MIZZOU

INVESTMENT FUND

2015 Fall Semester Report
The Mizzou Investment Fund

- Over the last three years, the Mizzou Investment Fund has earned an annualized return of 12.72 percent.
- For the Fall 2015 semester, the Fund returned 1.18 percent.
- The portfolio has seen strong recent returns from ARRIS Group, Inc., Tyson, Inc., and Primoris Services Corp.

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Fund History

The Board of Curators of the University of Missouri established the Truman Tracy Memorial Investment Fund in 1967 as a memorial to Professor Truman Tracy, who passed away earlier that year. Dr. Tracy was the senior investments professor at the University of Missouri. The Truman Tracy Fund was originally established with memorial contributions coming from his students, colleagues, and friends.

In the same year as Tracy’s death, Arie and Ida Crown established the Crown Memorial Student Investment Fund. Students originally managed the Tracy and Crown Funds as separate accounts, but the portfolios have since been merged and are now managed as a portion of the broader pool of assets within the Mizzou Investment Fund.

Before the Investment Fund Management (IFM) class began, students in the undergraduate investments and security analysis courses managed the funds. Since its inception, the portfolio has been actively managed by students, with the exception of the period from 1980 to 1984 when the funds were passively managed before Dr. Gary Trennepohl took over as advisor.

The Student Portfolio Analysis and Management Club was formed in 1991. This club sparked enough interest that eventually a portfolio management course was created in 1999 to meet the demands of the students. The students competed in security analysis and portfolio management competitions, and their strategy presentations earned national awards.

In the Fall semester of 2005, the Department of Finance dedicated a separate course to manage the Fund, and the Mizzou IFM Program was born. Admission to the class continues to be competitive. Enrollment is typically limited (14 students in the Fall semester of 2015) and includes both undergraduate and MBA students. In 2006, the Fund saw a large increase in assets under management, as the IFM class began managing a portion of the endowment funds given to the college as a gift from Robert J. Trulaske, Sr. The total value of assets under management by the Mizzou IFM Program is approximately $1.5 million and includes funds from the Truman Tracy Fund, Crown Fund, and Trulaske endowment.

Management Team

- Ben Beussink
  - Energy
- Venkatesh Dola
  - Information Technology
- Tyler Easton
  - Consumer Discretionary
- Daniel Forman
  - Information Technology
- Michael Griffard
  - Health Care
- Cara Hartwig
  - Consumer Discretionary
- Dylan Jungels
  - Materials
- Brennen Kluner
  - Industrials
- Jacob McCoy
  - Telecommunications and Utilities
- John Milligan
  - Health Care
- Spencer Rolfe
  - Financials
- Nick Silistria
  - Energy
- Thomas Woelfel
  - Consumer Staples
- Tristan Young
  - Financials

Fund Coordinators

- Stephen Ferris, Interim Dean
- John Howe, Finance Chair
- Michael O’Doherty, Professor
Welcome Letter from the CEO

It is my pleasure to address you as the CEO of the Mizzou Investment Fund and provide an introduction to the current state of both the Program and our portfolio.

This semester brought with it a number of challenges and opportunities. It is my belief that, despite natural limitations, the analysts chosen for this Fund have handled both the challenges and opportunities extremely well. I believe that everyone involved would agree that the unique nature of the course, relative to other academic arenas, provides an invaluable learning experience. After having spent a great deal of time with each analyst and witnessing the work involved, I can say with confidence that each member of our team has developed key technical and analytical skills that should prove invaluable in their future careers.

Description

The Mizzou Investment Fund is a student-managed portfolio of corporate equities. Each semester a limited number of students are selected from an applicant pool and challenged with the task of independently authoring high quality, comprehensive analysis of public firms from within a specific sector of the economy. This process requires a strong understanding of macroeconomic factors and the utilization of industry standard valuation practices. Each student presents his or her research to the class to be reviewed and discussed, culminating in a voting process to determine the Fund’s position in a given security. The potential for discourse following each recommendation provides a test of convictions that is rarely seen in other academic settings, and I applaud every analyst for their contributions to these discussions throughout the semester.

Strategy and Performance

Upon assuming management of the Fund this semester, we were immediately presented with incredible challenges. Our benchmark, the Standard and Poor’s 500 index, was down double-digit percentage points from just a few months prior. The low price of oil, a changing regulatory environment, and low interest rates created headwinds for many prospects and also placed downward pressure on many current holdings. This environment presented us with the challenge of not only finding appealing opportunities for entry but also locating optimal points of exit in a volatile market. Although performance of the Fund was below the benchmark, we are confident that we have curated the right blend of securities to foster growth in the near future.

