

BULLDOG STUDENT INVESTMENT FUND

Annual Newsletter



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A YEAR IN REVIEW

A Message from the President Ben Wingo

It has truly been a great honor and privilege to lead such a talented, ambitious, and inspiring collective of students in the Bulldog Student Investment Fund over the past year. This year's newsletter chronicles yet another incredible year of work and achievement, along with thanks to our many external supporters. If you're not already, I'd encourage you to find a way to get involved; our members are highly motivated and some of Truman's brightest, and have benefited tremendously from the help and involvement from alumni and friends alike. Your time and talents are **invaluable**.

In this year's newsletter you will find a number of highlights, including samples of Fund-produced work, competition results, alumni awards, and other highlights of the year.

Lastly, thanks to our supporters, my fellow colleagues, and our faculty sponsor Charles Boughton for an unforgettable year. I will treasure my time in BSIF and the relationships built therein for the rest of my life. I am so excited for past, current, and future students of the Fund; we should consider ourselves immensely fortunate to have such an opportunity.



The Economics Report

The turbulent economic landscape of late 2018 and early 2019 drew a lot of interest for the economics team this year. Our research centered around the geographic regions of North America, Europe, and China; the basic materials, consumer cyclical, consumer defensive, energy, financials, healthcare, industrial, and real estate sectors; and we included a section on the Federal Reserve's monetary activities. The trade war, corporate tax cut, Brexit, political instability abroad, and rate hikes took center stage in our reports.

The economics team brought a few sweeping changes to the Fund's economics department this year. We improved the diffusion of information using technology and easy-to-read formats. To accomplish this, we implemented a new three-page format summarizing our regular semi-annual report, which we called the Economic Outlook. Taking after alumni Shane Legatzke's Hungry Stock of the Week, the economics team started Hungry Event of the Week to update the Fund on the most important macroeconomic events impacting markets that week. Additionally, we used Google Drive to centralize all of our research for easier access and as an archive for future research teams. Finally, we started reaching out to the Fund's benefactors and shared our research with them to strengthen ties between the economics team and alumni.

THE G.A.M.E. FORUM

This is an annual forum that BSIF attends in New York City. This year, the Fund sent two of our new members: Annie Hart and Noah Riebeling.

Over 1500 students from over 50 different countries were in attendance at this year's forum. The main portion of the forum is the presentation of posters by each student organization in attendance about the past year's portfolio results. In addition to this, members of the financial community from all across the country were in attendance to give talks and sit on panels for the students. The presentations covered a range of topics, from the 2019 market and economic outlook to experience in the field.

Our members had a blast at the conference and had an amazing chance to explore the city. The photograph pictured above was taken by Noah! He had this to say about his experience:

"My favorite part of the conference was attending the presentations. The conference provided prestigious speakers with incredible insights. I found the 2019 outlook presentations most interesting. The networking experience that the conference provides is also a great benefit. It was an incredible experience and I would highly recommend it to anyone interested in attending."

"BSIF has provided me with a learning experience that I could never get in the classroom" - Shyam Kannan, Freshman



The 2018-2019 Economics Team



BSIF PLACES 2ND AT THE CFA COMPETITION IN STL

Local Company Proves Challenging

Truman State competed yet again in the CFA Institute's annual Research Challenge hosted by local CFA societies. This year, Truman traveled to St. Louis for the final presentation after months of researching, writing, and preparing an equity research report on Post Holdings, a consumer packaged goods holding company based in Brentwood, MO. Seniors **Daniel Alter, Hugo Tam, and Drake Raftery** were assisted by industry mentor **Tom Kersting, CFA**, and faculty mentor **Charles Boughton**. The team compiled a 30 page report alongside a 10 minute presentation, followed by 10 minutes of Q & A.

