



O'NEILL STUDENT INVESTMENT FUND

FALL 2017

Agenda

Connor
Maloney

Macroeconomic
Landscape

Trenton
Spallas

Market
Overview and
Major Themes

Robert
Husseman

Portfolio,
Benchmark and
Risk Orientation

Karan
Joshi

Moving
Forward and
Team

MACRO LANDSCAPE



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Economic Indicators

US Consumer Sentiment

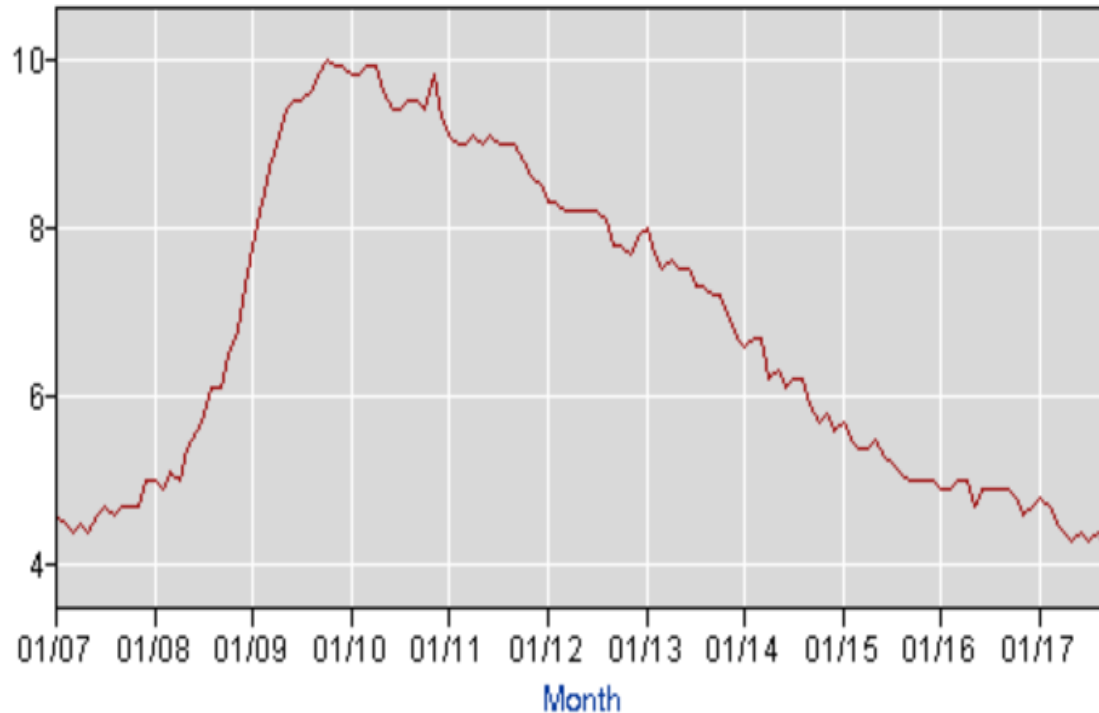
Final Results for November 2017

	Nov	Oct	Nov	M-M	Y-Y
	2017	2017	2016	Change	Change
Index of Consumer Sentiment	98.5	100.7	93.8	-2.2%	+5.0%
Current Economic Conditions	113.5	116.5	107.3	-2.6%	+5.8%
Index of Consumer Expectations	88.9	90.5	85.2	-1.8%	+4.3%

Next data release: Friday, December 08, 2017 for Preliminary December data at 10am ET

Economic Indicators: Unemployment

Unemployment

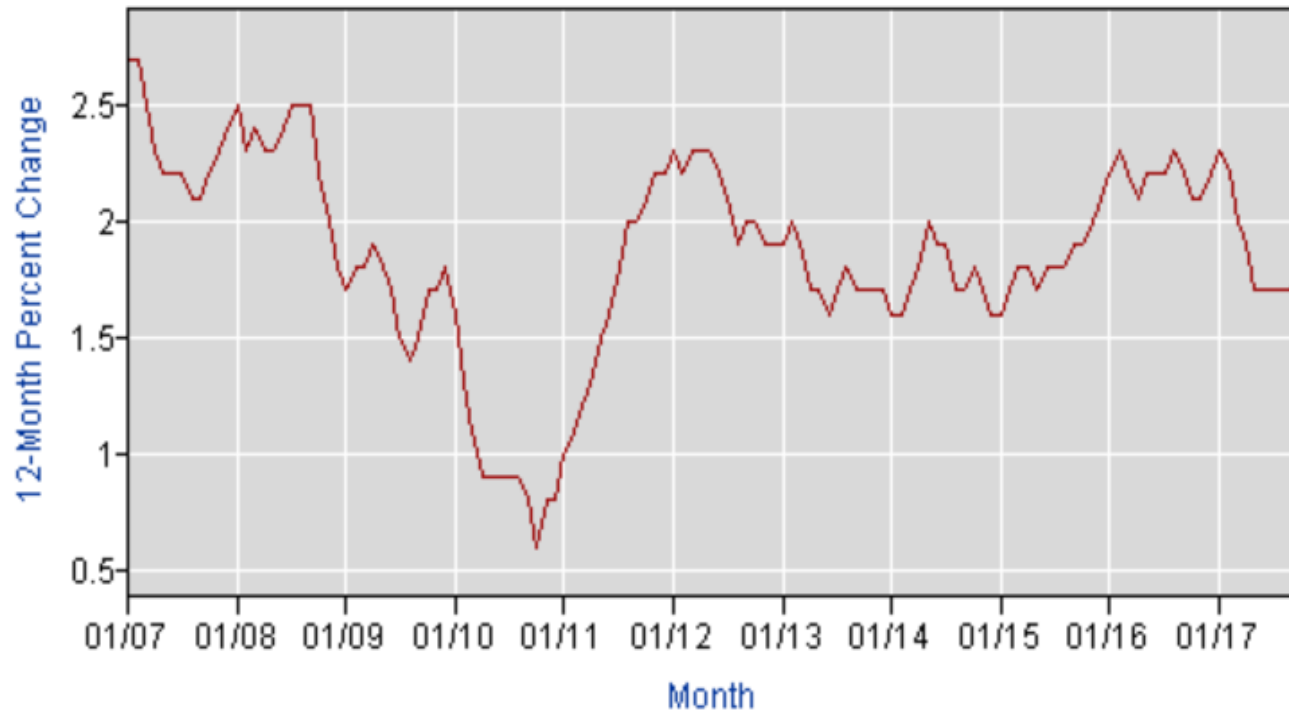


Labor Force Statistics from the Current Population Survey

Series Id: LNS14000000
Seasonally Adjusted
Series title: (Seas) Unemployment Rate
Labor force status: Unemployment rate
Type of data: Percent or rate
Age: 16 years and over

Economic Indicators

US Inflation



CPI-All Urban Consumers (Current Series)

