

W. P. CAREY

SCHOOL of BUSINESS

ARIZONA STATE UNIVERSITY



**Undergraduate
SIM Fund**

Student Investment Management Fund

Introduction

Asset Allocation

Portfolio Update

Opportunity Cost

Education

Succession

W. P. Carey School of Business

Undergraduate Fund Semi-Annual Meeting April 29th, 2011



Today's Agenda

Introduction

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- Team Introduction
- Review of Asset Allocation Strategy
- Portfolio Performance
- Opportunity Costs
- Succession



Team

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Fund Manager



Tyler Rives

Quantitative Analysts



Rob Hill



Ryan Detlaff



Steven Kutos

Fundamental Analysts



Tom Bochenko



Michael Cohn



Jay Joshi



Vincent Mendez



Dan Tram



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Review of Asset Allocation

Introduction

Asset Allocation

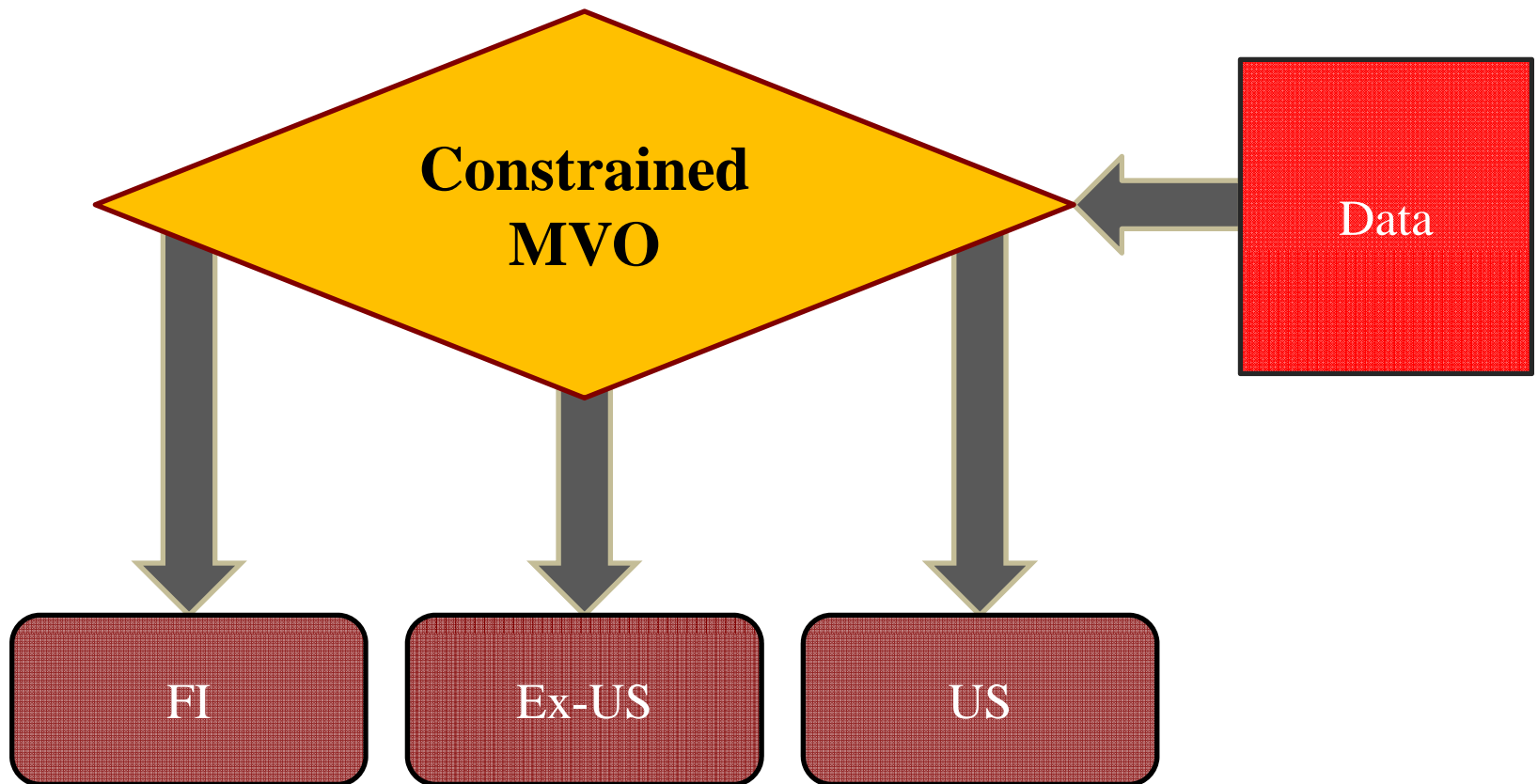
Portfolio Update

Opportunity Cost

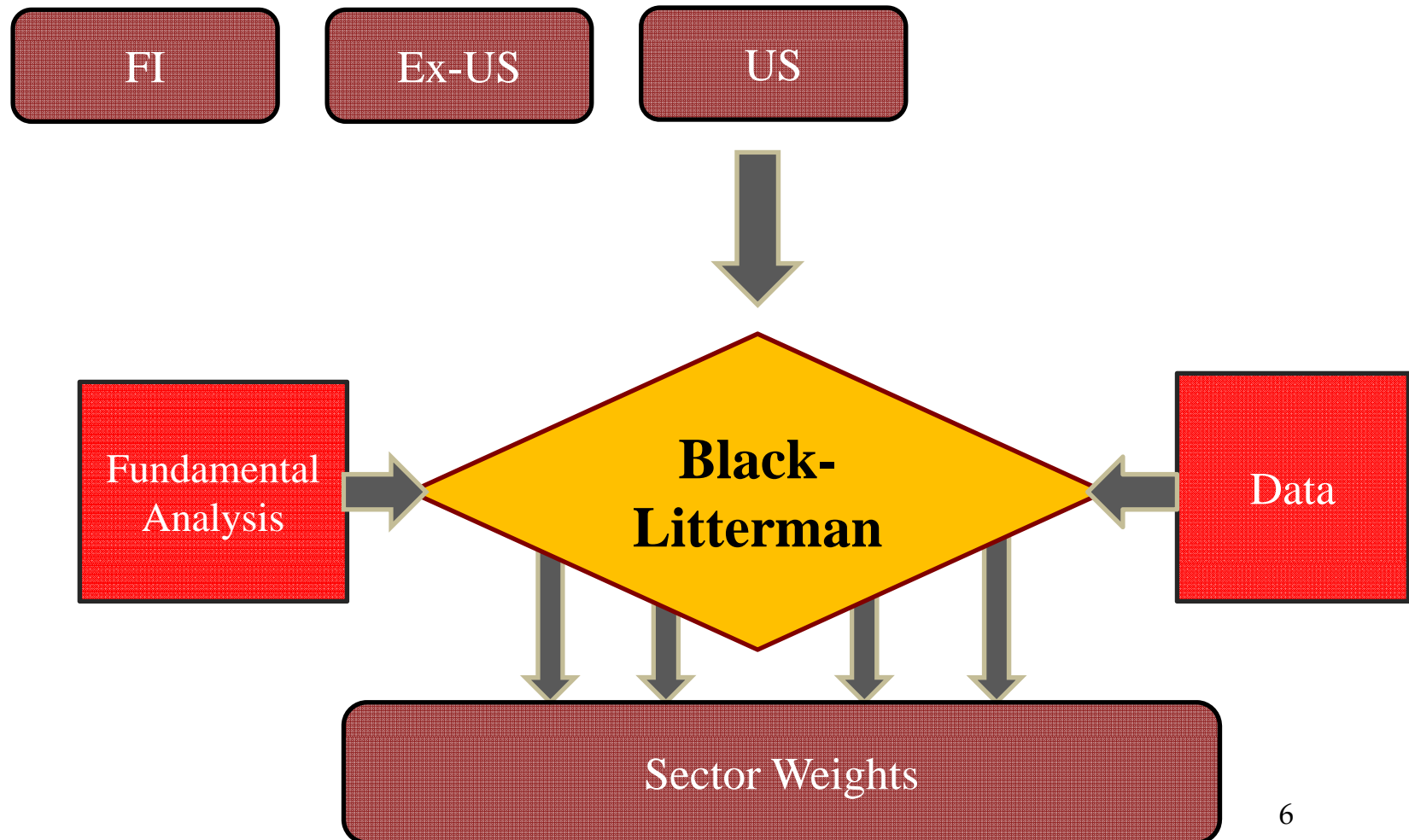
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Mean-Variance Optimizer



