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Investment Policy Statement

OBJECTIVE
The primary objective of the Bauhard Student Managed Investment Fund is to provide an experiential learning process for students. The secondary objective of the fund is to match the return of the S&P 500 Index Fund.

CONSTRAINTS
Several constraints are in place to regulate the management of the Bauhard Fund, which include portfolio securities being limited to U.S. equities. The fund also does not engage in derivative securities. Further portfolio constraints include stock positions being limited to five percent of the portfolio’s value on the trading date, and the stock purchase price must be greater than $5.00.

PROCEDURES
Student analysts prepare and present equity analysis reports to the investments and portfolio management classes. Students consider diversification and a long-term investment horizon while analyzing each potential equity. All trading decisions require a two-thirds anonymous vote in order for an equity to be added or removed from the fund.
Bauhard Fund History

The William L. Bauhard Student Managed Investment Program provides students at the University of Nebraska at Kearney a hands-on learning experience by allowing them to invest in the stock market. Mr. Bauhard, a former financial service and telecommunications executive, provided a generous leadership gift to start the fund. Additional funds were provided by Jack Connealy of JFC Financial Services in Lincoln; Ron Eckloff, a certified financial planner serving the Kearney community; Financial Leaders Student Association; Jay Landell of Wells Fargo Foundation; and Securities America of Kearney.

The student investment portfolio is managed by a combination of senior-level undergraduate students specializing in finance and accounting. The program exposes undergraduate students to real-world training in securities analysis and portfolio management. Student analysts are responsible for researching industry sectors and periodically presenting potential investment opportunities to the class. Throughout the learning process, students also have the opportunity to learn about career-enhancing opportunities by competing in investment competitions to showcase their skills.

Income generated from the investments is targeted for future student scholarships.
Investment Methodology

TOP DOWN ALLOCATION
All investment decisions align with the top down allocation investment strategy, which begins with allocating a certain percentage of the fund to equity securities, bonds, or derivatives. The Bauhard Fund is 100% equity. Additionally, the fund utilizes the S&P 500 Index as a comparable portfolio benchmark.

EQUITY SELECTION
To begin the equity selection process, student analysts are divided into small groups to conduct research on potential stocks. Each team of student analysts chose three to six equities to analyze in order to eventually decide on the best performing stock to pitch to the class. Investment screens are also utilized based on value and growth characteristics, market capitalization, income generation, cyclical nature, blue-chip companies, defensive companies, trading volume, and stock price level.

Furthermore, the equity pitch research includes calculating relative and intrinsic price estimates in order to determine if a stock is under or overvalued. Other material examined in the equity reports include the company's profile, industry profile, and an overview of the company's strengths, weaknesses, opportunities, and threats. Once the report is complete, it is disseminated to the other student analysts to read before the pitch is delivered. Each team is then given 35 to 40 minutes to present their findings to the class, and the other students have an opportunity to ask questions regarding the pitch. Student analysts then submit a brief explanation of their respective vote. All buy, sell, and hold decisions require a two-thirds anonymous vote from the class for approval.

PORTFOLIO MONITORING
The Bauhard Fund is monitored by student analysts preparing market updates each week to present to the class. Market update presentations include updates on the overall portfolio performance from the past week. Index performance updates are also analyzed in order to gauge how the overall market is performing. Weekly performance and news updates from each company held in the Bauhard Fund are also presented to the class.
At December 31st, 2016, the Bauhard Fund consisted of 20 equity positions allocated across 10 different sectors of the market. The fund was overweight in four sectors compared to the S&P 500 including; consumer staples +2.65%, industrials +6.36, materials +0.97%, and real estate +3.36%. The fund was underweighted in seven sectors compared to the S&P 500 including; consumer discretionary -1.28%, energy -2.57%, financials -8.26%, health care -2.82%, information technology -4.34%, telecommunications -2.5%, and utilities -0.7%.
At December 31, 2017, the Bauhard Fund consisted of 26 equity positions allocated across 10 different sectors. The fund was overweight in 5 sectors compared to the S&P 500, which included the consumer discretionary +3.24%, consumer staples +2.28%, financial +1.46%, industrials +5.44%, and materials +0.27%. Additionally, the Bauhard Fund was underweighted in 5 sectors compared to the S&P 500. These sectors included energy -2.51%, health care -2.90%, information technology -4.25%, telecommunications -1.90%, and utilities -1.09%.
The charts below compare the Bauhard Fund’s sector allocation to the S&P 500’s sector allocation for 2016.

