



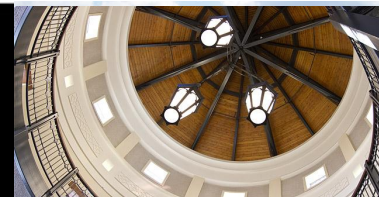
University of Richmond

Student Managed Investment Fund

Annual Meeting
29 March 2018



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2017 - 2018 Managers



Joao Galbier (General Manager)

Value	Growth
Ryan Byrnes (Manager / Trader)	Benjamin Barad (Manager / Trader)
Alec Cover	Luke Perda
Cade von Gal	Raymond Kanyo
Connor Flanagan	Haley Preschutti
Doug Butman	Kylie Regan
Lizzy Sullivan	Kieran O'Connor
Nelson Baetjer	Oliver Merison
Tyler Grosse	Anthony Faraino

Fund Performance Overview



2017 - 2018 SMIF

Growth Fund Performance

- AUM 4/1/17 = \$249,266
- AUM Today = \$325,871
- Performance Since 4/1/17 = +30.70% (14.76% vs SPYG)

Value Fund Performance

- AUM 4/1/17 = \$243,859
- AUM Today = \$273,048
- Performance Since 4/1/17 = +11.97% (10.00% vs SPYV)

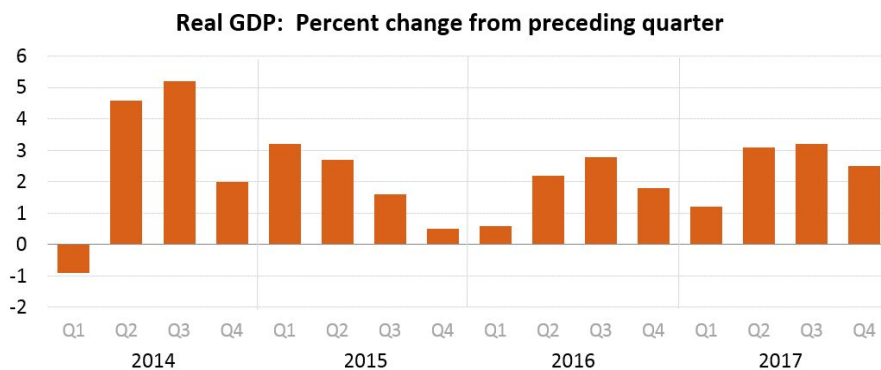
Economic Overview



U.S. GDP

- Average annual economic growth rate since 2009: 2.1% - Slow recovery from recession
- 2.3% GDP Growth in 2017
- Trump aims to get growth to 4%
 - Tax, infrastructure, and regulation reforms
- Less GDP growth in years to come
 - Trump policies not guaranteed to succeed / Changing terms of trade and U.S. production

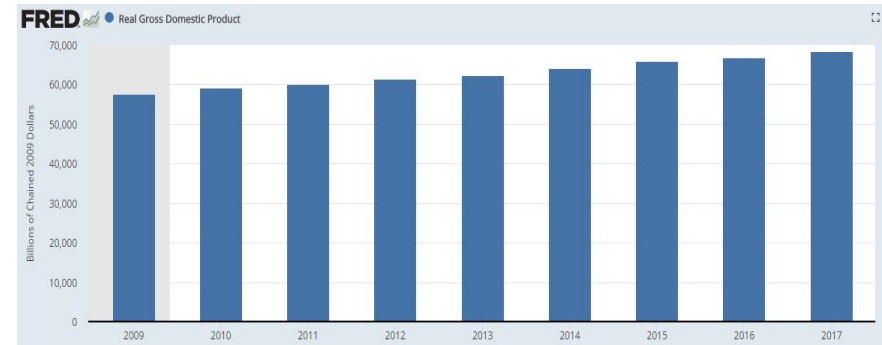
U.S. GDP Growth Rate



U.S. Bureau of Economic Analysis

Seasonally adjusted at annual rates

U.S. GDP



Economic Overview



Employment

The Rate

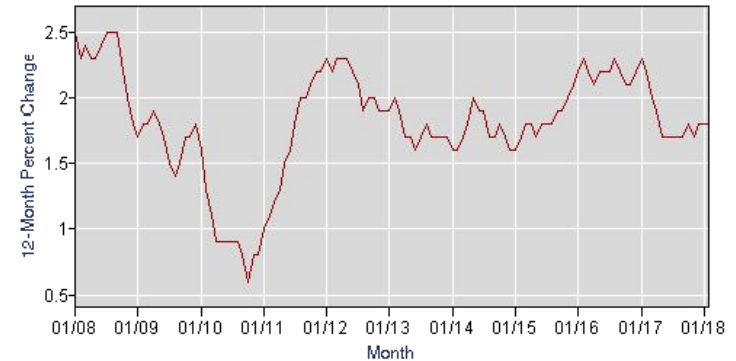
U.S. unemployment rate, monthly figures



Source: U.S. Bureau of Labor Statistics

BloombergQuickTake

U.S. Inflation



- February 2018: 313,00 jobs added in February
- 4.1% current national unemployment rate
 - 17-year low
- Trump promises to create 25 million jobs over next 10 years
- Wage growth: disappointing 0.1% increase in February '18