Black-Litterman Model



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Performance Graph

Introduction

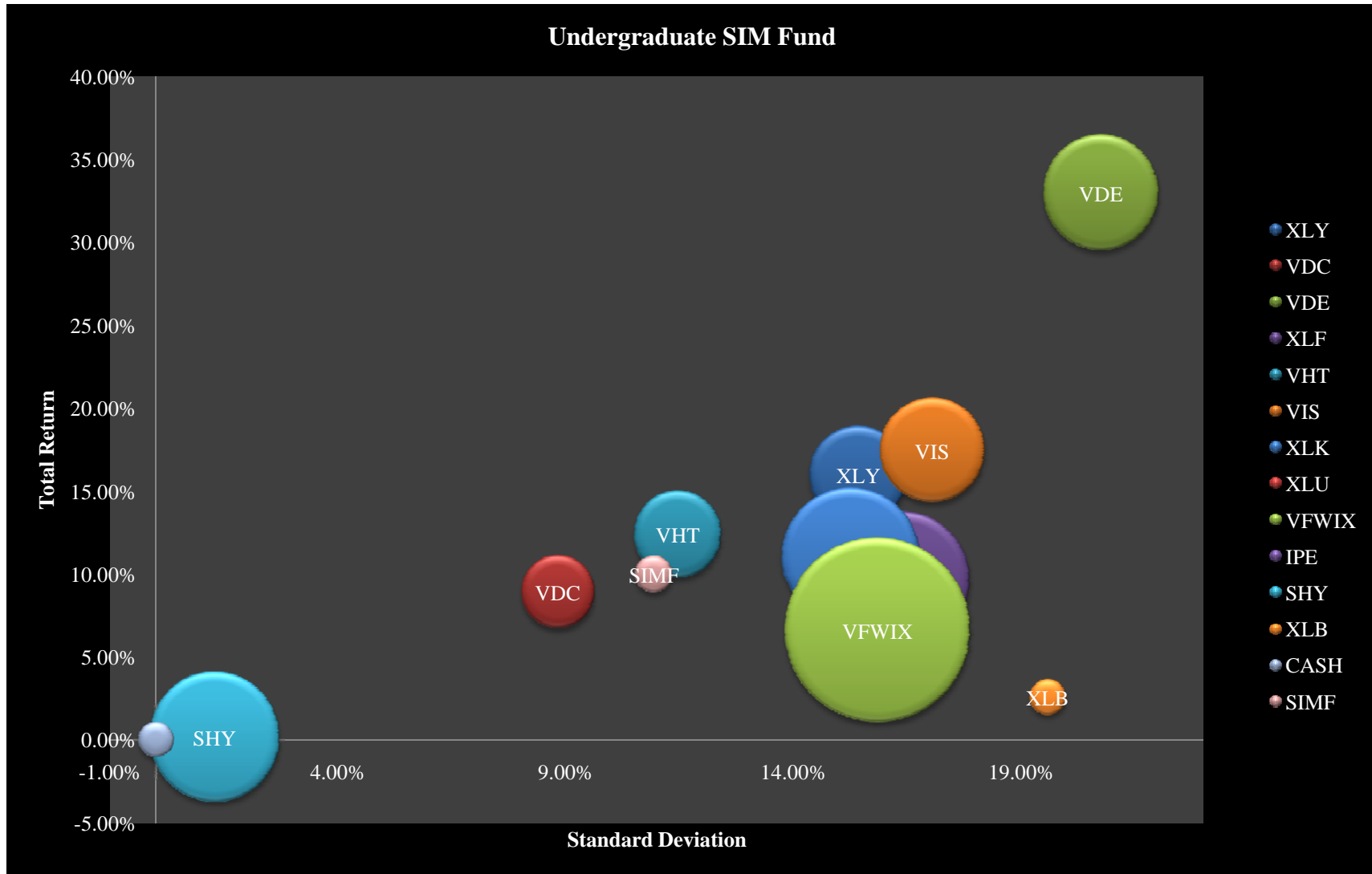
