlook for the stock going forward.

Caterpillar, Inc. (CAT)

- Sold on 10/21/16
- 125 Shares Sold at \$86.03



Estée Lauder Companies, Inc. (EL)

- Sold on 10/21/16
- 145 Shares Sold @ \$86.31



Financial Select Sector SPDR ETF  
(XLF)

- Sold on 10/14/16
- 288 Shares Sold @ \$19.86



Financial Select Sector SPDR ETF  
(XLF)

- Sold on 10/11/16
- 550 Shares Sold @ \$19.66



VF Corporation (VFC)

- Sold on 10/11/16
- 156 Shares Sold @ \$55.14





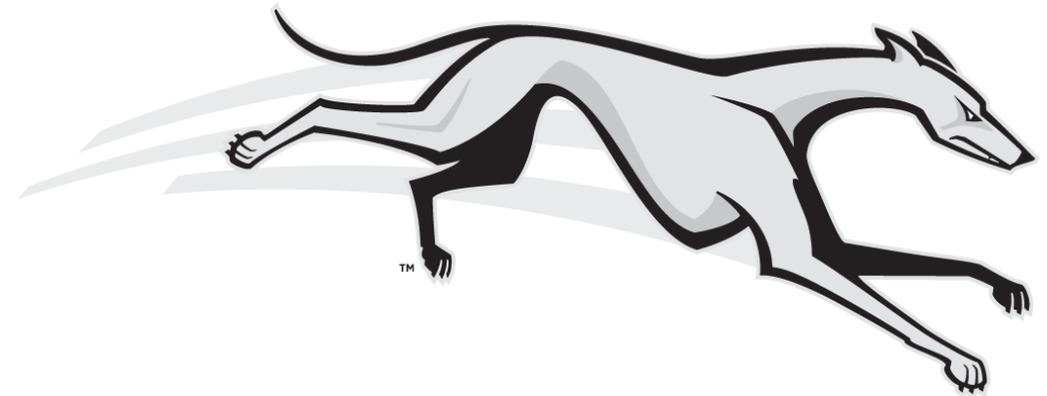
## V. Risk Analysis



# Risk Analysis Overview



The following section details the risk profile of the portfolio as of 11/25/16. Risk measures discussed include correlation, beta and covariance, value-at-risk, and tracking error.





# Position Correlation

*Our portfolio's lowest correlations were in the Financials sector; highest in the Technology sector.*