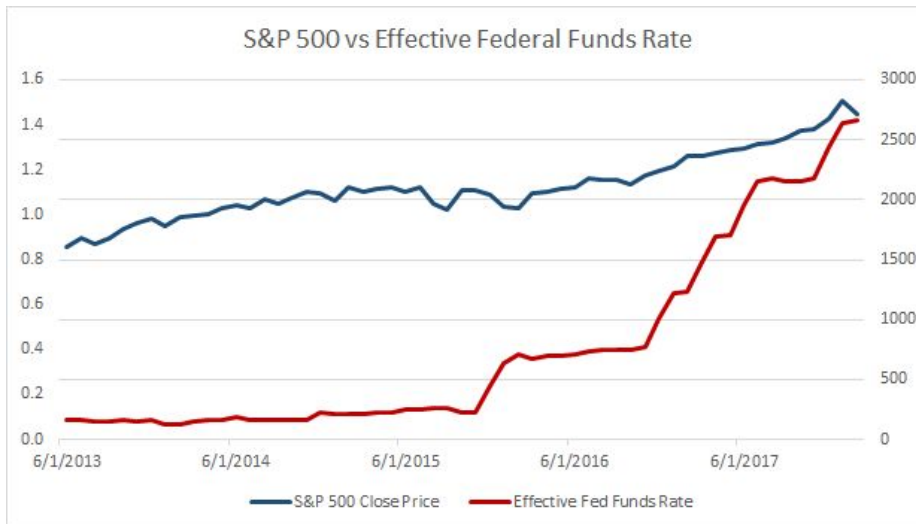
- 1.8% - current inflation rate for months ended Feb 2018
- Continuous trend of lower than expected inflation numbers despite strong economy
- Expected increases in the budget deficit and boost to private sector economic growth from tax changes have the potential to combine for an inflationary outcome
- Fed is gradually increasing rates, limiting inflationary pressure

Economic Overview



Interest Rates

- Federal Open Market Committee voted to raise short-term interest rates by .25 points to a range of 1.50% and 1.75% in March
- Overall tone of Chair Powell was more dovish signalling for 3 rate hikes this year instead of 4
- Interest rate expectations remain elevated with the “dots” signaling for around 3.375% by 2020
- Despite the dovish stance by Powell, the U.S. stock market declined on announcement by 0.28%
- Longer-term inflation expectations increased by 2.2 bips to 2.13, as markets remain concerned about the weak stance Powell took in inflation



The dots: median expectations for the level of the Fed Funds rate (in %)

Posted on
WSJ: The Daily Shot
17 Mar 2018

	2018	2019	2020	Long run
Mar-17	2.125	3	-	3
Jun-17	2.125	2.875	-	3
Sep-17	2.125	2.625	2.875	2.75
Dec-17	2.125	2.688	3.063	2.75
Mar-18	2.125	2.875	3.375	2.875

Mar vs. Dec	0	0.187	0.312	0.125
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Source: Fed

Economic Overview



Consumer Spending

- Consumer spending increased .2% in January as shoppers reduced expenditures following the holiday season
- Real disposable income increased .9%
- Savings rate increased from 2.5% to 3.2%
- Consumer confidence hit its highest level since 2000 of 130.8 in February exceeding the estimate of 126.3
- Consumer sentiment has experienced an uptrend reaching 102

US CONSUMER SENTIMENT



Economic Overview



Oil

- Rebalancing from oil glut ~ months ago
 - OPEC and 10 producers including Russia started cutting production by 1.8mm barrels/day
 - Oil demand is increasing by ~1.5/2mm barrels/day
- Positive outlook for prices
 - Growing global demand due to economic expansion
 - Concern over the future of Iranian crude exports



Economic Overview



World Economy

- Global output for 2017 is projected to have grown at 3.7% which represents a .5% increase since 2016
- Global growth forecasts have been increased to 3.9% for 2018 and 2019 due to global momentum and the impact of U.S. tax reform
- Advanced economies are expected to grow at 2.3% in 2018 and 2.2% in 2019
- Emerging markets are projected to grow at 4.9% in 2018 and 5.0% in 2019
- Risks to global growth:
 - Correction in the financial markets due to tighter monetary policy in the US and financial vulnerabilities
 - Less than expected impact of US tax reform on growth
 - Policy uncertainty
 - Trade barriers could hinder growth