12-Month Percent Change

Series Id: CUUR0000SAR1E

Not Seasonally Adjusted

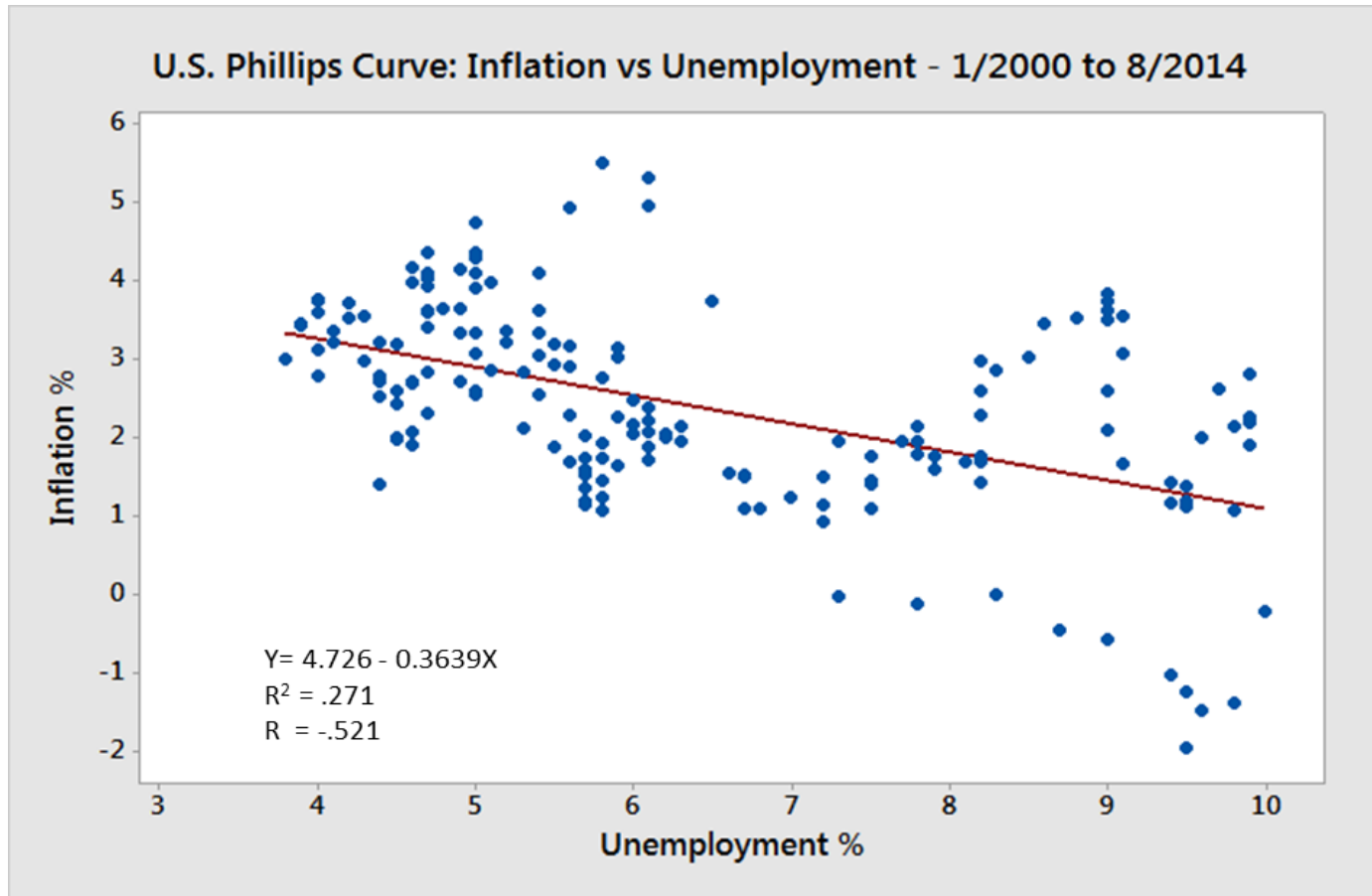
Series Title: All items less food and energy in U.S. city average, all urban consumers, not seasonally adjusted