	PCLN	NTRI	SIG	HOG	CMCSA	JCI	SBUX	COST	BLK	RF	UVE	MKTX	BDX	VAR	UNH	JNJ	SWK	FLT	ARCB	BABA	TXN	AAPL	NXPI	FB	INTC	GOOG	AVGO	XRX	ADNT	SPY
PCLN	1.00	0.01	-0.09	0.18	0.17	0.35	0.24	0.21	-0.10	-0.21	-0.09	0.19	0.40	0.34	0.04	0.17	0.25	0.26	-0.15	0.60	0.48	0.53	0.25	0.59	0.29	0.66	0.42	0.16	0.27	0.52
NTRI	0.01	1.00	0.36	0.28	0.39	-0.06	0.16	0.19	0.15	0.49	0.34	0.33	-0.31	0.10	0.32	-0.28	0.21	0.12	0.31	-0.11	0.32	-0.05	-0.10	0.16	0.08	-0.01	0.09	-0.07	-0.05	0.37
SIG	-0.09	0.36	1.00	0.31	0.32	-0.01	0.04	0.14	0.48	0.40	0.44	0.50	-0.18	0.17	0.27	0.17	0.25	0.04	0.37	-0.25	0.02	-0.21	-0.32	-0.19	0.04	-0.24	-0.18	0.22	0.01	0.30
HOG	0.18	0.28	0.31	1.00	0.18	0.02	-0.04	0.14	0.32	0.31	0.15	0.31	-0.07	0.16	0.62	-0.28	0.18	0.20	0.10	-0.07	0.15	-0.02	-0.01	0.17	0.09	0.17	0.07	0.36	-0.03	0.39
CMCSA	0.17	0.39	0.32	0.18	1.00	0.26	0.25	0.52	0.28	0.27	0.64	0.37	0.00	0.35	0.38	-0.02	0.43	0.05	0.15	-0.02	0.18	0.20	0.19	0.09	0.18	0.02	0.00	0.23	0.28	0.40
JCI	0.35	-0.06	-0.01	0.02	0.26	1.00	0.20	0.36	0.10	0.13	0.05	-0.04	0.09	0.15	0.16	-0.03	0.34	-0.01	0.07	0.02	-0.02	-0.05	-0.07	0.16	-0.05	0.23	-0.02	0.09	0.35	0.25
SBUX	0.24	0.16	0.04	-0.04	0.25	0.20	1.00	0.40	-0.02	-0.07	0.07	0.26	-0.03	0.30	0.17	0.02	0.01	0.06	-0.13	0.31	0.31	0.50	0.16	0.45	0.22	0.49	0.42	0.15	0.27	0.46
COST	0.21	0.19	0.14	0.14	0.52	0.36	0.40	1.00	-0.07	0.16	0.32	0.29	-0.42	0.11	0.32	-0.06	0.07	-0.02	0.16	-0.16	0.26	0.24	0.02	0.06	0.16	0.13	0.14	0.34	0.22	0.33
BLK	-0.10	0.15	0.48	0.32	0.28	0.10	-0.02	-0.07	1.00	0.65	0.30	0.28	0.03	0.07	0.32	0.38	0.52	0.07	0.50	-0.35	-0.18	-0.27	-0.14	-0.19	0.18	-0.17	-0.26	0.26	-0.02	0.50
RF	-0.21	0.49	0.40	0.31	0.27	0.13	-0.07	0.16	0.65	1.00	0.31	0.21	-0.37	-0.02	0.46	0.06	0.23	0.23	0.50	-0.41	-0.04	-0.48	-0.17	-0.18	-0.07	-0.22	-0.38	0.15	-0.08	0.43
UVE	-0.09	0.34	0.44	0.15	0.64	0.05	0.07	0.32	0.30	0.31	1.00	0.33	-0.32	0.05	0.06	0.10	0.30	0.10	0.17	-0.31	0.05	-0.01	-0.10	0.05	0.08	-0.29	-0.22	0.19	0.24	0.19
MKTX	0.19	0.33	0.50	0.31	0.37	-0.04	0.26	0.29	0.28	0.21	0.33	1.00	0.05	0.12	0.16	0.26	0.11	0.26	0.15	0.08	0.50	0.20	-0.11	0.18	0.39	0.22	0.18	0.32	0.00	0.52
BDX	0.40	-0.31	-0.18	-0.07	0.00	0.09	-0.03	-0.42	0.03	-0.37	-0.32	0.05	1.00	0.44	-0.08	0.22	0.33	0.08	-0.07	0.65	0.23	0.37	0.31	0.24	0.19	0.50	0.41	0.06	0.18	0.23
VAR	0.34	0.10	0.17	0.16	0.35	0.15	0.30	0.11	0.07	-0.02	0.05	0.12	0.44	1.00	0.33	-0.17	0.26	0.07	0.02	0.38	0.42	0.26	0.45	0.32	0.22	0.37	0.45	0.19	0.43	0.44
UNH	0.04	0.32	0.27	0.62	0.38	0.16	0.17	0.32	0.32	0.46	0.06	0.16	-0.08	0.33	1.00	-0.47	0.12	0.05	0.25	-0.04	0.07	-0.12	0.07	0.03	0.14	0.07	0.07	0.19	0.08	0.41
JNJ	0.17	-0.28	0.17	-0.28	-0.02	-0.03	0.02	-0.06	0.38	0.06	0.10	0.26	0.22	-0.17	-0.47	1.00	0.29	0.08	0.20	-0.04	-0.06	0.17	-0.15	0.00	0.10	0.03	-0.09	0.28	-0.17	0.29
SWK	0.25	0.21	0.25	0.18	0.43	0.34	0.01	0.07	0.52	0.23	0.30	0.11	0.33	0.26	0.12	0.29	1.00	-0.08	0.45	0.00	0.05	0.07	0.04	0.03	0.16	0.06	0.05	0.19	0.31	0.44
FLT	0.26	0.12	0.04	0.20	0.05	-0.01	0.06	-0.02	0.07	0.23	0.10	0.26	0.08	0.07	0.05	0.08	-0.08	1.00	-0.23	0.43	0.35	0.12	0.16	0.42	0.02	0.40	-0.01	0.03	0.15	0.37
ARCB	-0.15	0.31	0.37	0.10	0.15	0.07	-0.13	0.16	0.50	0.50	0.17	0.15	-0.07	0.02	0.25	0.20	0.45	-0.23	1.00	-0.41	-0.05	-0.34	-0.22	-0.51	0.05	-0.35	-0.02	-0.08	-0.12	0.23
BABA	0.60	-0.11	-0.25	-0.07	-0.02	0.02	0.31	-0.16	-0.35	-0.41	-0.31	0.08	0.65	0.38	-0.04	-0.04	0.00	0.43	-0.41	1.00	0.60	0.60	0.42	0.60	0.27	0.77	0.61	-0.07	0.19	0.32
TXN	0.48	0.32	0.02	0.15	0.18	-0.02	0.31	0.26	-0.18	-0.04	0.05	0.50	0.23	0.42	0.07	-0.06	0.05	0.35	-0.05	0.60	1.00	0.48	0.33	0.56	0.50	0.55	0.69	0.22	0.11	0.58
AAPL	0.53	-0.05	-0.21	-0.02	0.20	-0.05	0.50	0.24	-0.27	-0.48	-0.01	0.20	0.37	0.26	-0.12	0.17	0.07	0.12	-0.34	0.60	0.48	1.00	0.38	0.52	0.36	0.66	0.61	0.17	0.11	0.40
NXPI	0.25	-0.10	-0.32	-0.01	0.19	-0.07	0.16	0.02	-0.14	-0.17	-0.10	-0.11	0.31	0.45	0.07	-0.15	0.04	0.16	-0.22	0.42	0.33	0.38	1.00	0.17	0.32	0.28	0.38	-0.05	0.35	0.09
FB	0.59	0.16	-0.19	0.17	0.09	0.16	0.45	0.06	-0.19	-0.18	0.05	0.18	0.24	0.32	0.03	0.00	0.03	0.42	-0.51	0.60	0.56	0.52	0.17	1.00	0.22	0.70	0.46	0.28	0.11	0.50
INTC	0.29	0.08	0.04	0.09	0.18	-0.05	0.22	0.16	0.18	-0.07	0.08	0.39	0.19	0.22	0.14	0.10	0.16	0.02	0.05	0.27	0.50	0.36	0.32	0.22	1.00	0.32	0.49	0.20	0.15	0.44
GOOG	0.66	-0.01	-0.24	0.17	0.02	0.23	0.49	0.13	-0.17	-0.22	-0.29	0.22	0.50	0.37	0.07	0.03	0.06	0.40	-0.35	0.77	0.55	0.66	0.28	0.70	0.32	1.00	0.58	0.28	0.17	0.57
AVGO	0.42	0.09	-0.18	0.07	0.00	-0.02	0.42	0.14	-0.26	-0.38	-0.22	0.18	0.41	0.45	0.07	-0.09	0.05	-0.01	-0.02	0.61	0.69	0.61	0.38	0.46	0.49	0.58	1.00	-0.06	0.15	0.39
XRX	0.16	-0.07	0.22	0.36	0.23	0.09	0.15	0.34	0.26	0.15	0.19	0.32	0.06	0.19	0.19	0.28	0.19	0.03	-0.08	-0.07	0.22	0.17	-0.05	0.28	0.20	0.28	-0.06	1.00	-0.03	0.48
ADNT	0.27	-0.05	0.01	-0.03	0.28	0.35	0.27	0.22	-0.02	-0.08	0.24	0.00	0.18	0.43	0.08	-0.17	0.31	0.15	-0.12	0.19	0.11	0.11	0.35	0.11	0.15	0.17	0.15	-0.03	1.00	0.13
SPY	0.52	0.37	0.30	0.39	0.40	0.25	0.46	0.33	0.50	0.43	0.19	0.52	0.23	0.44	0.41	0.29	0.44	0.37	0.23	0.32	0.58	0.40	0.09	0.50	0.44	0.57	0.39	0.48	0.13	1.00