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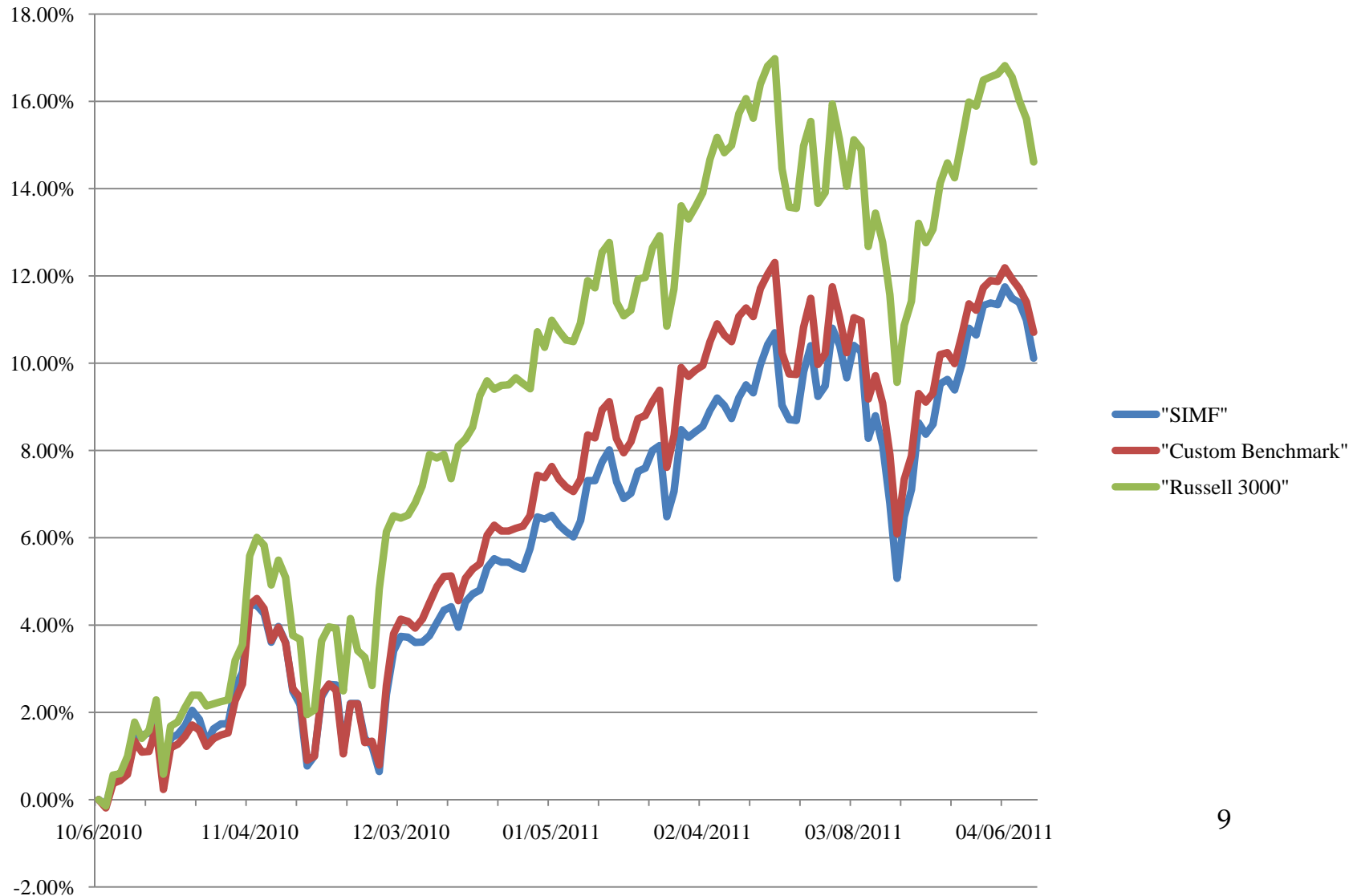
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SIMF Performance