The team ultimately pitched a HOLD, based on a valuation price of \$98.38 and a current (January 16th, 2019) market price of \$99.55. In the report, bullish factors of long term value strategies and cost management practices were countered with historic under-performance, questionable management precedent, and volatile cash flow. The team ended up placing 2nd out of 7 teams, finishing within just a few points of Washington University's team of graduate students. The team was incredibly grateful for the learning experience and for the help of Tom and Professor Boughton. Drake and Daniel, among other recent graduates of the Fund, are planning on sitting for CFA L1 in December. Congratulations! Their report, along with other Fund-produced works can be found at our website, bsif.truman.edu.

"BSIF has granted me opportunities to not only learn about finance, but to grow in areas of professional development. The fund has offered involvement through leadership and community outreach in areas of financial awareness, and I'm very proud to be a part of such an outstanding organization." -Annie Hart, Sophomore

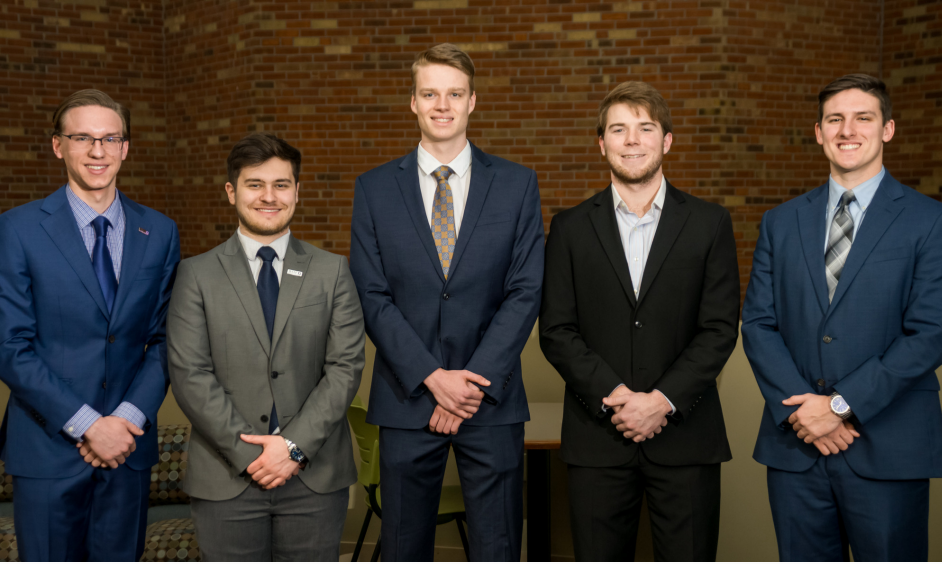
BULLDOGS COME UP BIG AT SMIFC

The Student Managed Investment Fund Consortium (SMIFC) is held annually in Chicago, IL, and is comprised of several days of panels and speakers from the financial services industry. For the first time in its history, the 80+ university Consortium hosted a stock pitch competition. Out of 16 paper submissions, Danny D'Nagy and Ben Wingo, along with help from faculty adviser Charles Boughton, placed 2nd overall for their equity research report on Apple Inc. D'Nagy and Wingo issued a hold with a target price of \$196 due to limited valuation/quantitative upside and strong industry and company headwinds. You can view their report at bsif.truman.edu



Danny D'Nagy and Ben Wingo





The Portfolio Management Team

PORTFOLIO UPDATE

The BSIF return for April 2018 to April 2019 was 3.43%.

Our main driving sectors were consumer cyclicals, with a 20.2% return accounting for 1.99% of our portfolio, and healthcare, with a 15.49% return accounting for 1.54% of the portfolio. Within these sectors, our big winners for this year were Ulta (70.72% return), Proctor and Gamble (35.97% return), and Merck (57.1% return).

The major detractors for our portfolio this year were the energy and communication services sectors, netting a -14.98% return (-1.6% effect) and a -6.49% return (-0.26% effect) respectively.

During 2018, the portfolio was **down 4.2%**, a full **200 basis points** above the S&P 500 performance at **-6.2%**.



