



BACK ROW L-R: NATALIE PETERSON, REX MURAWSKI, MICHAEL NICHOLSON, CORY JANSEN, JOHN HARRINGTON, IAN JOHNSTON, KYLE CHATMAN. FRONT ROW L-R: PROFESSOR GERALD ROOT, AUSTIN FIRTH, DEVON BRAND, SAMANTHA BALDWIN, JACOB EATON

LSSU Investment Club

Activities within the Club

Total Return

| | <u>2017</u> | <u>5 Year</u> |
|------------------------|-------------|---------------|
| Investment Club | 22.4% | 16.5% |
| S & P 500 | 21.8% | 15.8% |
| Large-cap Core average | 20.7% | 14.3% |

Performance

As shown above, the LSSU Investment Club has outperformed the S & P and the Large-cap Core average returns in both the recent year and over a 5-year period.

How we Invest

This club meets once a week to talk about changes in the market and possible changes for our portfolio. When we find a new company of interest, there is someone designated to bring a standard guide and any other credible information regarding its stock. From there, we all discuss the information, voting whether to buy it or to delay the vote until next meet. For the most part, we aim to passively invest rather than time the market. We look at different fundamental factors to determine the intrinsic value of the stock to then purchase "cheap" shares and sell off expensive ones. Besides looking at these type of factors, such as cash flows, p/e ratio, and dividend yield, we do notice large changes that are not within a stocks standard guide such as change in management. The next page will bring more detail about our portfolio.



Annual New York Trip

LSSU investment club attends an annual investor conference. This year, the conference is conducted at the University Club of New York located on 5th Avenue and 54th Street from March 22nd to 23rd. It incorporates 60 presenting small/micro-cap public companies. Several hundred sell-side analysts, family offices, venture capitalists, institutional and net worth investors are planned to attend the 2018 conference.

Special Thanks!

The investment club would like to publicly thank Jan Bednarz and Prof. Gerald Root for their generous donation of \$1000 each! If anyone would like to donate for the betterment of the club, please contact Gerald Root at groot@lssu.edu.

▶ PORTFOLIO SUMMARY

| DESCRIPTION | SYMBOL/ CUSIP | ACCOUNT TYPE | QUANTITY | PRICE | MARKET VALUE | LAST PERIOD'S MARKET VALUE | % CHANGE | EST. ANNUAL INCOME | % OF TOTAL PORTFOLIO |
|---|------------------|-----------------|----------|---------|--------------------|-------------------------------|----------|-----------------------|-------------------------|
| EQUITIES / OPTIONS | | | | | | | | | |
| ALTRIA GROUP INC | MO | C | 20 | \$71.41 | \$1,428.20 | \$1,356.60 | 5% | \$53 | 4.919% |
| APPLE INC | AAPL | C | 14 | 169.23 | 2,369.22 | 2,405.90 | -2 | 35 | 8.161 |
| CITIGROUP INC COM | C | C | 11 | 74.41 | 818.51 | 830.50 | -1 | 14 | 2.819 |
| EDISON INTERNATIONAL | EIX | C | 10 | 63.24 | 632.40 | 812.70 | -22 | 24 | 2.178 |
| ENBRIDGE INC | ENB | C | 22 | 39.11 | 860.42 | 829.62 | 4 | 46 | 2.964 |
| FEDEX CORP | FDX | C | 7 | 249.54 | 1,746.78 | 1,620.22 | 8 | 14 | 6.017 |
| FACEBOOK INC CL A | FB | C | 5 | 176.46 | 882.30 | 885.90 | <1 | | 3.039 |
| HOME DEPOT INC | HD | C | 10 | 189.53 | 1,895.30 | 1,798.20 | 5 | 36 | 6.528 |
| JOHNSON & JOHNSON | JNJ | C | 11 | 139.72 | 1,536.92 | 1,532.63 | <1 | 37 | 5.294 |
| LOCKHEED MARTIN CORP | LMT | C | 6 | 321.05 | 1,926.30 | 1,914.72 | 1 | 48 | 6.635 |
| MCDONALDS CORP | MCD | C | 10 | 172.12 | 1,721.20 | 1,719.70 | <1 | 40 | 5.929 |
| STRYKER CORP | SYK | C | 12 | 154.84 | 1,858.08 | 1,872.00 | -1 | 23 | 6.400 |
| SPDR S&P 500 ETF TRUST | SPY | C | 32 | 266.86 | 8,539.52 | 8,480.32 | 1 | 154 | 29.414 |
| US BANCORP DEL COM | USB | C | 20 | 53.58 | 1,071.60 | 1,103.00 | -3 | 24 | 3.691 |
| Total Equities | | | | | \$27,286.75 | | | \$548 | 93.987% |
| Total Cash (Net Portfolio Balance) | | | | | \$1,745.65 | | | | 6.013% |
| TOTAL PRICED PORTFOLIO | | | | | \$29,032.40 | | | \$548 | |

LSSU Investment Portfolio

Insight into the Portfolio and Recent Changes

Shown above is a snapshot of the club's portfolio for the month of December. Like stated before, we aim to passively invest rather than actively trade every week. Another core concept we implement is to stay diversified, investing in different sectors of the market. Annually, our dividend yield for the portfolio is about 1.25%. Recent changes the club has made before the semester break concerned General Electric (GE), Facebook (FB) and Spider. Facebook was of interest due to its consistent growth and profitability, which we ended up buying shares before their third quarter earnings report. We decided to sell GE last quarter before they cut the dividend. Noticing the cash flows, we saw that it could not support the current dividend offered, which if lowered, could signal a sell to many investors. Lastly, to keep the amount of cash in our account low, we decided to add more shares of an ETF that tracks the S&P 500 index.

Summary and Equity Allocation

For our equity allocation we try to keep 10% or less in cash. We would rather invest in stocks, learning in the process, than hold in US dollars. Below to the left, is our account summary including cash and securities as well as the taxable expenses.

Comments from the President

The stock market has done very well in 2017 and I expect the same for 2018. Between tax cuts and synchronized global growth, we should expect another positive year for the market. While some stocks are getting expensive, there are several sectors that are still cheap which creates buying opportunities. The club will continue to examine individual companies to find undervalued stocks to add to the portfolio. This is why we are able to create great returns and beat the market.