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Performance vs. benchmarks table w/ volatility

	Return	Annualized Return	Volatility	Sharpe
SIMF	10.12%	19.87%	12.1%	.56
Custom Benchmark	10.7%	21.1%	12.5%	.59
Russell 3000	19.5%	31.7%	14.7%	.82
MSCI World	11.8%	24.47%	14.4%	.64

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Holdings

Sector	Ticker	Original Weight
Consumer Discretionary	XLY	9.8%
Con Staples	VDC	12.6%
Energy	VDE	8.0%
Financials	XLF	3.5%
Healthcare	VHT	9.6%
Industrials	VIS	2.6%
Technology	XLK	12.6%
Utilities	XLU	3.4%
Ex-Us	VFWIX	21.3%
TIPS	IPE	15.7%

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Rebalancing

- Eliminating Drift
- Turnover
- Change in asset allocation



Holdings

Sector	Ticker	Original Weight	Current Weight	Change
Consumer Discretionary	XLY	9.8%	6.81%	-2.99%
Con Staples	VDC	12.6%	3.75%	-8.86%
Energy	VDE	8.0%	9.78%	1.78%
Financials	XLF	3.5%	13.58%	10.08%
Healthcare	VHT	9.6%	5.22%	-4.38%
Industrials	VIS	2.6%	7.76%	5.16%
Technology	XLK	12.6%	14.06%	1.46%
Utilities	XLU	3.4%	0.00%	-3.40%
Ex-Us	VFWIX	21.3%	25.00%	3.7%
TIPS	IPE	15.7%	0.00%	-15.7%
1-3 yr Treasury	SHY	0%	12.14%	12.14%

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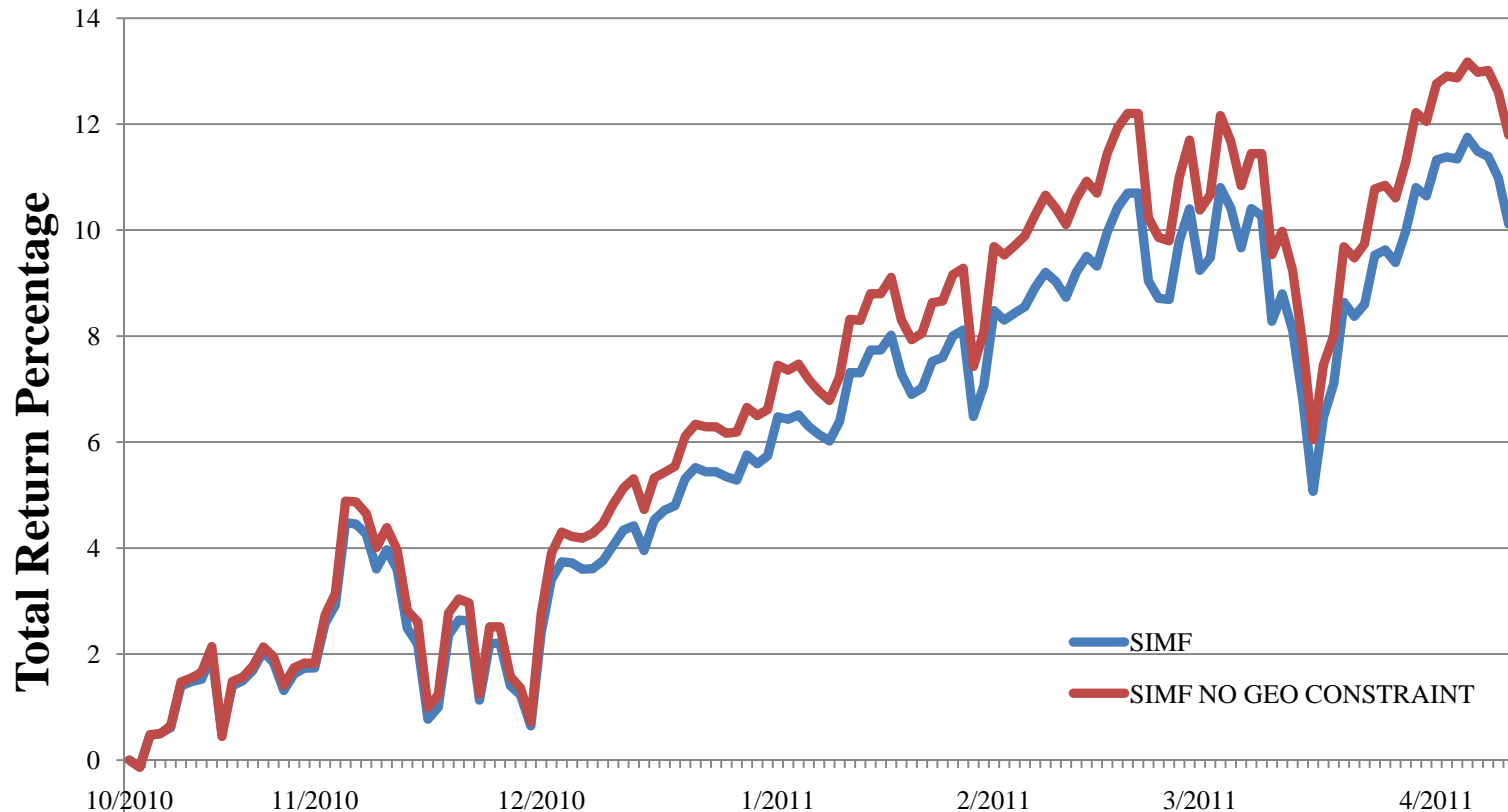
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Without Geographic Constraints