### 2016 BAUHARD FUND SECTOR ALLOCATION

![Bauhard Fund Sector Allocation Chart](image1)

### 2016 S&P 500 SECTOR ALLOCATION

![S&P 500 Sector Allocation Chart](image2)
The charts below compare the Bauhard Fund’s sector allocation to the S&P 500’s sector allocation for 2017.

2017 BAUHARD FUND SECTOR ALLOCATION

2017 S&P 500 SECTOR ALLOCATION
S&P INDIVIDUAL SECTOR PERFORMANCE

As shown in the tables above, the total performance of the S&P 500 in 2017 was 21.70%. Individual sector performance for the S&P 500 is also reported in the tables above. The index was led by the information technology sector with a 2017 return of 32.24%. Some of the top gainers in the sector included: Micron Technology (+87.59%), PayPal Holdings (+86.52%) and NVIDIA Corp. (+81.28%). The index consisted of eight sectors with double digits returns for the year and only two sectors with negative returns. The two sectors with negative returns were the telecommunication and energy sectors. The top losers in the two sectors included: Range Resources Corp (-50.35%), Chesapeake Energy Corp. (-43.59%), and Century Link Inc. (-29.86%).

CONSUMER DISCRETIONARY

Description: The consumer discretionary sector includes companies that offer goods and services that are non-essential to consumers. Consumer discretionary goods include automobiles, durable goods, apparel, entertainment, and leisure products.

Value Drivers: A major value driver for consumer discretionary includes a strong economy, which leads to high consumer confidence and increased spending on consumer discretionary goods and services.

2017 Risk Factors: The outlook for rising interest rates and rising oil prices posed a threat to the consumer discretionary sector because of decreased consumer spending habits on non-essential goods. Additionally, consumers budgeted more for increased prices in essential goods such as oil. However, rising rates do not necessarily negatively impact the sector if wages are increasing as well. The job growth outlook slowing in 2017 posed a threat to the number of consumers willing to purchase items sold from companies in the sector. Additionally, the online shopping trend is a threat to brick-and-mortar businesses that operate within the sector.
**Forward Looking Risk Factors:** The trend in online shopping and low prices for consumers poses a threat to the sector because of the increased competition and a decrease in customer loyalty. The possibility of increased rate hikes in 2018 could reduce overall consumer spending on non-essential goods and result in decreased revenues for the sector. Businesses in the sector strive to adapt to consumers, which results in increased spending. Rising oil prices also pose a relational risk going forward because consumers tend to transition their spending to focus more on essential goods.

**CONSUMER STAPLES**

*Description:* The consumer staples sector includes companies that are less sensitive to economic cycles. These companies include food distributors, beverage and tobacco producers, household goods, and personal product manufacturers.

*Value Drivers:* The main value driver for the consumer staples sector included the defensive nature of the companies. Firms within the consumer staples sector are likely to have smaller losses in a recession compared to other sectors.

*2017 Risk Factors:* The optimism from the Trump Administration resulted in a less defensive strategy from investors, which ultimately led to a decline in investment in the consumer staples sector. Global uncertainties posed a threat to the sector because of the looming threats of a decline in the overall global economy. The Brexit vote and issues in China in 2016, created fear for many consumers across the globe. The overall stability in the market results in business prosperity, but investors are less optimistic in the sector because of the growing economy.

*Forward Looking Risk Factors:* Growth within the consumer staples sector could be hurt by the possibility of increased stimulating fiscal policy because earnings are viewed more attractively when economic growth is declining. Established companies in the sector are threatened by an increase in competition from the low-cost emerging market production, which may result in a reduction in pricing power through decreased margins. The consumer staples sector is typically viewed by investors as a safe haven during an economic downturn, but positive growth outlooks in 2018 could negatively impact the sector moving forward.