Correlation Matrix

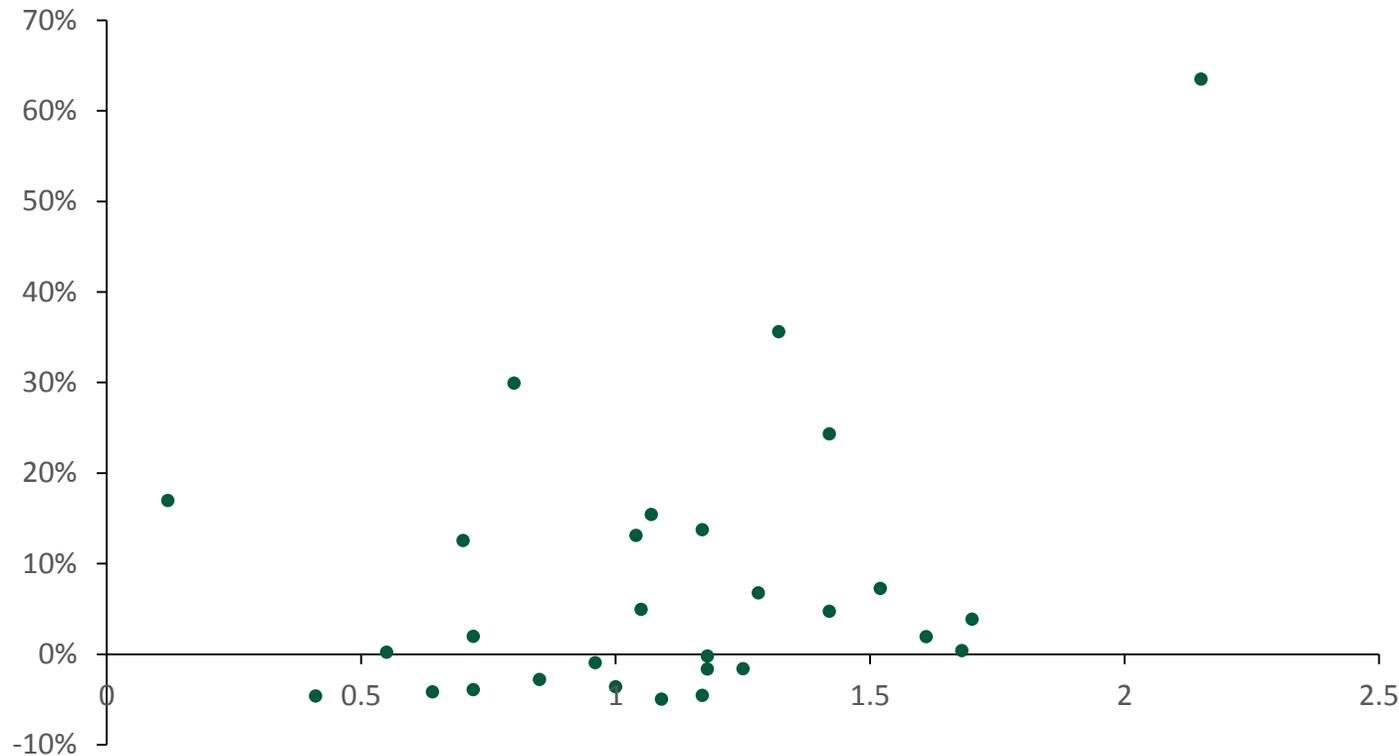
Red = High  
Yellow = Medium  
Green = Low

Mean = 0.17  
Max = 0.77  
Min = -0.51



# Beta & Covariance

## Beta vs. Return



- Portfolio Beta = 1.154 (*excluding ETFs*)
- Highest covariance to the market exist in (weight adjusted):
  - RF = 0.0000664
  - FLT = 0.0000586
  - FB = 0.0000546

### Beta vs Return Graph

- X Axis: Beta
- Y Axis: Returns
- The graph to the left shows a scatter plot of position betas vs their returns, from 9/01/16 – 11/25/16
  - The positions with highest return, given lowest beta are ADNT, NTRI, and UNH.
  - The positions with the lowest return given highest beta are UVE, BLK, JCI.



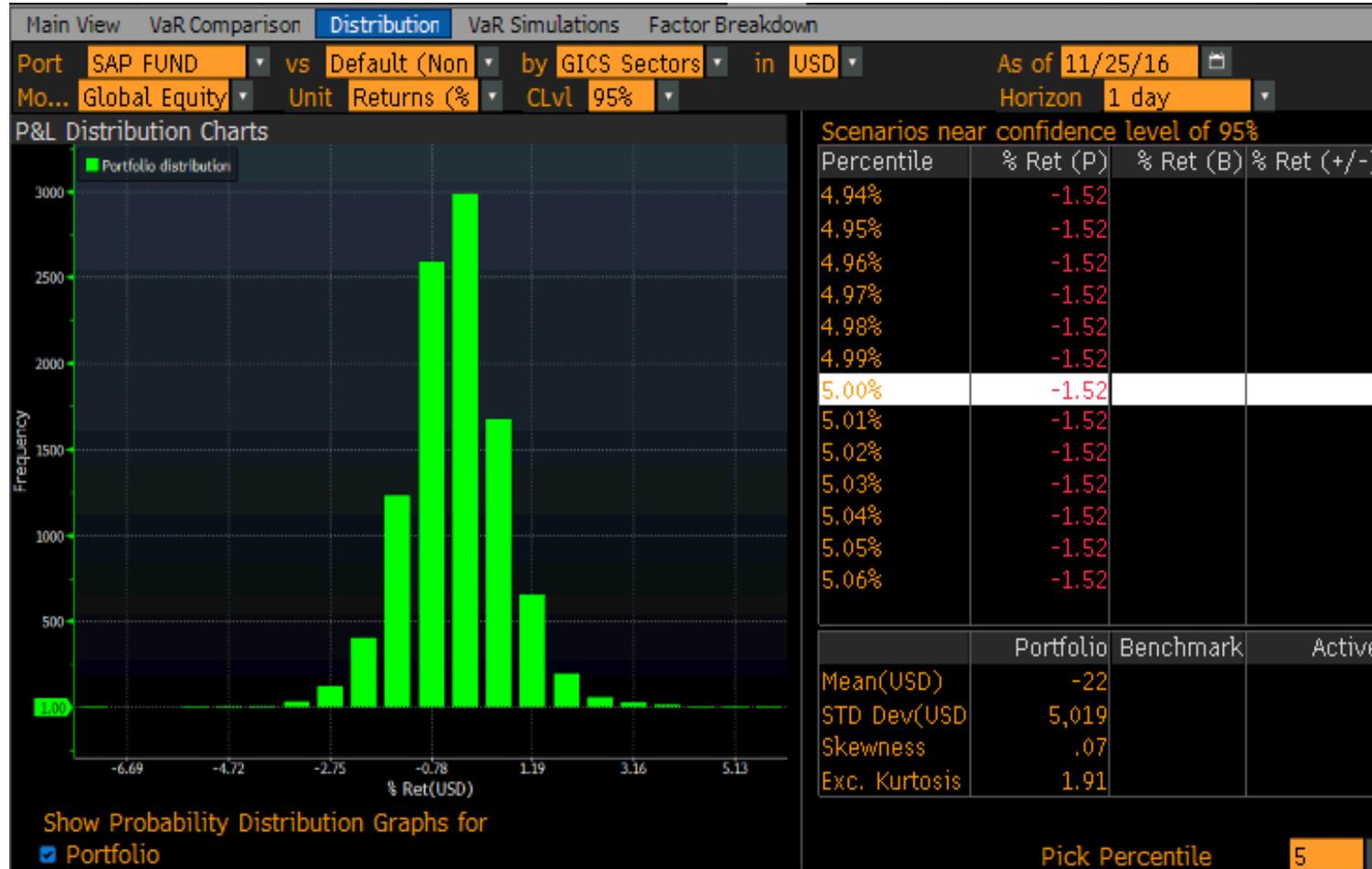
# Value-at-Risk (VaR)