Portfolio Performance

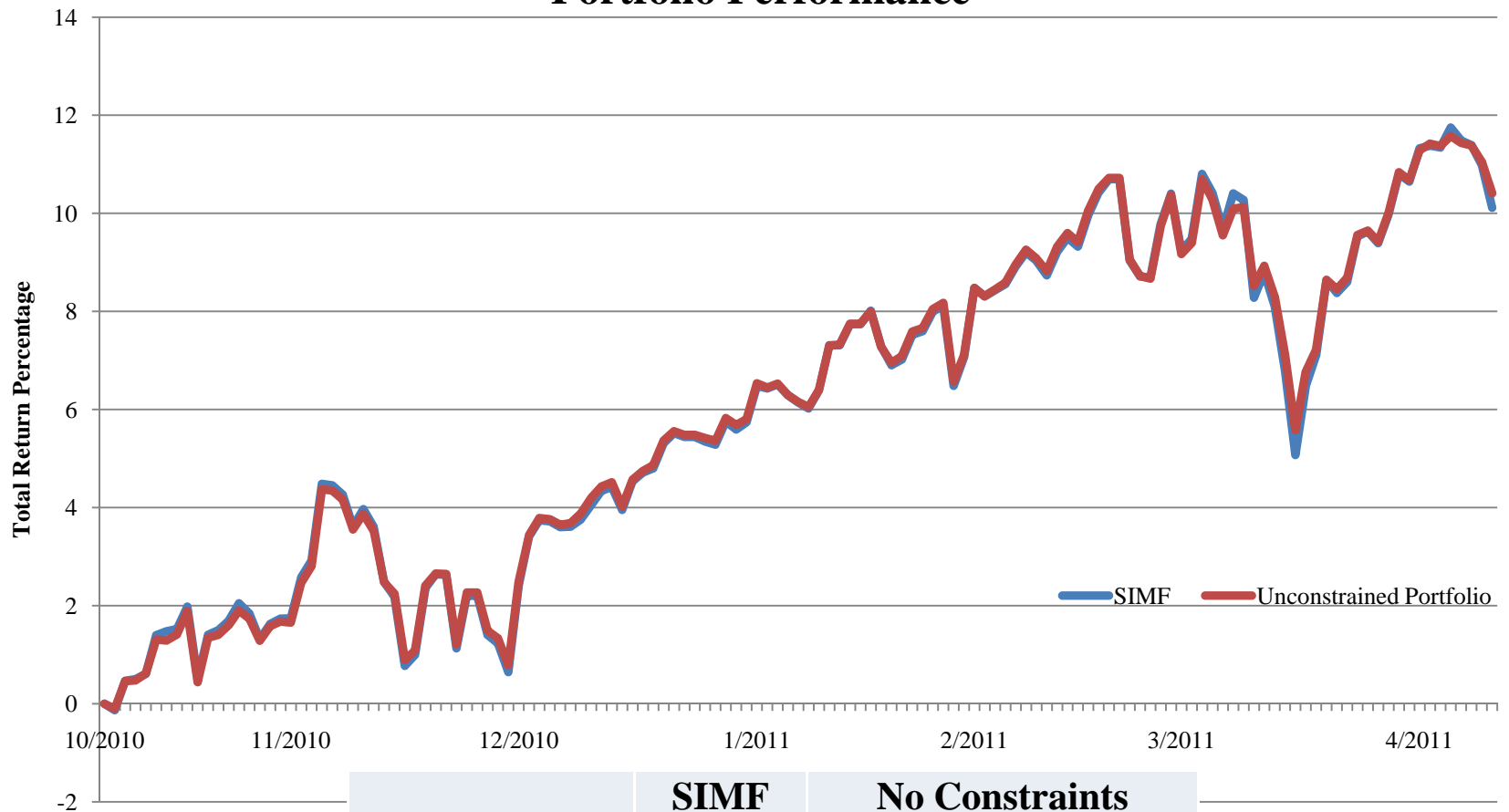


	SIMF	No Geographical Constraints
Return	19.87%	23.33%
Volatility	12.09%	13.19%
Sharpe Ratio	0.564	0.635



Without Constraints

Portfolio Performance



	SIMF	No Constraints
Return	19.87%	20.47%
Volatility	12.09%	11.39%
Sharpe Ratio	0.564	0.598

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Without Rebalancing

Portfolio Performance



	SIMF	Drifting SIMF
Return	19.9%	21.0%
Volatility	12.1%	11.7%
Sharpe	0.56	0.60

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Education

- Methods of Portfolio Construction
- Portfolio Analysis
- Turnover, Rebalancing, Monitoring
- Tools



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Succession Planning



Succession planning

- Education
 - Bloomberg
 - Statistics and probability
 - Basic portfolios
 - Videos, readings, etc
- Fully trained before summer

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Recruiting

- Class visits, emails postings
- Application to interview process
- Trade-offs when selecting applicants

Bio on new managers

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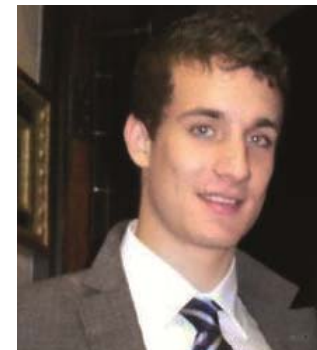
Michael Cohn

- Sophomore, Finance & Mathematics major
- Worked as a research assistant for the W. P. Carey School of Business and interned with Merrill Lynch's WM division.
- Run an online trading card business that has generated over \$140,000 in revenue with a 28% cumulative profit margin



Steven Kutos

- Junior, Finance & Statistics major
- Worked on a long/short pan-European equity hedge fund last summer and spent the prior summer at LGT Capital Management as a summer intern.
- Co-leading the Investment Banking Industry Scholar program and have been a quantitative analyst for the Student Investment Management this year.





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New Members

Aaron Baker	Finance & Mathematics (Statistics)	Honors Study Abroad in Paris, France
Ajay G.	Finance & Economics	Working, Self-Employed
Jenna Hoppe	Finance & Accounting (minor in Economics)	Interning with Vanguard
Jonathan Lozano	Finance	Undecided
Kenneth Qian	Mathematics, Finance & Economics	Interning with Humana at Louisville
Michael Ham	Finance & Management (Entrepreneurship)	Interning with E&Y in Risk Management
Rima Reddy	Finance & Mathematics (Statistics)	Interning with Goldman Sachs (Operations)