Growth Fund

Benjamin Barad

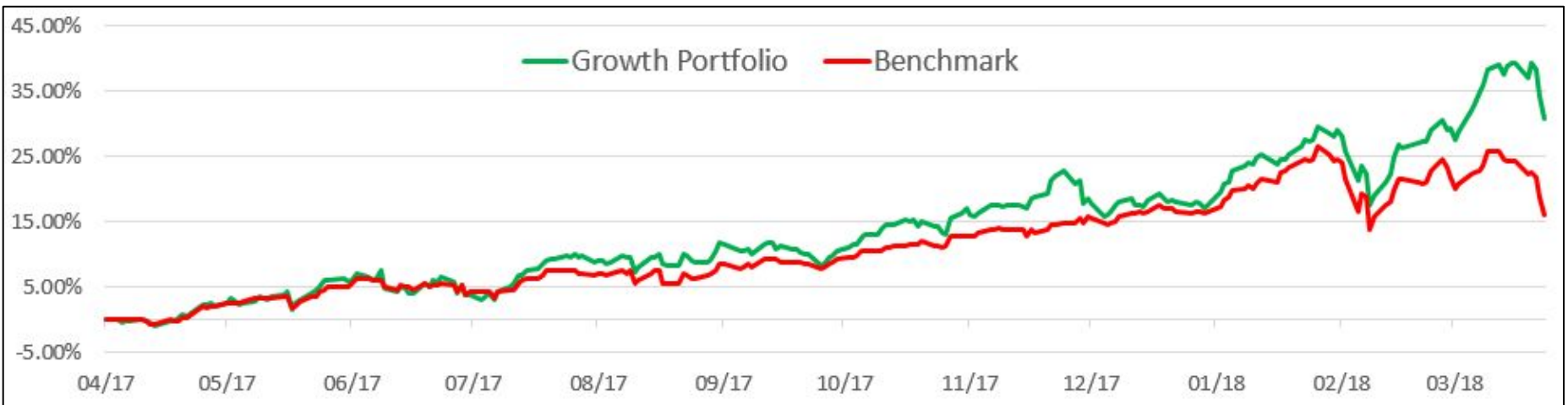


SMIF - Growth Fund



Performances

	SMIF - Growth	SPYG
Initial Value 4.1.17	\$249,266	\$28.42
Current Value	\$325,871	\$32.96
Change (\$)	\$76,605	\$4.54
Change (%)	30.73%	15.97%
Performance vs Benchmark		+14.76%



SMIF - Growth Fund



Portfolio Holding (Sorted By Performance)

<u>Ticker</u>	<u>Company</u>	<u>Weight</u>	<u>Total Return (%)</u>
NTNX	Nutanix	6.32%	125.10%
SQ	Square, Inc.	8.54%	75.55%
BABA	Alibaba Group	8.13%	67.64%
AMZN	Amazon.com	12.87%	59.78%
ABT	Abbott Laboratories	4.48%	33.80%
VEEV	Veeva Systems	5.27%	28.04%
RTN	Raytheon	5.67%	26.52%
GOOGL	Alphabet Inc.	5.36%	19.82%
AAPL	Apple	3.35%	14.78%
SCHW	Charles Schwab	3.83%	14.48%

<u>Ticker</u>	<u>Company</u>	<u>Weight</u>	<u>Total Return (%)</u>
FB	Facebook, Inc.	6.17%	12.03%
MTCH	Match Group	3.08%	11.49%
MSFT	Microsoft Corporation	3.78%	4.87%
MTN	Vail Resorts	5.09%	4.03%
ADBE	Adobe Systems	4.82%	2.23%
EW	Edwards Lifesciences	2.83%	1.26%
WCN	Waste Connections	3.32%	0.96%
EDU	New Oriental	3.26%	-1.24%
BIDU	Baidu	3.82%	-7.20%