Closing Remarks

Having received my bachelor’s degree in economics from this institution and only being a semester away from completing the Crosby MBA program, I can say with confidence that this experience will be one of the highlights of my time on campus. I would like to thank the administrators of the Trulaske College of Business, the benefactors of the Fund, and everyone else involved with making the IFM Program possible. The implications of managing a portfolio of real securities was not lost on any of the students involved this semester, and for this opportunity, I am sure that we are all extremely grateful. I would also like to thank
Professor O’Doherty for his instruction and coordination. He provided the necessary tools and allowed us to build for ourselves. I am certain that I speak for all of the students involved in the Mizzou Investment Fund in saying that he has contributed to a truly incredible learning opportunity.

Sincerely,

John Milligan
Performance Summary

Returns as of November 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>Inception (2/28/11)*</th>
<th>Three Year (11/30/12)*</th>
<th>Semester (8/31/15)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mizzou Investment Fund</td>
<td>7.53%</td>
<td>12.72%</td>
<td>1.18%</td>
</tr>
<tr>
<td>S&amp;P 500 Index (Total Return)</td>
<td>12.29%</td>
<td>16.09%</td>
<td>6.07%</td>
</tr>
</tbody>
</table>

*Annualized Figures

Top 10 Equity Holdings | % of Portfolio | Growth of $10,000 Investment
---|----------------|-------------------
Apple Inc.             | 6.89%           |
Berkshire Hathaway Inc.| 5.80%           |
Cognizant Tech. Solutions Corp. | 5.45% |
McKesson Corp.         | 4.76%           |
The Proctor & Gamble Company | 4.55% |
Tyson Foods Inc.       | 4.47%           |
Team Health Holdings Inc. | 4.17% |
Honeywell International Inc. | 4.10% |
The Walt Disney Company | 3.92%           |
ARRIS Group Inc.       | 3.84%           |

Sector Allocation

- Energy (6.22%)
- Financials (16.01%)
- Health Care (13.82%)
- Industrials (9.85%)
- Consumer Staples (12.66%)
- Consumer Discretionary (10.92%)
- Cash (4.81%)
- Utilities (2.80%)
- Materials (3.03%)
- Information Technology (19.87%)
Economic Commentary

Throughout the semester, the management team has targeted several key macroeconomic drivers in an effort to strategically position the portfolio moving forward. The U.S. economy has experienced increased volatility the past two quarters, with a 10% correction of the S&P 500 index in August, before the index returned to previous levels. A continued focal point is an eminent Federal Reserve rate hike. Commodities as a whole have seen steep declines and global currencies remain low in relation to the strong U.S. dollar. China and Brazil have experienced major headwinds dampening previous emerging market forecasts. Global central bank policies remain fragmented as countries address domestic economic issues. The high-profile closure of Bain Capital’s Absolute Return Capital Fund cited challenges in the implementation of global macro strategies. Lastly, the International Monetary Fund (IMF) issued a warning of increased global risk as emerging market growth forecasts were cut and corporate default risk increased due to debt being dominated in U.S. dollars.

U.S. Economy

U.S. real GDP grew at 1.5% and 3.9% during Q2 and Q3, respectively. Focusing on Q3, all major categories, including personal consumption, corporate and housing investment, and government expenditures yielded positive growth. It is important to note that after accounting for the exclusion of low inventory accumulation, GDP growth would be closer to 3%. Despite disappointing September employment data, the U.S. job market continues to sustain solid growth, as October figures suggest momentum is trending in an upward direction. September added only 142,000 jobs compared to a previously lowered estimate of 201,000. October saw payroll much improved with 271,000 added jobs and unemployment floating around the 5% natural rate. Wages grew at 2.2% and 2.5% in September and October, respectively, suggesting stronger wage growth into the future.

As previously mentioned, consumer spending and housing markets continue to improve. Personal consumption increased by 3.2% on an annual basis, setting a multi-year high that was assisted by persistently cheap oil prices. Throughout Q2 and Q3, the housing market has shown continued signs of improvement with both prices and starts for single-family homes increasing to 2007 levels. For all the growth in the U.S. economy, the manufacturing sector continues to struggle with a strong U.S. dollar. The ISM Manufacturing Index recorded 50.1% and 48.6% for October and November, respectively, as new orders, production, and inventories contracted while supplier deliveries slowed.

Interest Rates

Consensus estimates point to a rate increase in December, but as demonstrated by earlier forecasts, this increase is far from certain. Investors wait in angst for the “band-aid” to be removed and the return of interest rates to normalized levels. The Federal Reserve has reiterated at past FOMC meetings its reliance on data to justify a potential rate increase. Janet Yellen, Federal Reserve chair, cited a continued need for improvements in the labor market and a return to 2% infla-
tion as contingencies for a rate hike. The most recent FOMC meeting was centered around the removal of language in regards to global uncertainty. Regardless, an eventual rate hike appears somewhere on the near-term horizon, so the management team implemented a strategy to focus on blue-chip companies demonstrating strong balance sheets, positive cash flow, and a high return on equity. Additionally, the class avoided firms with floating rate debt that would be exposed during periods of rising rates.

