

STUDENT INVESTMENT FUND

2013-2014 Annual Report



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ACKNOWLEDGEMENTS

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

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

D.A. Davidson
Hal Milner

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

For financial support for attending the RISE conference, we thank

David Eccles School of Business
ASUU

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

For their financial support of our enrichment programs, we thank the following donors, whose names are recognized on the Trading Floor

Kurt Larsen
Anne Lee
Hal Milner
Steven Smith
Elizabeth Tashjian
Rex Thornton
David Broadbent
Fernando Campos
D.A. Davidson Companies
Dylan Durham

Burton Flynn
Lawrence Hill
Scott Holley
Danny Loveland
Jamison Manwaring
Richard Pugmire
Maulik Shah
Cindy Vu
David Warne
Max Wilson

BACKGROUND

History

In October 1998, David Eccles School of Business finance students joined the D.A. Davidson & Co. Student Investment Fund program, which allows students to invest \$50,000 in a working stock portfolio. The purpose of this program is to bolster student learning outside the classroom in a real-world setting. The original \$50,000 remains intact year to year, supported by D.A. Davidson. Any returns above five percent are split in half and shared by the firm and the Student Investment Fund. D.A. Davidson guarantees students against any losses below the original \$50,000 mark, which will be replenished year to year if necessary. Since October 1998, D.A. Davidson has given over \$35,000 directly to the student portfolio and Bill Child, CEO of R.C. Willey Home Furnishings, has donated another \$5,000 to the fund. In March 2004, U students received an additional \$50,000 from Hal Milner in a program similar to D.A. Davidson's. Mr. Milner has donated over \$25,000 to the investment fund program.

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

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

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

In September 1999, D.A. Davidson calculated earnings from the first year of the Fund, and students earned more than a 35% return. The 2000-2001 class learned some painful lessons about diversification and selling strategies. The group had significant holdings in Global Crossing and Exodus Communications, both telecom companies that ended up in bankruptcy. The 2001-2002 class outperformed both the S&P and NASDAQ indexes, losing a mere 22% during the year the class managed the portfolio. The next year's class had a better outcome, earning 30% on a relatively balanced portfolio from August 2002 to August 2003. In the spring of 2004, the fund adopted a strategy of investing in a portfolio of small cap stocks. The 2008-2009 year was marked by extreme volatility, resulting in a very active strategy of buying undervalued stocks and selling once they reached their target prices. Although the S&P declined by 19.3% and the NASDAQ index lost 14.4%, the Student Investment Fund lost only 4.7%.

In March 2003, the class made a brief live appearance on CNBC's Power Lunch and in January 2004, the class again appeared on CNBC in a segment on D.A. Davidson's Investment Fund program. Since 2001, the class has made regular presentations to distinguished members of the Salt Lake business community.

The fund received \$25,000 to begin a Socially Responsible Fund in the spring semester of 2011 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 fund.

Analyst Profiles

During the 2013-2014 academic year, the Student Investment Fund had 15 student analysts managing equities across four portfolios.

Zachary Bitner

Zach is a graduating senior with a B.S. in Finance and Chinese minor. He has accepted a full time offer at Alta Capital Management working in operations and trading and plans to continue pursuing a career in asset management. Zach enjoys hunting, fishing, and horseback riding in his spare time.

Josh Castillo

Josh is currently pursuing a B.S. degree in Finance and will graduate in December 2014. Before joining the Student Investment Fund, he was an Account Manager for Progressive Finance. While at Progressive, he played an important role analyzing risk for potential loans. This summer he will begin his internship with the FDIC as a Financial Management Scholar in the Division of Risk Management Supervision. Josh looks to receive a full time offer from the FDIC after he graduates and pursue a MBA in the years to come.

Ka Ho Chan

Ka Ho is a graduating senior with a B.S. in Honors Finance. After his graduation, he plans to go back to Hong Kong and start a career preferably relating to equity research or valuation. In the future, he looks forward to pursuing an MBA after a few years of work experience.

Thomas Houser

Thomas will graduate with a B.A. in Finance and a minor in Spanish in May 2015. He currently works at The Buckner Company, an insurance brokerage, in the H.R. department and has a Property & Casualty license. He will be working towards being a commercial insurance broker and consultant, using the financial knowledge he has gained. Thomas also started a medical device company, JNT Medical, with some of his classmates and is working on seed funding their first device, the Thermoscope. In the future he hopes to start a financial firm with his SIF classmates.

Dylan Nelson

Dylan is a graduating senior with a B.S. in Finance. After graduation, he is planning on serving a LDS mission in Milwaukee, Wisconsin. He is planning on obtaining his CFA after returning from his mission and pursuing a career in asset management. He was involved in the University of Utah Finance Club

and represented the school at many events including Week on Wall Street, and RISE '13 & '14. Dylan has worked the past year as an associate at a boutique M&A firm focusing on middle market deals. His ultimate goal is to one day start his own hedge fund.

Taylor Nielsen

Taylor Nielsen is a senior pursuing a B.S. in Finance and will graduate in December 2014. This summer he will be interning as an analyst at Cross Creek Capital Partners, a late stage private equity firm in Salt Lake City, UT. Taylor will also be joining the Sorenson Global Impact Investing Center, a student run venture capital fund with \$13 million under management. Taylor was involved in various activities during his time at the University of Utah, including the Finance Club, National Investment Banking Competition, Week on Wall Street, and Entrepreneur Scholars Group.

Chase Payne

Chase Payne is currently pursuing B.S. degrees in Finance and Entrepreneurship as well as a minor in Portuguese, and will be graduating December 2014. He enjoys being involved with on-campus activities and organizations. He was elected Financial Manager for the Non-Traditional Student Outreach Board within ASUU. He currently has an internship with a local currency brokerage and consulting firm.

Mai Sanchez

Mai Sanchez is a Finance BS major. She studied accounting in Japan and is currently working as an accountant. She was selected for the Week on Wall Street trip in 2013. Mai will graduate in 2015.

David Sandahl

Dave Sandahl is graduating with a B.S. in Finance from the University of Utah. Upon completion of his studies, he will continue working at Morgan Stanley, joining the downtown Salt Lake City branch as a financial advisor in Wealth Management. Dave hopes to continue his education by pursuing an M.B.A in the near future.

Kaitlyn Sanders

Kaitlyn Sanders is a junior pursuing a B.S. in Finance with a minor in Economics and will graduate December 2014. She has worked with the CEO of FJ Management for two years, completed a sophomore internship in Goldman Sachs Finance

Credit Risk Division, and is the current president of the Women in Business club in the DESB. Kaitlyn participated as a member of the National Investment Banking Competition where her team went to the international finals. This summer Kaitlyn will be interning with JPMorgan's Entertainment Industries Group in Los Angeles, California.

Benton Sturt

Benton is a senior graduating in December 2014 with a B.S. in Finance. During his tenure in the Student Investment Fund, Benton participated in the National Investment Banking Competition, the CFA Institute Research Challenge, and the RISE portfolio competition. This summer, he will be joining Goldman Sachs Asset Management working within the Private Equity group. In his free time, Benton enjoys world travel, golf, cycling, and triathlons. In the next 20 years, he plans to retire, found a charity with his wife, and join the PGA tour.

Na Teng

Na is a graduating senior with a B.S. in finance. She completed an internship with Industrial and Commercial Bank of China. She plans to pursue an MBA degree in the near future after gaining some work experience.

Alex Wall

Alex is a graduating senior with a B.S. in Finance. Last summer he led a month-long, independent expedition in the Indian Himalaya, where he helped villagers rebuild bridges in the aftermath of the 2013 North India floods. This year, he was elected team captain for the University of Utah's CFA Institute Research Challenge team. Alex has accepted a

full-time offer working on Wasatch Advisors' \$552 million Large Cap Value Fund, and plans to pursue a CFA in the near future.

Bryce Whiting

Bryce is currently pursuing his B.S. in Finance and will graduate in December 2014. During his sophomore/junior year he worked as an associate for a local M&A firm. This summer he will be working at Goldman Sachs as an intern in the firm's Investment Management Division with the Fixed Income team. Bryce represented the University of Utah and the Student Investment Fund as a member of the National Investment Banking Competition team, CFA team, and the student run portfolio competition at the RISE Conference.

Pengzhen Wu

Pengzhen is currently pursuing a B.S. in Finance and will be graduating December 2014. She enjoys being involved with on-campus activities and organizations. She is the treasurer for the International Business Club since 2012 and she was the marketing chair for Business Student Executive Council during 2012-2013 school year. During the summer of her sophomore year, she interned with Bank of Nanjing. She plans to pursue a graduate degree after a few years work experience.

PORTFOLIOS UNDER MANAGEMENT

Student Investment Fund Overall

STRATEGY

The Student Investment Fund consists of four different portfolios: Davidson, Milner, School, and Socially Responsible. The strategy of each portfolio varies based on the portfolio's ownership structure and on donor mandates. Each security purchase or sale must be ratified by a majority vote. In the School Fund, which is the school's own money, our investment horizon is longer and our focus is on less-risky and more well-established companies. In the Socially Responsible Fund, we invest in companies that make a conscious effort to have a positive impact on society. These companies must pass an additional super-majority vote on whether they are socially responsible before being purchased for this portfolio. In both the Milner and DA Davidson fund, we had a higher risk tolerance and focused more on investing in small cap companies.

Overall, the fund analysts were bullish on the market for the year. As a result, analysts focused on maintaining a small cash balance while maximizing the amount of exposure to the market. Analysts retained a focus on securities with higher betas while investing in both large and small cap companies.

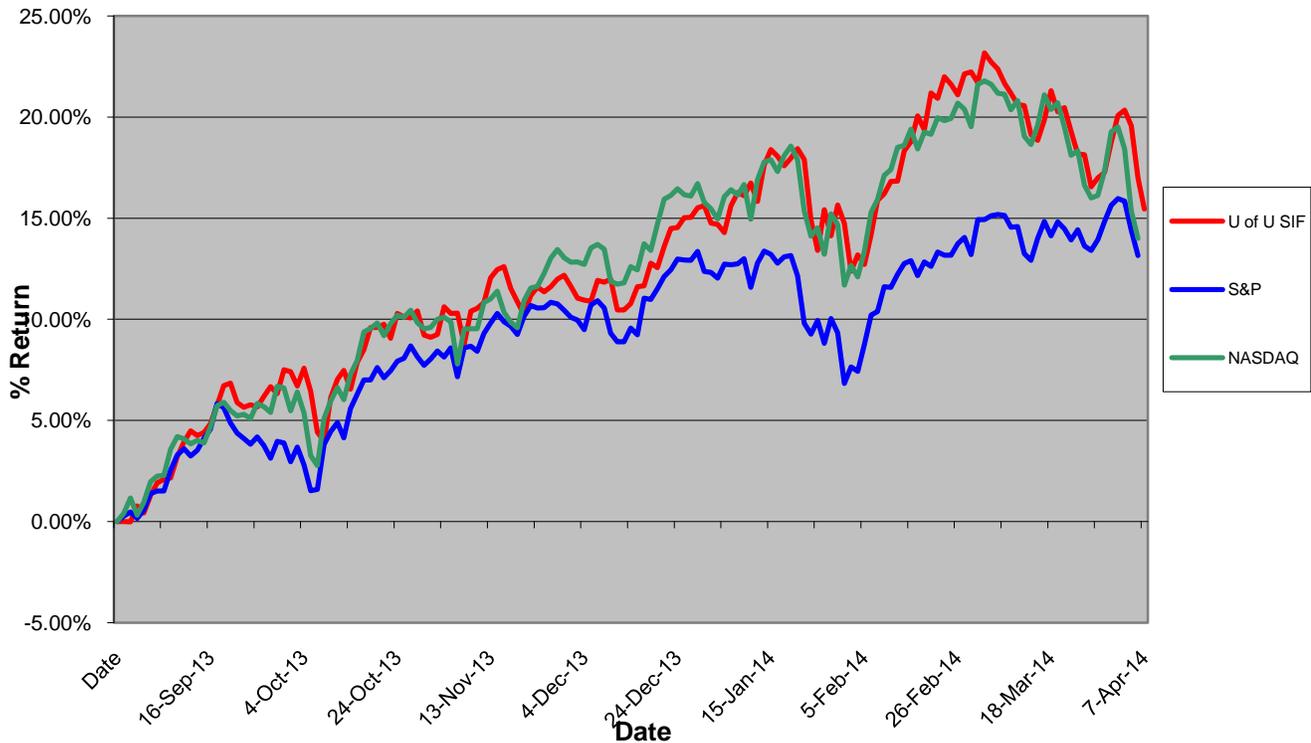
During the latter half of 2013 purchasing activity was low as analysts decided to maintain inherited positions while gaining experience conducting equity research. During the first quarter of 2014 there was a sell-off in the markets, primarily in the tech sector which motivated analysts to make additional purchases with the view that share prices were only temporarily depressed. Part of the cause for the subpar performance in the market during the first half of the year can be attributed to the polar vortex which prevented consumers from spending and caused a buildup in inventory on company balance sheets.

Two strategies that were implemented during the 2013-14 year focused on concentration and identifying macro trends. Analysts felt that both the School and Milner portfolios were over diversified limiting opportunities to outperform the market. Consequently, analysts voted to sell some underperforming stocks while those stocks that analysts felt were more likely to continue outperforming the market received additional investment. The other strategy implemented by fund analysts was a focus on identifying macro trends. One of the trends that analysts identified was an increase in consumer spending which was the result of increased consumer confidence and pent up demand from the harsh weather that stifled purchases during the fourth quarter of 2013.

Another area of focus during the 2013-14 year was reducing the funds exposure to the healthcare industry. Several healthcare stocks within the fund had experienced very strong gains, but had begun to see slowing growth. In the past and throughout most of the 2013-14 year, overexposure to the healthcare industry was a key driver to outperforming the market; however, analysts felt that the uncertainty of industry regulation had begun to be priced in to current stock valuations leaving less room for growth.

Analysts expect to maintain current fund positions; however, our current view is that the market is overpriced and we expect that there may be a sell-off in the markets in the near future. We will pay close attention to fund holdings while looking for opportunities to utilize the remaining cash within the portfolios.

Portfolio Return v. S&P and Nasdaq 2013 - 2014



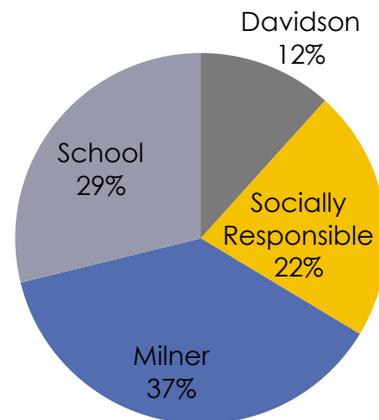
Purchase Decision Analysis

Purchases for the year totaled \$94,366. The value of the fund's purchases at the end of the year, including dividends and realized sales gains, was \$95,678.

The fund purchased shares in 15 companies during the 2013-2014 year, with a total of 17 purchase transactions. 70.6% of the fund's purchases were made in the second half of the year, as analysts gained experience conducting equity research. With the exceptions of AAMRQ and CTRL, which were bought and sold within the 2013-2014 period, all purchases were made with an investment

horizon of five years. While fund analysts are gratified that purchases have performed strongly, they believe that there is even more significant long-term potential for capital appreciation and dividend payments.

Purchase Allocation (dollars)



Since most of the purchases were made in the second half of the year, it is too early to ascribe high significance to the performance of individual stocks, given the fund's long-term investment horizon. Of the stocks we still hold, IRE (the December 5 purchase), BDE, and LNGVY experienced the highest returns, at 21%, 16%, and 15% respectively. BDE and LNGVY were both purchased less than two months before the year ended.

Their relatively strong performance during this time period may be ascribed to a number of factors, and may not continue in the coming months. Similarly, GILD and LEAF experienced respective losses of 22% and 19%, but were both purchased on February 26, 2014, and were held for approximately forty days at the time of this writing. While these losses are certainly a cause for concern, the long term performance prospects for both companies may be unaffected by stock price fluctuations during this brief time period.

AAMRQ and CTRL were both purchased and sold in fall, 2013. AAMRQ was purchased in October, prior to a proposed exit from Chapter 11 bankruptcy through a merger with US Airways. The catalyst for AAMRQ's explosive stock price appreciation was approval for the merger from the United States Justice Department, which was granted in November. The stock price nearly doubled from \$6.25 to \$12.15, and fund analysts made the decision to sell the stock in light of potential merger complications and dilution. CTRL was purchased near the six-month low at \$17.33, and was sold two months later at \$27.54, just above the fund's target price.