- The Bloomberg VaR (Monte Carlo Simulation) of our portfolio shows a potential % loss of the following in a one day time horizon:
  - 152 bps potential loss at 95% VaR probability
  - 191 bps potential loss at 97.5% VaR probability
  - 244 bps potential loss at 99% probability



# VaR Return Contribution



- Near 95% confidence levels, the chart to the level shows expected VaR returns for positions in the SAP portfolio over a one day time horizon.
- Results show:
  - Mean = -.78%
  - Std. Dev = 1.97%
- Within two standard deviations (95%), we should not expect to lose more than 4.72% in any given day
- Within two standard deviations (95%), we should not expect to gain more than 3.16% in any given day



# Tracking Error



- Total risk is reflected as the standard deviation (13.92 for the SAP portfolio compared to 12.08, the benchmark).
- Our tracker error was 3.88 over a 1 year time horizon. This means we will typically return within +/- 3.88% of the benchmark 2/3 of the year. The goal is the minimize the tracking error while accomplishing higher returns throughout any given time period.
- The graph to the left shows the tracking period during our investment period.



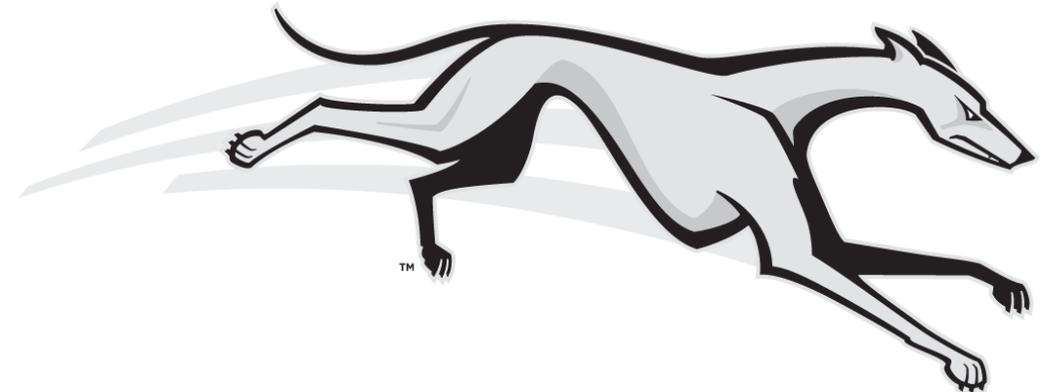
## VI. Performance Review



# Performance Review Overview



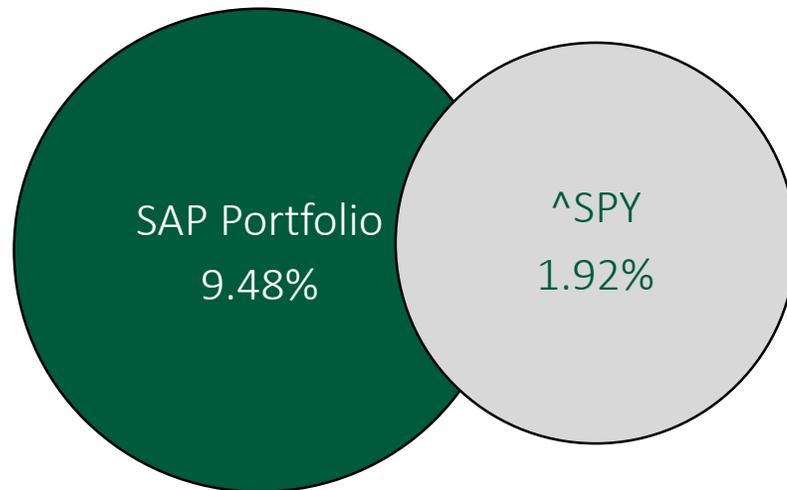
This section details the performance of the Sellinger Applied Portfolio during the Fall 2016 semester. As previously mentioned, the official time period used in the analysis is 9/01/16 through 11/25/16. The following slides discuss SAP performance relative the S&P 500 index, key ratios, alpha, and the best- and worst-performing investments in the portfolio.



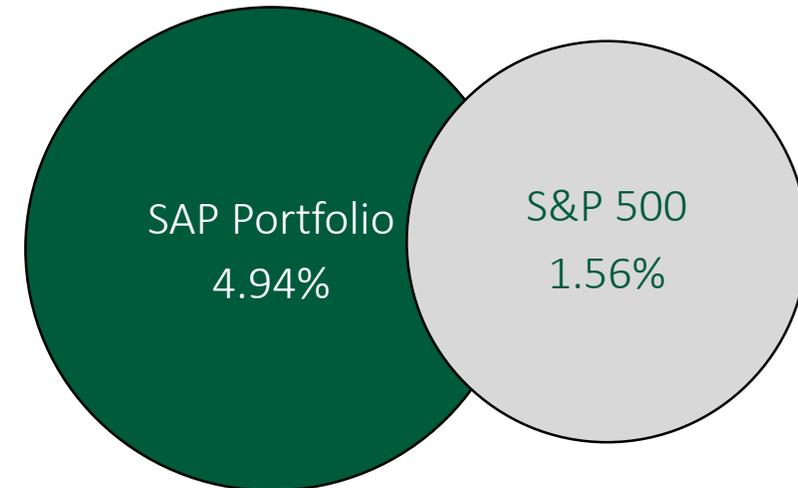


# Performance

The below graphic depicts the performance of the SAP Portfolio, excluding cash, relative to the S&P 500, the SAP Portfolio's benchmark, from 9/1/2016 to 11/25/2016, the duration of our management.