Oil Industry

Since its historical collapse in July of 2014, this price of oil has hovered between $40-60 per barrel. The emergence of hydraulic fracturing and horizontal drilling in shale has disrupted industry fundamentals, paving the way for a new era of cheap oil. The Baker Hughes Rig Count showed production in early 2015 increasing even as the number of rigs plummeted due to increased production efficiencies and multiple wells connected to a single spout. The excess supply is being stored in gathering units and tankers waiting for a return in prices. In August, oil experienced contango due to its futures price being above the expected future spot price based on concerns of increasing storage costs. Meanwhile, the Organization of Petroleum Exporting Countries (OPEC) opted to preserve market share by maintaining quotas rather than reducing production in an effort to eliminate U.S. producers. The strategy is slowly paying off with U.S. firms idling production and cutting future capital expenditures. OPEC is set to meet this month, and no change in policy is expected, with the possible exception of Iran, who announced its intention to increase production as trade sanctions are lifted. Shale oil processes have created shorter price cycles with production capabilities able to turn on and off seamlessly overnight. The perceived psychological floor seems to have been established at $40 a barrel, but a recent dip below that point suggests that the industry is in uncharted waters.

Global Markets

The biggest story in emerging markets is China. In the years preceding the Chinese stock market bubble, retail investors poured into the market via credit, artificially inflating asset valuations. In June, investors began to experience margin calls on these investments, driving massive sell-offs as the market soured. In an effort to salvage the market, the Chinese government proceeded to lock up Chinese A-shares, limit short selling, and promote brokers to buy. August manufacturing numbers prompted a decision to devalue the yuan against the dollar, which sent markets into turmoil. Slower Chinese growth and less manufacturing continue to signal a shift towards a more consumption-based economy. China sits at an inflection point as its citizens begin to embrace the newfound freedoms of capitalism, but still seek government intervention when the risk outweighs the potential return.

The recent woes experienced by China pale in comparison to the current economic situation present in Brazil. Goldman Sachs described the current situation as an economic depression with no end in sight due to a nose-diving currency and flat-lining commodity prices. Recently, the country’s sovereign debt was downgraded to junk status based on its inability and unwillingness to submit meaningful budget reform. Corruption continues to plague the country as
Petrobras (NYSE: PBR), the state-owned oil giant, faces serious corruption charges involving high-ranking government officials. The incumbent president is currently battling impeachment charges, as both business and consumer confidence levels fall to historic lows. With no clear solution, these issues look to impede economic progress for the foreseeable future.

Central banks will continue to drive market movements as these organizations serve as integral parts to the next wave of expansion or contraction. Mario Draghi, European Central Bank (ECB) chairman, plans to extend quantitative easing until at least March of 2017. Furthermore, the ECB pushed deposit rates lower by 10 basis points to -0.3% in an effort to promote spending, despite inflation being close to the 2% goal. Investors were left disappointed, expecting deeper cuts to lending rates and greater purchasing agreement to push Eurozone growth.

Summary

The previous two quarters have seen a variety of market moving events. December should prove to be no different as the Federal Reserve, ECB, and OPEC set to meet, ushering in the next round of expansion or contraction. Just as our analyst team has sought to understand key macroeconomic indicators and their implications on the Fund’s performance, the next group of analysts will be tasked with a similar assignment in a highly uncertain economic environment.

Sincerely,

Brennen Kluner
Portfolio Report

Year to date the Mizzou Investment Fund (the Fund) has returned –3.5% as of 11/30/2015, underperforming the S&P 500 index return of 3.0%. Over the course of this semester, the Fund returned 1.2% against S&P 500 index return of 6.1%. Although short-term underperformance is both disappointing and frustrating, we believe that our focus over the year has been appropriately directed toward restructuring our research process and investment strategy rather than trying to maximize short-term returns at the expense of our investment discipline.

“To be blunt, Buffett, who turns 70 in 2000, is viewed by an increasing number of investors as too conservative, even passé. Buffett, Berkshire’s chairman and chief executive, may be the world’s greatest investor, but he hasn’t anticipated or capitalized on the boom in technology stocks in the past few years.”