Area: U.S. city average

Item: All items less food and energy

Base Period: 1982-84=100

Economic Indicators

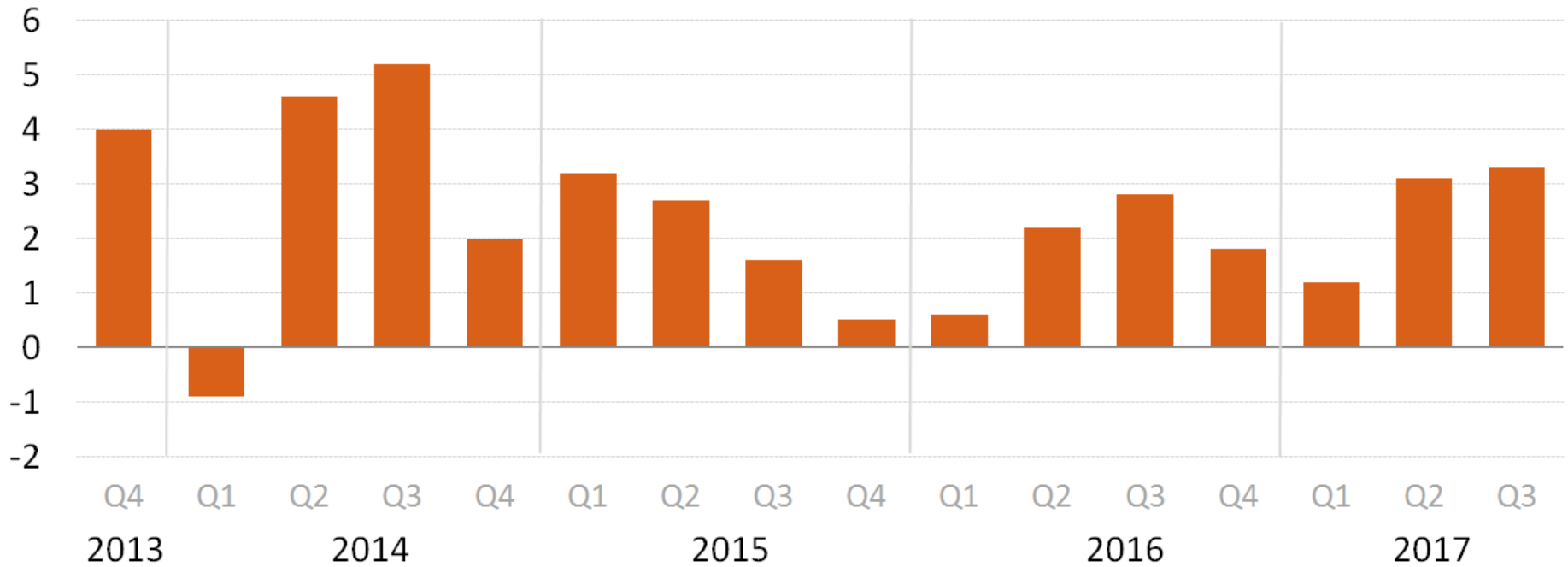


Source Data: FRED Database
Inflation: CPI for All Urban Consumers

Economic Indicators

US GDP Growth Rate

Real GDP: Percent change from preceding quarter



Central Banks

The Federal
Reserve
Policies

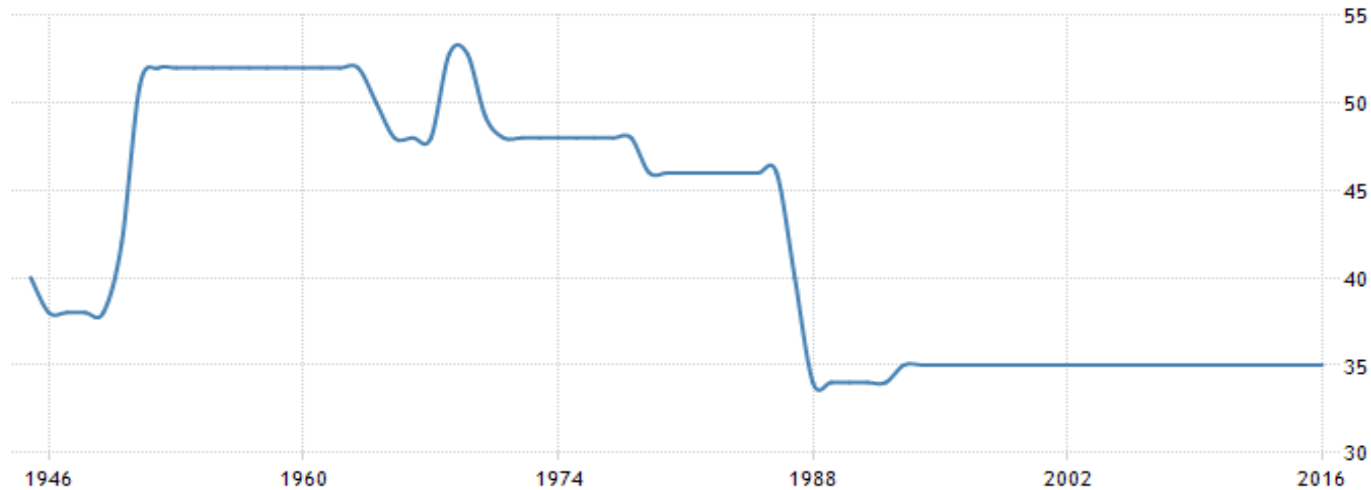
December rate hike
Outlook over the next two
years

Central
Banks around
the globe

Inflation
Negative/Zero rates

US FEDERAL TAX POLICY (1945-2016)