## Treynor Ratio – Fall 2016

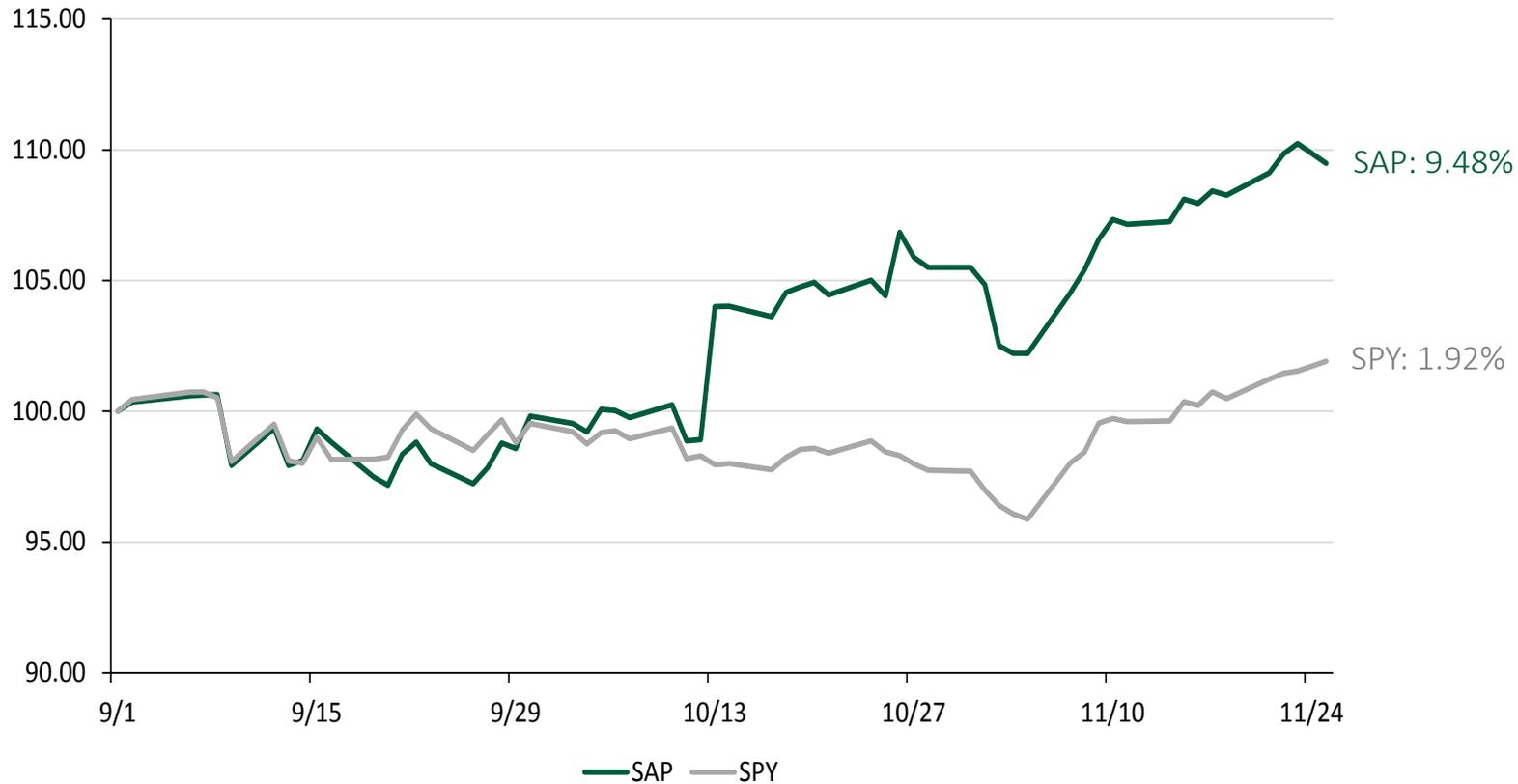


The Treynor Ratio measures the return relative to each increment of systematic risk. Over the fall performance period, our return relative to systematic risk exceeded the SPY benchmark



# SAP Fund vs. Benchmark

## Indexed Performance of Fall 2016 SAP Fund vs. ^SPY



*From September 1, 2016 to November 25, 2016 the Sellinger Applied Portfolio Fund has outperformed the S&P 500 (as measured by the ^SPY), our benchmark, by 7.57%*

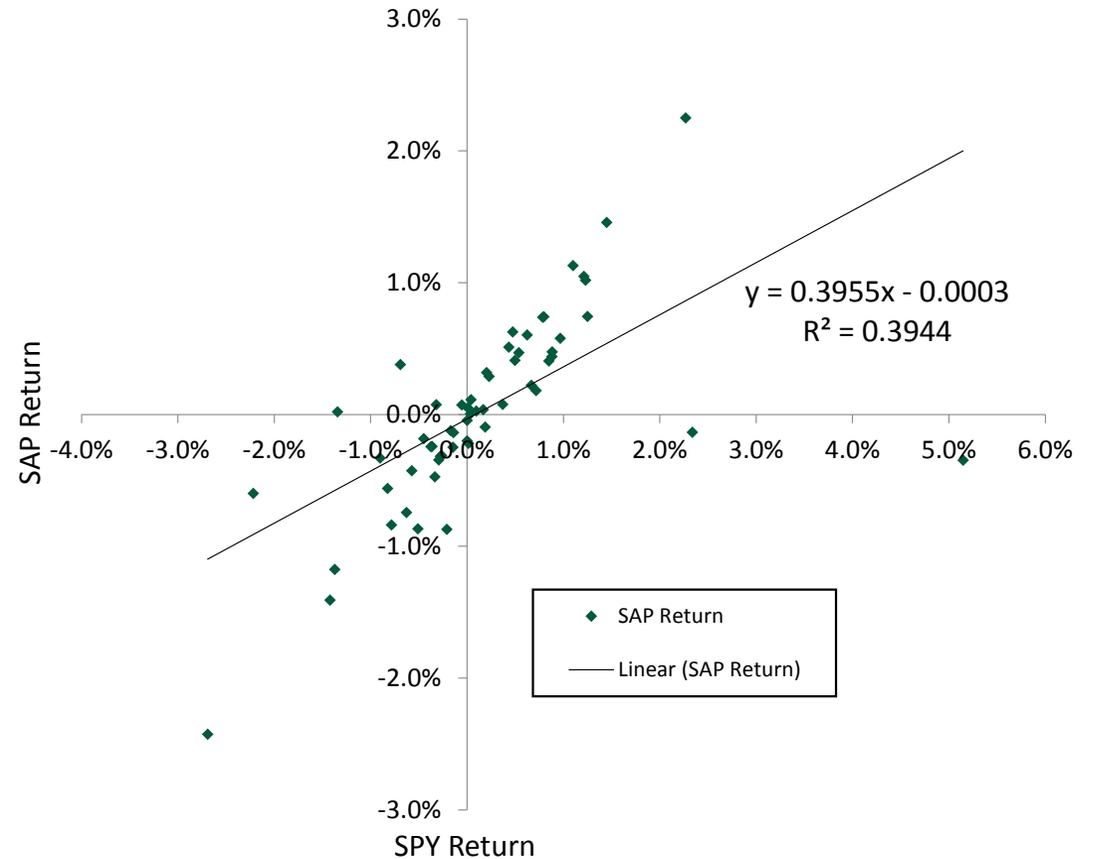


# Beta & Alpha

This graph depicts a regression of Portfolio returns. The regression enables predictions of future returns based on market conditions. The regression calculates a beta of .3955, indicating systematic risk slightly lower than the market. The regression also provides alpha indicating performance beyond market predictions. Alpha for the Fall portfolio is 7.42%.