Ticker	Return	S&P Return	Purchase Date	Portfolio
CTRL	58.9%	3.7%	13-Nov-13	Davidson
IRE	-4.3%	-1.5%	21-Jan-14	Davidson
NXST	-14.8%	1.9%	20-Nov-13	Milner
IRE	21.1%	1.7%	5-Dec-13	Milner
AMBA	-10.8%	-0.2%	11-Feb-14	Milner
BDE	15.6%	-0.2%	12-Feb-14	Milner
OAS	-1.2%	-0.7%	19-Feb-14	Milner
LEAF	-18.9%	-1.6%	26-Feb-14	Milner
MA	-7.8%	2.4%	6-Feb-14	School
GILD	-21.6%	-1.6%	26-Feb-14	School
DAL	-6.7%	-3.1%	5-Mar-14	School
LNVGY	15.1%	-3.1%	5-Mar-14	School
GILD	-10.6%	-4.0%	2-Apr-14	School
AAMRQ	94.4%	3.5%	23-Oct-13	Socially Responsible
AMT	1.5%	2.6%	6-Nov-13	Socially Responsible
IHG	-10.9%	2.3%	29-Jan-14	Socially Responsible
PCL	-2.4%	-2.0%	26-Mar-14	Socially Responsible

As of April 11, 2014; returns include dividends net of foreign taxes

A number of the fund's 2013-2014 purchases were well-timed, but many of them were purchased late in the year. It remains to be seen whether the fund's investments in the spring of 2014 will perform strongly over a long-term investment horizon.

HOLD DECISION ANALYSIS

Fund analysts held 39 of the stocks inherited from previous years across various portfolios. From August 27, 2013, to April 11, 2014, 25 of the stocks outperformed the S&P while 22 outperformed the NASDAQ. The top five performers during the year were POZN, TTM, JAZZ, MXWL, and WWAV.

Overall, analyst decisions to recommend a hold rating were based on two criteria: 1) the belief that the fundamentals of the underlying companies had not changed, and 2) analyst awareness of more promising opportunities. During the holding period, the market experienced periods of substantial price swings with events such as the polar vortex and the crisis in Ukraine. During these periods of volatility it was important for analysts to assess whether fluctuations in stock prices were a result of uneasiness in the market or if the fundamentals of the underlying companies had materially changed. By assessing company fundamentals and then determining whether better opportunities existed, analysts were able to make more informed holding decisions.

Analysts chose to hold stocks in the healthcare sector such as ICLR, CERN and JAZZ, with the opinion that growth in the healthcare sector as a result of changing regulation had not yet reached its peak. This decision proved to be correct as JAZZ experienced a 53 percent appreciation in price during the holding period analyzed and both ICLR and CERN outperformed the S&P.

While 14 of the fund's hold decisions ended up underperforming the market, only three of the 39 stocks held experienced negative performance. Three of the stocks held which underperformed the market over the holding period analyzed have, over the summer, experienced gains that have caused them to outperform the S&P, including AAPL, OAS, and APC.

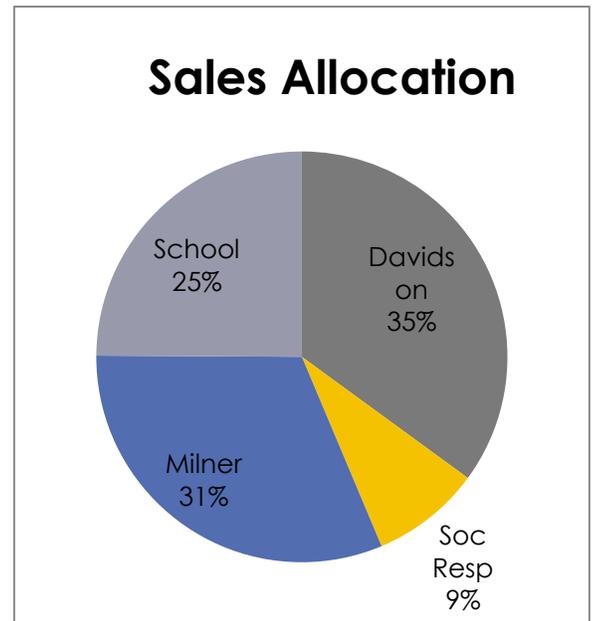
SELL DECISION ANALYSIS

The Student Investment Fund made a total of 19 sales during the academic year which were split fairly evenly among three of the portfolios with a small portion in the socially responsible portfolio. The fund analyzed each sale on a case-by-case basis. The sales amount for the year totaled \$84,810. Had we made no sales in the fund the current value of those positions including dividends would have been \$84,571. Thus the fund was able to avoid a loss of \$239. American Airlines emerged from Chapter 11 following our sale. Shareholders were diluted so post-emergence prices are not comparable. For the 18 stocks for which we can compare our post sale performance, after accounting for price changes and dividends, seven stocks underperformed the S&P and 11 stocks outperformed the S&P.

The notable sales which contributed to avoiding losses were JAZZ and CTRL. JAZZ was in the school fund and as of April 11 had fallen 25%. CTRL was in the Davidson fund and the stock has fallen 37% since the time of sale.

The largest gains forgone for the year were WAB and AKAM.

While the fund continues to hold its position in WAB in the Milner portfolio, we sold WAB at the beginning of the year to rebalance the Davidson fund and the stock has seen a 23% gain. Had we continued to hold AKAM, we would have realized additional gains of 18% on our position.



Ticker	Return post sale	S&P Return post sale	Sale Date	Portfolio
CERN	11.8%	11.1%	28-Aug-13	Davidson
WAB	22.7%	11.1%	28-Aug-13	Davidson
FMX	10.1%	4.0%	23-Oct-13	Davidson
CERN	-7.3%	1.9%	13-Nov-13	Davidson
CTRL	-36.7%	-1.8%	15-Jan-14	Davidson
AKAM	18.0%	0.5%	27-Nov-13	Milner
ARUN	8.0%	0.5%	27-Nov-13	Milner
Z	-3.7%	-0.2%	12-Feb-14	Milner
QQQ	-6.7%	-1.6%	26-Feb-14	Milner
CERN	2.1%	-3.6%	30-Apr-14	Milner
LXP	-3.8%	7.2%	2-Oct-13	School
JPM	7.8%	6.2%	14-Oct-13	School
ZNGA	9.0%	3.9%	7-Nov-13	School

EBIX	0.9%	-0.7%	19-Feb-14	School
JAZZ	-25.3%	-0.7%	19-Feb-14	School
PMD	-11.4%	-0.7%	19-Feb-14	School
PVH	2.7%	-0.7%	19-Feb-14	School
JPM	-1.1%	-3.2%	23-Apr-14	Socially Responsible
AAMRQ	not comparable*		27-Nov-13	Socially Responsible
CVA	0.6%	-3.3%	6-Mar-14	Socially Responsible
F	-3.9%	-3.2%	23-Apr-14	Socially Responsible

*American emerged from bankruptcy; common was diluted

As of April 11, 2014; returns include dividends net of foreign taxes

Davidson Portfolio

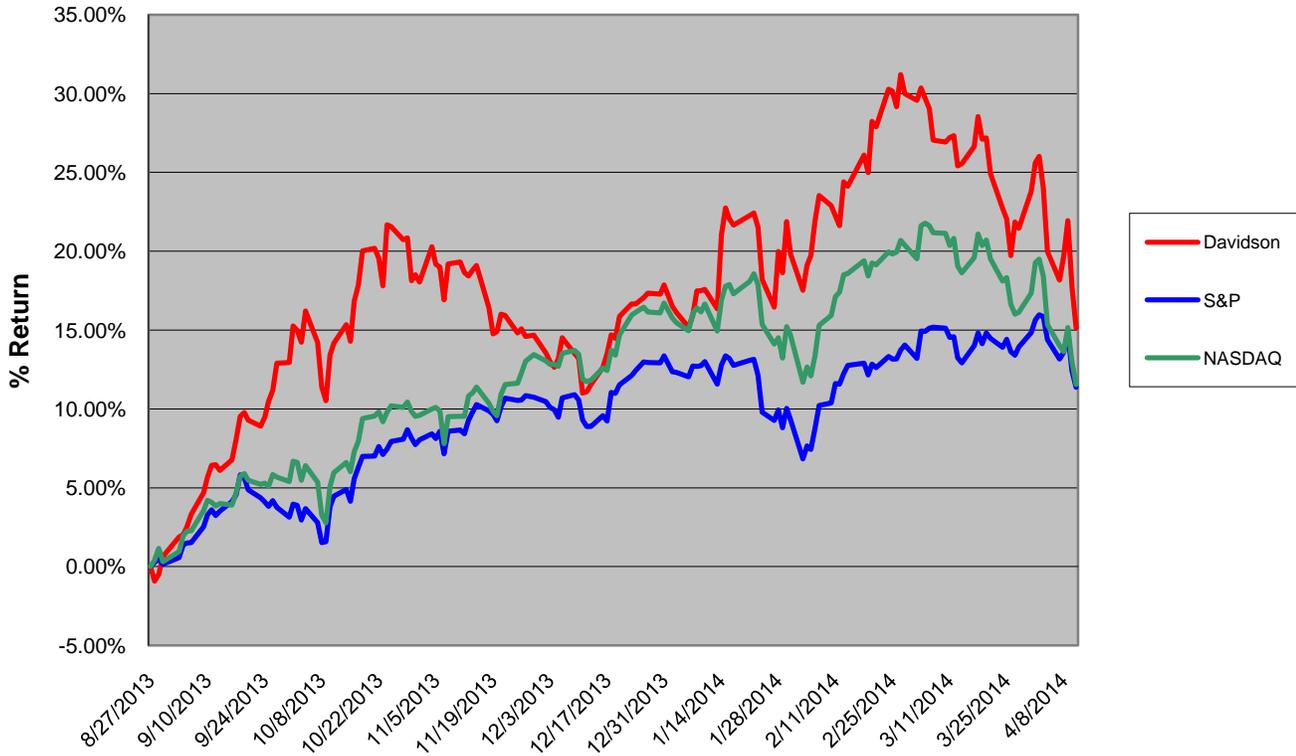
STRATEGY

D.A. Davidson maintains the Davidson Portfolio. The portfolio is to reset to \$50,000 each September 1. When the Student Investment Fund (SIF) experiences gains over 5 percent, D.A. Davidson contributes half of the gains over 5 percent to SIF. SIF's strategy in the Davidson Portfolio is to invest in growth and small to mid-cap stocks.

HIGHLIGHTS

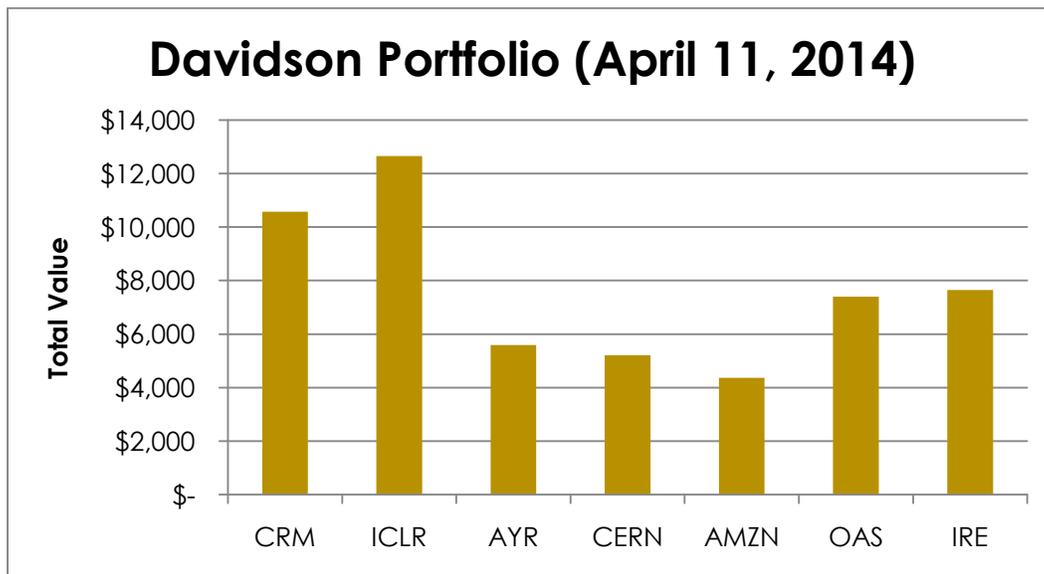
The Davidson portfolio outperformed both the S&P 500 and the NASDAQ. As of April 11, 2014, we had a cumulative simple return of 15.14% after adjusting for cash withdrawn for rebalancing by D.A. Davidson while the S&P 500 had a return of 11.36% and NASDAQ had a return of 11.54%. On April 11, 2014 the Davidson Portfolio had a total value of \$57,203.42. The best performing stocks include Salesforce.com (CRM), Cerner (CERN) which was partially sold on two dates, and Control4 (CTRL) which was bought and sold this year. Our position in Control 4(CTRL) returned 69% in just under three months. Our worst performing stocks include Fomento Economica (FMX) which was sold on October 23, 2013, and The Bank of Ireland (IRE) (the January 21 purchase) which we purchased this year.

Portfolio Return v. S&P and Nasdaq 2013 - 2014



HOLDINGS

As of April 11, 2014, the Davidson Portfolio held: \$3,757.60 in cash; our largest position was in Icon PLC (ICLR) with \$12,654 representing 22% of our portfolio. We purchased two stocks during the academic year: Control4 (CTRL) on October 18, 2013, and Bank of Ireland (IRE) on January 21, 2014. We sold four stocks: Westinghouse Air Brake Technologies (WAB) on August 28, 2013, Fomento Economica (FMX) on October 22, 2013, Control 4 (CTRL) on January 15, 2014, and 250 shares of Cerner (CERN) on August 28, 2013 representing \$11,663 as well as an additional 150 shares of Cerner (CERN) on November 13, 2013, representing \$5,137.78.



The table below separates the performance of the Davidson Portfolio into three groups: investments that were inherited and held, sold, and acquired.

DAVIDSON PORTFOLIO						
Ticker	Shares*	Date Inherited or Acquired	Initial Price	Date Sold or Valued	Final Price	Gross Return
<i>Inherited Stocks</i>						
CRM	200	27-Aug-13	42.46	11-Apr-14	52.87	25%
ICLR	300	27-Aug-13	37.58	11-Apr-14	42.18	12%
CERN	100	27-Aug-13	46.65	11-Apr-14	52.11	12%
AMZN	14	27-Aug-13	280.93	11-Apr-14	311.73	11%
OAS	175	27-Aug-13	39.63	11-Apr-14	42.30	7%
<i>Divested Stocks</i>						
CERN	250	27-Aug-13	46.65	28-Aug-13	46.65	0%
CERN	150	27-Aug-13	46.65	13-Nov-13	56.78	22%
WAB	90	27-Aug-13	58.39	28-Aug-13	58.39	0%
CTRL	175	18-Oct-13	16.28	15-Jan-14	27.54	69%
FMX	20	27-Aug-13	93.90	23-Oct-13	93.98	0.09%
<i>Acquired Stocks</i>						
IRE	445	21-Jan-14	18.10	11-Apr-14	17.18	-5%

* Split Adjusted

DIVESTED HOLDINGS

Davidson Fund

Only two stocks were sold from the Davidson Fund over the academic year: FMX and CTRL. Fund analysts debated selling FMX at the start of the school year but held off for a couple months, thinking that it would go up with the bull market before we sold. While it did go up, it quickly came back down before we sold. Mexico has made a shift towards consuming healthier products and away from drinks and foods that are associated with health concerns. While Coca-Cola offers a line of healthy drinks, it still has a large market for sugary colas. As Mexicans move to healthier beverages to reduce problems with diabetes and obesity, the demand for sugary drinks has stagnated. CTRL made an abnormal leap in January as Google acquired a competitor, driving the sector higher in a matter of minutes. A quick sale locked in great gains, and the stock price retreated in the following days.

Control4 Corp. (NasdaqGS: CTRL)

Portfolio: Davidson
 Purchase Date: October 23, 2013
 Purchase Price: \$17.33
 Sale Date: January 15, 2014
 Sale Price: \$27.54
 Analyst: Taylor Nielsen

Control4 designs and manufactures systems that automate electronic components and systems for the home. Customers have the ability to purchase a wide variety of integrated modules covering areas such as home entertainment, security, and climate control. These products are sold through resellers throughout the United States and in select foreign countries.