US FEDERAL CORPORATE TAX RATE



SOURCE: TRADINGECONOMICS.COM | INTERNAL REVENUE SERVICE

Low Corporate
Tax Structure

Potential
Market
Performance

Simplified Tax
Structure

Driving Forces

Economic Indicators

Low Inflation

*Increase In Consumer
Sentiment*

*Low Interest Rate
Environment*

Low Unemployment

Tax Reform

*20-25% Corporate
Tax Rate*

*Immediate Impact on
Market*

*Simplified Tax
Structure*

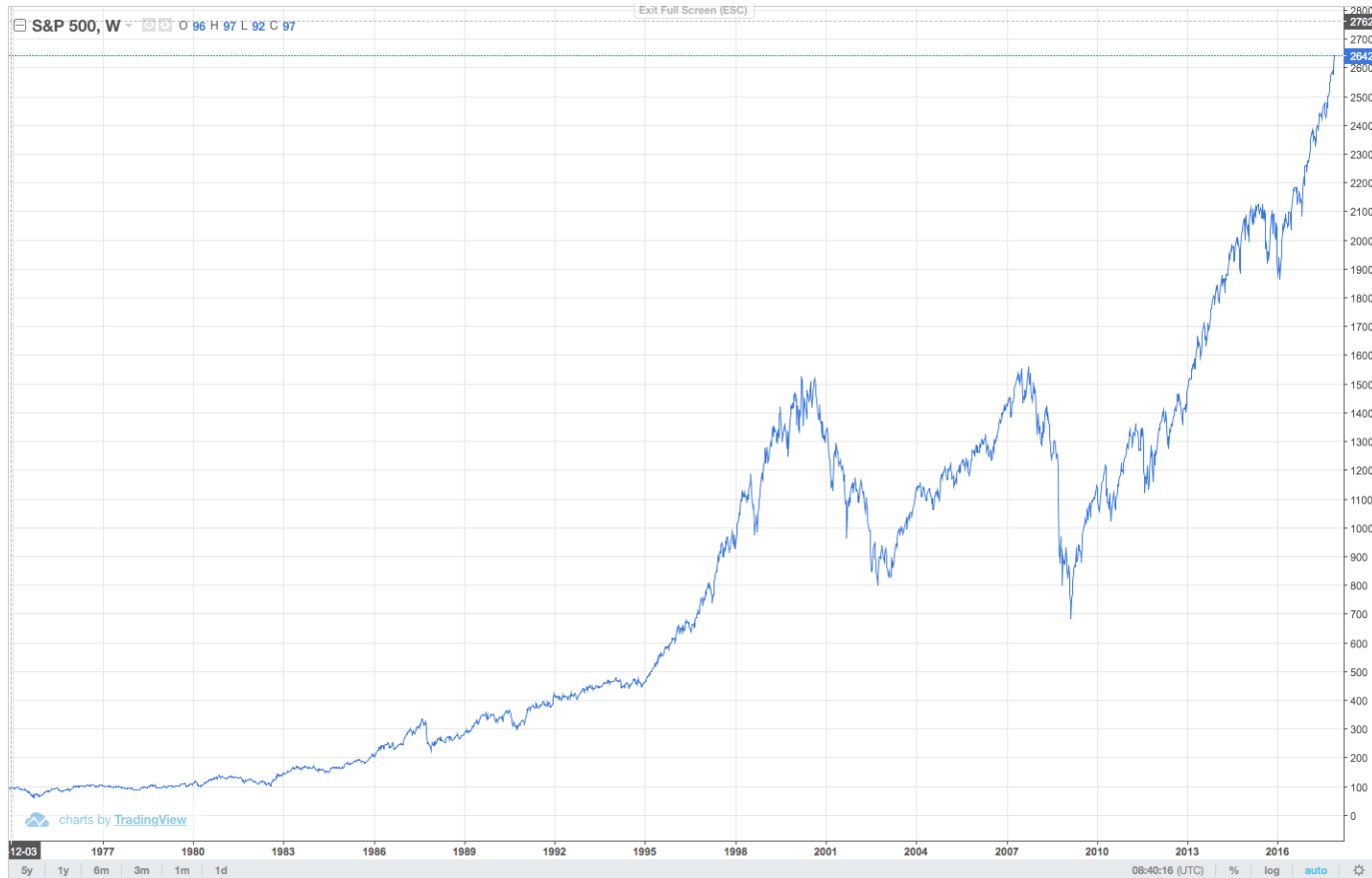
Natural Calamities

Hurricanes

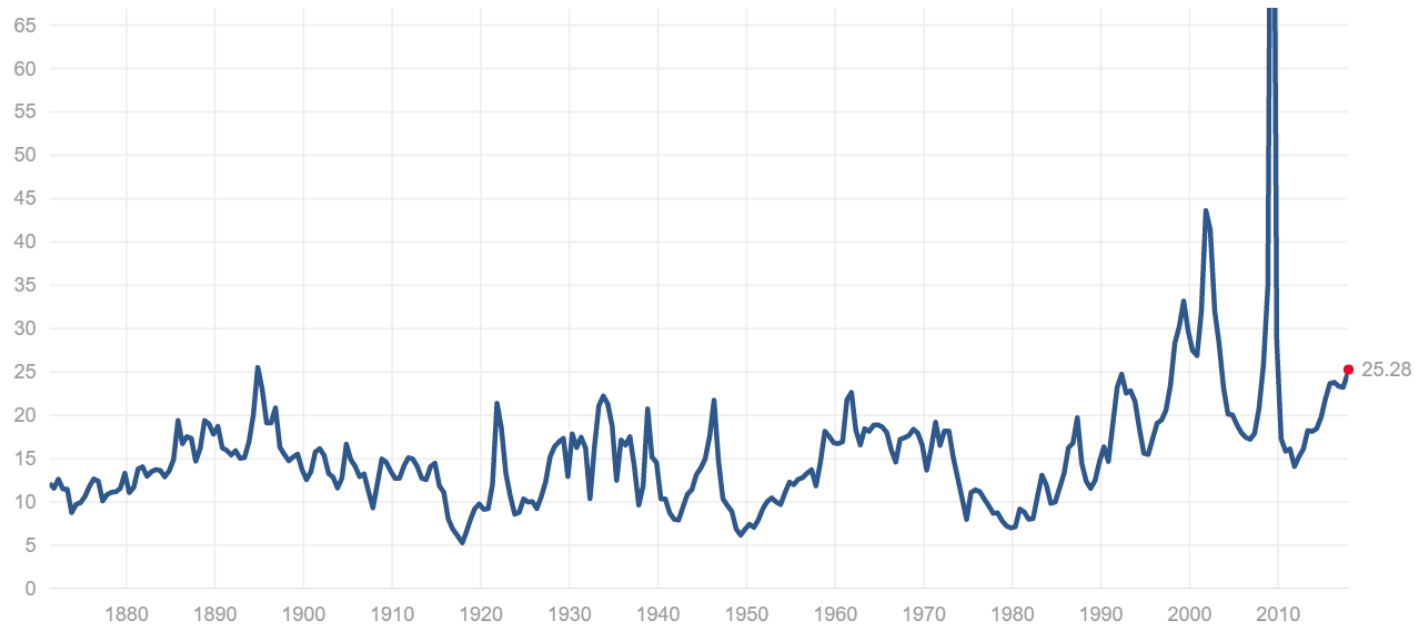
Forest Fires

Earthquakes

S&P 500 Returns



S&P 500 P/E Ratio



Current S&P 500 PE Ratio: 25.28 -0.00 (-0.00%)

4:00 pm EST, Wed Dec 6

Mean: 15.68

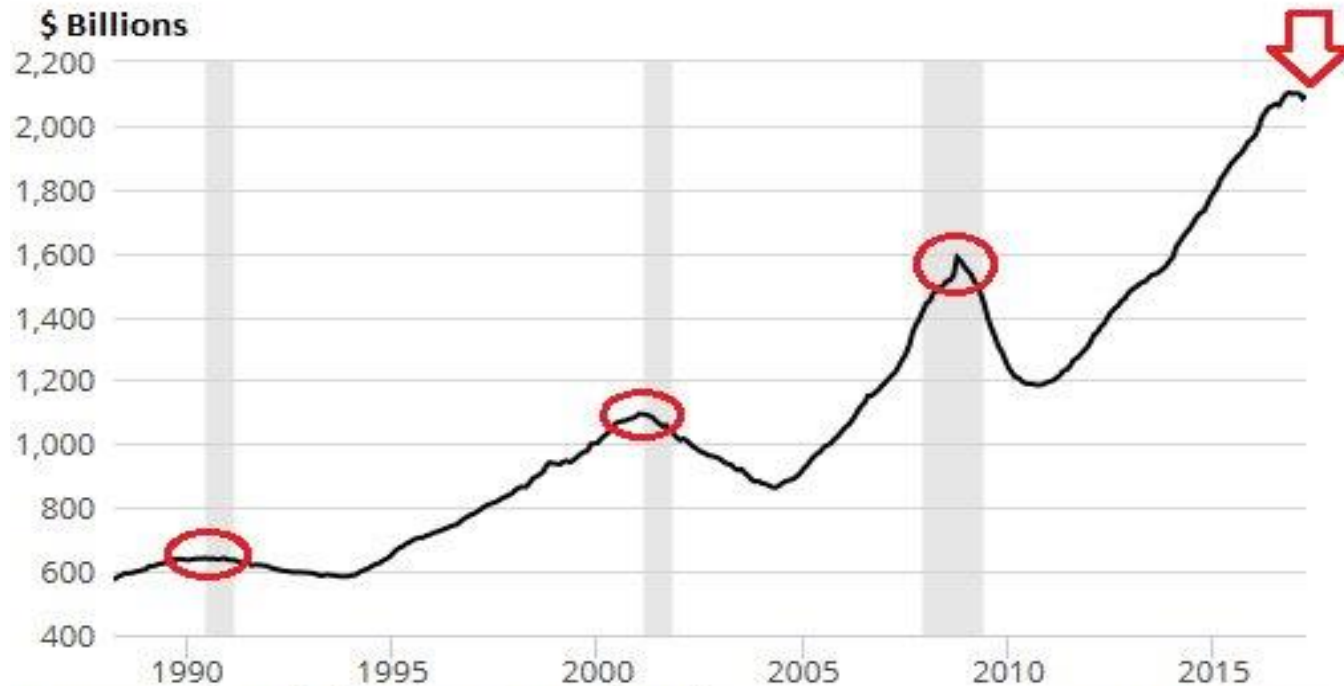
Median: 14.68

Min: 5.31 (Dec 1917)

Max: 123.73 (May 2009)

Low Interest Rate Environment

Commercial & Industrial Loans, All Commercial Banks Monthly data



Sources: Fed Board of Governors, St. Louis Fed

WOLFSTREET.com

MARKET OVERVIEW AND MAJOR THEMES



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Inherited Portfolio

Ticker	Shares	Purchase Price	Value
BSV	1750	\$79.89	\$139,808
QQQ	315	\$142.48	\$44,881
GLD	381	\$129.07	\$49,175
SPY	266	\$244.52	\$65,042
SPAXX (Cash)	-	-	\$140,936
Total			\$436,854

Investment Activity – September

Date	Ticker	Shares	Purchase Price	Change in Value
9/13	EEM	550	\$45.26	\$24,893
9/13	INDA	363	\$34.34	\$12,465
9/22	QQQ	138	\$144.00	\$19,872
9/22	GLD	-204	\$122.68	\$(21,813)
9/29	IJR	335	\$74.22	\$24,864
9/29	IJH	140	\$178.90	\$25,046

- Natural calamities
- US Durable Goods data beats market expectations
- Strengthening dollar