Alpha 7.42%

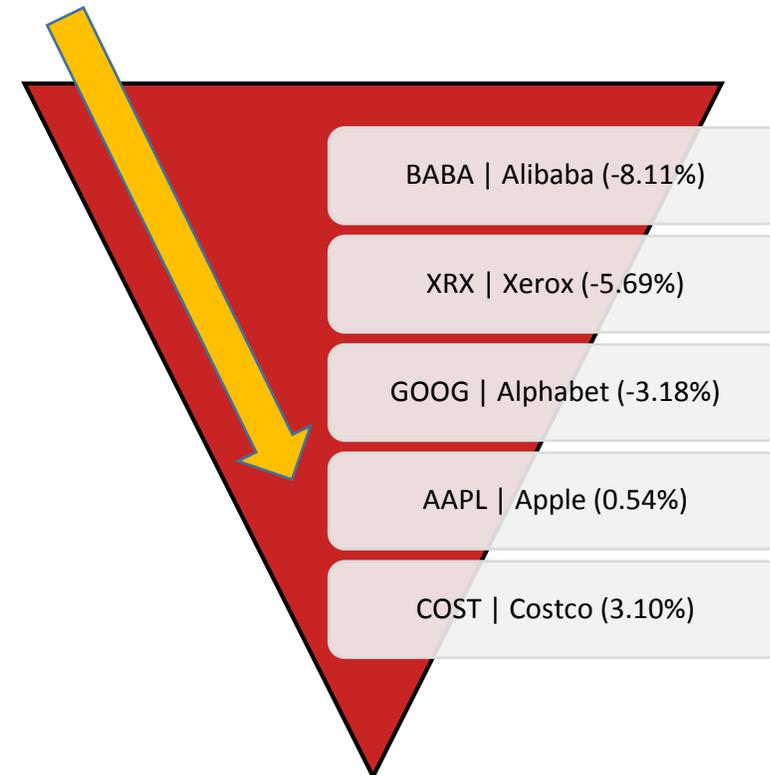
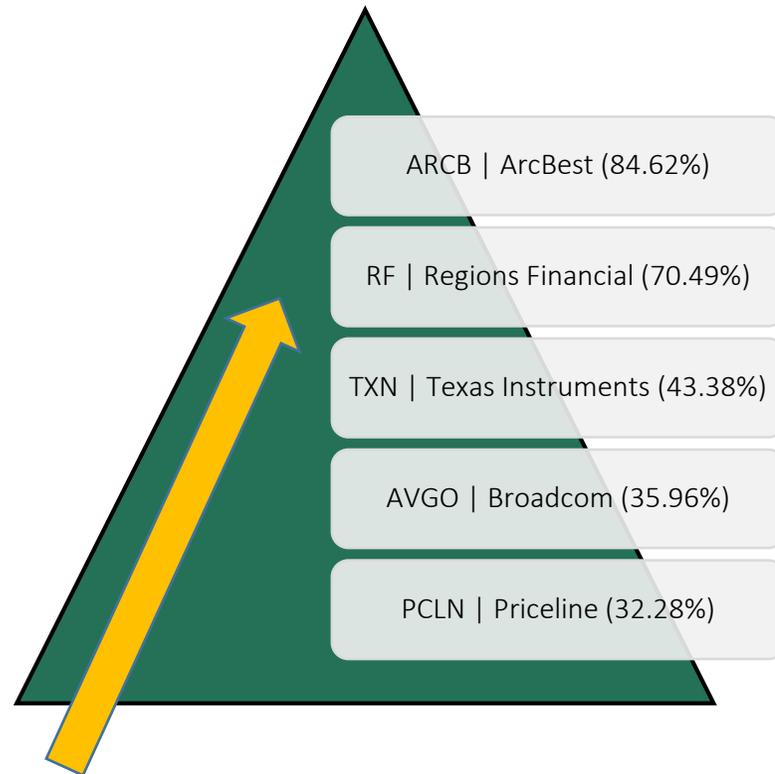
## SAP Portfolio Regression





# Best & Worst Performers – Overall

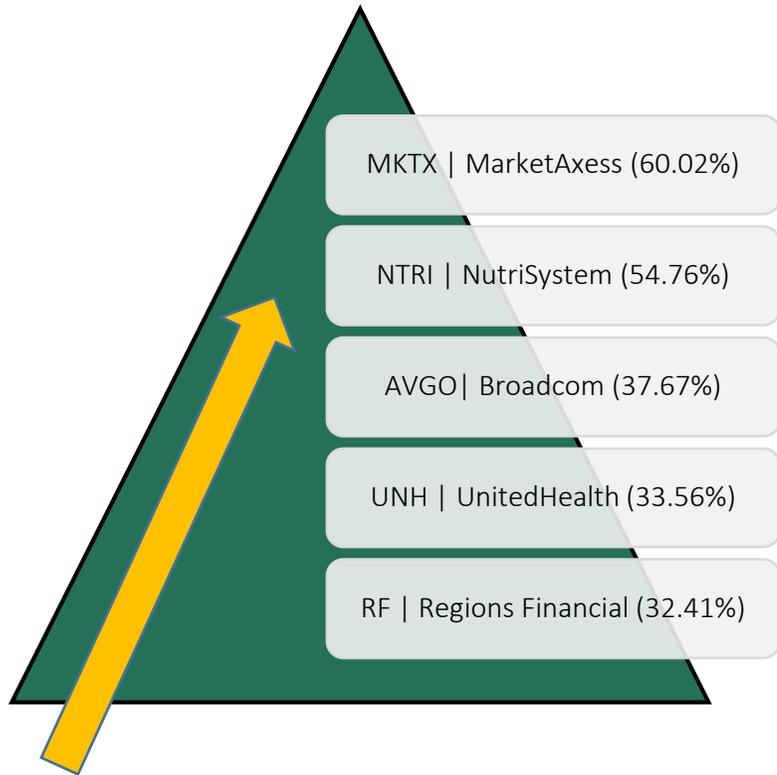
Reflects performance since initiation of position; includes only investments still in the Portfolio as of 11/25/16