The fund purchased Control4 to take advantage of what analysts saw as a trend involving the "internet of things" or the proliferation of electronic devices connected through internet. Control4 has an attractive price point that offers the same advantages as more expensive products at a more affordable price. The fund chose to exit its position in Control4 after the acquisition of a competitor by Google drove the stock price up to the fund's price target.



Fomento Económico Mexicano (NYSE: FMX)

Portfolio: Davidson
Purchased: March 6, 2013
Purchase Price: \$110.73
Inherited Price: \$93.90
Sale Date: October 22, 2013
Sale Price: \$93.87
Analyst: David Sandahl



Fomento Económico Mexicano is the largest bottler franchise for Coca-Cola products in the world and holds the second largest equity position within Heineken. The last revenue segment is the retail branch of the company, operating OXXO, the largest growing chain of convenience stores in Latin America.

Fund analysts purchased Fomento Económico Mexicano based on its competitive positioning and strong growth potential. We believe that Latin America presents a great opportunity for a diversified exposure to emerging markets. The firm has continued to grow its convenience store operations and has the flexibility to manage margins in a competitive, high fixed-cost industry by optimizing capacity at its plants. Though the stock has had a small downturn due to instability in the Brazilian market, the 2012-2013 analysts believed it would recover as the volatility in that market decreased.

The price of FMX continued to decline over the summer of 2013. Analysts see FMX struggling in the future as health drinks become more popular and use of soda is limited as it is linked to diabetes, obesity, and other health problems.

Milner Portfolio

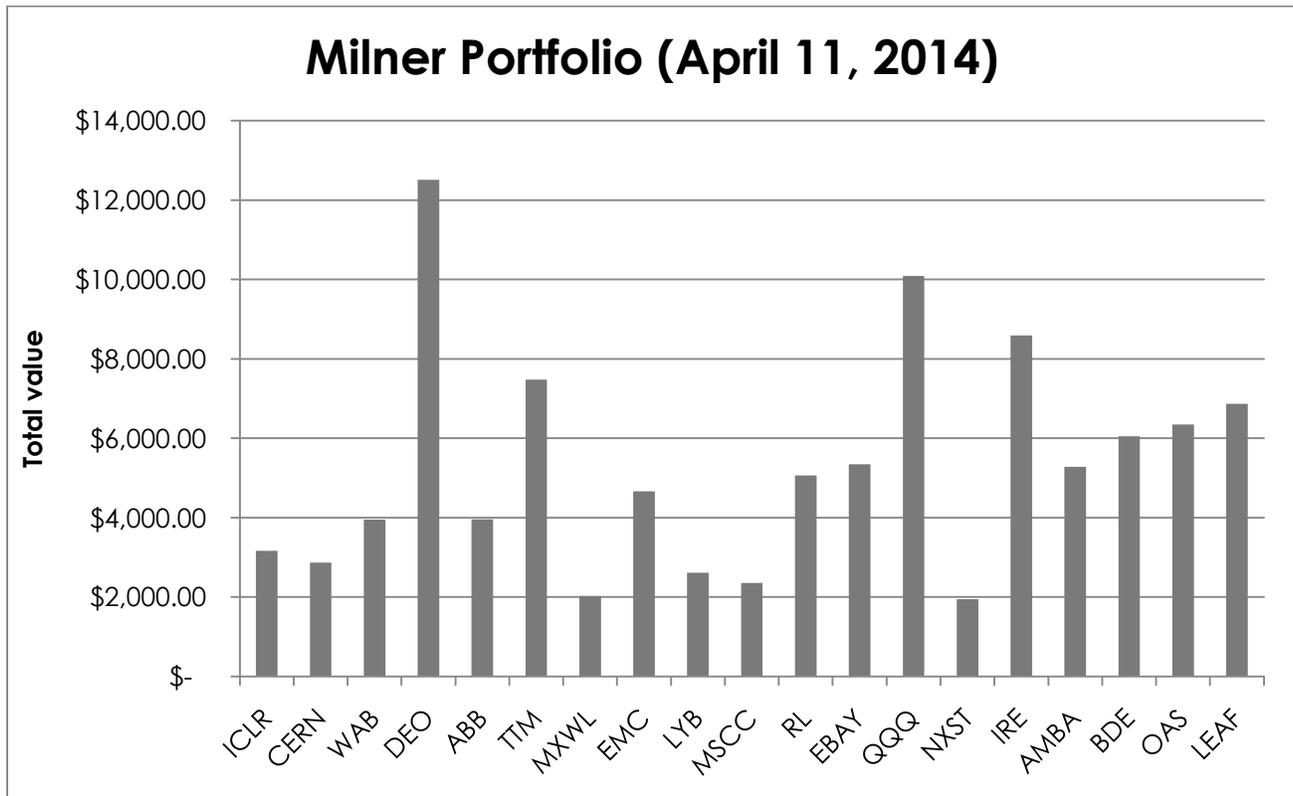
STRATEGY

The Student Investment Fund receives a donation of half of the annual gains in excess of 5 percent on holdings in the Milner portfolio. The portfolio value is not reset each year, in contrast to the Davidson portfolio. The focus of Milner portfolio is high-growth with recent concentrations in technology and pharmaceutical companies. The return of Milner portfolio has benefitted from these high-growth companies.

HIGHLIGHTS

The three best-performing stocks in the portfolio this academic year (since August 27, 2013) include Tata Motors with a 68 percent return, Maxwell with a 53 percent return, and LyondellBasell with a 29 percent return. The three worst performing stocks in the portfolio were Springleaf Holding with a 19 percent loss, Nexstar with a 15% loss, and Ambarella with an 11 percent loss. Sixteen of our 23 positions earned a positive return. As of April 11, 2014, the Milner portfolio held \$437.89 in cash and \$123,211.70 of equity investments in 19 companies, for a total value of \$123,649.59. The cumulative return for Milner portfolio was 9.27%.

HOLDINGS



MILNER PORTFOLIO

Ticker	Shares	Date Inherited or Acquired	Initial Price	Date Sold or Valued	Final Price	Dividends Received (net of tax)	Gross Return
<i>Inherited Stocks</i>							
ICLR	75	27-Aug-13	37.58	11-Apr-14	42.18		12.2%
CERN	55	27-Aug-13	46.65	11-Apr-14	52.11		11.7%
WAB	55	27-Aug-13	58.39	11-Apr-14	71.81	0.24	23.4%
DEO	100	27-Aug-13	124.18	11-Apr-14	125.09	3.2001	3.3%
ABB	150	27-Aug-13	22.03	11-Apr-14	26.39		19.8%
TTM	200	27-Aug-13	22.31	11-Apr-14	37.40	0.1334	68.2%
MXWL	150	27-Aug-13	8.84	11-Apr-14	13.53		53.1%
EMC	175	27-Aug-13	25.71	11-Apr-14	26.65	0.20	4.4%
LYB	30	27-Aug-13	68.79	11-Apr-14	87.11	1.70	29.1%
MSCC	100	27-Aug-13	25.48	11-Apr-14	23.57		-7.5%
RL	33	27-Aug-13	165.78	11-Apr-14	153.55	1.30	-6.6%
EBAY	100	27-Aug-13	50.61	11-Apr-14	53.46		5.6%
QQQ	120	27-Aug-13	75.14	11-Apr-14	84.11	1.089	13.4%
<i>Acquired Stocks</i>							
NXST	50	20-Nov-13	45.93	11-Apr-14	39.00	0.15	-14.8%
IRE	500	5-Dec-13	14.19	11-Apr-14	17.18		21.1%
AMBA	200	11-Feb-14	29.58	11-Apr-14	26.39		-10.8%
BDE	550	12-Feb-14	9.51636	11-Apr-14	11		15.6%
OAS	150	19-Feb-14	42.796	11-Apr-14	42.3		-1.2%
LEAF	300	26-Feb-14	28.22	11-Apr-14	22.88		-18.9%
<i>Divested Stocks</i>							
AKAM	200	27-Aug-13	46.3	27-Nov-13	44.6		-3.7%
QQQ	30	27-Aug-13	75.14	26-Feb-14	90.77	0.51	21.5%
ARUN	130	27-Aug-13	16.75	27-Nov-13	17.461		4.2%
Z	100	27-Aug-13	85.18	12-Feb-14	90.3982		6.1%

DIVESTED HOLDINGS

We liquidated three holdings in the Milner portfolio, some to realize gains and others to avoid larger losses. Akamai Technologies had a large run in January 2014 that we missed as analysts sold out fearing increased competition would continue to steal market share. Aruba Networks has been on a roller coaster ride, with management struggling to lead the company forward. Aruba Networks has been losing market share to Cisco and other competitors, and the stock has stagnated while its competition's stock prices have appreciated. Zillow had been underperforming the S&P since inheritance and the company had faced a decrease in unique monthly users. Analysts sold prior to an earnings announcement, fearing unfavorable news. We also trimmed our position in QQQ by 25 percent to free up cash for additional investments.

Akamai Technologies, Inc. (NASDAQGS: AKAM)

Portfolio: Milner Akamai Technologies is a content delivery network that serves 30 percent of all

Purchased: February 25, 2009
Purchase Price: \$18.31
Inherited Price: \$46.30
Sale Date: November 27, 2013
Sale Price: \$44.40
Analyst: Chase Payne



web traffic. Akamai's services allow users to receive content faster, without network congestion or outages thus avoiding the bottlenecks of the internet. Akamai achieves this by mirroring up to all of the site's content through a subdomain. Akamai technology is one of the world's largest internet information services.

Fund analysts decided to sell Akamai Technologies primarily because of increased competition within the space. Late in 2013 Google announced plans to launch a cyber-protection program that would potentially take market share from AKAM. Furthermore analysts anticipated negative market sentiment when AKAM was being accused of NSA spying scandal. Lastly, Akamai Directors were selling their positions in AKAM.

Aruba Networks (NYSE: ARUN)

Portfolio: Milner
Purchased: January 31, 2013
Purchase Price: \$23.94
Inherited Price: \$16.76
Sale Date: November 23, 2013
Sale Price: \$16.43
Analyst: Joshua Castillo



Aruba Networks is a provider of enterprise network access solutions. It works to create secure, modern networks by offering access points that deliver secure Wi-Fi for a local area network (LAN). Aruba software allows the administrator to create controls, limits, and individual profiles for employees and guests who connect to the LAN. The company is in the technology sector under the industry of networking and communications devices. It is a small cap company positioning itself in specialized network access points. Although it is a technology leader in providing network access points, enterprises require other services to have functioning LAN, such as firewalls and cloud storage. The industry is highly competitive and Aruba has seen the pressure from its competitors. Cisco Systems, a direct competitor, is able to provide network access points along with all other LAN needs at a bundle price. Cisco's product has fewer features than Aruba's but is a simple all-in-one solution to create a network. Because of this threat, along with pressure from other competitors, we sold Aruba network shares as the company struggles to maintain market share in a market unwilling to buy premium network technology.

Zillow Inc. (NASDAQGS: Z)

Portfolio: Milner
Purchased: February 8, 2013
Purchase Price: \$36.50
Inherit Price: \$85.18
Sale Date: January 12, 2014
Sale Price: \$90.40
Analyst: Taylor Nielsen



Zillow is an on-line site that allows consumers to search for homes and apartments online. The company has a proprietary model for estimating housing prices and a database with detailed information on over three quarters of the homes in the US.

Zillow was purchased as a way to take advantage of the real estate industry's shift to online platforms. The company has an experienced management team and innovative features such as Zillow Marketplace, Zillow Mobile, and Zillow Digs which have allowed the company to maintain market share. The fund voted to sell its position in Zillow due to underperformance and a trend in decreasing unique monthly users. The fund exited its position prior to the company's fourth quarter earnings release in order to lock in gains.

School Portfolio

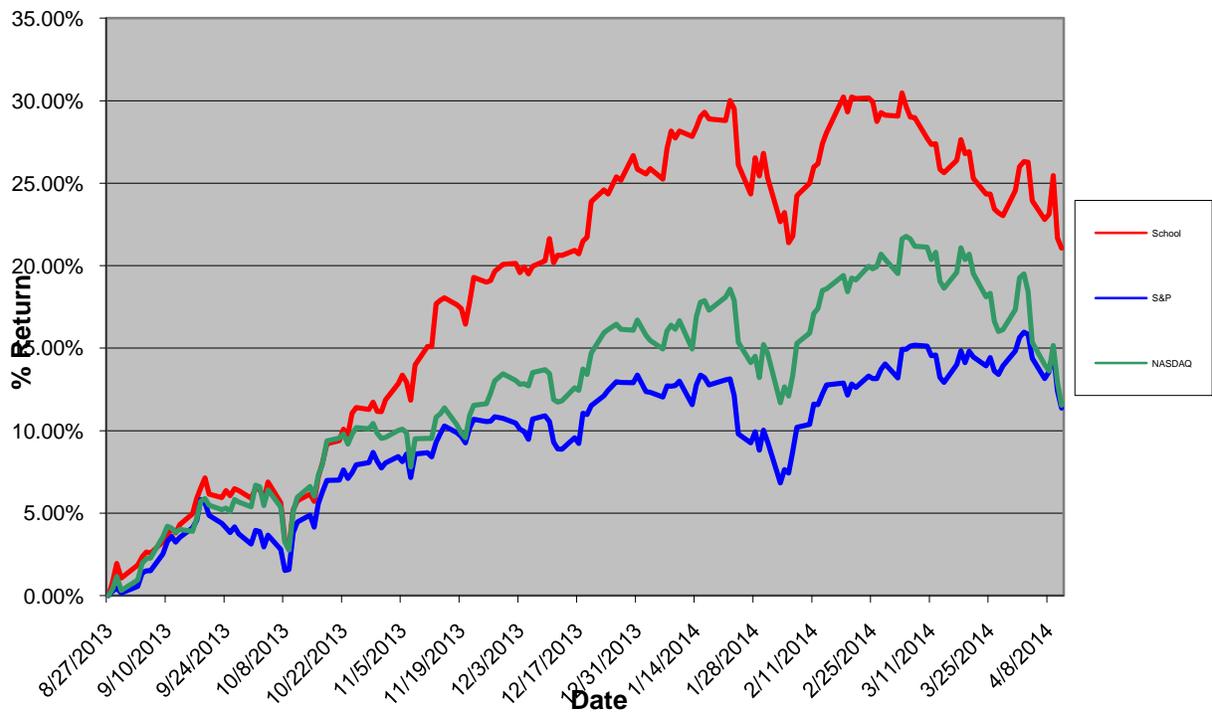
STRATEGY

The funds in School Portfolio come from donations to the Student Investment Fund and returns generated from the portfolio itself. In this portfolio, the primary strategy is to have diversified holdings mainly in well-established companies with a few long-term investments in growth stocks to provide both capital gains and dividends.

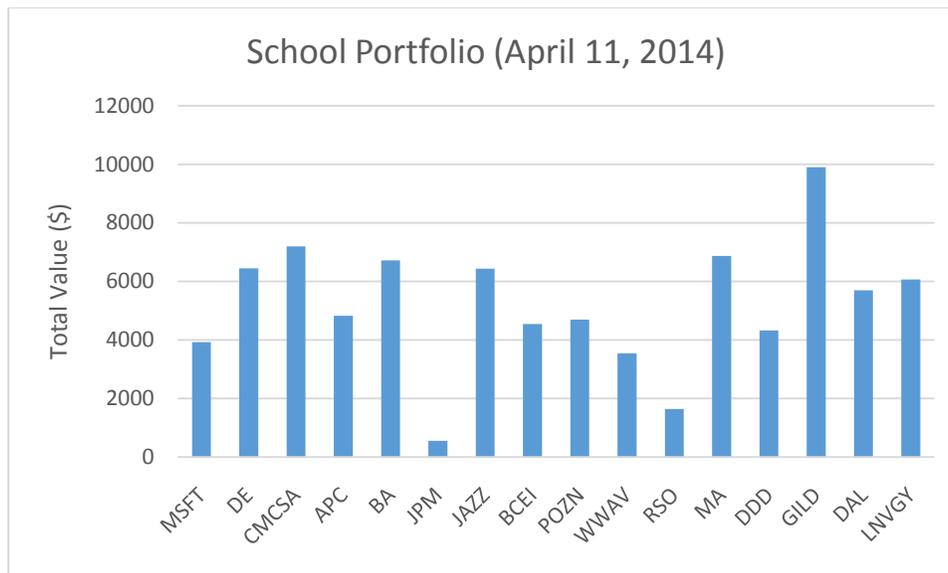
HIGHLIGHTS

In 2003, the School Portfolio won in the portfolio competition at RISE (the premier student investment fund conference) for the first place in alternative strategy. In the academic year 2013 -2014, the School Portfolio general outperformed both S&P and NASDAQ. As of April 11, 2014, the School portfolio had \$14,636.69 in cash and \$83,352.40 in equity yielding a total portfolio value of \$97,989.09. This represents a cumulative return of 21.07% which is about 10% higher than the cumulative return of S&P and NASDAQ for the same period. We partially liquidated two positions, sold five positions, purchased three stocks, and increased holdings in two stocks.