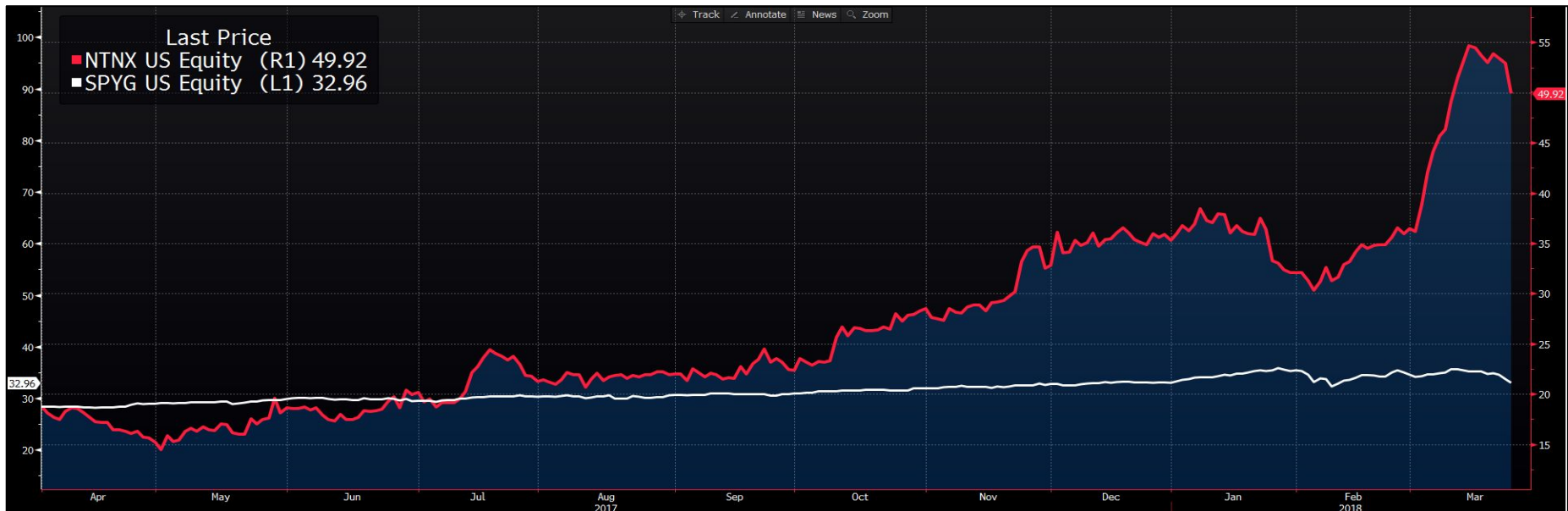
* Purchased One Month Ago

SMIF - Growth Fund



Nutanix Inc

- Up 125.1% Since Purchase
- First Mover Advantage
- Differentiated Product That Reduces Costs
- Recent Boost From Transition Into Software
- High Customer Satisfaction / Adoption Rates
- Pitched By: Luke Perda



SMIF - Growth Fund



Square Inc

- Up 75.5% Since Purchase
- Reliable Transaction Fees with high Negotiating Power vs Small Companies
- Large User Database
- Benefit From Possible Tax-Reform
- Pitched By: Kylie Regan



SMIF - Growth Fund



Veeva Systems

- Up 28.0% Since Purchase
- Serves an Important Need in the Healthcare Market
- Exclusive Partnership with Salesforce
- High Subscription/Satisfaction Rates
- Pitched By: Haley Preschutti



SMIF - Growth Fund



Alibaba Group

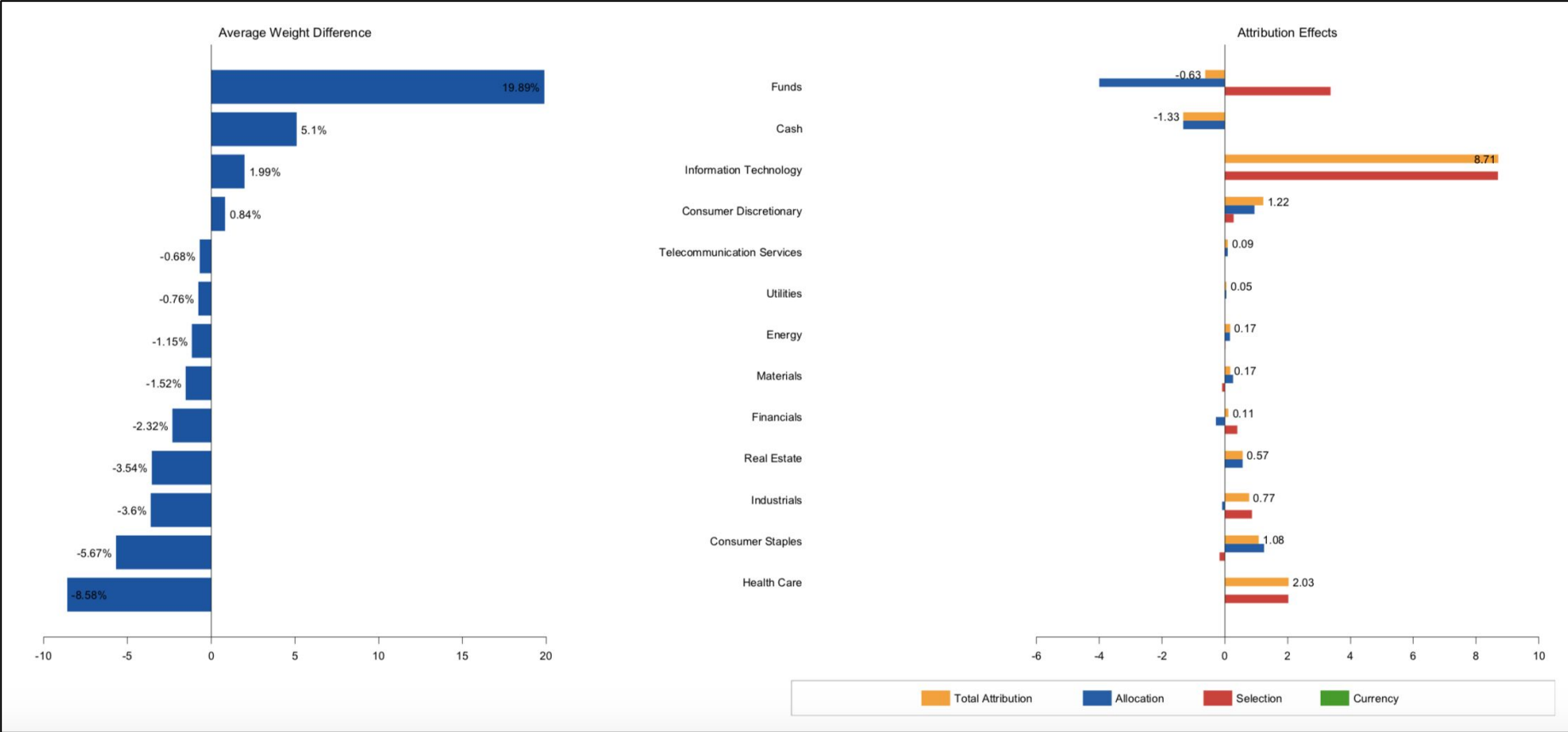
- Up 67.64% Since Purchase
- Rising Importance of E-Commerce in Asia and Increasing User Numbers
- High Investment in Expansion
- Pitched By: Raymond Kanyo and Oliver Merison