# Best Performers – LTM

Reflects performance over the last twelve months

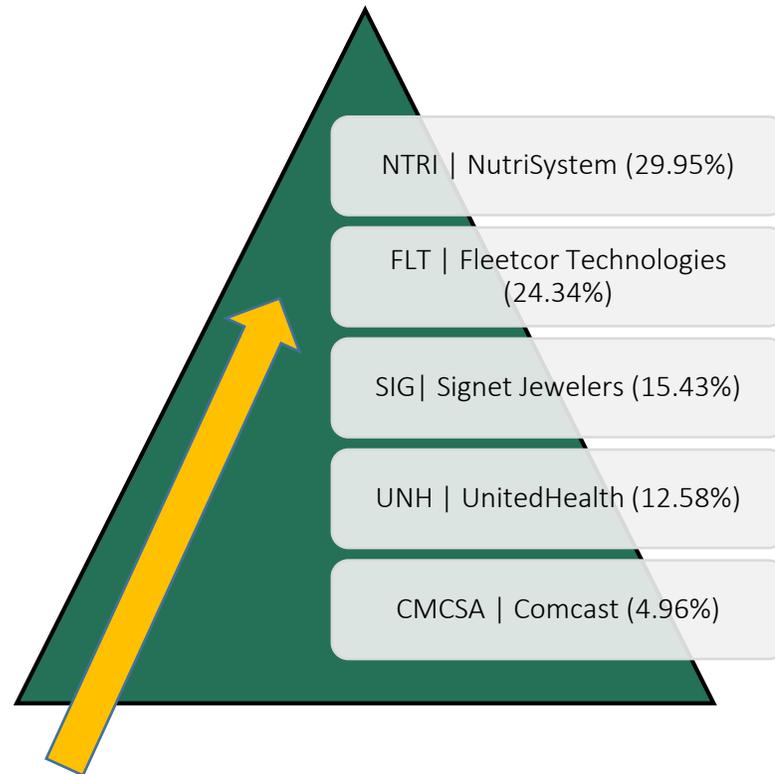


All of the five best-performing stocks in the SAP over the last twelve months have been added to the portfolio within the last year. MarketAxess, NutriSystem, and UnitedHealth have all been in the portfolio for less than three months. Regions Financial is a clear standout, gaining over 38% in the last 6 months.



# Best Performers – Fall 2016

Reflects performers amongst new acquisitions in Fall 2016; return is from 9/01/16 – 11/25/16



- Of the 12 positions initiated during Fall 2016, only three recognized a capital loss over the holding period
- With the 12 positions initiated during Fall 2016, SAP recognized a capital gain of \$9,172



## VII. Student Biographies



# Student Bios



## Trevor J. Beers

Trevor Beers is an undergraduate student pursuing a B.B.A. in Finance from the Sellinger School of Business and Management at Loyola University Maryland. In the Summer of 2017, Trevor will be joining Cowen and Company as an Investment Banking Analyst in the Consumer group in New York City. Previously, Trevor was an Investment Banking Summer Analyst in Cowen's Industrials group. Prior to Cowen, Trevor was an Intern at Merrill Lynch Global Wealth Management.



## Theodore B. Moody

Theodore Moody is an undergraduate student pursuing a B.B.A. in Finance from the Sellinger School of Business at Loyola University Maryland, graduating in May 2017. Mr. Moody has completed investment banking internships at Bengur Bryan / Patriot Capital, CDG Group, and MTS Health Partners, a middle-market investment bank and private equity firm headquartered in New York focused on the Healthcare Services and Life Sciences industries. Upon graduation, Mr. Moody will be joining MTS Health Partners as an Investment Banking Analyst in New York City.



# Student Bios, cont'd



## Madalena Boccio

Madalena Boccio is an undergraduate student pursuing a B.B.A. with a concentration in Finance at Loyola University Maryland. Accompanying her studies, she is a member of the Loyola Division 1 Women's Soccer team as well as the Financial Management Association. Madalena is currently working for a defense contractor, BICALLIS LLC, as a Business Development Analyst and is obtaining a Secret security clearance in March of 2017. In her free time, she enjoys cooking and watching romantic comedies. [mrboccio@loyola.edu](mailto:mrboccio@loyola.edu)



## Charlie Carita

Charlie Carita is a student at Loyola University Maryland double majoring in Finance and Accounting. Charlie has previously worked for Tocqueville Asset Management and as a financial strategy intern at New York Presbyterian Hospital also located in New York. After graduation Charlie will begin his career in KPMG's Financial Services Audit division in New York. He can be reached at [cjcarita@gmail.com](mailto:cjcarita@gmail.com) or at (917) 685-4899.



# Student Bios, cont'd



## Antonio Cartolano

Antonio Cartolano is an Accounting and Finance double-major in the Sellinger School of Business at Loyola. In the past, he has worked at Cantor Fitzgerald, WMS Partners, and Forbes Media. He is incredibly interested in the capital markets and wants to embark on a career in the portfolio management industry. He can be reached by email at [ascartolano@loyola.edu](mailto:ascartolano@loyola.edu) or by phone at (914) 843-9290.



## Gabriela Castillo

Gabriella Castillo is an undergraduate student pursuing a Bachelors of Business Administration with a concentration in Finance at Loyola University Maryland. In addition to her studies, she has previously held a public finance internship with the Maryland Health and Higher Educational Facilities Authority (MHHEFA) and is a member of Loyola's chapter of the Financial Management Association. In her free time, Gabriela enjoys traveling and spending time with her family and friends. [gcastillo@loyola.edu](mailto:gcastillo@loyola.edu)



# Student Bios, cont'd



## Stefan Dullinger

Stefan Dullinger is a student at Loyola University Maryland and will be graduating in May of 2017. He will graduate with a Bachelor of Business Administration with a concentration in finance. Most recently he has interned with several companies in Southeast Asia. The previous summer he interned with several companies in Australia, including KPMG. For possible employment opportunities please contact him at: [stdullinger@loyola.edu](mailto:stdullinger@loyola.edu).



## Shannon Ferrara

Shannon Ferrara is an undergraduate student at Loyola University Maryland pursuing a B.B.A. with a concentration in Finance. In addition to her studies, Shannon serves as President of the FMA and Vice President of Beta Gamma Sigma. Shannon has enjoyed two summers working at Morgan Stanley, and has previously interned at RBC Wealth Management as well as &Wealth Partners. Outside of academics, she enjoys being a member of Loyola University Maryland's Relay For Life Executive Board.



# Student Bios, cont'd



## Brennan Goldsmith

Brennan Goldsmith is an undergraduate student pursuing a B.B.A. with a concentration in Finance at Loyola University Maryland. He plans on furthering his investment banking experience with another internship in the spring of 2017. Upon graduation, he hopes to find an analyst position in investment banking in either the New York or Philadelphia area.