**Portfolio Return v. S&P and Nasdaq
2013 - 2014**



Out of the 21 holdings in the School Portfolio, 16 of them generated positive returns. The largest holding in the School Portfolio was GILD, accounting for 10.11% of the portfolio. The biggest winners in the School Portfolio were Jazz, which was partially divested on Feb 19, 2014, and POZN, which is still being held in the portfolio. They generated a return of 105.08% and 102.56% respectively. The biggest loser in the School Portfolio was GILD which represented a loss of 21.6% on the original holdings and a loss of 10.56% on the increased holdings.



SCHOOL PORTFOLIO							
Ticker	Shares*	Date inherited or acquired	Intial Price*	Date sold or valued	Final price	Dividends received	Gross return
MSFT	100	27-Aug-13	33.26	11-Apr-14	39.21	0.79	20.26%
DE	70	27-Aug-13	83.48	11-Apr-14	92.01	1.02	11.44%
CMCSA	150	27-Aug-13	41.80	11-Apr-14	47.96	0.39	15.67%
APC	50	27-Aug-13	90.88	11-Apr-14	96.48	0.54	6.76%
BA	55	27-Aug-13	103.21	11-Apr-14	122.07	1.70	19.92%
JPM	10	27-Aug-13	50.60	11-Apr-14	55.30	0.74	10.74%
JAZZ	50	27-Aug-13	83.90	11-Apr-14	128.61		53.29%
BCEI	100	27-Aug-13	39.32	11-Apr-14	45.44		15.56%
POZN	550	27-Aug-13	5.08	11-Apr-14	8.54	1.75	102.56%
WWAV	135	27-Aug-13	19.38	11-Apr-14	26.23		35.35%
RSO	300	27-Aug-13	5.82	11-Apr-14	5.47	0.40	0.86%
MA	50	27-Aug-13	60.79	11-Apr-14	68.68	0.12	13.16%
DDD	90	27-Aug-13	49.39	11-Apr-14	48.07		-2.67%
Divested stocks							
PMD	100	27-Aug-13	13.11	19-Feb-14	18.07	0.45	41.24%
JPM	72	27-Aug-13	50.60	14-Oct-13	52.01	0.38	3.54%
EBIX	150	27-Aug-13	11.23	19-Feb-14	15.93	0.08	42.52%
JAZZ	50	27-Aug-13	83.90	19-Feb-14	172.07		105.08%
ZNGA	200	27-Aug-13	2.79	7-Nov-13	3.73		33.80%
LXP	200	27-Aug-13	11.91	2-Oct-13	11.32	0.15	-3.68%
PVH	26	27-Aug-13	128.00	19-Feb-14	118.51	0.08	-7.36%
Acquired stocks							
MA	50	6-Feb-14	74.61	11-Apr-14	68.68	0.06	-7.87%
GILD	100	26-Feb-14	84.22	11-Apr-14	66.03		-21.60%
DAL	175	5-Mar-14	34.85	11-Apr-14	32.52		-6.69%
LNVGY	250	5-Mar-14	21.07	11-Apr-14	24.25		15.09%
GILD	50	2-Apr-14	73.83	11-Apr-14	66.03		-10.56%

*Split adjusted

DIVESTED HOLDINGS

In the School Portfolio, we partially or completely liquidated seven positions mainly because fund analysts thought that those stocks no longer had exciting growth potential. Some of the divested stocks rose slightly and some fell slightly after they were sold. However, more than half of them generated satisfactory returns for the portfolio at the price at which they were divested. It is also noteworthy that Jazz dropped 29.06% since we sold a portion of the position.

Ebix, Inc. (NASDAQGS: EBIX)

Portfolio: School
Purchased: November 23, 2011
Purchase Price: \$19.00
Inherited Price: \$11.23
Sale Date: February 19, 2014
Sale Price: \$15.93
Analyst: Kaitlyn Sanders

Ebix, Inc. (Ebix) supplies a range of software and e-commerce solutions to the insurance industry. Services offered include broker systems, carrier systems, and custom software development. The software-as-a-service (SaaS) model utilized by Ebix allows the company to maintain a high level of recurring revenue, driven from the maintenance and training fees associated with the complex systems. Originally purchased on a basis of strong financial performance, the price slipped on an announcement of an SEC investigation in late June of 2013. We sold the stock on February 19th, 2014.



Fund analysts chose to sell our position because during our holding period we had lost 22.53% while the S&P 500 gained 57.01%. The stock was expected to underperform the market and has very high risk with the ongoing investigations.

Jazz Pharmaceuticals PLC (NASDAQGS: JAZZ)

Portfolio: School
Purchased: February 9, 2012
Purchase Price: \$49.52
Inherited Price: \$85.29
Sale Date: February 19, 2014
Sale Price: \$170.28
Current Price: \$128.61
Analyst: Bryce Whiting

Jazz Pharmaceuticals is a specialty biopharmaceutical company that identifies, develops, and commercializes medical products. The company capitalizes on in-licensing contracts of experimental drugs previously shelved by larger pharmaceutical companies due to budget constraints in R&D or due to weak margins of a previously marketed drug. In-licensing programs enable Jazz to sell experimental pharmaceutical drugs that have either already hit the market or were never commercialized due to the specialty nature of the product



Previous fund analysts purchased the stock due to the continual sales growth of Xyrem. Xyrem, which treats narcolepsy, is the Company's leading product and has a patent that does not expire until 2020. As Jazz continues to experience growth in its other products as well as synergies from recent acquisitions, fund analysts are excited about the potential of the company.

Lexington Realty Trust (NYSE: LXP)

Portfolio: School
Purchased: November 14, 2012
Purchase Price: \$9.18
Inherited Price: \$11.91

Lexington Realty Trust (LXP) is a diversified real estate investment trust (REIT) that focuses on single-tenant commercial net-leases. It currently manages 230 properties, with a total of 42 million net rentable square feet. Its tenants consist of small, medium, and large companies

Sale Date: October 2, 2013
Sale Price: 11.32
Analyst: Thomas Houser



operating in over 20 industries across 41 states. The tenant base is diversified by company size, industry, and geographic location.

With the continued confusion regarding any changes in interest rates from the Fed and a decreasing book value, the fund analysts sold LXP. Since then it has continued to remain stagnant, and decrease slightly, and would have limited the potential gains achieved by reinvesting the proceeds from the sale of LXP.

Psychemedics Corporation (NASDAQCM: PMD)

Portfolio: School
Purchased: April 15, 2010
Purchase Price: \$7.73
Inherited Price: \$13.11
Sale Date: February 18, 2013
Sale Price: \$18.12
Analyst: Mai Sanchez



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

Since purchased, the SIF has gained 141.14%. Although the stock showed a stable growth over the past few years, current portfolio analysts decided to sell Psychemedics. This is due to our decision to concentrate our portfolio on higher returns and we have decided to look for better investment opportunities moving forward. Also, we do not anticipate a huge growth from the company due to the characteristics of its business.

PVH Corp. (NYSE: PVH)

Portfolio: School
Purchased: January 23, 2013
Purchase Price: \$117.28
Inherited Price: \$127.33
Sale Date: March 15, 2014
Sale Price: \$118.51
Analyst: Benton Sturt



PVH Corp, formally Phillip Van Heusen, is a US based apparel company that operates in the Americas, Europe, and Asia. The company has a large portfolio of popular brands including Calvin Klein, Tommy Hilfiger, and Heritage Brands. Through the brand portfolio, PVH designs and markets clothing, handbags, sunglasses, and home goods. The products are sold via retail, wholesale, and licensing.

PVH was purchased near its 52-week high. Previous analysts bought the stock due to the opportunity they saw in the PVH Warnaco deal to gain exposure to emerging markets. Fund analysts decided to sell the stock due to its consistent underperformance, lackluster holiday season performance, and more attractive opportunities.

Zynga (NASDAQGS: ZNGA)

Portfolio: School
Purchased: April 12, 2012
Purchase Price: \$12.12
Inherited Price: \$2.88

Zynga is a provider of social game services. The Company develops, markets, and operates multiplayer games, which are played over the Internet and on social networking sites.

Sale Date: November 7, 2013
Sale Price: \$3.46
Current Price: \$4.07
Analyst: Bryce Whiting

Analysts decided to sell the stock due to the competitiveness of the industry and dramatic decrease in value since the purchase price. Additionally the position was sufficiently small that the potential upside was minimal when compared with other positions held in the portfolio.



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.

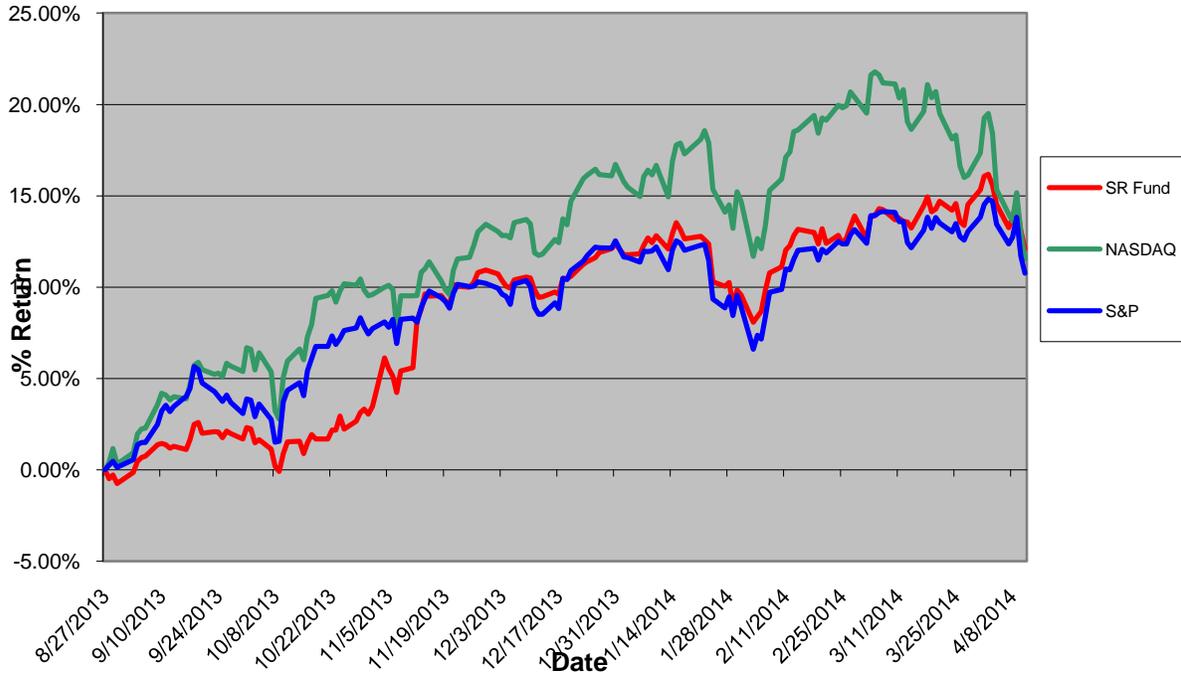
In defining social alpha more precisely, Fund analysts examined internal factors for a candidate firm as well as the firm's external activities. Items identified as important internally to a prospective investment include ethical and equitable treatment of employees, employee benefits, executive pay, corporate culture, and 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.

Analysts concluded that social responsibility for fund analysts includes fiduciary responsibility, and so each investment in the SRP must meet two hurdles: the proposed investment must meet the Student Investment Fund's investment criteria and in addition, each investment must meet the criteria for social responsibility. As in the other three funds SIF manages, a majority of votes by analysts is needed to meet the investment hurdle. The social responsibility hurdle requires support from two thirds of the fund's analysts.

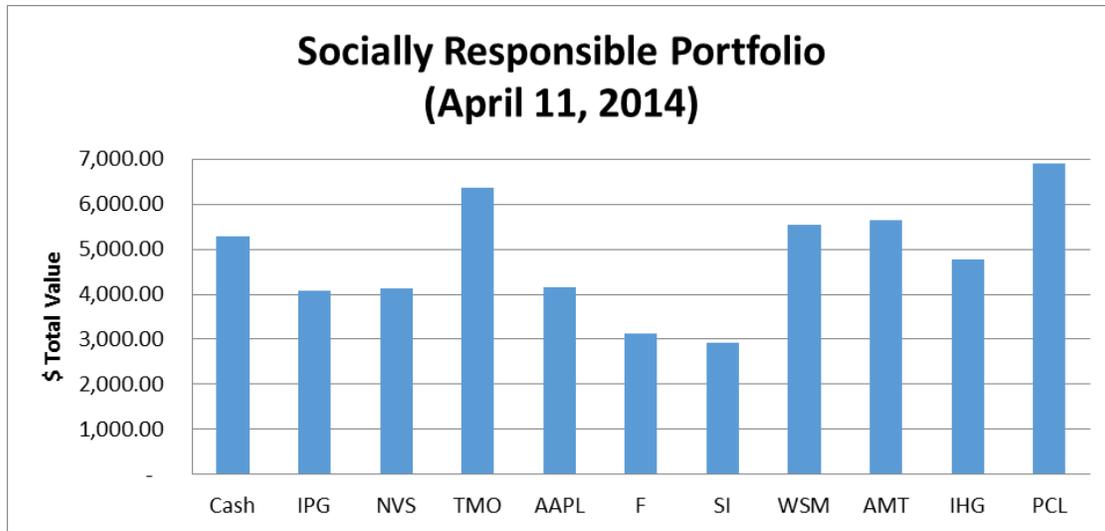
HIGHLIGHTS

The Social Responsible Portfolio was funded on April 6, 2011. The analysis below captures the portfolio's position as of April 11, 2014. We acquired two stocks during the 2013-2014 school year for the Socially Responsible Portfolio, InterContinental Hotels Group (IHG) purchased on January 29, 2014 and American Tower (AMT) on November 6, 2013. Overall, the Socially Responsible Portfolio has returned 10.16 percent over the academic year.

Portfolio Return v. S&P and Nasdaq 2013 - 2014



As of April 11, 2014, our largest holdings in the Socially Responsible Portfolio were PCL, making up 13.1 percent of the portfolio, and TMO, which made up 12.0 percent. The highest performing stocks were TMO, which had a return of 31.4 percent, and SI, which produced a return of 30.2 percent. Our worst performing stocks held were IHG, with a return of -0.22 percent, and PCL, with a return of -4.61 percent.



SOCIALLY RESPONSIBLE PORTFOLIO

Ticker	Shares	Date inherited or acquired	Initial Price	Date sold or valued	Final Price	Dividends Received	Gross Return
IPG	250	27-Aug-13	15.43	11-Apr-14	16.28	0.25	7.10%
NVS	50	27-Aug-13	71.87	11-Apr-14	82.67	2.72	18.81%
TMO	55	27-Aug-13	88.45	11-Apr-14	115.77	0.45	31.40%
AAPL	8	27-Aug-13	482.86	11-Apr-14	519.61	6.10	8.87%

F	200	27-Aug-13	15.66	11-Apr-14	15.63	0.23	1.25%
SI	22	27-Aug-13	105.44	11-Apr-14	133.13	4.09	30.14%
WSM	90	27-Aug-13	58.76	11-Apr-14	61.50	0.62	5.72%
AMT	70	6-Nov-13	78.92	11-Apr-14	80.55	0.89	3.19%
IHG	150	29-Jan-14	32.29	11-Apr-14	31.75	0.47	-0.22%
PCL	170	27-Aug-13	43.58	11-Apr-14	40.69	0.88	-4.61%

**net of foreign taxes

DIVESTED HOLDINGS

Over the course of year, we sold two stocks from the Socially Responsible Portfolio, CVA and AAMRQ. CVA was bought on January 31, 2013, and the stock price has increased 14.6 percent; however, the stock price dropped 20.0 percent on November 19, 2013. The stock was sold on March 6, 2014. AAMRQ was a very profitable investment. We purchased the stock on October 23, 2013, and the stock price increased 94 percent before we sold the stock on November 27, 2013. We determined it was an appropriate time to exit from our position. Our decision worked out well, as holding onto AAMRQ for one more month would have seen a decrease in value of nearly seven percent.