SMIF - Growth Fund



Attribution Model



Active Return Attribution Summary	
Active Return	13.00
Allocation	-2.39
Selection	15.38
Currency	0.00



Value Fund

Ryan Byrnes



SMIF - Value Fund

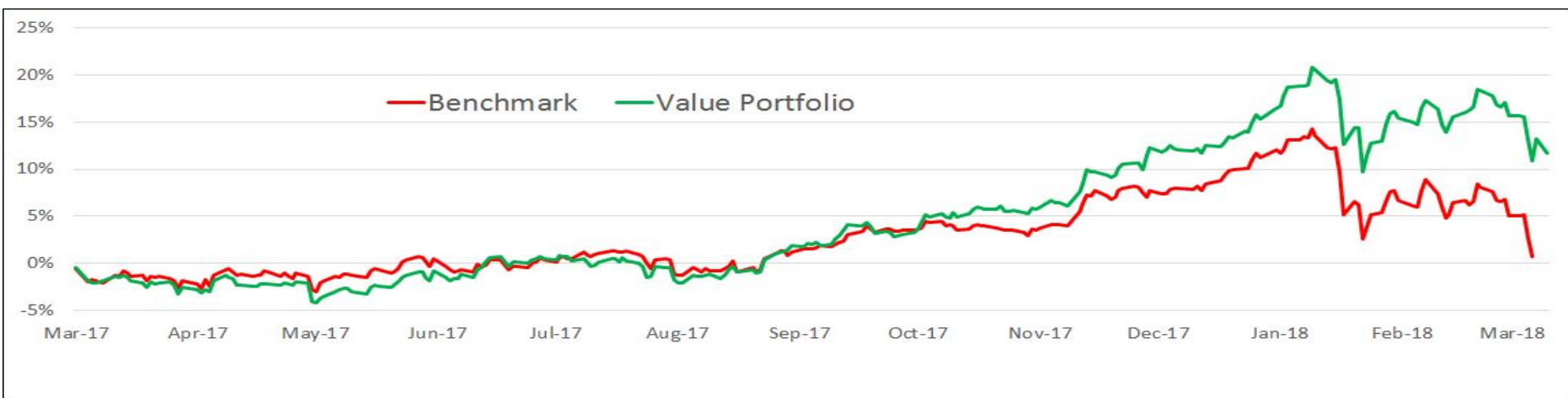


Performances

	SMIF - Value	SPYV
Initial Value 4.1.17	\$243,859.59	\$28.48
Current Value	\$273,048.04	\$29.04
Change (\$)	\$29,188.45	\$0.56
Change (%)	11.97%	1.97%