"BSIF was one of the most fulfilling things I did during my time at Truman. The fund allowed me to practice the analysis I learned in classes while using real money and working on a team. Joining the fund not only added to my education, it allowed me to meet a wonderful group of people that shared the same passion I have for investing." -Austin Koster, Senior

SHELTER 'EXTERNSHIP'

Students get first-hand experience and insight from generous alumna

In April, four members of BSIF had the opportunity to visit Mindy McCubbin at her office at Shelter Insurance in Columbia, MO. Mindy helped provide the initial vision and seed capital that started BSIF in 2011. She is currently a Director of Equity Investments at the firm, and has recently started Truman Wealth Advisors.

Students spent a day as "externs" as they spoke to Mindy and colleagues about the asset management industry, the buy-side, and the CFA charter. Mindy and Shelter have provided tremendous financial support, as well as invaluable knowledge and insight over the years. Thanks to Mindy and her team for being such gracious hosts.



Mindy McCubbin ('97)





BSIF Wins Outstanding Small Organization of the Year 2018-19

BERKSHIRE HATHAWAY

Students Witness the Oracle of Omaha

Twelve students had the opportunity to attend the annual Berkshire Hathaway shareholders conference last May. The trip has become a rather popular annual tradition within the Fund, as Buffett and his time-tested philosophies continue to guide BSIF in its core and foundational thinking. Students were accompanied by Dr. Otero of the accounting department.

Once again, Munger and Buffett discussed their large and growing pile of cash, large acquisition possibilities, core performance, mark-to-market asset pricing, and succession planning.



The BSIF Executive Board 2018-2019 (pictured from L to R below)

VP of Fundraising:

Parker Arnall

Secretary:

Patrick May

VP of Audit and Ethics:

Rachel Owings

President:

Ben Wingo

VP of Investment

Environment:

Danny D'Nagy

VP of External Relations:

Tiffany Middlemas

VP of Portfolio

Management:

Drake Raftery

VP of Accounting

Operations:

Michael Williams III

Not pictured:

VP of Investment Strategy:

Hugo Tam



PASSIVE SLEEVE

BSIF HEARS FROM ALUMNI, INDUSTRY EXPERTS

Students Adopt Industry Change Into Curriculum

Prompted by the continual trends in asset management, BSIF leadership and advisors crafted a new IPS for the implementation of a "Passive Asset Sleeve" into the portfolio back in 2017. During the 2018-2019 school year, students led by Portfolio Manager Drake Raftery took the challenge head-on to create criteria and research frameworks to select and manage passive investments in the portfolio. Students presented their work at Truman's annual Student Research Conference, and will continue to refine criteria, allocation, and execution into the coming year.

Experienced Truman Alumni and Industry Experts Share Knowledge

One of BSIF's primary objectives is to offer real world experience and insight outside the four walls of the classroom. During the Spring semester, students were truly amazed at the insight offered by Truman Patterson, CFA, Mike Rybak, CFA (both alumnus), and Zach Beckman. All were kind enough to Skype into our weekly Wednesday night meetings and share a glimpse of their processes, research strategies, lessons learned, and career advice.

Mike ('08) is on the buy-side with long-short hedge fund Butler Hall Capital; he shared research frameworks, professional experience, and the power of a Truman education. Truman ('09) works on the sell-side with Wells Fargo and is a current University Foundation Board member; he gave great career advice, construction materials industry expertise, and a finance literature recommendation. Zach is with HorizonX, Boeing's corporate venture capital arm; he shared his unique start-up valuation template, venture capital industry insight, and educational advice. Thanks so much to all for their time and talents!



Mike Rybak, CFA



Truman Patterson, CFA



Zach Beckman

Congratulations to this Year's
Vision Award Recipients:
Floyd Simpson, CFA, CFP (Left)
Brent Schowe, CFA (Right)



**The BSIF Vision Award is
given to supporters of
the Fund who have given
their time, talents, and
treasure to the Fund and
its participants**



Thanks to all our supporters:



- *University Foundation*
- *Office of Advancement*