Covanta Holdings (NYSE: CVA)

Portfolio: Socially Responsible
Purchased: January 31, 2013
Purchase Price: \$19.20
Inherited Price: \$21.35
Sale Date: March 5, 2014
Sale Price: \$17.50
Analyst: Benton Sturt

Covanta owns and operates large-scale waste-to-energy facilities and produces approximately 8% of US renewable energy. It earns revenue through gathering municipal waste, burning it, selling the steam produced electricity into local grids and recycling and selling the metals found in the waste. Previous analysts liked the strong business model and environmental sustainability initiatives of the company which made it a good pick for the Socially Responsible Fund.



While Covanta's business model is very interesting and it is a leader in the industry, the company took a major hit when it missed earnings two quarters in a row. Fund analysts decided to sell when management provided guidance suggesting poor performance for the next fiscal year due to unseen expenditures.

Ford Motor Company (NYSE: F)

Portfolio: Socially Responsible
Purchased: May 6, 2011
Purchase Price: \$15.18
Inherited Price: \$16.02
Sale Date: April 23, 2014
Sale Price: \$16.26
Analyst: Dylan Nelson

Ford Motor Company is an American multinational automaker headquartered in Michigan. Ford is one of the largest automakers in the world with brands Lincoln and Ford.

Ford was purchased because it has a 16.4% market share of cars and trucks in the U.S. We continue to hold Ford as it is well-positioned to capture new markets such as China. Sales in Europe are also improving due to new smaller models. Ford was purchased in the Socially Responsible Fund because it is listed #63 on CRO's 100 Best Corporate Citizens (1st in Human rights, #82 Green Rankings (Newsweek), 2011 World Most Ethical Companies, Ethisphere, #158 Just Means Global 1000).



CURRENT HOLDINGS (UPDATED AS OF August 11, 2014)

Prices for the current holdings have been updated to give incoming analysts a more accurate measurement of our current position.

3D Systems Corp. (NYSE: DDD)

Portfolio: School
Purchased: April 17, 2013
Purchase Price: \$33.59
Inherited Price: \$50.43
Current Price: \$48.07
Analyst: Joshua Castillo



3D Systems is a technology company that specializes in the development, manufacturing, and marketing of 3D printers as well as support and necessary materials for printing. The company works to provide 3d printing solutions to large industries such as medical and aerospace to personal printers used in homes. The vast range of products as well as critical patented printing techniques has placed 3D systems on the leading edge of 3D printing. Unfortunately the company has seen immense pressure from competitors. Several key patents owned by 3D systems expired in February 2014 allowing large competitors, such as Hewitt- Packard, to enter the industry. This competitive pressure, along with a revised 2014 Q1 earnings report lowering earnings expectations, has caused the stock to fall over 45% YTD. Yet 3D systems increased revenues by 54% last quarter and 2013 organic growth of 26%. Management announced it will focus on future investment rather than short term earnings. We feel with this goal 3D Systems will regain market control in the coming months and recommend a "hold" for the stock.

Ambarella (NYSE: AMBA)

Portfolio: Milner
Purchased: February 11, 2014
Purchase Price: \$29.58
Current Price: \$26.39
Analyst: Zach Bitner



Ambarella is the industry leader for design and development of semiconductor processing solutions that capture, display, and share high definition (HD) video. These system-on-a-chip (SoC) solutions deliver superb video and audio quality as well as diverse functionality and low power consumption. Ambarella designs unique SoC solutions for its customers, while utilizing a similar but customizable platform in each product. Its current products are used in the IP security camera, wearable and sports camera, automotive camera and broadcasting infrastructure markets.

Fund analysts believe that Ambarella is a strong buy based on its best-in-class technology, extraordinary growth opportunities, and its powerful positioning in a diversified set of niche end-markets. Ambarella has promising relationships that we expect will continue to foster the firm's growth, acting as catalysts to drive the stock higher. In addition to this, we deem the stock price attractive based on our valuation and a number of metrics.

ABB LTD. (NYSE: ABB)

Portfolio: Milner
Purchased: March 24, 2009
Purchase Price: \$14.22
Inherited Price: \$21.32
Current Price: \$24.68
Analyst: Zach Bitner

ABB, in the industrial electrical equipment industry, designs and builds power products and power systems. It is known for equipment that maintains high conductivity, which both increases grid efficiency and decreases maintenance needs in extreme environments and constrained spaces. It has an incredible network of engineers who design, install and maintain a wide variety of energy systems. Its current orders include capturing wind energy to feed the grid in Brazil, creating high-voltage gas insulated switchgear for power stations in Saudi

Arabia and building a drilling platform in the North Sea for Statoil, among many other diversified and massive projects.



ABB is a play on total global growth but the fund analysts feel that this company has growth potential and a unique product offering particularly for developing countries, even in the face of decreased overall global demand. We recommend this stock as a strong hold for the next several years and expect returns to be on par with the S&P for one or two more years and then increase substantially as its R&D from the last several years becomes market ready and sees transformative worldwide demand.

Aircastle Limited (NYSE: AYR)

Portfolio: Davidson
Purchased: December 8, 2010
Purchase Price: \$10.39
Inherited Price: \$16.17
Current Price: \$18.65
Analyst: Taylor Nielsen

Aircastle is a global company that acquires, sells, and leases aircraft to customers around the world. At the end of 2013 the company's aircraft portfolio consisted of 162 aircraft on lease with 64 customers located in 37 countries.

Previous analysts purchased this stock due to the growing demand for aircraft as a result of aging fleets and economic growth in developing countries. Aircastle has a strong management team that consists of aviation professionals with extensive industry experience and market knowledge. The fund has continued to hold this stock due to analyst expectations of continued growth in aircraft demand.



Amazon.com Inc. (NASDAQGS: AMZN)

Portfolio: Davidson
Purchased: October 5, 2011
Purchase Price: \$214.52
Inherited Price: \$280.93
Current Price: \$311.73
Analyst: Chase Payne

Amazon started in July 1994 as a bookseller, but has become one of the world's largest online retailers and cloud storage providers. In November 2007, the company introduced its electronic reader, the Kindle, which has gone on to win numerous awards.

The Fund analysts believe that Amazon remains a good investment as consumers increasingly switch to online shopping. Amazon's gross margin is 7% higher than its closest competitor; these margins have steadily increased for the past five years. Throughout the year Amazon released a new version of its electronic reader, the Kindle Fire. Amazon also announced plans to integrate drones into its delivery system in the future. These factors contributed to Amazon's stock price increase. Analysts predict continued growth and suggest a hold. Legislation changes could affect Amazon's stock price, and should be taken into consideration.



American Airlines (OTCMKTS: AAMRQ)

Portfolio: Socially Responsible
Purchase Date: October 23, 2013
Purchase Price: \$6.25
Sale Date: November 27, 2013

AMR Corp. is a major US-based airline serving the US, Caribbean, Asia, and Europe under the name American Airlines.

AMR Corp. was operating in Chapter 11 bankruptcy. The proposed exit

Sale Price: \$12.15
Analyst: Dylan Nelson

involved a merger with US Airways. The Justice Department had not yet approved the proposed merger, so there was a substantial uncertainty as to whether the proposed plan of reorganization will be affected. The company invested in a new, fuel efficient fleet. We purchased AMR in the socially responsible portfolio because of the new fuel-efficient fleet, because the company has honored its employment contracts despite being in bankruptcy, and because of a corporate culture of supporting volunteerism and charitable giving.



The price of the stock doubled after the Justice Department approved the merger with only modest changes and the bankruptcy court confirmed the plan. Our analysts decided to sell because of the uncertainty over possible significant dilution of equity holders.

American Tower Corporation (NYSE: AMT)

Portfolio: Socially Responsible
Purchase Date: November 6, 2013
Purchase Price: \$79.62
Current Price: \$80.55
Analyst: Bryce Whiting

American Tower, a Real Estate Investment Trust (REIT), is a leading independent owner, operator, and developer of wireless broadcast communications real estate. AMT's tower portfolio consists of over 67,000 properties with 28,000 located in the United States and over 39,000 spread across Brazil, Chile, Colombia, Costa Rica, Germany, Ghana, India, Mexico, Panama, Peru, South Africa, and Uganda. American Tower leases antenna space on multiple-tenant communication sites to wireless service providers such as AT&T, Sprint, Verizon, and T-Mobile as well as to radio and television broadcast companies, wireless data providers, government agencies and municipalities as well as tenants in other industries.



AMERICAN TOWER®

American Tower gives the Socially Responsible Fund exposure to a company that is positioned to capitalize on the global growth in the use of wireless communications services and the evolution of advanced wireless mobile devices. With AMT's recent aggressive acquisition strategy of both international and domestic tenant sites, fund analysts are excited about the Company as it continues to show strong organic and inorganic growth.

Anadarko Petroleum (NYSE: APC)

Portfolio: School
Purchased: December 3, 2008
Purchase Price: \$36.33
Inherited Price: \$91.52
Current Price: \$96.48
Analyst: Bryce Whiting

Anadarko Petroleum, headquartered in The Woodlands, Texas, is one of the world's largest oil and gas exploration companies. APC had 2.79 billion barrels of oil equivalent (BBOE) of proved reserves at year-end 2013. During fiscal year 2013 the Company experienced 7% year-over-year increase in daily sales volume, accelerated roughly \$4.5 billion of value through asset monetization, achieved first oil at El Merk mega project in Algeria, doubled its common stock dividend, and had a 67% deep water exploration/appraisal success rate.



APC was purchased in 2008 due to the dramatic price reduction in energy. Analysts continue to hold the position due the Company's established historic commitment to find and develop the energy resources that the world depends upon. Anadarko estimates it will invest between \$8.1 and \$8.5 billion to achieve this goal during 2014.

Apple, Inc. (NASDAQGS: AAPL)

Portfolio: Socially Responsible
Purchased: April 28, 2011
Purchase Price: \$346.00
Inherited Price: \$488.59
Current Price: \$519.61
Analyst: Pengzhen Wu



Apple makes personal computers, mobile phones, portable digital music, and video players. It also sells related software, services, and peripherals. The company offers iPhone, a line of smartphones that comprise a phone, music player, and Internet device; iPad, a line of multi-purpose tablets based on Apple's ios multi-touch operating system; Mac, a line of desktop and portable personal computers; and iPod, a line of portable digital music and media players. The company has a strong history of innovation and customer loyalty.

In 2013, Apple has addressed some worries by proving it can still boost sales on a year-over-year basis and by stabilizing its declining gross profit margins. The current fund analysts chose to continue to hold the stock because we believe Apple will continue its innovation and enter new product categories. Also, Apple reached iPhone deal with China Mobile which should help Apple's EPS grow by double digits.

Bank of Ireland (ADR NYSE:IRE)

Portfolio: Milner
Purchase Date: December 5, 2013
Purchase Price: \$14.19
Portfolio: Davidson
Purchase Date: January 21, 2014
Purchase Price: \$17.96
Current Price: \$17.18
Analyst: Dylan Nelson



Bank of Ireland

The Governor and Company of the Bank of Ireland is one of the largest full-service commercial and lending banks in Ireland.

Bank of Ireland was purchased as Ireland recovers from its recession, recently posted a 0.40% GDP growth. IRE is set capture over half of the market share over the next five years. Lending and retail sales for IRE should continue to improve as Ireland recovers. The Irish government also holds a 15% interest which they are in the process of selling. As IRE goes through privatization it is likely it will start paying a dividend again which will further increase its share price. Our analysts decided to increase our position when there was slight pullback from the 52-week high.

Black Diamond Equipment (NASDAQ: BDE)

Portfolio:
Purchased: February 11, 2014
Purchase Price: \$10.24
Current Price: \$11.00
Analyst: Alex Wall

Black Diamond Equipment is an outdoor sporting goods manufacturer headquartered in Salt Lake City, Utah. The Company's four primary product lines provide equipment for mountaineering, skiing, climbing, and cycling activities. In the fall of 2013, BDE launched a fifth product line: apparel. Black Diamond Apparel was launched both domestically and internationally, and contributed to the Company's record \$60.4 million in quarterly sales in Q4 2014. The Company also received over a dozen awards for superior product quality in the fourth quarter of 2013, both for its apparel line and its "hard goods," including helmets, ski poles, and advanced avalanche gear.



Black Diamond Equipment was incorporated in 2010 through a reverse merger with Clarus Corporation, so historical performance information was limited when conducting investment research. The Company's portfolio of over 100 patents, market leadership in the outdoor sporting goods manufacturing industry segment, and recent acquisitions of POC and PIEPs were all factors taken into consideration when forecasting sales and making an investment decision. The Company's current stated strategy is to expand its market share through organic sales growth and occasional acquisitions, and to generate significant profitability within a five-year time horizon. The most important consideration for future analysts when evaluating BDE as a continued investment will be the Company's ability to generate profitability and free cash flows in future quarters. The performance of Black Diamond Apparel as the Company seeks to expand its apparel line will also likely be a key indicator of the Company's future performance moving forward.

Boeing (NYSE: BA)

Portfolio: School
Purchased: December 27, 2010
Purchase Price: \$64.37
Inherited Price: \$102.26
Current Price: \$122.07
Analyst: Na Teng

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

Over the past year, the share price has increased 19% due to the new deals the company has made with many different airline companies. The fund analysts recommend a hold because the analyst believes Boeing still has substantial potential in manufacturing aircraft and because of its leading position in aerospace.



Bonanza Creek, Inc. (NYSE: BCEI)

Portfolio: School
Purchased: October 31, 2012
Purchase Price: \$24.50
Inherited Price: \$39.32
Current Price: \$45.44
Analyst: Zach Bitner

Bonanza Creek, Inc. is a small-cap mid and upstream oil and natural gas company. It is headquartered in Colorado and produces in both Colorado and Arkansas. Fracking is the company's main method of oil and natural gas extraction and it owns a natural gas processing plant in Arkansas. Led by an experienced management team, Bonanza Creek has exhibited and is projected to continue to exhibit strong organic growth by increasing its proved reserves and decreasing its well spacing. Organic growth and increasing investor confidence will be the basis for strong future returns in spite of the volatility of the stock price. Even though there is a glut of natural gas and uncertainty in the oil market, Bonanza Creek is in the midst of a successful growth.



Cerner (NASDAQGS: CERN)

Portfolio: Davidson, Milner
Purchased: February 10, 2006
October 7, 2009
Purchase Price: \$37.88
Inherited Price: \$46.65
Current Price: \$52.11

Cerner Corporation provides healthcare information technology (HCIT) solutions to a range of medical centers and outlets, including major hospitals and single-office doctors.

With the introduction of Obamacare, the need for healthcare facilities is increasing, which will drive the demand for healthcare technologies.

Analyst: Na Teng

Our analyst recommends a hold for Cerner.



Comcast (NASDAQGS: CMCSA)

Portfolio: School
Purchased: January 17, 2007
Purchase Price: \$29.99
Inherited Price: \$41.80
Current Price: \$47.96
Analyst: Kaitlyn Sanders

Comcast is the largest provider of high-speed internet and voice services and operates. Its two largest revenue sources are the cable communications business and NBCUniversal. Comcast's cable communications sector includes XFINITY TV app, XFINITY Streampix, and XFINITY Voice. Acquired in January 2011, NBCUniversal includes cable networks, broadcast TV, filmed entertainment, and theme parks.



The fund analysts have continued to hold the stock because Comcast has consistently increased its market share in cable communications and home internet services. They are in the process of merging with Time Warner Cable in a deal worth \$45.2 billion. Comcast has seen impressive top line, bottom line, and dividend growth. Over a twelve month period Comcast's stock is up 19.5% versus 17.9% for the S&P 500.