Performance vs Bench

+10.00%



SMIF - Value Fund



Portfolio Holdings¹

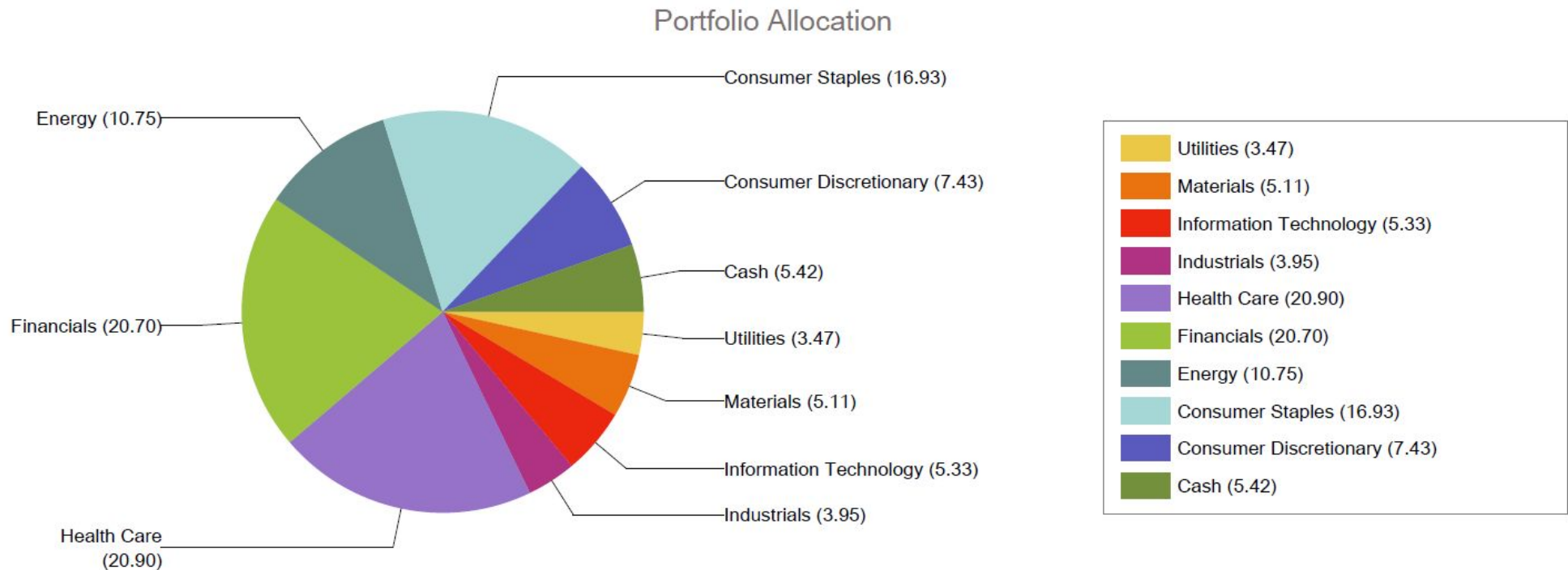
Ticker	Company Name	Weight	Performance	Date Acquired
INTC	Intel Corporation	5.16%	41.75%	2-Mar-15
VLO	Valero Energy Corporation	6.58%	34.94%	5-May-15
STZ	Constellation Brands	5.10%	33.87%	28-Feb-17
NEE	NextEra Energy Inc	3.57%	22.78%	9-Nov-16
BAC	Bank of America Corp	7.97%	18.22%	21-Sep-16
MAS	Masco Corp	3.96%	18.00%	7-Oct-16
HCA	HCA Holdings Inc.	7.39%	17.80%	5-May-15
C	Citigroup Inc.	6.07%	15.08%	1-May-17
NKE	Nike Inc	4.34%	13.12%	14-Dec-15
DHR	Danaher Corporation	5.85%	11.97%	7-Oct-16
COST	Costco Wholesale Corp	4.72%	11.76%	28-Sep-17
AMGN	Amgen, Inc.	3.20%	2.39%	9-Nov-16
MLM	Martin Marietta Materials	5.23%	1.23%	28-Feb-18
CVX	Chevron Corporation	4.05%	-1.96%	28-Feb-18
GWB	Great Western Bancorp Inc	6.68%	-3.51%	19-Sep-16
MO	Altria Group Inc	4.89%	-5.95%	15-Nov-17
GILD	Gilead Sciences	4.69%	-7.91%	18-Oct-17
CZR	Caesars Entertainment Corp.	3.19%	-12.65%	20-Sep-17
CVS	CVS Health Corporation	2.81%	-20.21%	29-Jan-15

¹: Data as of market close 3/27/18

SMIF - Value Fund



Portfolio Sector Weightings¹



¹: Data as of market close 3/27/18

SMIF - Value Fund



Caesars Entertainment Corp

- Bought on September 22nd, 2017 at \$12.54 with portfolio weight of 4%
- Down 12.65% to \$10.93
- Company Description:
 - American gaming corporation based in Nevada that runs 47 casinos/hotels and seven golf courses under well known brands such as Caesars, Harrah's, and Horseshoe
 - Caesars Entertainment entered bankruptcy in 2015. The entertainment business went bankrupt, but they were able to keep the lodging business separated to avoid bankruptcy. Has since been reorganized and refinanced.

SMIF - Value Fund



Caesars Entertainment Corp

- Reasons for Buying:
 - Credit rating was upgraded from CCC- to B+ on September 13
 - Restructuring was expected to be completed in October
 - Still producing strong free cash flows and expected to go up with consumer spending
 - Outperforms in a bull market due to disposable income
 - P/E ratio of 15.3 compared to industry average of 20
- Recent News:
 - Shares have fallen roughly 20% due to the recent market downturns
 - Announced strong balance sheet with \$2 billion in cash to invest
 - Looking to expand business and grow revenue above \$8 billion expectation
 - Hired new Chief Marketing Officer Chris Holdren (Starwood Hotels & Resorts)

SMIF - Value Fund



CZR vs SPYV



SMIF - Value Fund



Costco Wholesale Corp.