Investment Activity – October

Date	Ticker	Shares	Purchase Price	Change in Value
10/6	EFA	540	\$68.30	\$36,882
10/13	BSV	-250	\$79.72	\$(19,945)
10/13	JNK	485	\$34.62	\$16,791
10/13	NFLX	50	\$198.06	\$9,903
10/16	NFLX	-50	\$202.68	\$(10,134)
10/27	BSV	-380	\$79.65	\$(30,267)
10/27	PCG	265	\$56.70	\$15,026
10/27	IJR	200	\$75.18	\$15,036
10/27	IJH	82	\$183.35	\$15,035

- US company beat market expectations
- Possible appointment of hawkish Fed Chair
- Rising dollar leading to multi-year highs for treasury yield

Investment Activity – November

Date	Ticker	Shares	Purchase Price	Change in Value
11/3	BSV	-150	\$79.53	\$(11,929)
11/3	QQQ	100	\$152.87	\$15,287
11/10	BSV	-400	\$79.45	\$(31,780)
11/10	QQQ	88	\$153.53	\$13,511
11/10	JNK	135	\$34.68	\$4,682
11/10	EFA	195	\$69.28	\$13,510

- US GDP growth beats market expectations
- US consumer confidence continues to beat market expectations
- House of Representatives approve Tax Plan

4 Major Themes

Asset
Allocation

Earnings
Play

PG&E

Equity
Research

Earnings Play

Netflix

Thesis

- Subscriber growth
- T-Mobile Partnership

Result

- Bought 50 Shares at \$198.06
- Sold at \$202.68
- 2.33% Gain

PG&E

Wildfire in Napa

Market Overcorrection
- \$69.15 to \$53.06

Price Target - \$64.23

Equity Research Report



- Analysis Done By: Karan & Royce
- Target Price: \$33.71
- Current Price: \$33.21



- Analysis Done By: Jorge & Nathan
- Target Price: \$48.07
- Current Price: \$52.30



- Analysis Done By: Faten & Trent
- Target Price: \$115.69
- Current Price: \$105.46

Equity Research Report



- Analysis Done By: Collin & Connor
- Target Price: \$10.48
- Current Price: \$12.38



- Analysis Done By: David & Rich
- Target Price: \$61.85
- Current Price: \$57.41



- Analysis Done By: Nowshin, Prashant & Robert
- Target Price: \$18.50
- Current Price: \$34.66

STARTING POINT



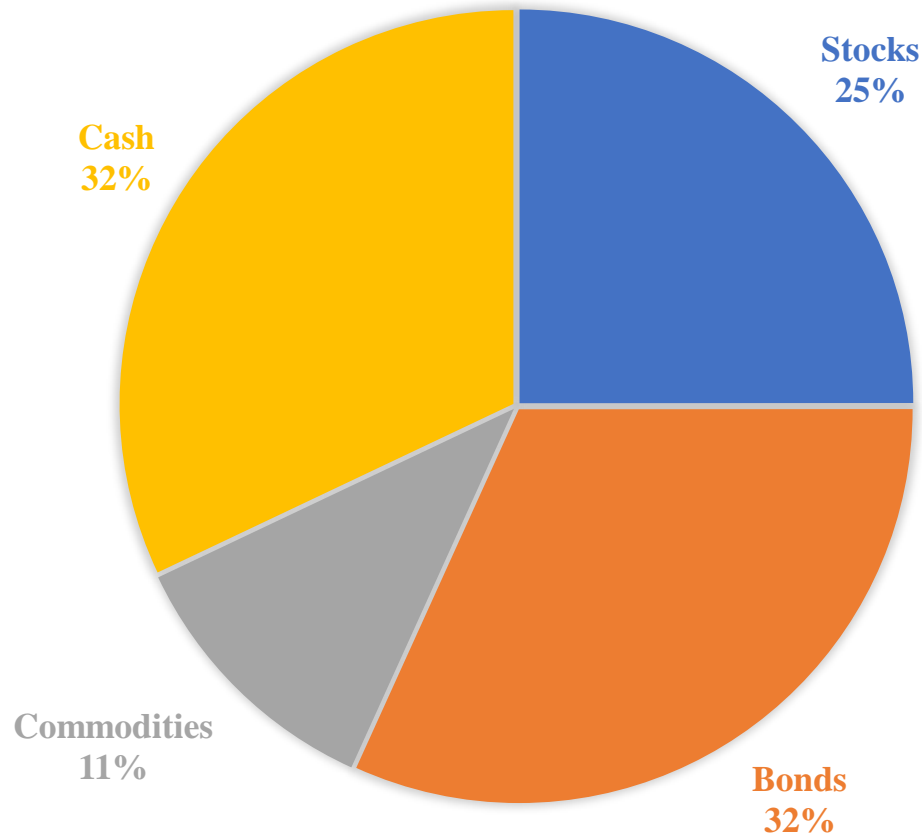
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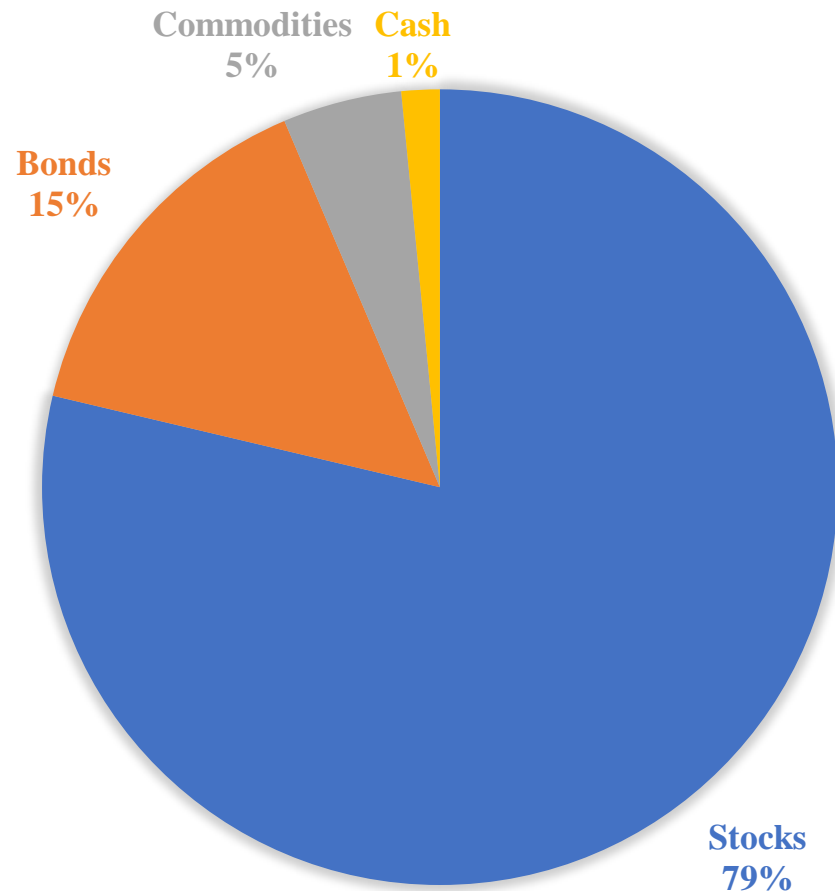
Inherited Portfolio