Deere & Co. (NYSE: DE)

Portfolio: School
Purchased: November 30, 2005
Purchase Price: \$34.63
Inherited Price: \$83.90
Current Price: \$92.01
Analyst: Zach Bitner

Deere & Company started out by selling the steel plow in 1837. Over the years the company has evolved into a manufacturing giant specializing in industrial vehicles and parts for earthmoving, construction, and agriculture. The company also has a credit department that manages the sales and leases of its products.



The current Fund analysts chose to continue to hold the stock because the Deere has paid high dividends and seen steady growth. The company is expanding into countries around the globe and sales are expected to continue to increase. The company has also consistently increased dividends. Revenues have increased by nearly 10% compared to last year. We expect the company's revenue to grow as it continues to expand into Brazil, India, and China.

Delta Air Lines (NYSE: DAL)

Portfolio: School
Purchased: March 5, 2014
Purchase Price: \$34.85
Inherited Price: \$34.85
Current Price: \$32.39
Analyst: Thomas Houser

Delta Air Lines is an international air transportation based in Atlanta, Georgia. The company employs about 81,000 people, and has a large hub in Salt Lake City. With a market cap of 33 Billion, DAL is one of the largest airlines and captures almost 16% of the passenger market share.



Since its emergence from bankruptcy, Delta Air Lines has strengthened its financial position and has become a leading carrier in the United States. Management has been working on lowering costs, increasing profits, shifting its attention to key business clientele, and replacing planes with newer and more cost effective counterparts. These efforts have helped DAL keep its PE lower than competitors and analysts believe it will see large gains in the future.

Diageo PLC (NYSE: DEO)

Portfolio: Milner
 Purchased: February 4, 2009
 Purchase Price: \$55.43
 Inherited Price: \$124.18
 Current Price: \$125.09
 Analyst: David Sandahl

Diageo currently has the world's largest market share as a provider of spirits. The firm currently produces 8 of the 20 most popular spirit brands, including Smirnoff Vodka, Johnny Walker Scotch, Guinness beer, and Jose Cuervo. The company is relatively vertically integrated as it produces, packages, and distributes the spirits, wine and beer it sells.

The firm continues to grow by strategic acquisitions in emerging markets. The latest acquisition made by Diageo was Ypióca, a leading spirits company in Brazil. The firm is currently in negotiations to acquire a majority stake in United Spirits, an Indian company. A hold is recommended.



eBay (NASDAQGS: EBAY)

Portfolio: Milner
 Purchased: November 14, 2012
 Purchase Price: \$46.92
 Inherited Price: \$52.20
 Current Price: \$53.46
 Analyst: Chase Payne

eBay facilitates commerce between individuals and companies world-wide. These transactions happen through "buy it now" and auctions.

eBay provides a platform for buyers and sellers to transact through its subsidiary, PayPal. PayPal is one of eBay's strongest areas, allowing companies and individuals to transfer money or purchase goods more conveniently. PayPal currently makes up a large portion of eBay's revenue. eBay has strong financials with a Return on Equity ratio higher than its closest competitor, indicating higher profitability. Analysts recommend a hold.



EMC Corporation (NYSE: EMC)

Portfolio: Milner
 Purchased: December 9, 2009
 Purchase Price: \$16.75
 Inherited Price: \$25.42
 Current Price: \$26.65
 Analyst: Na Teng

EMC Corporation manufactures, markets, and supports a wide range of hardware and software products. It operates in three segments: information storage, information intelligence group, and RSA information security.

EMC earned a return of 139 percent over the last academic year. The analyst expects the high return will continue for EMC as EMC touches on more industries and capitalizes on its position as a market leader.



Gilead (GILD)

Portfolio: School
Purchased: February 11, 2014
Purchase Price: \$81.80
Purchased: April 2, 2014
Purchase Price: \$73.83
Current Price: 66.03
Analyst: David Sandahl



Gilead is a biopharmaceutical company that specializes in the discovery, development, and commercialization of drugs for the treatment of life threatening diseases. The company is known for HIV/AIDS and hepatitis medications, and operates in North America, Europe and Asia.

Analysts purchased shares of Gilead based on the idea that its strategic positioning in a high growth industry along with its superior success rate relative to competitors would continue to drive strong growth looking forward. We also believed that the market had underestimated the future success of Sovaldi and other drug releases. Gilead experienced a significant price drop shortly after our purchase but we believe it to be short-lived. We have since increased our position, and continue to recommend a hold.

ICON PLC (NASDAQGS: ICLR)

Portfolio: Milner
Purchased: February 3, 2005
Purchase Price: \$8.48
Inherited Price: \$37.58
Current Price: \$42.18
Analyst: Taylor Nielsen



Icon PLC is a medical research company based in Ireland that provides outsourced research services in the fields of biotechnology, pharmaceuticals, and medical device development. It conducts clinical testing and analysis of new drugs and manages other research and development projects in the healthcare sector. Icon PLC operates in the medical laboratories and research industry.

Icon is ranked as a top (CRO) Clinical Research Organization. Icon has consistently outperformed the market throughout the past year. Its EBITDA is much higher than industry average and currently has a 23.7% quarterly growth rate. It has been one of the best performers in both the Davidson and Milner Funds. The stock price reached an all-time high of \$33.07 in late March and has maintained a price above \$30.00 through early April.

InterContinental Hotel Group (NYSE: IHG)

Portfolio: Socially Responsible
Purchased: January 29, 2014
Purchase Price: \$32.29
Inherited Price: \$32.29
Current Price: \$31.75
Analyst: Pengzhen Wu



InterContinental Hotels Group owns, manages, franchises, and leases hotels and resorts worldwide. The company operates hotels and resorts under various brands, including InterContinental, Hotel Indigo, Crowne Plaza, Holiday Inn, Holiday Inn Express, Staybridge Suites, Candlewood Suites, EVEN, and HUALUXE Hotels and Resorts. It also manages IHG Rewards Club, a hotel loyalty program with approximately 77.4 million members worldwide. As of April 8, 2014, the company had 4,600 hotels and 687,000 rooms in approximately 100 countries.

Fund analysts recommend holding this stock. InterContinental Hotels Group has hotels all over the world and has excellent brand recognition; also, the world economy is recovering and people will have more money spend on vacation which will increase hotel demand hotels.

Interpublic Group of Companies (NYSE: IPG)

Portfolio: Socially Responsible
Purchased: April 20, 2011

Interpublic is one of the "Big Four" global advertising and marketing services companies, with offices in over 100 countries and 45,400

Purchase Price: \$11.82
Inherited Price: \$15.66
Current Price: \$16.28
Analyst: Alex Wall



employees. Structured as a conglomerate comprised of marketing agencies and media companies, Interpublic offers a wide range of services to its clients, including consumer advertisement development, digital marketing campaigns, and public relation strategies. The Company has an estimated market share of 9.5% in the fragmented and consolidating U.S. Advertising Agency industry.

In 2013, the Company's revenue growth primarily occurred domestically and in its Asia-Pacific segment. As digital marketing continues to gain prevalence in Asia and Latin America, fund analysts believe that the Company will experience enhanced organic revenues, acquisition opportunities, and a steadily expanding client base. Interpublic engages in a wide variety of community service and sustainability initiatives, both domestically and internationally, including project donations, pro bono consulting, and green building practices. These initiatives qualify the Company for presence in the Socially Responsible Fund.

JPMorgan Chase (NYSE: JPM)

Portfolio: School
Purchased: April 25, 2011
Purchase Price: \$44.68
Inherited Price: \$50.60
Current Price: \$55.30
Analyst: Alex Wall



JPM is a global financial service provider, with operations in investment banking, asset management, commercial banking, and home financing. With nearly \$2.5 trillion in assets and over 250,000 employees, the Company is the largest bank by assets in the United States. The Company holds significant market share in several major financial industries, including global investment banking, brokerage, commercial banking in the U.S., and merchant banking services. Approximately 75% of the Company's 2013 revenues were recognized in the United States, and revenues from Asia and the Pacific are rising as a percentage of the Company's total.

JPM was initially purchased for the fund to provide exposure to the financial sector. This year's fund analysts made the decision to sell most of the fund's stake in JPM early in the year. This decision was prompted by legal difficulties facing the Company, uncertainty about JPM's cash flows in the face numerous legal settlements, and the strategic decision to increase the fund's cash holdings before the potential government shutdown caused by the "fiscal cliff" in the fall of 2013. Since selling the stock, current analysts have increased the fund's holdings in other firms within the financial sector.

Lenovo Group Limited (OTC:LNVGY)

Portfolio: School
Purchased: March 5, 2014
Purchase Price: \$21.07
Current Price: \$24.25
Analyst: Ka Ho Chan

Lenovo is a Chinese multinational technology company that provides computers, tablets, mobile devices, enterprise solutions and services, and cloud services. The company has a significant market share and grows in both emerging markets and developing markets.

The fund analysts recommend purchasing and holding Lenovo because of its strong growth projections in revenue and market



share among each of its product segments. In addition, the analysts believe that acquisitions of IBM servers and Motorola Mobile should provide synergies with current businesses to continue fueling growth. Finally, the company has positive exposure to emerging and developing markets. The stock was purchased at a depressed price, further increasing the likelihood of appreciation.

LyondellBasell Industries (NYSE: LYB)

Portfolio: Milner
 Purchased: March 21, 2011
 Purchase Price: \$39.33
 Inherited Price: \$68.00
 Current Price: \$88.15
 Analyst: Benton Sturt

LyondellBasell Industries manufactures and sells chemicals and polymers, refines crude oil, produces gasoline blending components, and develops and licenses technologies for polymer production. The company operates in the Americas, Europe, and Asia. It is currently the third largest chemical company in the world.

Previous fund analysts purchased the stock due to the global demand for one of the company's products, propylene. Current fund analysts believe the company maintains a strong position in the industry and that the increasing importance of natural gas and the derivatives that come from producing it will continue to drive the stock.



MasterCard (NYSE: MA)

Portfolio: School
 Purchased: March 25, 2013
 Purchase Price: \$51.69
 Purchased: January 06, 2014
 Purchase Price: \$74.61
 Current Price: \$68.68
 Analyst: Dylan Nelson

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

The fund decided to increase our exposure to MasterCard after some sell-side analysts considered their earnings "soft." MA was down about 11% YTD when we purchased an additional 50 shares. MA is set to have 12% growth YOY as they continue to capture the online and emerging markets. The EBITDA margin is set to increase from 58% to 61.5% as costs decline. MA recently announced a 10-1 stock split taking the stock from \$800 to \$80 along with increasing the dividend payout 83% and authorizing a \$3.5 billion stock repurchase. MA has no debt and over \$5 billion in cash.



Maxwell Technologies Inc. (NASDAQGS: MXWL)

Portfolio: Milner
 Purchased: November 18, 2009
 Purchase Price: \$17.46
 Inherited Price: \$8.84
 Current Price: \$13.53
 Analyst: Thomas Houser

Maxwell Technologies, Inc. develops and manufactures energy storage and power delivery products. Its main products include ultra-capacitors and high voltage capacitors which are used in hybrid electric buses, trucks, and automobiles.

There was a management change at the beginning of 2014 which renewed hope that MXWL would shake off its problems and continue to be a dominant force. With the Chinese government not committing to future purchases of electric busses, the stock has had bad earnings calls and depressed forward-looking earnings. These have greatly hampered with the rise of the stock price, even as growth steadily continues.



Microsemi Corporation (NASDAQGS: MSCC)

Portfolio: Milner
Purchased: March 30, 2011
Purchase Price: \$20.36
Inherited Price: \$25.48
Current Price: \$23.57
Analyst: David Sandahl

Microsemi Corporation is a manufacturer of analog devices, semiconductors, mixed-signal, and RF integrated circuits. Microsemi's products are used in a wide range of industries around the world and it has plants in various countries in the U.S., Europe, and Asia.

As of April 2014, the stock was trading slightly higher than the original purchase price. Microsemi will continue to deliver highly secure solutions and be a market leader in delivering products used in defense systems.



Microsoft Corporation (NASDAQGS: MSFT)

Portfolio: School
Purchased: April 15, 2004
Purchase Price: \$25.23
Inherited Price: \$33.26
Current Price: \$39.21
Analyst: Ka Ho Chan

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

The fund analysts recommend holding MSFT because of its strong market position and steady cash flows that should continue into the future. These strengths will likely translate into further price appreciation.



NASDAQ 100 Trust (NASDAQGIDS: QQQ)

Portfolio: Milner
Purchased: April 29, 2009
Purchase Price: \$34.03
Inherited Price: \$75.14
Current Price: \$84.11
Analyst: Thomas Houser

This ETF follows the NASDAQ 100. The security was purchased because previous fund analysts wanted to invest their cash in the general market during the summer of 2009. We are currently holding the stock because it is diversified and generates market returns. At the beginning of the semester, we determined that we had a bullish stand on the market and would hold the ETF until we found a stock that we believed would outperform market indices.



A bull run in the overall market warrants holding the stock, as we have not yet found another position that we believe will beat the market. If you can't beat them, join them!

Nexstar Broadcasting Group, Inc. (NASDAQ: NXST)

Portfolio: Milner
Purchased: November 20, 2013
Purchase Price: \$45.60
Current Price: \$39.00
Analyst: Kaitlyn Sanders

Nexstar Broadcasting Group, Inc. is a television broadcasting company. The company owns stations in small to mid-size markets, and has affiliates with major networks. The company also develops and airs local programming and provides web content.

Nexstar Broadcasting has been growing steadily both organically and



through an acquisition program. The company has been successful at identifying attractive markets where it can own two stations, thereby leading to operational efficiencies.

Nexstar saw a two month gain of 23.7% followed by a decline during the months of January and February following investor fear during the ongoing Supreme Court case of Aereo and the rule changes by the FCC. The analysts continued to hold Nexstar anticipating a substantial growth opportunity in U.S. household market penetration where Nexstar currently holds 16%, increased retransmission and political revenue, robust revenue growth which exceeds the industry by 4%, and expanding profit margins. The analysts believe that company's price has been depressed due to sentiment on the looming supreme court case and should return to fair value.

Novartis (NYSE: NVS)

Portfolio: Socially Responsible
Purchased: April 20, 2011
Purchase Price: \$57.69
Inherited Price: \$74.29
Current Price: \$82.67
Analyst: Pengzhen Wu

Novartis is one the top pharmaceutical companies in the world. The firm is involved in different endeavors including brand and genetic drugs, consumer health, pet health, and eye care. The firm has key developments with new drugs such as Afinitor, a breast cancer drug, and Gilenya, a drug for multiple sclerosis. Novartis continues to be a socially responsible with their vaccination programs for underprivileged children. Other indicators of social responsibility include receiving a Dow Jones Sustainability award and a ranking as the number one pharmaceutical company in Forbes most admired companies.



Oasis Petroleum (NYSE: OAS)

Portfolio: Davidson
Purchased: February 15, 2012
Purchase Price: \$31.89
Inherited Price: \$39.63
Current Price: \$42.30
Analyst: Ka Ho Chan

Oasis Petroleum is an oil company that focuses on the production and procurement of unconventional oil and natural gas resources. The company has 507,000 net acres in the Williston Basin which are extremely concentrated and are prospective for the Bakken and Three Forks region, yielding a competitive advantage.

The fund analysts recommend holding Oasis Petroleum in the Davidson Portfolio and buying additional shares in Milner Portfolio because acquired properties create an upside potential for the future development and successful drilling projects are very likely to repeat in other business locations. This relatively new company is also experiencing high growth which may create high returns for our investments.



Plum Creek Timber Co. Inc. (NYSE: PCL)

Portfolio: Socially Responsible
Purchased: March 26 2014
Purchase Price: \$41.68

Plum Creek is a timber real estate investment trust (REIT) with approximately 6.8 million acres of timberland under ownership. One of the nation's largest private landowners, the Company operates in four major organic revenue segments: timber harvesting, real estate, wood

Current Price: \$ 40.69
Analyst: Alex Wall

product manufacturing, and energy and natural resource development. The Company supplements its organic revenue growth with timberland acquisitions, which are made on the basis of real estate availability. Plum Creek currently holds market leadership in the U.S. timber services industry, is a significant supplier of raw materials to homebuilders and redevelopers in the United States.



When analyzing the Company, fund analysts deemed it inappropriate to use profitability metrics used when valuing traditional investments. Gross margins, EBITDA margins, and profit margins, while useful, did not provide an accurate measure of PCL's profitability due to large holdings in depreciable real estate. The most appropriate profitability metric for evaluating the Company's profitability was adjusted funds from operations, or AFFO. Fund analysts calculated PCL's 2013 AFFO to be approximately \$350 million, roughly 26% of total revenues, indicating relatively strong profits among timber REITs. PCL was also trading at a significant discount to its estimated NAV of around \$50 at the time of purchase.