- Bought on September 28, 2017 at \$164.47 with portfolio weight of 4.5%
- Up 11.76% to \$183.61
- Company Description:
 - Largest membership-only warehouse club in US
 - Mainly operates in grocery industry, but also offers auto, optical, travel, and online services
 - Main competitors include Sam's Club, BJ's, and Walmart
- Reasons for Buying:
 - Consumer spending is rising
 - Undervalued after 17% drop caused by Amazon Whole Foods acquisition
 - Recently announced 2 day delivery service to compete with Amazon
 - Confidence in membership loyalty and growth
- Recent News
 - Impressive Q4 earnings report
 - Beat EPS expectations (\$2.08 vs \$2.02)
 - YoY Q4 sales increased 16%

SMIF - Value Fund



COST vs SPYV



SMIF - Value Fund



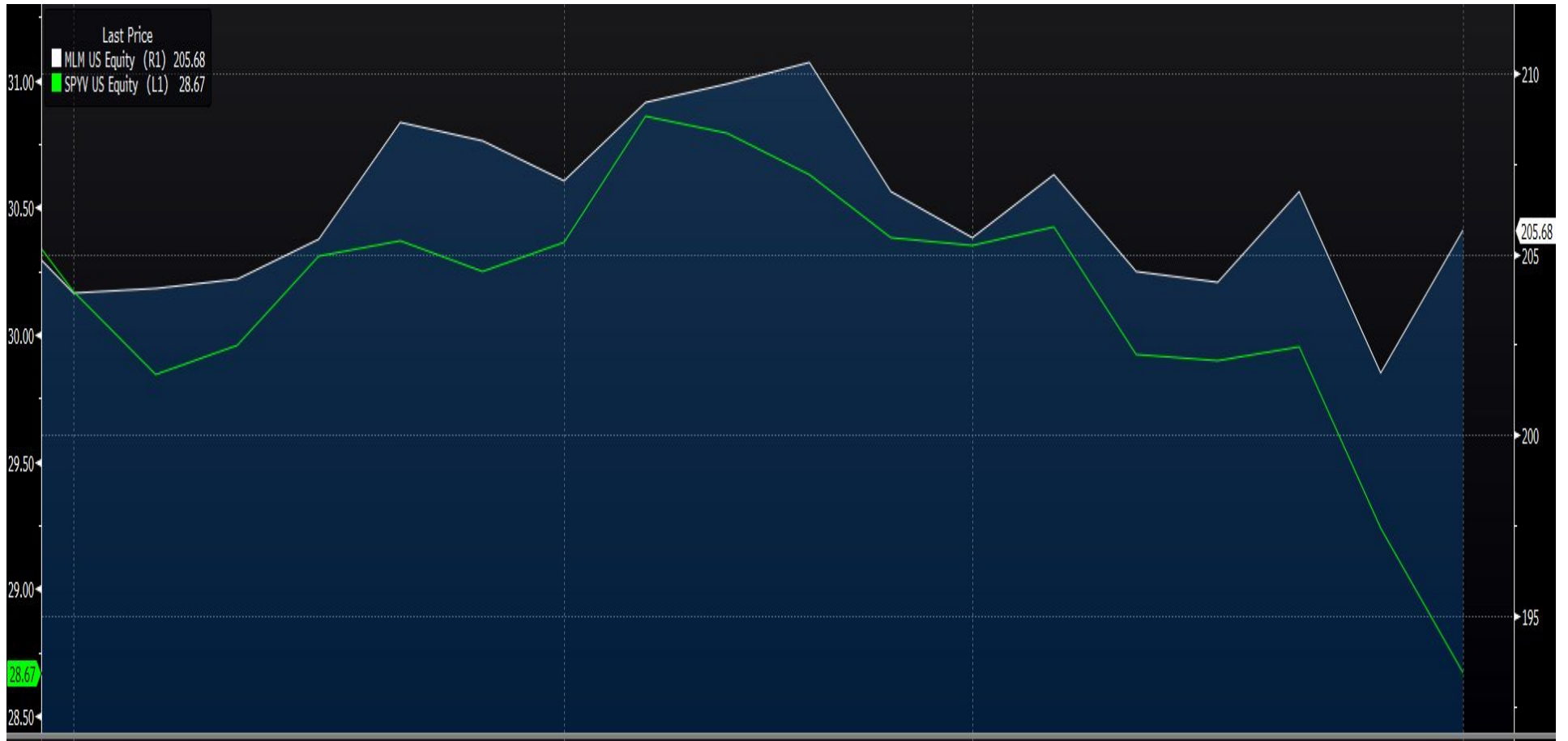
Martin Marietta Materials

- Bought on February 28, 2018 at \$206.90 with portfolio weight of 5%
- Up 1.23% to \$209.44
- Company Description:
 - Leading supplier of aggregates and heavy building materials
 - Also specializes in heat-resistant products
- Reasons for Buying:
 - Recent acquisition of Bluegrass Material for \$1.63 billion
 - Leveraging U.S. construction momentum
- Recent News:
 - Trump's \$1.5 trillion infrastructure plan
 - Housing starts increased 9.87% in January
 - ISM manufacturing index hit an all time high in February