Starting Portfolio Value - \$436,854

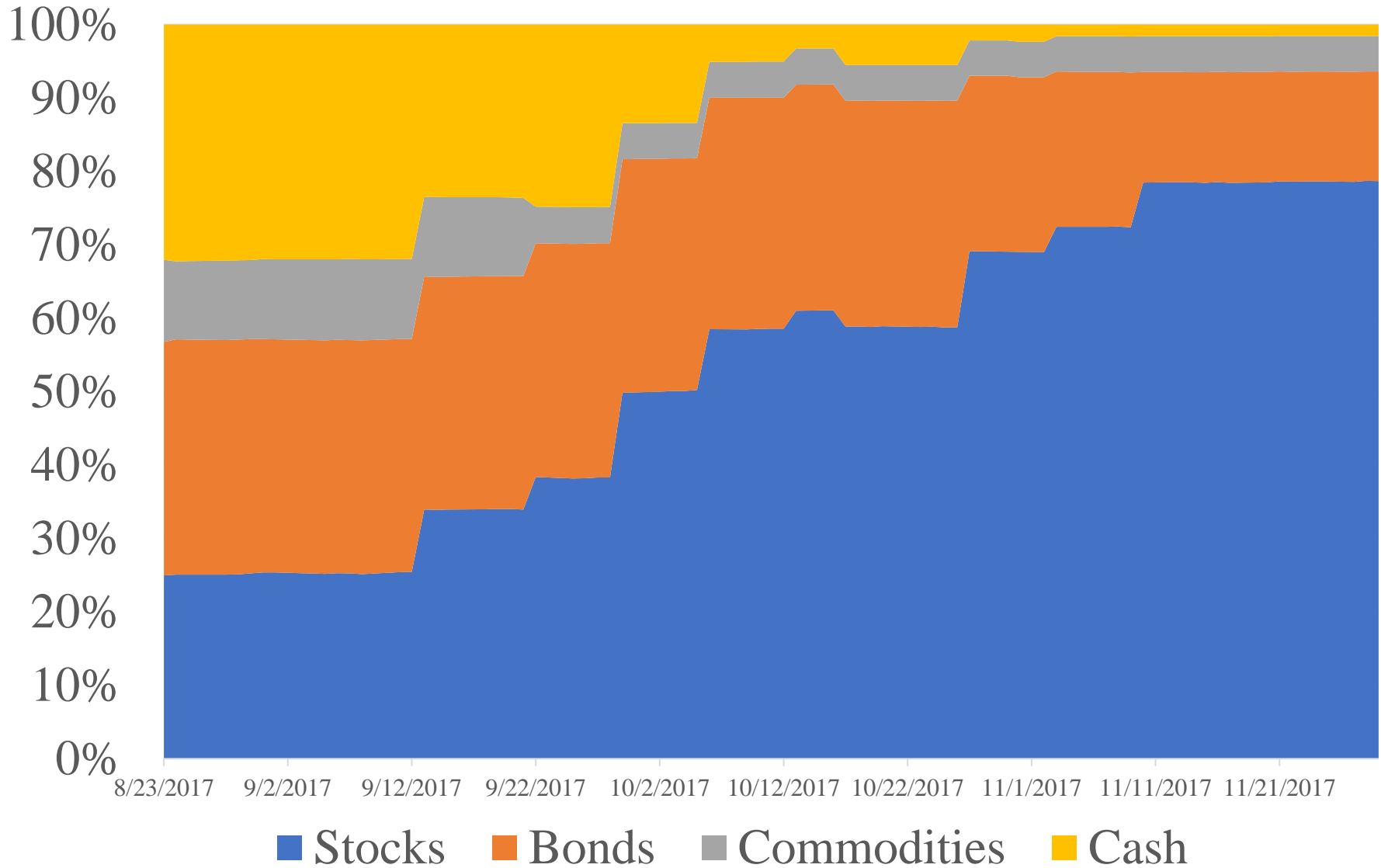


Current Holdings (as of 12/6/2017)

Current Portfolio Value - \$450,375



Asset Allocation



BENCHMARK RISK ORIENTATION RELATIVE PERFORMANCE



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Asset Allocation

Asset Allocation Framework

INVESTMENT	TARGET %	RANGE %
STOCK	77%	60%-85%
BOND	20%	15%-25%
CASH	3%	0%-7%



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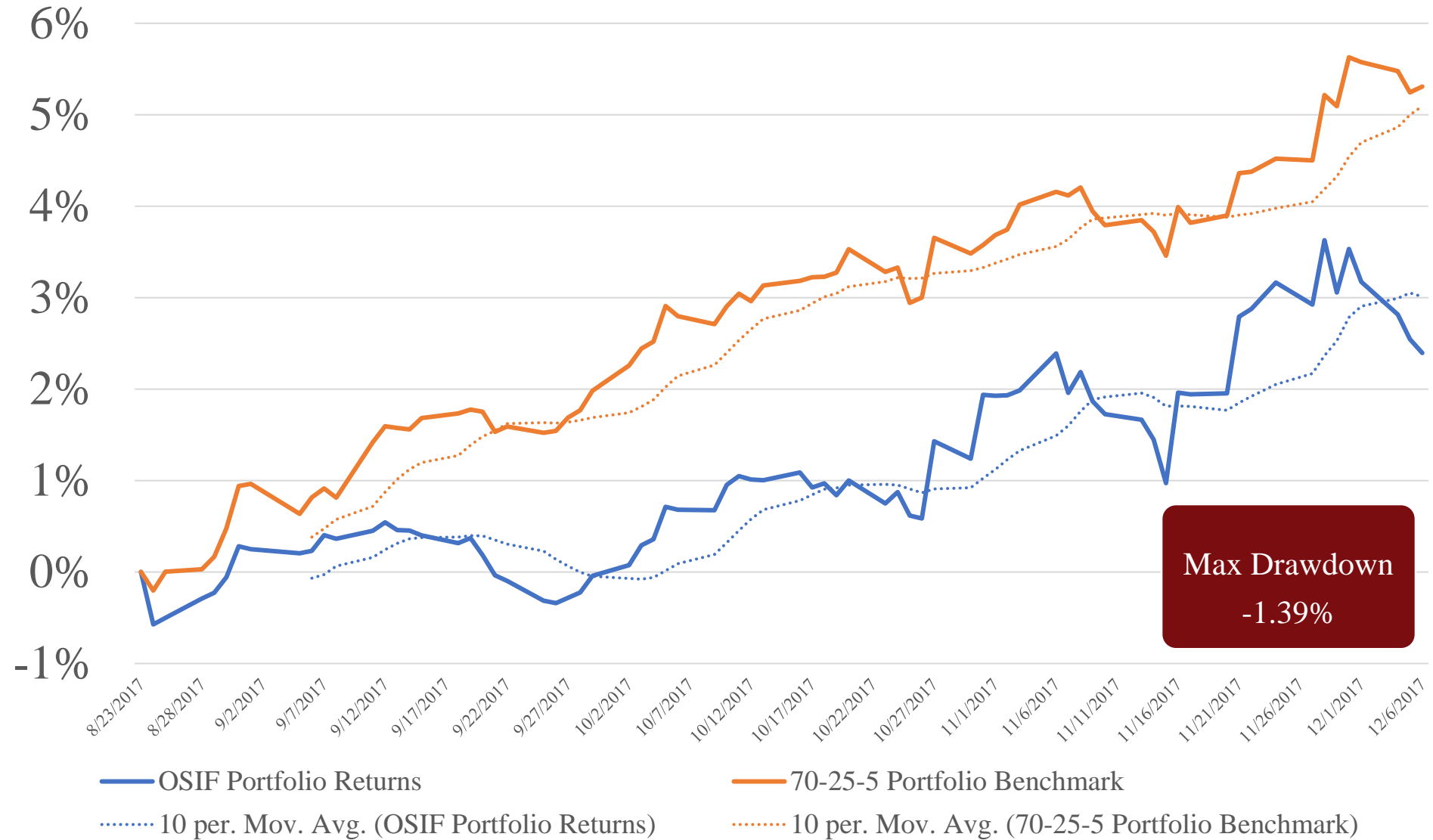
Asset Allocation