The above quote appeared in an article from the popular financial publication Barron’s titled, What’s Wrong Warren?, in December 1999, just a few months before the Internet Bubble turned to bust. The author of the article went on to critique Warren Buffett for failing to adapt to the “New Economy” and his unwillingness to invest in the ever-so-popular tech stocks that characterized the Internet Bubble. As the bubble burst, the S&P 500 index fell by -9.1% in 2000. For the same year, Buffett’s Berkshire Hathaway returned 6.5%, outperforming the market by 15.6%

Over the past year, the market has created an environment making it difficult for active managers to outperform the S&P 500 index without buying into tech stocks with sky-high valuations and questionable fundamentals. Driving this pack of the market, leaders include Facebook Inc. (NASDAQ: FB) (+35% YTD), Amazon.com, Inc. (NASDAQ: AMZN) (+117% YTD), Netflix, Inc. (NASDAQ: NFLX) (+161% YTD), and Alphabet Inc. (NASDAQ: GOOG) (+46% YTD), appropriately dubbed the “FANG” stocks by market commentators. As may be seen in the complete breakdown of the Fund’s holdings, we are not currently invested in any of these “FANG” stocks. While these stocks are the momentum leaders of the current market, they do not currently align with the Fund’s investment strategy.

Investment Strategy

At the core of the Fund’s investment strategy is the prevention of permanent loss of capital. We remain very cognizant of the fact that we are managing real money and not a paper portfolio. As a result, the Fund adopted an approach to invest only when an asymmetric risk/reward opportunity presents itself.

The Fund takes a fundamental approach to identifying investment opportunities; we seek to purchase high-quality businesses at a discount to our appraisal of their operating value. This approach focuses on only two metrics, value and price. We assign the highest value to businesses with high returns on invested capital, fortress balance sheets, and compelling competitive advantages that provide the opportunity for management to compound shareholder value over time. Once a high quality business meeting these requirements has been
identified, the final deciding factor the Fund focuses on is price. The best business in the world could be a poor investment if too high of a price is paid. Price is what you pay, but value is what you get. We try to remain patient while waiting for the best entry point to buy.

This disciplined buying approach led to the development of a new recommendation, the pantry, for pitches within the Fund. Over the course of each semester the Fund votes on over three dozen equity pitches from our analysts, and every semester high quality businesses are passed on because they do not trade at a significant margin of safety. Unfortunately, because of the high rate of turnover of the Fund’s analyst base, much of the research on these businesses is lost and forgotten even as little as a couple of months after the initial pitch. The pantry was implemented as a way to visibly track businesses that the Fund would like to own, but are not trading at attractive valuations. The pantry allows future analysts to see businesses that previous analysts have approved as being high quality, and, were a pantry stock’s price to drop, the Fund would be able to quickly resume coverage. At the year’s end, pantry stocks include CVS Caremark Corp. (NYSE: CVS), Sherwin-Williams Co. (NYSE: SHW), Under Armour Inc. (NYSE: UA), and First Solar, Inc. (NASDAQ: FSLR).

To supplement our strategy, we have also redefined our selling and holding discipline. Instead of waiting for an analyst to complete a full research report and pitch on an individual equity before taking a sell vote, we have decided to sell holdings for which we believe that we did not know an appropriate amount about the firm’s operating business, as well as equities that our analyst group does not have any interest of covering in the future. This strategy may result in premature selling of businesses that are in fact high-quality earnings compounders, but retaining names that we do not have a competency around could just as easily result in holding on to a ticking time bomb. Overall, we feel that this decision appropriately reduces the risk profile of our holdings.

Effective security selection and portfolio management are not easy tasks; we are not professionals who can spend every day researching and tracking our holdings. As a result, we feel that it is optimal to limit the Fund’s portfolio to only include our best ideas. We are also of the opinion that this strategy lends itself to a more concentrated approach to portfolio management. For example it is highly unlikely that our 30th best idea will be any better than our 20th.

Additionally, over the course of the year we increased our cash position from 0.9% to 4.8%, making cash the 4th largest holding in our portfolio due to a lack of particularly compelling ideas. It is important that we do not spend cash just for the sake of spending cash. While some may criticize an excess holding of cash, we believe that this strategy provides the Fund with both optionality and liquidity in the event downside market volatility creates buying opportunities within our existing holdings and pantry stocks. In order to commit funds to a new idea, cash provides us with the liquidity to act quickly without compromising any existing holdings.

While the Fund’s investment strategy may not capture the upside offered by the front page, popular momentum stocks, our management team remains confi-
dent that our approach will endure the test of time with positive long-term results, even if we must suffer some short-term disappointment in the process.

**Portfolio Review**

At the semester end, the Fund’s portfolio consists of 26 holdings. Over the course of the year, we tried to not only select securities that we think offer an asymmetric risk/reward opportunity, but we also aimed to effectively allocate capital throughout our portfolio. This approach has led to larger portfolio weightings of individual holdings than what has historically been practiced by the Fund.

Our top five holdings are Apple Inc. (NYSE: AAPL) (6.9%), Berkshire Hathaway, Inc. (NYSE: BRK.B) (5.8%), Cognizant Technology Solutions Corp. (NASDAQ: CTSH) (5.5%), U.S. Dollar (USD) (4.8%), and McKesson Corp. (NYSE: MCK) (4.7%). Our top five holdings make up approximately 27.7% of the total portfolio.