## Jake Héroux

Jake Héroux is an undergraduate student pursuing a BBA with a concentration in Finance from Loyola University Maryland. Upon graduation, Jake will begin working for Nomura Holdings, Inc. in New York City as an Risk Management Analyst. Jake has had prior experiences in risk management, portfolio management and mortgages through numerous internships. He plans on taking the first level of the CFA next fall.



# Student Bios, cont'd



## Briana Martinotti

Briana R. Martinotti is a senior at Loyola University Maryland pursuing a Bachelors in Business Administration with a concentration in Finance. Additionally, she is a member of the Financial Management Association. During the summers of 2015 and 2016, she was a finance intern at Lerch, Vinici & Higgins, LLP. In her free time, she enjoys long distance running, traveling, and spending time with family and friends. She can be contacted at [brmartinotti@loyola.edu](mailto:brmartinotti@loyola.edu).



## Peter McCleary

Peter McCleary is a senior at Loyola University Maryland about to complete his Bachelor of Business Administration in Finance. He has had previous internship experience at State Street Bank, TD Wealth, and Maller Wealth Advisors, gaining exposure to Risk Analysis, Wealth Management, and Portfolio Management. He aspires to pursue a career in investment banking, portfolio management, or financial research. He can be reached by email at [pnmccleary@loyola.edu](mailto:pnmccleary@loyola.edu) or by phone at (914) 316-9749.



# Student Bios, cont'd



## Ryan C. McFarland

Ryan McFarland will be graduating in December '16 with a dual B.B.A. in Finance and Marketing. With prior internship experience as an Analyst at Bank of America Merrill Lynch, The Prosperity Consulting Group, and Stanley Black and Decker, Ryan will be pursuing a career in capital markets or investment banking upon graduation.

To get in contact with Ryan for career opportunities as well as a round of golf or tennis match email at [ryan.c.mcfarland@gmail.com](mailto:ryan.c.mcfarland@gmail.com) or call (410) 507-2310.



## Joseph Nardulli

Joseph Nardulli is an undergraduate student pursuing a B.B.A. with a concentration in Finance and minor in Economics from Loyola University Maryland. In addition to his undergraduate studies, Joseph will be representing Loyola University in the 2016-17 CFA Research Challenge. Upon graduation, he hopes to begin a career in financial research, along with taking his first-level CFA exam.



# Student Bios, cont'd



## Edward Pellon

Edward Pellon is an undergraduate student pursuing a B.B.A. with a concentration in Finance at Loyola University Maryland. In addition to his studies, Edward has interned with OEM Capital, an investment bank focused on technology mergers and acquisitions. As an Investment Banking Summer Analyst, Edward was involved with tasks ranging from building discounted cash flow analyses to meeting clients. He is open to career opportunities and can be reached via email at [ejpellon@loyola.edu](mailto:ejpellon@loyola.edu) or by phone at (914) 357-1841.



## Andrew Rodrigues

Andrew Rodrigues is an undergraduate student at Loyola University Maryland pursuing a B.B.A. with a concentration in Finance. Accompanying his studies, Andrew plans on having an internship in the spring semester and is a member of the Financial Management Association and Loyola's club roller hockey team. Upon graduation, he hopes to find a consulting or financial analyst position in the New York area. He is open to career opportunities and can be reached via email at [acrodrigues@loyola.edu](mailto:acrodrigues@loyola.edu).



# Student Bios, cont'd



## Prianka Shah

Prianka Shah is pursuing a BBA with a concentration in Finance, a minor in Information Systems and a certification in Computer Science at Loyola University Maryland. Accompanying her studies Prianka is a member of Loyola's Financial Management Association, Fixed Income Society and serves on the Executive Board for Loyola's Relay for Life Committee. Prianka previously interned with Legg Mason and Morgan Stanley. Prianka is an avid skier and a huge foodie.  
pvshah@loyola.edu



## Emily Stykes

Emily Stykes is a Finance major, minoring in Economics and Art History. She has had a couple of internships in finance, private equity and the back office of Morgan Stanley, but decided to volunteer for a bit after she graduates. She is interested in trendy brunch places and contemporary art.

Email: [ecstykes@loyola.edu](mailto:ecstykes@loyola.edu)



# Student Bios, cont'd



## Stephen Tonaszuck

Stephen Tonaszuck is an undergraduate student pursuing a B.B.A. with a concentration in Finance and a minor in Biology at Loyola University Maryland. Accompanying his studies, Stephen serves as the Captain for the Men's Division 1 Varsity Swimming and Diving Team. He is also a member of Loyola's Student Athlete Advisory Committee and Loyola's Chapter of the Financial Management Association. Stephen is originally from Duxbury, Massachusetts and has previously interned with LPL Financial. [sdtonaszuck@loyola.edu](mailto:sdtonaszuck@loyola.edu)



## Dalton Wells

Dalton Wells is a student at Loyola double majoring in Finance and Economics. He has most recently worked for Morgan Stanley as an Equity Division Financial Analyst and prior for MedSource Community Services, Inc. He is interested in pursuing fields such as equity research, wealth management, economic analysis, valuation, and consulting. He can be reached at (301) 788-9715 or via email at [djwells@loyola.edu](mailto:djwells@loyola.edu).



## VIII. Professor Biography



# Dr. Frank P. D'Souza

## Dr. Frank P. D'Souza

Professor

Loyola University Maryland

Dr. Frank P. D'Souza earned a Ph.D. from Oklahoma State University, an MBA from St. Cloud State University, Minnesota, and a Bachelor of Commerce from the University of Bombay. He has been published in several academic journals and holds professional memberships with the Finance Management Association, American Finance Association, Eastern Finance Association, Southwestern Finance Association, and Beta Gamma Sigma.



### Representative Publications

- D'Souza, F., Ellis, N., & Fairchild, L., (2010), "Illuminating the Need for Regulation in Dark Markets: Proposed Regulation of the OTC Derivatives Market", *University of Pennsylvania Journal of Business Law*, 12, 473-516
- Carter, D., D'Souza, F., Simkins, B., & Simpson, W.G., (2010), "The Gender and Ethnic Diversity of US Boards and Board Committees and Firm Financial Performance", *Corporate Governance: An International Review*, 18(5), 396-414
- Simpson, W. G., Carter, D., & D'Souza, F., (2010), "What Do We Know About Women on Boards", *Journal of Applied Finance*, 20(2), 27-39
- D'Souza, F., Fletcher, H., & Ionici, O., (2011), "Equity Market Timing and Subsequent Delisting Likelihood", *International Journal of Business and Finance Research*, 5(2) 85-94
- "Chapter 18: Cost of Capital: An Introduction", Ionici, O. & Small, K. & D'Souza, F., in "Capital Budgeting Valuation: Financial Analysis for Today's Investment Projects". Edited by H. Kent Baker and P. English (2011).