**ENERGY SECTOR**

*Description:* The energy sector is a category of stocks that relate to producing and supplying energy. This sector includes companies involved in the exploration and development of oil or gas reserves, oil and gas drilling and refining, integrated power utility companies, and renewable energy and coal.

*Value Drivers:* The main driver for the industry is concentrated on customer demand. The energy sector reaps the benefits when consumer purchasing increases. Supply of goods in the sector is a determinant of the prices of goods produced and plays a major role in the total profit of companies in the sector. The sector also benefits from deregulation of goods, but government policy can also impact the success of companies in the energy sector.
SECTOR OVERVIEW

2017 Risk Factors: Many investors in the energy sector were concerned with the fluctuation in the price of oil, gas, and other energy commodities. Those fluctuations have negatively impacted profitability especially when companies have more inventory. Changes in demand and supply are one of the factors which fluctuates the price and the market’s profitability. Also, companies in this sector are subject to various regulations which include international trade, various state taxes, and environmental compliance.

Forward Looking Risk Factors: Government intervention in broader terms may be a huge risk to the energy sector. Some governments provide tax advantages or other subsidies to support alternative energy sources. Also, over the past half century, demand in oil and gas per gross domestic product (GDP) has been decreasing while the economy has been more efficient and switching to alternative energy sources.

FINANCIAL SECTOR

Description: The financial sector is a category of stocks that contains firms that provide financial services to commercial and retail customers. The financial sector includes banks, investment funds, insurance companies, and real estate companies.

Value Drivers: Major value drivers include the overall health and growth of the economy including interest rates, GDP, and employment. A value driver for the financial sector that will receive a large boost in 2018 is taxation of banks and other financial institutions’ revenues.

2017 Risk Factors: In 2017, the financial sector risk factors were the fear of rising interest rate increases with a projection of two interest rate hikes throughout the year. The Trump Administration pushed for tax reform and the financial sector was unsure of the effects the reform would cause. Consumer fear of cyber risk and data security also posed a sense of skepticism in the financial sector in 2017 as many examples of cyber-attacks were aimed towards the banking industry. Major bank fraud in 2016 also increased consumer fear within the sector.

Forward Looking Risk Factors: In 2018, the financial sector seems to be poised for a strong year, but this optimism comes with several risk-factors. The current interest rate increase projections for 2018 pose a potential risk for the sector. Rising interest rates could decrease the revenue of mortgage loan demand. The tax reform passed in late 2017 also poses a threat for the financial sector that may result in decreased corporate loan demand with companies having excess cash amounts. Additionally, a flattening yield curve between long-term and short-term interest rates would result in a threat for the financial sector due to decreased income.

HEALTH CARE SECTOR

Description: The healthcare sector consists of companies that provide medical services, manufacture medical equipment or drugs, provide medical insurance, or otherwise facilitate the provision of healthcare to patients.
**Value Drivers:** Major value drivers include quality of care and clinical outcomes, upgraded infrastructure, and better designed workflows that improve care delivery. As a forward-looking value driver, the use of cloud computing solutions and other technology may result in more efficient care to patients.

**2017 Risk Factors:** The healthcare sector involves various risks including regulatory changes, access to capital, and intellectual property infringements. Healthcare is one of the most regulatory-restrictive industries and companies are inclined to incur higher costs to comply with all the regulations. For life science companies, intellectual property plays an important role in its business, and litigations on its patents are the key determinants on how companies operate.

**Forward Looking Risk Factors:** From several years ago, considerations of changing demographics have led to more prosperity in the healthcare sector, but it also indicates several risks. More intense competition is one of the critical risks. Amazon, Berkshire Hathaway, and JP Morgan have recently agreed to form an independent venture to provide more efficient and valuable healthcare solutions to consumers. Access to capital may be another risk to companies as increasing demand due to population aging requires further expansion of the market.

**INDUSTRIALS SECTOR**

**Description:** The industrials sector is comprised of companies that operate within the aerospace, defense, construction, engineering, and industrial machinery industry. The sector also includes transportation companies, such as airlines, road, and rail companies.