We believe that the weighting of our holdings should be a direct reflection of our conviction. Thus, we attempt to let our best ideas flourish in the portfolio, while keeping a watchful eye on the performance of our smaller holdings for potential capital increases.

**Company Commentaries**

*Berkshire Hathaway, Inc. (NYSE: BRK.B)*

At a very slight premium to book value, we added to our position in Berkshire Hathaway, Inc. by 2% during the year, bringing our total weighting up to 5.8%. With trailing growth in book value per share (BVPS) of 10.3% (10-year), 10.7% (5-year), and 11.7% (3-year), we believe that Berkshire Hathaway, Inc. has grown in value at a meaningful rate. We are excited by Warren Buffett’s most recent acquisition of Precision Castparts Corp. (NYSE: PCP) for $37 billion. We believe that the addition of Precision’s pre-tax operating run-rate profits of $2.6 billion could potentially allow Berkshire’s pre-tax operating profit to exceed $18,000 per Class A share by the end of 2016. This growth would yield an impressive 10% CAGR since the acquisition of Burlington Northern Santa Fe in November of 2009.

Over the course of the year, one of the most interesting discussions the Fund had was how to capitalize on the growing industries of oil & gas and aerospace, while avoiding the cyclical and volatile nature of the most commonly considered companies. For example, instead of purchasing shares of American Airlines (NASDAQ: AAL) or Southwest Airlines Co. (NYSE: LUV) for exposure to the growing aerospace industry, we took the approach of outlining the value chain to identify best-in-class businesses with attractive returns on invested capital and cash flow. Precision Castparts Corp. is at the very top of the aerospace value chain, supplying investment casting and forged components to airplane engine manufacturers such as General Electric (NYSE: GE) and Rolls-Royce Holding (LON: RR). While Precision Castparts Corp. would have made for an excellent holding on its own, we are happy to own the company indirectly through Berkshire Hathaway, Inc.
Manning & Napier Inc. (NYSE: MN)

Manning & Napier Inc. is a small-cap equity that presented an attractive risk/reward opportunity to the Fund this year. Manning & Napier Inc. is a beaten down and unloved asset manager (-35% YTD) that the Fund purchased at 7x earnings, a meaningful discount to the average 15x P/E of asset managers of similar AUM size. The company is an active manager of mutual funds and SMAs, mostly comprised of long-term retirement funds, investing with a differentiated “multi-cycle” investment strategy. Manning & Napier Inc. fell through the cracks of institutional interest due to its small market capitalization, $132.6 million as of 12/3/2015, below average analyst coverage, and, most importantly, complicated ownership structure. The company’s ownership structure awards majority voting rights to the company’s founder, William Manning, through his ownership of Class B shares. This structure has kept many investors away out of concern that they would have little rights as shareholders.

After considerable due diligence and conversations with company management, the Fund discovered that this complicated ownership structure will dissolve in November of 2017 as part of an original agreement located in the company’s IPO S-1 filing from 2011. This agreement converts Class B shares on a one-for-one basis to Class A shares, awarding institutional and retail investors with 100% voting rights to the business. Additionally, this conversion also increases the share count by 73 million to a total of 87 million shares outstanding. Since economic rights to Class A and Class B shares were already set during the company’s IPO, there is no dilution of Class A shareholder’s economic interest in the company’s cash flow. Class B shares were already issued during the company’s IPO, so this conversion does not have the same effect on the share count as a stock split would. This conversion will directly increase the market cap of the company to a level that should both warrant increased analyst coverage as well as pass the institutional hurdle of $1 billion market capitalization. Aside from the firm’s ownership structure, we remain confident of the long-term, cash flow generating ability of the business against short-term AUM outflows and fund underperformance. With an average return on invested capital above 20% and average free cash flow generation of $30-50 million, the Fund was able to capitalize on this unique situation at an attractive price.

Amazon.com, Inc. (NASDAQ: AMZN)