Final Selection

Target %		Range %	
STOCKS	77%	65%	85%
US	46%	40%	75%
Int/EM	25%	20%	40%
Com/Real Asset	5%	3%	20%
Target %		Range%	
BOND	20%	15%	25%
High Yield	4%	3%	5%
Investment g	12%	9%	15%
Global	4%	3%	5%
Target %		Range %	
CASH	3%	0%	10%

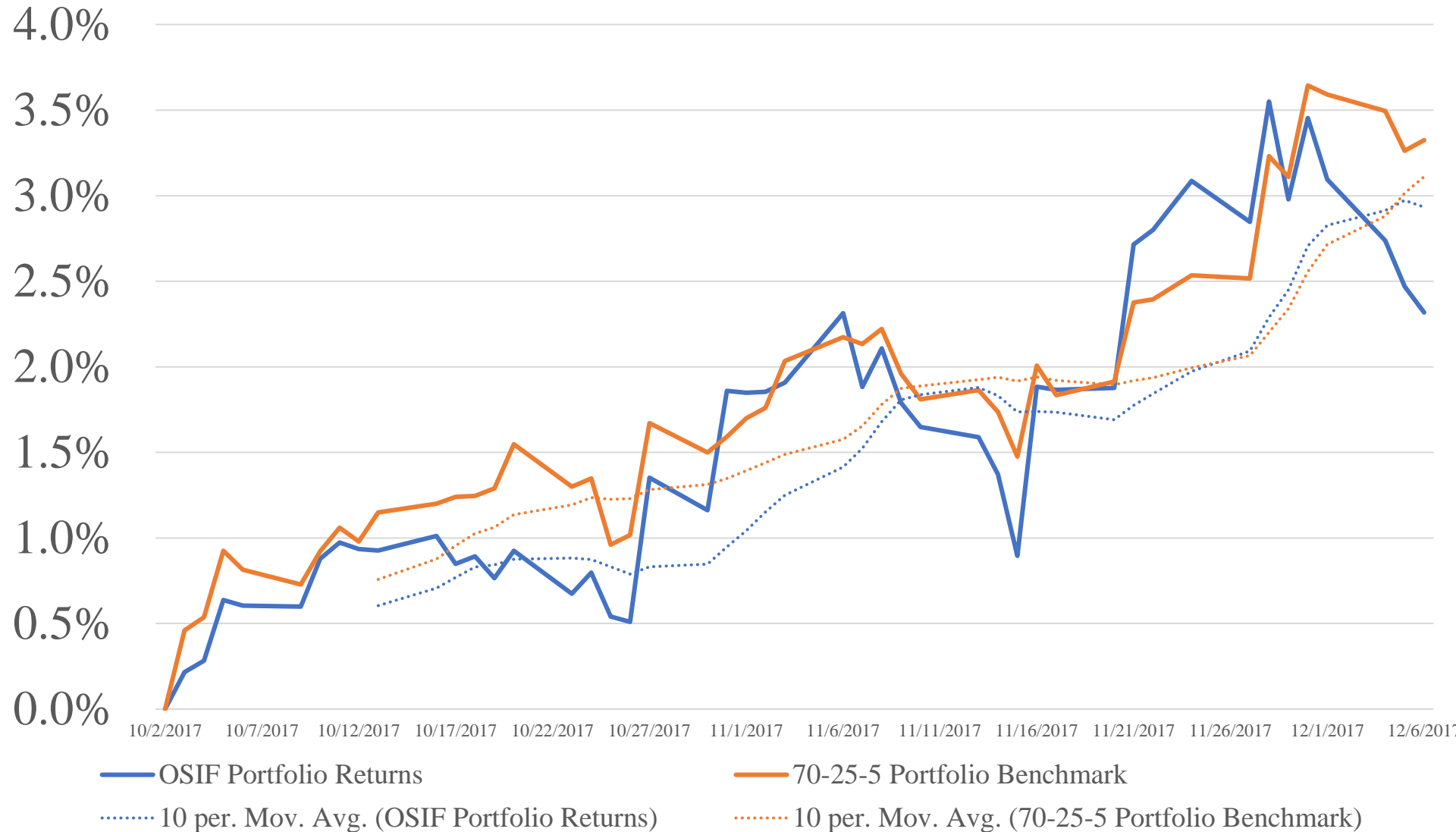
Benchmark Comparison

Portfolio vs. Benchmark



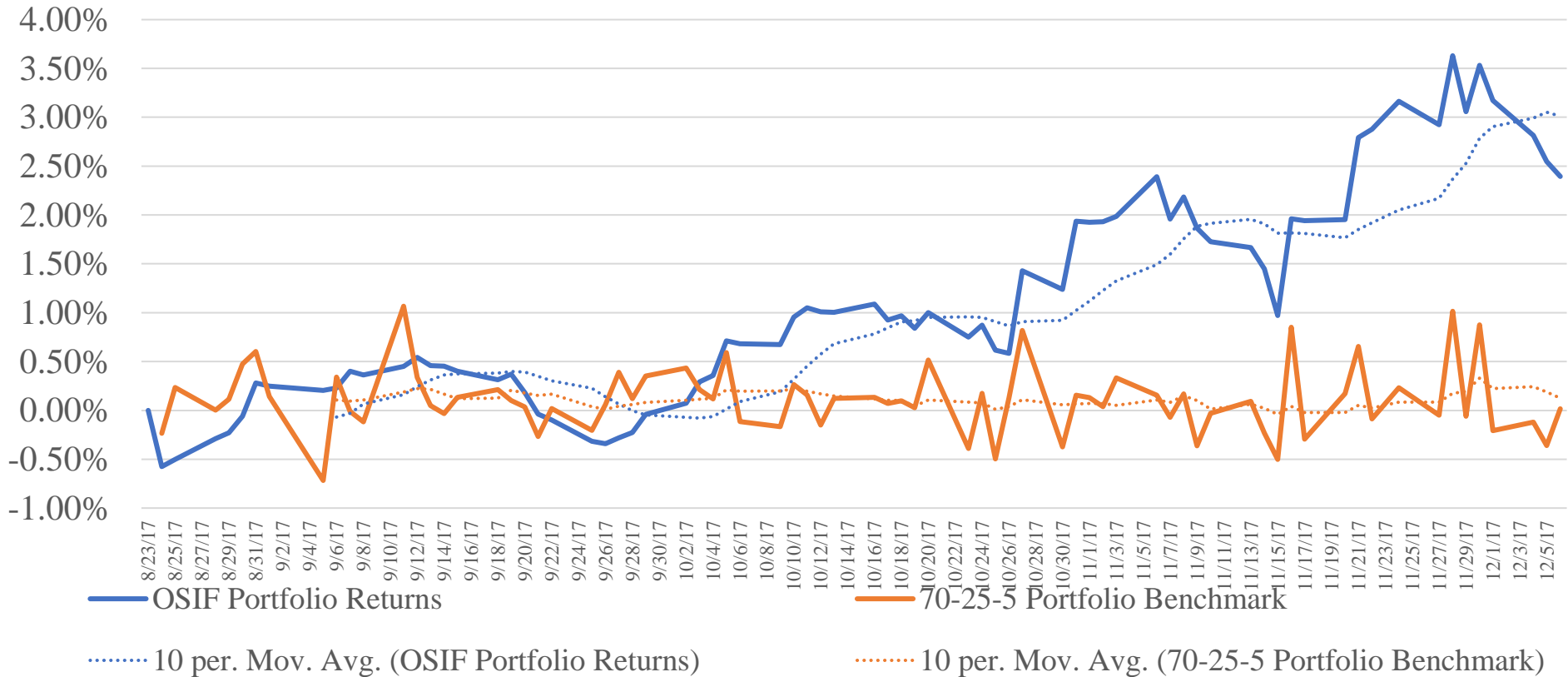
Fully Allocated Performance

Portfolio vs. Benchmark – Oct. 2 Start



Fully Allocated

Portfolio Return vs Starting Portfolio (If we made no changes)



OSIF2017F

Holding Period Return

2.39%

Status Quo

Holding Period Return

0.89%

Returns Due to Allocation

1.5%

Performance Metrics

Sharpe Ratio
1.263

Annualized
Volatility
4.68%

Beta
0.6

Performance Overview


WHAT WORKED

- Risk-on approach
- Heavy large-cap U.S. equity investments
- Emerging markets performance

WHAT DID NOT

- Slow to fully implement strategy

Portfolio Expectations Moving Forward



Impending tax reform

- Likely market-wide share buybacks

Falling bond values

- Cash inflow back into US

No market corrections

- Minimal drawdown in short-term

Tech (QQQ) Bounce-back

Moving Forward

Diversified Portfolio

- **Targets for Asset Allocation**

Presentation for investment proposals

- **Both Asset allocation and Individual securities**

Appointing responsibilities

O'NEILL STUDENT INVESTMENT FUND TEAM



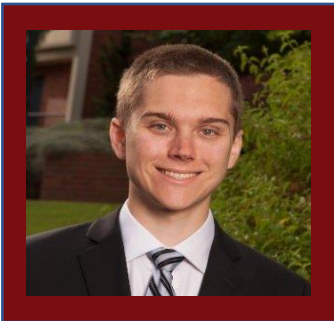
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Nowshin Ahmed
MBA Finance
and Management



Nathan Foos,
JD/MBA



Jorge Brabilla-Pena,
MBA Finance &
Operations



Collin Fuller,
MBA Finance



Faten Alotabi,
MBA



Robert Husseman,
MBA Finance



Karan Joshi,
MBA Finance



**John Connor Maloney,
MBA**



**Royce Romero,
MBA Finance**



**Richard Senkler,
MBA**



**Christopher Magana,
Instructor**



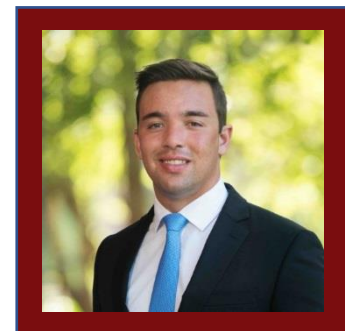
**Alexander Russell,
Instructor**



**David Wartenberg,
MBA Finance**



**Prashant Tiwari,
MBA Finance**



**Trenton Spallas,
MBA Finance**

Course Experience

“This class gave me the ability to evaluate and act upon stock prices on the micro level while also gaining a stronger grasp on the core drivers of markets around the world.” – Collin Fuller