Pozen Inc. (POZN)

Portfolio: School
Purchased: January 30, 2013
Purchase Price: \$5.08
Inherited Price: \$5.72
Current Price: \$8.54
Analyst: Mai Sanchez

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



During 2014, we have gained 47.67%. SIF continues to hold POZEN due to the company's outperformance of the S&P and the pharmaceutical industry over the past year. The company recently announced that it is in a final stage of receiving FDA approval for its PA product line. Since the company's performance heavily relies on receiving FDA approval, we will continue to monitor the status of new drugs.

Ralph Lauren, Inc. (NYSE: RL)

Portfolio: Milner
Purchased: November 14, 2012
Purchase Price: \$150.25
Inherited Price: \$165.78
Current Price: \$153.55
Analyst: Ka Ho Chan

Ralph Lauren Corp. is an international "life style" brand that features a broad range of men's, women's, and children's clothing, as well as assorted housewares.

The fund analysts suggest holding Ralph Lauren because the stock has good financial strength and consistent performance. However, the fund analysts recommend paying close attention to the stock because it recently has underperformed the market. If we have an attractive investment opportunity, we should replace the stock.



Resource Capital Corp. (NYSE: RSO)

Portfolio: School
Purchased: March 6, 2013

Resource Capital Corporation is a real estate investment trust that purchases and maintains positions in commercial real estate-related

Purchase Price: \$6.65
Inherited Price: \$5.82
Current Price: \$5.47
Analyst: Thomas Houser



assets as well as commercial finance assets in the United States. The company invests in bank loans, commercial mortgage-backed securities, other asset backed securities, and several other financial assets.

Quantitative easing has continued, and we have decided to keep RSO for its dividend. Eventually it would be better to divest this position and take advantage of something that has better upside possibilities.

Salesforce.com (NYSE: CRM)

Portfolio: Davidson
Purchased: October 29, 2009
Purchase Price: \$14.87
Inherited Price: \$42.46
Current Price: \$52.87
Analyst: Pengzhen Wu



Salesforce.com is the world's largest customer relationship management (CRM) company. Salesforce prides itself on its ability to provide quality products and services successfully regardless of the need or the size of the customer.

The company has made several acquisitions in 2013, including ExactTarget, a provider of digital marketing automation and analytics software and services. The fund analysts recommend holding this stock based upon the company's history of outperforming both the market and its main competitors.

Siemens (NASDAQ: SIEGY)

Portfolio: Socially Responsible
Purchased: May 6, 2011
Purchase Price: \$138.16
Inherited Price: \$108.76
Current Price: \$133.13
Analyst: Alex Wall



Siemens AG is a multinational conglomerate with concerns in energy, infrastructure, industry automation, and healthcare. The Company derives revenue from a variety of sources, including the generation of wind power and fossil fuels, the development of metropolitan infrastructure, manufacturing of automated industry processes, and financial services.

The breadth and complexity of the Company's operations make it an effective diversifier for the Fund, offering exposure to macroeconomic trends through a variety of sectors. The Company's continued presence in the 2013-2014 Socially Responsible Fund was based on its first place ranking in the Dow Jones Sustainable Index, its status as the most sustainable diversified industrial company in the RobecoSAM group, and its clean energy initiatives. Wind power generation accounted for over 6.8% of the Company's revenues in 2013, up from 6.4% in 2012.

Springleaf Holdings, LLC (NYSE: LEAF)

Portfolio: Milner
Purchased: February 26, 2014
Purchase Price: \$28.22
Current Price: \$18.65
Analyst: Taylor Nielsen

Springleaf Holdings specializes in providing loans and other credit products to individuals with subprime credit or credit scores between 550 and 650. Springleaf provides these loans to over half a million families in 26 states, Puerto Rico, and the Virgin Islands. Springleaf has over 90+ years of experience in personal lending.

In the wake of the financial crisis, traditional banks have found it difficult to lend to consumers with subprime credit. Springleaf serves as

a bridge between payday lenders and traditional banks and is one of only two major players operating in this segment. Analysts chose to invest in Springleaf based on its strong market share, high margins and decreasing losses from loans made during the financial crisis.

Tata Motors Ltd. (NYSE: TTM)

Portfolio: Milner
 Purchased: April 22, 2009
 Purchase Price: \$7.05
 Inherited Price: \$22.31
 Current Price: \$37.40
 Analyst: Alex Wall

Tata Motors is a multinational automobile manufacturer headquartered in Mumbai, India. The Company designs and manufactures commercial automobiles and heavy trucks, which are sold to end consumers under the Tata Motors and Jaguar Land Rover brands. With more than 62,000 employees and a presence in 182 countries, the Company is the largest automobile manufacturer in India, and launched more than 25 new products in 2012-2013. Most of the Company's revenues are derived from operations in India and China, but sales in the United States and Europe represent a growing proportion of top-line results.



Tata Motors has experienced five-year revenue growth at an average annual rate of almost 45%, and the Company's organic growth prospects, particularly from expanding international operations, remain strong looking forward. The Company has a presence in 43 countries in Africa, 37 countries in South America, and 46 countries in Asia and Oceania, and plans to increase its offerings from its passenger vehicle segment over the next two years. As the U.S. automobile market continues to rebound, and demand for luxury brands such as Jaguar Land Rover increase in developing countries, current fund analysts believe that Tata Motors will continue to perform strongly in the Milner portfolio.

Thermo Fisher Scientific Inc. (NYSE: TMO)

Portfolio: Socially Responsible
 Purchased: April 20, 2011
 Purchase Price: \$55.69
 Inherited Price: \$90.59
 Current Price: \$115.77
 Analyst: Mai Sanchez

Thermo Fisher Scientific is a developer, manufacturer, and retailer of electronic products that support the pharmaceutical, biotechnology, academic, government, and other research and industrial markets. The company was the result of a merger between Thermo Electron and Fisher Scientific in 2006. It currently has operations in several countries with sales concentrated in the U.S. and Europe. Thermo Fisher Scientific was ranked among Newsweek's Top 500 Green Companies and is active in community involvement and volunteerism, including a \$4.4 million donation to education.



Thermo Fisher was originally added to our portfolio due to annual growth via acquisitions and a solid product line over the last few years. Current portfolio analysts continue to hold because the current pharmaceutical market in the United States is continues to grow. We also expect that Thermo Fisher Scientific will continue to outperform the industry.

Westinghouse Air and Brake Technologies (NYSE: WAB)

Portfolio: Milner, Davidson
Purchased: November 8, 2006
Purchase Price: \$15.74
Inherited Price: \$58.76
Current Price: \$71.81
Analyst: Dylan Nelson

Wabtec provides technology-based equipment and services for the global rail industry. It operates through two business segments: Freight and Transit. Wabtec is headquartered in Pennsylvania.

Previous classes held Wabtec because of the robust growth in the rail markets both domestically and internationally.

Our analysts decided to continue to hold Wabtec as the US and the World emerges from the Great Recession investment in infrastructure and railroads have increased dramatically benefitting Wabtec.



WhiteWave Foods, Inc. (NYSE: WWAV)

Portfolio: School
Purchased: February 27, 2013
Purchase Price: \$15.21
Inherited Price: \$19.14
Current Price: \$26.23
Analyst: Joshua Castillo

The WhiteWave Foods Company sells organic milk, cheese, and yoghurt, plant-based dairy alternatives, and creamers. The company produces its products and sells them to grocery stores, convenience stores, and mass-merchandisers.

The company continues to take advantage of the growing demand for organic foods for which customers are willing to pay a premium. In December 2013 WhiteWave Foods announced the acquisition of Earthbound Farm, a leading organic food brand. This acquisition made the company the largest market share holder in the organic food industry in the United States. The stock has seen a gain of over 35% since Aug 2013. For these reasons we recommend a "hold" for the stock.



Williams-Sonoma, Inc. (NYSE: WSM)

Portfolio: Socially Responsible
Purchased: November 21, 2012
Purchase Price: \$44.65
Inherited Price: \$59.44
Current Price: \$61.50
Analyst: Kaitlyn Sanders

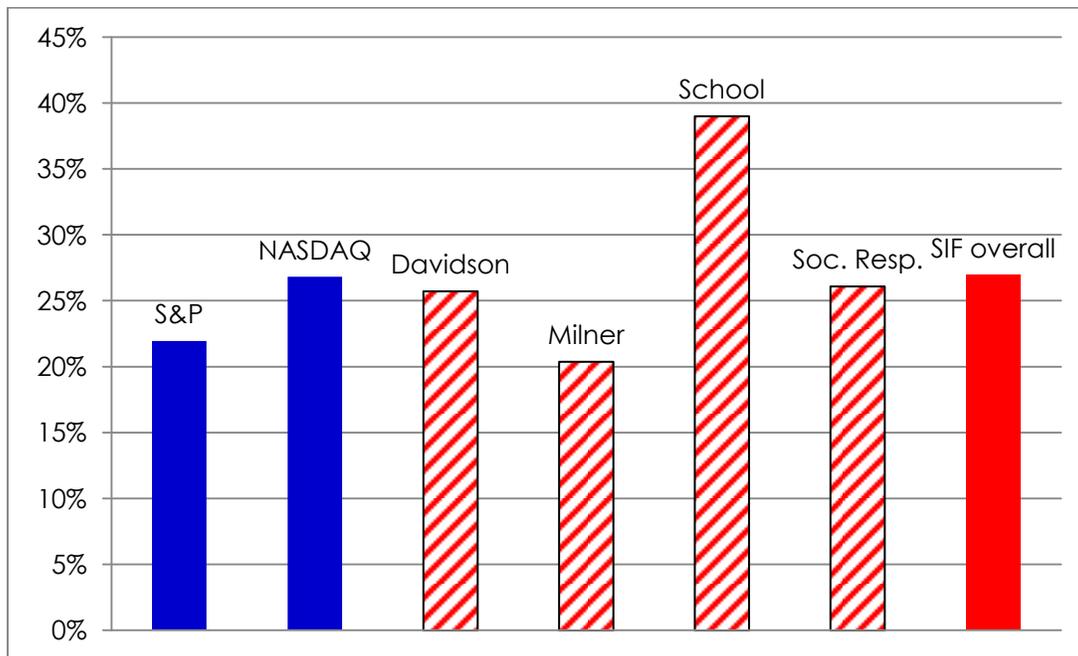
Williams-Sonoma, Inc. has established itself as one of the leaders in the home-furnishing industry by providing superior quality, premium products since 1956. Currently, the company has a total of six major retail store brands and nine online brands. While the company's portfolio brands provide an extensive range of products that reach into different segments within the industry, the brands also largely appeal to various age and wealth demographics. Major factors that distinguish the company from its competitors include its multiple distribution channels, catalogs and e-commerce sites, and its many efforts to include the community it operates within, which help establish strong consumer loyalty.

WILLIAMS-SONOMA

Our analysts believe company will be a strong long-term investment. Williams-Sonoma has been able to grow its own brands, acquire new companies, and provide superior customer experience in its stores and through its web sites and catalogues. Expansion in the Middle East and an increase in global presence make WSM an attractive investment to local and international investors. Economists are optimistic that, as the housing market continues to recover, home remodeling will also rise, which will benefit the company's future performance.

Update, August 22, 2014

Our portfolio has continued to perform well through the summer. Over the 12 months we have managed the Student Investment Fund, three of our four portfolios have outperformed the S&P 500 and our overall fund has outperformed both the S&P and NASDAQ indexes. Collectively, our four portfolios earned a value-weighted return of 27.0%, as compared to the S&P's 22.0% and the NASDAQ's 26.8% return.



The table below compares each stock we held during the year to the S&P 500 over our holding period. Of the 37 stocks we inherited and still hold, 20 of them have outperformed the market. We made 19 purchases, 10 of which have outperformed the market. Of the 19 positions we inherited and subsequently sold, 10 had outperformed the market at the time of our sale. In most cases, we reinvested the proceeds after selling a stock. The next table compares the performance of the stocks we sold to the market following our sale. Of the 20 positions we sold (for which we have comparable data), 12 of them underperformed the market from the time we sold to August 22, 2014, the date of this report. Overall, our strong performance came from holding the right stocks, selling underperforming stocks and investing in a hot market, a well-timed purchase of American Airlines, and a well-timed sale of Control4. Our biggest losers relative to the market were Diageo, Covanta, New Oriental Education, and Fomento Económico. We sold both Covanta and Fomento Económico. Unfortunately, both outperformed the market following our sale. Our first investment in New Oriental Education was our worst purchase decision. Our biggest outperformers were Jazz Pharmaceuticals, American Airlines, Tata Motors, and Pozen. We bought American Airlines during its bankruptcy and sold it five weeks later for nearly twice our purchase price.

August 26, 2013 - August 22, 2014

Ticker	Gross Return	S&P return	Portfolio	Ticker	Gross Return	S&P return	Portfolio
Stocks Inherited and Held				Stocks Inherited and Sold			
AAPL	47.8%	22.0%	Soc Resp	AKAM	-3.67%	0.27%	Milner
ABB	6.8%	22.0%	Milner	ARUN	4.24%	0.27%	Milner
AMZN	18.0%	22.0%	Davidson	CERN	-0.12%	3.89%	Davidson
APC	21.6%	22.0%	School	CERN	20.44%	4.89%	Davidson
AYR	20.0%	22.0%	Davidson	CERN	9.39%	7.11%	Milner
BA	25.9%	22.0%	School	CVA	-16.02%	7.16%	Soc Resp
BCEI	45.5%	22.0%	School	EBIX	42.52%	9.29%	School
CERN	21.2%	22.0%	Davidson	F	4.44%	10.84%	Soc Resp
CERN	21.2%	22.0%	Milner	FMX	-10.68%	10.84%	Davidson
CMCSA	31.6%	22.0%	School	JAZZ	105.08%	11.58%	School
CRM	40.8%	22.0%	Davidson	JPM	3.54%	12.16%	School
DDD	2.0%	22.0%	School	JPM	12.77%	12.16%	School
DE	4.1%	22.0%	School	LXP	-3.68%	12.16%	School
DEO	-2.3%	22.0%	Milner	PMD	41.24%	12.16%	School
EBAY	9.7%	22.0%	Milner	PVH	-7.36%	13.17%	School
EMC	16.9%	22.0%	Milner	QQQ	21.88%	15.12%	Milner
ICLR	36.6%	22.0%	Davidson	WAB	0.45%	15.02%	Davidson
ICLR	36.6%	22.0%	Milner	Z	6.13%	15.02%	Milner
IPG	30.6%	22.0%	Soc Resp	ZNGA	33.80%	15.55%	School
JAZZ	89.3%	22.0%	School				
LYB	66.5%	22.0%	Milner			Number	Percent
MA	26.4%	22.0%	School	Outperform		9	47%
MSCC	1.2%	22.0%	Milner	Underperform		10	53%
MSFT	39.0%	22.0%	School				
MXWL	8.6%	22.0%	Milner				
NVS	22.9%	22.0%	Soc Resp	Stocks Purchased			
OAS	20.3%	22.0%	Davidson	AAMRQ	94.40%	3.48%	Soc Resp
POZN	87.3%	22.0%	School	AMBA	7.61%	9.27%	Milner
QQQ	33.5%	22.0%	Milner	AMT	24.44%	12.31%	Soc Resp
RL	3.5%	22.0%	Milner	BDE	-11.00%	9.30%	Milner
RSO	6.7%	22.0%	School	CTRL	58.92%	3.73%	Davidson
SIEGY	17.1%	22.0%	Soc Resp	DAL	16.13%	6.12%	School
TMO	37.1%	22.0%	Soc Resp	EDU	-16.79%	6.03%	School
TTM	111.0%	22.0%	Milner	EDU	-0.23%	0.75%	Milner
WAB	44.2%	22.0%	Milner	GILD	23.44%	7.76%	School
WSM	26.6%	22.0%	Soc Resp	GILD	40.81%	5.16%	School
WWAV	77.0%	22.0%	School	IHG	15.18%	12.07%	Soc Resp
				IRE	9.44%	11.39%	Milner
		Number	Percent	IRE	-13.53%	7.84%	Davidson
Outperform		20	54%	LEAF	15.73%	7.76%	Milner
Underperform		17	46%	LNVGY	46.77%	6.12%	School
				MA	2.80%	12.12%	School
				NXST	1.83%	11.62%	Milner
				OAS	11.39%	8.73%	Milner
				PCL	-0.48%	7.33%	Soc Resp
						Number	Percent
				Outperform		10	53%
				Underperform		9	47%