Since the Fund liquidated our position in Amazon.com, Inc. in February of 2015, its share price has appreciated by +117% to $666 per share. We feel that in this context it is important to revisit our decision to exit the stock. In our opinion, we believe that the market has chosen to ignore operating performance in favor of share price momentum, and this market view is not in line with our investment strategy. After considerable due diligence, we believe the current business operations to be unsustainable. The company reports $5.4 billion in TTM free cash flow. However, after backing out $2 billion in share based compensation and $4.7 billion to fund capital leases, we find that the company more accurately generates -$1.3 billion in TTM free cash flow on a $28 billion invested capital base and $315 billion market capitalization.
We also have concerns regarding the invested capital base for Amazon.com, Inc. The company reports $3 billion in capital and financial leases for 2016 on their balance sheet. We back out $1 billion in leases for land and buildings at 8x, capitalizing the other $2 billion at 3x due to the life span of servers. Combined, the debt from leasing that Amazon.com, Inc. is carrying is approximately $14 billion. With an additional $8 billion in financial debt, according to our estimates, total debt comes to $22 billion against $3 billion in net short-term assets and $12 billion in equity. Amazon Web Service generates quarterly EBIT margins of 20% on an invested capital base of $20 billion. When considering the rate by which Amazon.com, Inc. grows, the company would need to scale their invested capital base to $150 billion in order for Amazon Web Services to grow into its $100 billion valuation. For some perspective, the largest invested capital base in the United States is Berkshire Hathaway, Inc. with $140 billion. We chose to exit our Amazon.com, Inc. position because the leading driver of profit, Amazon Web Services, is growing faster than most tech companies, but at the same time not scaling anywhere near the levels most companies scale at under those capital inputs. While momentum may be the flavor of the day, we find solace in the following quote from Berkshire Hathaway’s 1987 Annual Report:

“Mr. Market is there to serve you, not to guide you. It is his pocketbook, not his wisdom that you will find useful.” – Warren Buffett

We thank you for your continued support of the University of Missouri Investment Fund Management Program.

Sincerely,

Spencer Rolfe
## Schedule of Investments

The Mizzou Investment Fund

### As of December 3, 2015

<table>
<thead>
<tr>
<th>Sector</th>
<th>Shares</th>
<th>Value ($)</th>
<th>Percent of net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Information Technology - 19.87%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>APPLE INC</td>
<td>896</td>
<td>103,219</td>
<td>6.89%</td>
</tr>
<tr>
<td>ARRIS GROUP INC</td>
<td>1,800</td>
<td>57,582</td>
<td>3.84%</td>
</tr>
<tr>
<td>COGNIZANT TECH SOLUTIONS-A</td>
<td>1,325</td>
<td>60,086</td>
<td>5.45%</td>
</tr>
<tr>
<td>QUALCOMM INC</td>
<td>1,075</td>
<td>55,255</td>
<td>3.69%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>297,769</td>
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<td>19.87%</td>
</tr>
<tr>
<td><strong>Consumer Discretionary - 10.92%</strong></td>
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<td></td>
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<tr>
<td>LULULEMON ATHLETICA INC</td>
<td>450</td>
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<td>NORDSTROM INC</td>
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<td>WALT DISNEY</td>
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<td>WILLIAMS-SONOMA INC</td>
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<tr>
<td><strong>Total</strong></td>
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<td><strong>Financials - 16.01%</strong></td>
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<tr>
<td>AFFILIATED MANAGERS GROUP</td>
<td>250</td>
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<td>MANNING &amp; NAPIER INC</td>
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<td><strong>Total</strong></td>
<td>240,014</td>
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<td><strong>Energy - 6.22%</strong></td>
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<td></td>
<td></td>
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<tr>
<td>HELMERICH &amp; PAYNE</td>
<td>796</td>
<td>44,266</td>
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<td>SCHLUMBERGER LTD</td>
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<td>49,001</td>
<td>3.27%</td>
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<td><strong>Total</strong></td>
<td>93,266</td>
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<tr>
<td><strong>Materials - 3.03%</strong></td>
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<tr>
<td>EAGLE MATERIALS INC</td>
<td>670</td>
<td>45,413</td>
<td>3.03%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>45,413</td>
<td></td>
<td>3.03%</td>
</tr>
<tr>
<td><strong>Consumer Staples - 12.66%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DIAGEO PLC-SPONSORED ADR</td>
<td>481</td>
<td>54,704</td>
<td>3.65%</td>
</tr>
<tr>
<td>PROCTER &amp; GAMBLE CO/THE</td>
<td>900</td>
<td>68,166</td>
<td>4.55%</td>
</tr>
<tr>
<td>TYSON INC</td>
<td>1,300</td>
<td>66,924</td>
<td>4.47%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>189,794</td>
<td></td>
<td>12.66%</td>
</tr>
</tbody>
</table>
# Schedule of Investments