**Value Drivers:** The industrials sector outperformed the S&P 500 in 2017 by 2.19%. One major value driver for this sector stemmed from the aerospace industry. Growing international markets for defense spending and innovative warfare technologies have helped stimulate growth within the defense and aerospace industry. Additionally, rising tensions with North Korea and other nations have prompted the U.S. to increase military spending. Global manufacturing activity has also been increasing due to stronger demand, which has contributed to additional gains within the sector. Finally, tax reform is expected to positively impact the sector moving forward.

**2017 Risk Factors:** Increased competition is a major risk in the industrial sector. Companies operating within the sector tend to manufacture lower-margin products, and increased competition causes further margin declines as price competition increases. Technological innovations also posed a risk to companies operating within the industrials sector through increased efficiency and lower prices.

**Forward Looking Risk Factors:** Companies operating within the industrials sector face several risk factors moving forward, which include technological disruption, economic uncertainty, and increased globalization. Increased competition with emerging nations also pose a major threat to the defense and aerospace industry.
INFORMATION TECHNOLOGY SECTOR

*Description:* The information technology sector includes companies that work with computer software to innovate a variety of products. These products include phones, computer software, and cloud technology. Companies in this sector range from phone chip producers to medical software providers.

*Value Drivers:* Value drivers for this sector are broad and can be broken down by company type. Businesses that sell computer chips rely on the demand of phones. Businesses that utilize cloud technology rely on economic prosperity to keep broadening coverage to multiple businesses.

*2017 Risk Factors:* Cyber security was a major risk factor in 2017. More information than ever before is being stored on the cloud, which poses a large risk of being hacked. A security breach may cause companies to lose value. Major U.S. corporations have already experienced cyber-attacks. Additionally, many investors worry about the looming bubble that may be forming around the information technology sector as it has experienced high growth the past decade.

*Forward Looking Risk Factors:* Regulations pose a risk to companies within the industry moving forward. Information technology has grown rapidly over the last decade, increasing market share relative to other sectors. The vast growth could cause the government to intervene and place regulations on companies in this sector. Cyber security is also a risk moving forward. As more information is stored in the cloud, companies run the risk of being hacked and losing valuable customer information.

MATERIALS SECTOR

*Description:* The materials sector includes companies that are involved in the discovery, development, and processing of raw materials. The raw materials obtained are naturally occurring substances and resources that are finite in nature. Although the materials are reusable, they are not available in infinite quantities.

*Value Drivers:* As the main supplier of raw materials for construction, the materials sector is dependent on a strong economy. The growth of the economy in the United States in 2017 was a main value driver for the industry.

*2017 Risk Factors:* Although the materials sector includes various industries such as chemicals, metals and mining, and paper and forest products, risk factors are somewhat generalized. Product offerings throughout the industry are supplied to various manufacturers, where it is difficult to differentiate productivity in operations that serve as a key to these businesses. Additionally, some industries require companies to hold certain licenses to operate. Therefore, the risk of regulatory changes poses an additional risk factor.

*Forward Looking Risk Factors:* As previously mentioned, productivity will serve as a primary risk for each industry in materials sector. The companies are required to maintain cost leadership and ensure sufficient margins, employing economies of scale with a large market share and volume production. Also, the timing of machine or mill closures and new capacity additions may result in imbalanced supply and demand, which leads to cyclicality of the materials sector.
REAL ESTATE SECTOR

Description: The real estate sector consists of companies focused on residential, commercial, and industrial real estate. The sector generates income from owning, operating, or financing income-generating real estate.

Value Drivers: Major value drivers of the sector include the demographics of the current population, the interest rate environment, the overall economy for the consumer, and government policy and subsidiaries aimed at real estate.

2017 Risk Factors: The possibility of the Trump Administration's changes to tax reform and immigration posed a threat to the real estate sector. Rising interest rate possibilities resulted in a decline of first-time home buyers applying for mortgages. Overall, the value of real estate has not seen a decline in value since the 1980’s and the relative decline in land prices posed a threat to investors in a previous low-risk market.