“As an international student, this course helped me understand how the US financial markets function and how I can examine a company’s financial data to responsibly invest my own funds.” – Faten Alotaibi

“The O’Neill Student Investment Fund provided me the opportunity to learn how markets react on a daily basis and use a combination of current events and earnings reports to develop an actionable investment thesis.” – Royce Romero



Question & Answer

BSV

Vanguard Short-Term Bond ETF



- Price : \$79.47/ share
- Quantity : 570.00 shares
- Value : \$45,297.90
- Gain/Loss : (\$225.52)

EEM

iShares MSCI Emerging Markets ETF



- Price : \$47.01/ share
- Quantity : 550.00 shares
- Value : \$25,855.50
- Gain/Loss : +\$960.30

iShares MSCI EFEA ETF



- Price : \$69.92/ share
- Quantity : 735.00 shares
- Value : \$51391.20.50
- Gain/Loss : +\$998.47

GLD

SPDR Gold ETF



- Price : \$4122.83
- Quantity : 177
- Value : \$21,740.91
- Gain/Loss : (\$930.06)

iShares Core S&P Mid Cap ETF



- Price : \$185.31/share
- Quantity : 222.00 shares
- Value : \$41,138.82
- Gain/Loss : **+\$1,053.19**

IJR

iShares Core S&P Mid Cap ETF



- Price : \$75.74/share
- Quantity : 535.00 shares
- Value : \$40,520.90
- Gain/Loss : +\$630.87

INDA

iShares India MSCI ETF



- Price : \$35.27/share
- Quantity : 363.00 shares
- Value : \$12,803.01
- Gain/Loss : +\$334.35

JNK

SPDR Barclays Capital High Yield Bond ETF



- Price : \$36.90/share
- Quantity : 620.00 shares
- Value : \$22,878.00
- Gain/Loss : (\$100.37)

PCG

Pacific Gas & Electric



- Price : \$54.19/share
- Quantity : 265.00 shares
- Value : \$14,360.35
- Gain/Loss : (\$670.10)

QQQ

Powershares QQQ Trust ETF



- Price : \$156.19/share
- Quantity : 641.00 shares
- Value : \$100,117.79
- Gain/Loss : \$6,553.04

SPY

SPDR S&P 500 Trust ETF



- Price : \$260.23/share
- Quantity : 266.00 shares
- Value : \$69,221.18
- Gain/Loss : +\$4,179.50

NATURAL CALAMITIES

Becoming more frequent in the US and Europe

Companies in high risk areas are exposed to asset loss

Overall economy suffers when rebuilding cities

Small and mid-cap companies have highest risk