<table>
<thead>
<tr>
<th>Sector</th>
<th>Shares</th>
<th>Value ($)</th>
<th>Percent of net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industrials - 9.85%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HONEYWELL INTERNATIONAL INC</td>
<td>600</td>
<td>61,440</td>
<td>4.10%</td>
</tr>
<tr>
<td>PRIMORIS SERVICES CORP</td>
<td>2,085</td>
<td>48,393</td>
<td>3.23%</td>
</tr>
<tr>
<td>QUANTA SERVICES INC</td>
<td>1,651</td>
<td>37,874</td>
<td>2.53%</td>
</tr>
<tr>
<td><strong>Total Industrials</strong></td>
<td>4,336</td>
<td>147,707</td>
<td>9.85%</td>
</tr>
<tr>
<td><strong>Health Care - 13.82%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GILEAD SCIENCES INC</td>
<td>430</td>
<td>43,593</td>
<td>2.91%</td>
</tr>
<tr>
<td>MCKESSON CORP</td>
<td>375</td>
<td>71,362</td>
<td>4.76%</td>
</tr>
<tr>
<td>PORTOLA PHARMACEUTICALS INC</td>
<td>600</td>
<td>29,628</td>
<td>1.98%</td>
</tr>
<tr>
<td>TEAM HEALTH HOLDINGS INC</td>
<td>1,175</td>
<td>62,522</td>
<td>4.17%</td>
</tr>
<tr>
<td><strong>Total Health Care</strong></td>
<td>3,180</td>
<td>207,106</td>
<td>13.82%</td>
</tr>
<tr>
<td><strong>Utilities - 2.80%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EVERSOURCE ENERGY</td>
<td>850</td>
<td>41,922</td>
<td>2.80%</td>
</tr>
<tr>
<td><strong>Total Utilities</strong></td>
<td>850</td>
<td>41,922</td>
<td>2.80%</td>
</tr>
<tr>
<td><strong>Cash - 4.81%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Cash</strong></td>
<td>72,083</td>
<td>72,083</td>
<td>4.81%</td>
</tr>
<tr>
<td><strong>Net Asset Value</strong></td>
<td>1,498,816</td>
<td>1,498,816</td>
<td>100%</td>
</tr>
</tbody>
</table>
Executive Team

**John Milligan**, CEO, is a Crosby MBA student with an emphasis in Finance, graduating in May of 2016. He obtained a Bachelor of Arts in Economics, while earning a minor in Business at the University of Missouri. Previously, Mr. Milligan served as a Graduate Research Analyst, working with the Director of Research Parks for the University of Missouri System. He is a candidate for the CFA Level 2 exam in June of 2016. Currently, Mr. Milligan serves as a Finance 2000 Lead Instructor for the Trulakse College of Business. Upon graduation, he hopes to find a full time position as an equity analyst.

**Spencer Rolfe**, Portfolio Manager, is a junior working towards his Bachelor of Arts in History, graduating in May of 2017. Previously, Mr. Rolfe interned as an Equity Summer Research Analyst at Avondale Partners. This past summer, Mr. Rolfe interned with RiverPark Capital as a Summer Research Analyst. Currently, Mr. Rolfe serves as the President of the University of Missouri Investment Group. Mr. Rolfe hopes to leverage his experience to find an internship conducting fundamental investment research for this upcoming summer.

**Brennen Kluner**, Economist, is a senior in the Trulaske College of Business, graduating in December of 2015. Mr. Kluner is currently working towards a Bachelor of Science in Business Administration with an emphasis in Finance & Banking, along with a minor in Economics. This past summer, he interned as a Financial Advisor Analyst for Bank of America Merrill Lynch. Following graduation, Mr. Kluner will be joining Ernst & Young’s Financial Services Office in St. Louis through its Business Advisor Program.

**Daniel Forman**, External Relations Chair, is a Crosby MBA student with an emphasis in Finance, graduating in May of 2016. He obtained a Bachelor of Arts in Economics and History, while earning minors in Business and Spanish, at the University of Missouri. This past summer, Mr. Forman interned with CBIZ, Inc. as a Consulting Research Intern. Currently, Mr. Forman serves as the Executive Director of the Allen Angel Capital Education Fund. Upon graduation, he will be working as a Business Consulting Associate for Grant Thornton’s Dallas office.
Management Team

**Ben Beussink** is a Crosby MBA student with an emphasis in Finance, graduating in May of 2016. He obtained a Bachelor of Science in Business Administration with an emphasis in Accounting from Southeast Missouri State University. Previously, Mr. Beussink worked as a Staff Accountant at Van De Ven LLC. Currently, he serves as a Finance 2000 Instructor for the Trulaske College of Business. Mr. Beussink is a candidate for the CFA Level 1 Exam in December of 2015 and is a licensed CPA. Following graduation, he hopes to find a full time position working in finance or accounting within the St. Louis market.

**Venkatesh Dola** is a Crosby MBA Student with an emphasis in Finance, graduating in May of 2016. He obtained a Bachelor of Science in Computer Science Engineering from Jawaharlal Nehru Technological University. Previously, Mr. Dola worked as a consultant for Infosys Limited. He is a candidate for the CFA Level 2 exam in June of 2016. Currently, Mr. Dola works as a Technology Investment Analyst Intern with Cultivation Capital. He is currently seeking full time job opportunities in equity research.