We sold two stocks that we purchased during the year. Altogether, we made 21 sales. The table below follows the positions we sold until August 22, 2014, the date of this report. Returns include both price changes and

dividends. Because American emerged from bankruptcy and the old shares were cancelled, we are unable to match subsequent prices. Twelve of the 20 stocks for which we have data have underperformed the market since we sold our positions. Selling Zillow and Akamai have proven to be bad choices, as both have appreciated significantly. However, we avoided significant losses by selling Control4, Zynga, and Psychomedics.

losses avoided or profits forgone				
	Gross Return	S&P return	Date sold	Portfolio
Stocks Sold: subsequent performance				
AAMRQ	Not available		27-Nov-13	Socially Responsible
AKAM	36.5%	21.6%	27-Nov-13	Milner
ARUN	15.5%	21.6%	27-Nov-13	Milner
CERN	21.4%	17.4%	28-Aug-13	Davidson
CERN	0.7%	16.3%	13-Nov-13	Davidson
CERN	10.9%	13.9%	30-Apr-14	Milner
CTRL	-42.5%	7.6%	15-Jan-14	Davidson
CVA	20.8%	13.8%	6-Mar-14	Socially Responsible
EBIX	-11.4%	11.6%	19-Feb-14	School
F	8.5%	10.0%	23-Apr-14	Socially Responsible
FMX	18.9%	10.0%	23-Oct-13	Davidson
JAZZ	-8.4%	9.3%	19-Feb-14	School
JPM	14.7%	8.7%	14-Oct-13	School
JPM	5.3%	8.7%	23-Apr-14	School
LXP	0.4%	8.7%	2-Oct-13	School
PMD	-17.9%	8.7%	19-Feb-14	School
PVH	-3.7%	7.8%	19-Feb-14	School
QQQ	9.5%	5.9%	26-Feb-14	Milner
WAB	43.9%	6.0%	28-Aug-13	Davidson
Z	60.4%	6.0%	12-Feb-14	Milner
ZNGA	-18.0%	5.5%	7-Nov-13	School

	Number	Percent
Losses avoided	12	60%
Profits forgone	8	40%

WHAT WE DID

Speakers

At the beginning of the year, Student Investment Fund Alumni Thania Burningham, Jenny Flatberg, and Jessica Lee gave us advice on how to have the most meaningful experience in Student Investment Fund. They explained the importance of building relationships with fellow members and recommending researching companies that are interesting and can be understood fairly easily.

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 explained different investment strategies and discussed historical market returns. Mr. Snow introduced some characteristics of good long-term investments including competent management, strong historical growth rates, and a sustainable business model. Mr. Snow cautioned that companies that provide both products and services can be challenging, requiring management to satisfy customers through both services and products.

Fred Dickson, Chief Economist for DA Davidson, joined us in mid-March. Mr. Dickson described various investment philosophies as well as providing techniques for assessing markets, industries, and businesses. Mr. Dickson mentioned that successful investors think differently, have consistent sell and purchase discipline, buy undervalued stocks, and understand that change is inevitable. Mr. Dickson also explained that when analyzing a company important factors for consideration are cash flows, time value of money, risks, and competitive advantages.

Hal Milner spoke to us in mid-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 asking if management at Marriott International has behaved ethically. Opinions varied. Some students argued that management was simply acting to maximize firm value, while others felt some practices excluded new entrants into the market.

National Investment Banking Competition

For the second year in a row, the David Eccles School of Business sent a team of undergraduates to compete in the final round of the National Investment Banking Competition held in Vancouver. This year's team, formally known as Eccles Capital Partners, was comprised entirely of Student Investment Fund analysts. During the course of the competition, juniors Taylor Nielsen, Kaitlyn Sanders, Benton Sturt, and Bryce Whiting were required to value, model, and pitch the sale of Lionsgate Entertainment, an entertainment production studio, to Time Warner Cable Inc. This year's team was selected as one of 24 finalists from a pool of more than 250 participating undergraduate schools around the world.



From left to right: Benton Sturt, Taylor Nielsen, Bryce Whiting, and Kaitlyn Sanders

RISE Symposium

This year we had the opportunity to send seven students, including four members of the Student Investment Fund, to the Redefining Investment Strategy Education held at the University of Dayton in Ohio. The conference was held March 27-29 and is the largest student investment conference in the world. More than 150 universities and other academic institutions participated in RISE 14. Each year, this prestigious event attracts the best and brightest in finance to share with aspiring students useful pieces of advice to help students achieve their dreams. The speakers included those from Wall Street, corporate America, government, and the financial media. This year, Sandra Pianalto, Federal Reserve Bank President and 2014 FOMC voting member, delivered the keynote address. RISE 14 also featured presidents and CEOs from some of the most prominent firms in the industry. Several of the world's leading investment strategists and economists were panelists in the breakout session. *Barron's*, *Bloomberg*, *CNBC*, *Investor's Business Daily*, *The Street*, *The Wall Street Journal* were just some of the media that participated in this year's conference.

This year, our Student Investment Fund entered into the Student-Managed Portfolio Competition held in conjunction with RISE 2014, the University of Dayton, and the United Nations Global Compact. Over 60 teams from across the world competed for top honors in six different investment strategies. Our School portfolio won first place in the Alternative Category with an annual return (January – December) of over 50%. We are optimistic that future analysts will continue to celebrate our success and compete in the Student-Managed Portfolio Competition.



CFA Institute Research Challenge 2013-2014

In October 2013, five undergraduates were selected to represent the University of Utah in the CFA Research Challenge. The team was composed of current Student Investment Fund analysts Benton Sturt, Alex Wall, and Bryce Whiting, as well as incoming analysts Jacob Clark and Alex Schaaf.

In December the team was given the assignment to initiate coverage on Extra Space Storage (NYSE:EXR), a self-storage real estate investment trust (REIT) headquartered in Cottonwood Heights, Utah. Over the ensuing three months, the team worked tirelessly to understand the company, the industry, and form an investment thesis. The team was graded on its ability to value the company, write a recommendation report, and present its recommendation to a panel of CFAs.

The team initiated a "BUY" recommendation with a target price of \$48.78. This target represented an upside of 12.5% from the current price. The recommendation was confirmed by the stock's performance when it reached the target price within one month of recommendation.

During the local round of the competition, the team competed against five other universities from around the state and for the second consecutive year, took first place in the local challenge. The team then advanced to the Americas regional final which took place in Denver, Colorado. The team successfully finished as one of the Americas top 20 teams after advancing to the semifinal round for the first time in the school's history.



From left to right: Jacob Clark, Alex Schaaf, Bryce Whiting, Benton Sturt, and Alex Wall

Spring Presentations to Professionals

FEBRUARY

Student Analysts:

Zachary Bitner
Joshua Castillo
Ka Ho Chan
Thomas Houser

Dylan Nelson
David Sandahl
Pengzhen Wu

On February 11, 2014, select students representing the Student Investment Fund presented a stock pitch for the company Ambarella, Inc. Ambarella develops semiconductor processing solutions for video that enable high-definition (HD) video capture, sharing, and display. The company specializes in System-on-a-Chip designs. Ambarella's best-in-class technology provides video processing capabilities twice as powerful as the leading competitor, while using less electricity to do so. The company's strong relationships with its end-user manufacturers, such as GoPro and Robert Bosch, place the company in a strong position to gain market share in the rapid growing industry of Specialty Semiconductor Manufacturing. These reasons along with a potential upside of 19% with a target price of \$33.54, the group recommended a "Buy" for the stock. This presentation was accompanied by a detailed written report on the company. The report and the presentation were the result of weeks of extensive research, lengthy group meetings, and team dedication to the task assigned.

APRIL

Student Analysts:

Taylor Nielsen
Chase Payne
Mai Sanchez
Kaitlyn Sanders

Benton Sturt
Na Teng
Alex Wall
Bryce Whiting

On April 8, 2014, the University of Utah Student Investment Fund held a presentation recommending a "BUY" for Nuance Communications, Inc. Nuance is a top developer of voice recognition technology for businesses and customers around the world. We produced a one-year target price of \$24.53, implying a one-year return of 42.9% to the current share price of \$17.17 as of the presentation day.

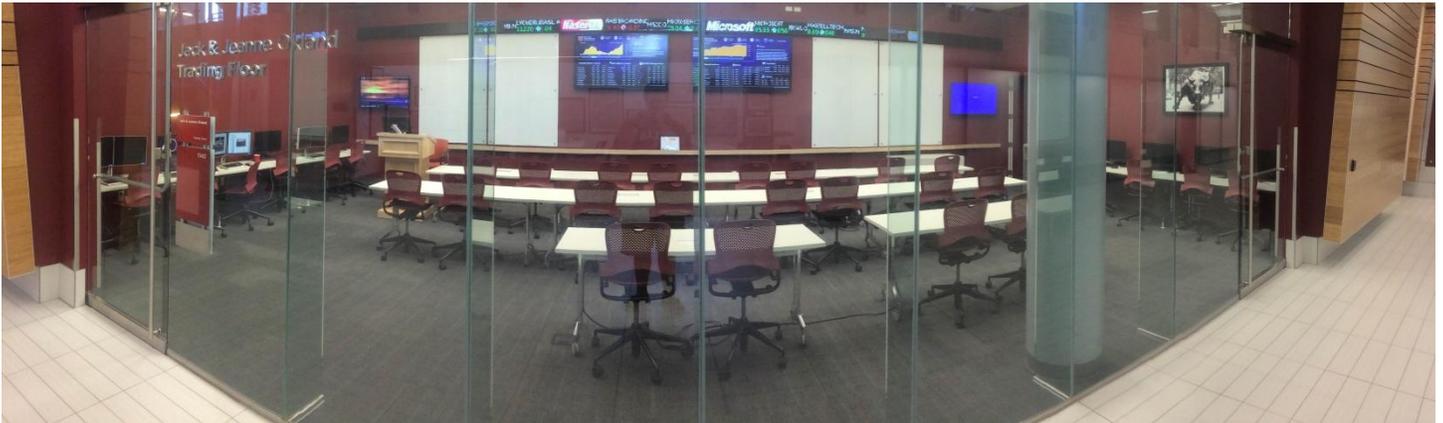
The Student Investment Fund recommended a "BUY" for the following reasons:

- (1) Competitive advantage: Nuance has best-in-class technology with over 3,300 patents and 1,100 patent applications pending. Its voice recognition solutions system has up to 99% accuracy.
- (2) Potential growth in healthcare sector: Nuance anticipates to focus on healthcare segment. Its products are being used in approximately 3,400 U.S. hospitals and are used by 500,000 physicians.
- (3) Market leader and creation: Nuance is the market leader in multiple industries. It is also continuously seeking to develop new products that will help it stay in the lead. Furthermore, Nuance is currently in the process of creating an entirely new industry – voice recognition software as a service.
- (4) Continued growth: Our analysis forecasted that Nuance's revenues for each segment will continue to grow over the next five years as well as maintain its competitive advantage to be a top market leader. The company is also anticipated to continue to obtain new technologies through acquisitions. We believe that the company is currently underpriced and has great potential growth.

We thank the following professionals for participating in our presentations and offering us feedback.

Greg Aiken	Zions Wealth Advisors	Thor Kallerud	Wasatch Advisors
David Anderson	DLA & Company	Laura Lincoln	Utah Retirement Systems
Nick Bapis	Hightower Advisors	Geoff Loos	D.A. Davidson
David Broadbent	Ivory Homes	Joshua Mason	Schwab
Phil Clinger	Merrill Lynch (retired)	Hal Milner	Kensington Company
Matt Crouse	Western Investment	Doug Neville	First Western Advisors
Mark DeWald	Freeport West	Mori Paulsen	Merrill Lynch
Colton Dye	Beneficial Financial Group	Don Rands	Zions Bank
Fred Fairclough	Bonneville Mortgage Co.	Rick Skidmore	Goldman Sachs
Todd Fivas	Royal Bank of Scotland	Greg Thornton	D.A. Davidson
Jack Gertino	Wayne Rogers	Rex Thornton	D.A. Davidson

The Trading Room



This year was the first year that the fund had its own room, in the newly completed Spencer Fox Eccles Building. While things were not 100% completed by the first day of school, it was a treat to be able to see what alumni and supporters had given us to work with. Boasting computers with Capital IQ and Bloomberg, a scrolling ticker screen, and four High Definition TVs that mirrored a presentation system, the Jack & Jeanne Okland Trading Floor became a second home for the student analysts who spent countless hours and nights. Students were able to research stocks, read 10Ks, discuss and banter about different ways to beat Wall Street, and network with each other and our many visitors. We thank those who have helped us grow close to each other and we look forward to giving back and carrying on the tradition of excellence in the Student Investment Fund at the University of Utah.



WHAT WE LEARNED

Advice to the Incoming Fund Analysts

Luckily for us, the Fund of 2012-2013 passed on some very valuable advice and we will return the favor.

Congratulations on making it this far. The Student Investment Fund is a very rigorous program that will test you and push your mental and physical abilities. For most of you, this will probably be the first time that you will actually take what you have learned in the classroom and put it into real-world practice. Most of you know what equities are, what basic valuation techniques are, and know the importance of a diversified portfolio. However, you will find in practice not everything is what it appears to be.

Overall, our portfolios continued to benefit from strong market conditions. We inherited portfolios well-positioned for the market conditions from the previous Student Investment Fund class. We took our responsibilities very seriously and tried our best to make the decisions that would benefit the Fund most. Still, we found ourselves in complicated situations in which the answers were not always clear and we had to search for help. Learn from our mistakes and take your responsibilities seriously. With that in mind, we leave you with a few pieces of advice.

Teamwork: Look around you. You may not yet know the fellow members of the Student Investment Fund but rest assured by the end of the semester you will hopefully be the closest of friends. This class is challenging and it will require you to work in a group setting. Work your absolute hardest and put your heart and soul into every project. Your teammates will appreciate your honest hard work as you work the night away preparing for a presentation. It is of utmost importance to be a team player. Give everyone a chance to learn and prove themselves. There is no place for people with egos. Just because you might have more experience than someone else that does not put you above them. Work hard and prove yourself.

Dedication: Being involved and successful in the Student Investment Fund will consume most of your time. You have already achieved a lot in your student careers by getting here, but being successful will require so much more. Be prepared to spend your days and nights working on individual and team projects. Take your responsibilities seriously and follow the companies for which you are the analyst. It is your job to guide the Fund to another successful year.

Resources: You will be the second class to use our state-of-the-art trading floor. Make sure to utilize all of the resources and tools it provides. Some of the applications may seem daunting at first, but as you familiarize yourself with the resources, they will become your go-to research tools. Make sure to take care of the trade floor and to keep it clean. Outside of the trading floor, you have many fellow students who have participated in the Student Investment Fund in previous years—talk to them and they will be more than happy to help you. Professor Tashjian is arguably the best professor at the University of Utah. She may seem intimidating at first, but she is there to help you and to make sure you succeed. If you get confused or lost make sure to consult with her as her knowledge is unmatched.

Ask Questions: Things may seem overwhelming or confusing at times. Do not be afraid to ask questions. You are here to learn and asking insightful questions is one of the best ways to do it. We had many opportunities this past year to pick the brains of professionals and the information we took away cannot be matched.

Flexibility: Be flexible. Whether you have to pull an all-nighter, or work on a team with people you don't know well, be open to new things. Do not get frustrated when you get out voted; instead try to understand the other perspective.

Lastly, **Have Fun**: All of you have worked extremely hard to get to this point. Being in the Student Investment Fund for many of us was the highlight of our education at the University of Utah. You will be exposed to numerous new things; do not be afraid to try them and have fun along the way. Cherish the friendships you make as they can last a lifetime.

Once again, congratulations on all your achievements and making it this far. By having the right attitude and perspective your possibilities for success are limitless. You will be amazed at everything you will learn over the next two semesters from equities to teamwork. Remember, there is a reason why you were selected to be a member of the Student Investment Fund. Apply yourself and do your absolute best. We proudly pass on our funds to you. Now get ready to work the hardest you have worked in life. Here's to another fabulous year and your success!

Cheers,

The Student Investment Fund 2013-2014