SMIF - Value Fund



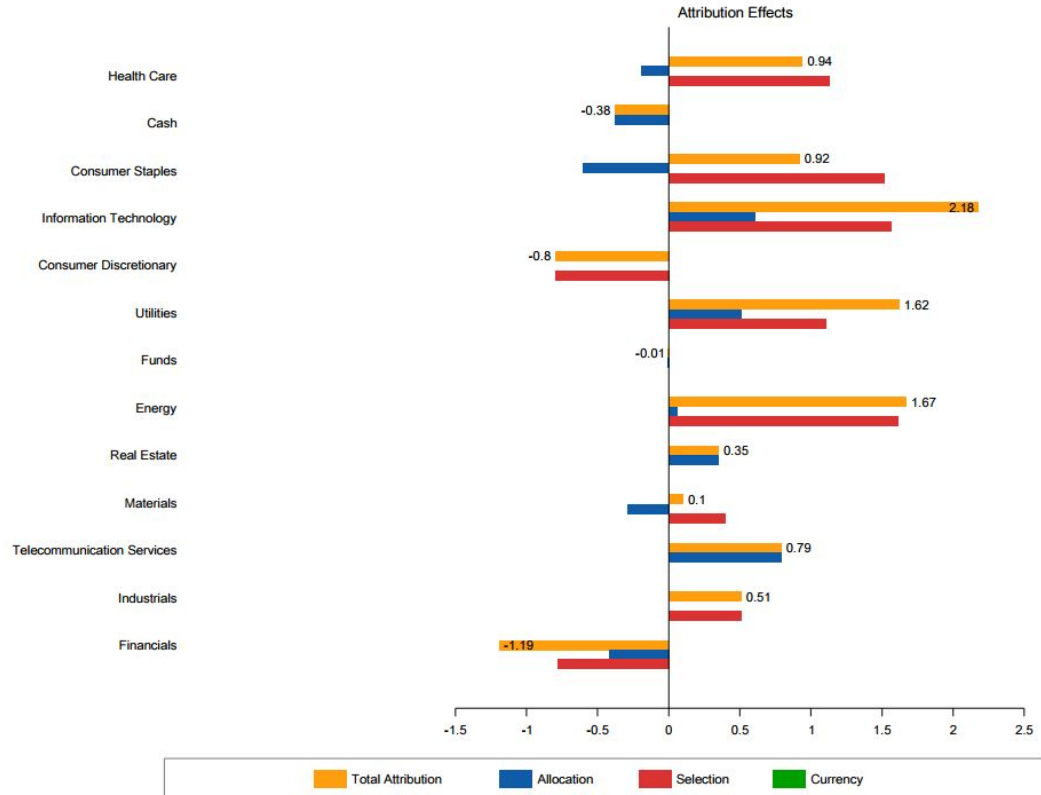
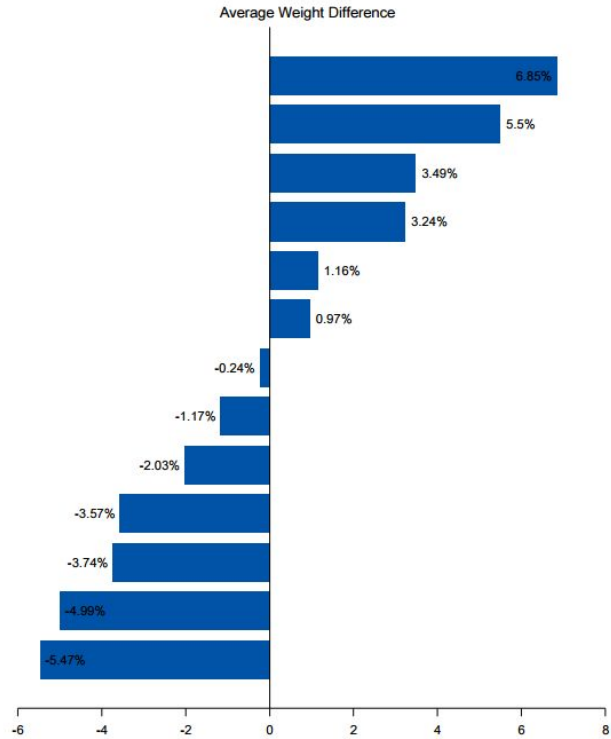
MLM vs SPYV



SMIF - Value Fund



Attribution Model



Active Return Attribution Summary

Active Return	6.71
Allocation	0.43
Selection	6.28
Currency	0.00

2018 - 2019 Managers



Jeremy Lacy (General Manager)

Value	Growth
Matthew Freda (Manager / Trader)	Robert Piluso (Manager / Trader)
Ryan McCaffrey	Brad Gibson
Chilton Gaines	Luke Knott
Jules Baretta	Jessica Wilson
Casey Begoon	Kate Schlinke
Pedro Balaban	Keenan Shepard
Ryan Pasquali	Jack Tierney
Rishabh Jain	Ying Wu
Dennis Smith	Christian Berardo

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