**Tyler Easton** is a senior in the Trulaske College of Business, graduating in May of 2016. Mr. Easton is currently working towards a Bachelor of Science in Business Administration with an emphasis in Finance & Banking, along with Bachelor of Science in Statistics and Mathematics. Previously, he interned in the Client Operations Department at State Street. Mr. Easton is a candidate for the CFA Level 1 exam in June of 2016. Currently, he serves as the Investment Intern at the University of Missouri System. Following graduation, he hopes to find a full time position as a fixed income analyst.

**Michael Griffard** is a senior in the Trulaske College of Business, graduating in December of 2015. He is currently working towards a Bachelor of Science in Business Administration with an emphasis in Real Estate and Finance & Banking. Previously, he worked as an Online Film Team Intern with the London-based firm Premier PR. This past summer, Mr. Griffard served as a Financial Advisor Intern with Edward Jones. Upon graduation, he will be working as an Investment Banking Analyst for Deloitte's Corporate Finance office based in Charlotte.
Management Team

**Cara Hartwig** is a senior in the Trulaske College of Business, graduating in May of 2016. She is currently working towards a Bachelor of Science in Business Administration with an emphasis in Finance & Banking, with a minor in Spanish. Previously, she interned with Goldman Sachs through their Investment Management Division Summer Analyst Internship. Following graduation, Ms. Hartwig will be working for Goldman Sachs’ New York office within its Alternative Investments and Manager Selection Group.

**Dylan Jungels** is a Crosby MBA student with an emphasis in Finance and Entrepreneurship, graduating in May of 2016. He obtained a Bachelor of Science in Business Administration with an emphasis in Finance & Banking from the University of Missouri. Mr. Jungels interns within Shelter Insurance’s Investment Department as a Credit Analyst Intern. He also currently serves as a Finance 1000 Instructor for the Trulaske College of Business. Mr. Jungels is a candidate for the CFA Level 1 exam in December of 2015. Mr. Jungels is currently seeking full time job opportunities in investment banking, investment research, consulting, and the startup community.

**Jacob McCoy** is a senior in the Trulaske College of Business, graduating in May of 2016. He is currently working towards a Bachelor of Science in Business Administration with an emphasis in Finance & Banking. Previously, Mr. McCoy interned as a Credit Analyst at Country Club Bank. This past summer, he served as an intern in the Finance Department of Blue Cross and Blue Shield of Kansas City. Upon graduation, Mr. McCoy will be joining Ernst and Young’s Business Advisor Program in Kansas City.

**Nick Silistria** is a senior in the Trulaske College of Business, graduating in December of 2015. He is currently working towards a Bachelor of Science in Business Administration with an emphasis in Finance & Banking, along with a Bachelor of Arts in International Studies. Previously, Mr. Silistria worked as a Desktop Integration Intern for Stifel. This past summer, he served as a Systems Product Development Intern for DST Systems. Following graduation, Mr. Silistria hopes to find a full time position within the realm of finance as a consultant or client relations specialist.
Management Team

Thomas Woelfel is a Crosby MBA student with an emphasis in Finance, graduating in May of 2016. He obtained a Bachelor of Science in Sport Business Management from Maryville University. Previously, Mr. Woelfel served as a Finance Intern with the University of Arkansas' Athletic Department. Currently, he works with Mizzou Athletics, as a Business Development Intern within its Event Management Department. Mr. Woelfel is currently seeking full time job opportunities within College Athletics.

Tristan Young is a senior in the College of Arts and Science, graduating in May of 2016. He is currently working towards a Bachelor of Science in Economics, with a minor in Mathematics. Previously, Mr. Young worked as a Billing and Credit Intern for DISH Network. Currently, he serves as a Financial Analyst Intern for the Missouri State Employees' Retirement System. Upon graduation, Mr. Young hopes to conduct economic research for a branch of the Federal Reserve Bank.
Investment Fund Coordinators

Stephen Ferris
Robert J. Trulaske, Sr.
College of Business Interim Dean

John Howe
Professor of Finance and Chair, Dept. of Finance

Michael O’Doherty
Assistant Professor of Finance

Investment Fund Board

David Abbott
Vice President of Investments – Shelter Insurance

Rick Dahl
Chief Investment Officer – Missouri State Employees Retirement System

Robert Doroghazi
Cardiologist Author: The Physician’s Guide to Investing

Gary Findlay
Executive Director – Missouri State Employees Retirement System

Andy Kern
Assistant Teaching Professor of Finance – University of Missouri

Kurt Kuhn
Wealth Management Advisor

Mindy McCubbin
Director of Equity Investments – Shelter Insurance

Scott Moore
President and Chief Investment Officer – Nuance Investments, LLC

Pat Neylon
Manager of Public Equity – Missouri State Employees Retirement System

Andy Slusher
President – SMC³

Garry Weiss
Partner – Landers, Weiss & Co., LLC