Forward Looking Risk Factors: The real estate sector in a low interest rate environment is attractive to investors, but the possibility of future interest rate hikes may negatively impact companies that operate within the sector. The interest rate increases pose several threats to the sector. The large dividends required from the companies could put them in a state of financial distress to continue these dividends and rising interest rates decrease the amount of investments by companies in the sector. The online shopping trend also poses a threat to the sector because many brick-and-mortar stores are beginning to struggle to make rent payments.

UTILITIES SECTOR

Description: The utilities sector contains electric, gas, and water firms. The sector requires a significant amount of infrastructure, so most companies have a high level of debt to finance the significant infrastructure investments.

Value Drivers: The sector is driven by a low interest rate environment and high dividend payments. With large amounts of debt typical in the sector, a low interest rate environment allows companies to finance operations at a low cost. Companies in the sector typically offer high dividends because of predictable future revenues resulting in a higher value for stockholders.

2017 Risk Factors: The sector is continually required to increase technology advancements in order to meet industry standards in clean production, which results in a high cost of operation for the sector. The tax reform outlook for the utilities sector also posed several risk factors including earnings risk. The possibility of interest rate hikes could compress the sector with an accelerated GDP and an inflationary threat prompts the Federal Reserve to adjust interest rates.

Forward Looking Risk Factors: The utilities sector faces several challenges in 2018. Rising inflation concerns, the potential of rising interest rates, and the overall attractiveness of a high paying dividend sector could result in a decline in investor demand. The possibility of the Trump Administration’s policy regarding infrastructure could result in an increased performance demand in the sector, but advancements in the sector will be required with a change in infrastructure.
Current Holdings

CONSUMER DISCRETIONARY

Starbucks Corporation
Ticker: SBUX
Beta: 0.63
Description: Starbucks is an American coffee company and coffeehouse chain founded in 1971 in Seattle, Washington. Starbucks currently operates over 24,000 retail stores in 70 countries that serve millions of customers around the world. The company offers over 30 blends of premium coffee, handcrafted specialties, and fresh food ranging from fresh fruits and salad to sandwiches.
Performance: Since the addition of Starbucks Corporation to the Bauhard Fund in December of 2017, the company has experienced a return of -0.67%. Starbucks Corporation is in a period of rapid growth as it aims to have 5,000 stores in China by 2021. China has become a high priority for Starbucks’s future growth opportunities as U.S. expansionary opportunities are slowing.

Peer group: McDonalds and Yum Brands.

The Walt Disney Company
Ticker: DIS
Beta: 1.29
Description: The Walt Disney Company is a diversified international family entertainment and media enterprise founded by Walt Disney in 1923. The company currently operates through four business segments: Media Networks, Parks & Resorts, Studio Entertainment, Consumer Products and Interactive Media.
Performance: The Walt Disney Company experienced a 3.16% return throughout 2017, which was a year of relatively slow growth. The Walt Disney Company purchased the remainder of the Major League Baseball's BAMTech platform and declined to renew the streaming deal with Netflix to boost the firm's own streaming service. The Walt Disney Company also purchased a large portion of 21st Century Fox operations in a $52 billion deal.

Peer group: CBS Corporation and Twenty-First Century Fox, Inc.

**General Motors Company**

Ticker: GM

Beta: 1.55

Description: General Motors (GM) is an American automobile company founded in 1908 in Flint, Michigan. Today, GM employs over 181,000 worldwide while operating 8 distinctive brands under the GM name. General Motors offers a wide variety of vehicles from electric cars to heavy-duty full-size trucks.

Performance: General Motors Company returned 18.33% throughout 2017. The company began the year by selling off its German subsidiary, which was ultimately a move to exit the European market because the firm was experiencing significant losses. Strong sales of crossover vehicles in China and the U.S. led to higher than expected earnings in the first two quarters of the year. At the end of 2017, General Motors announced plans of a brand-new line of electric vehicles along with the firm’s plan for autonomous vehicles.
CONSUMER STAPLES

PepsiCo.

Ticker: PEP

Beta: 0.21

Description: PepsiCo has a $168.77 billion market capitalization and is a leading producer of food and beverage products in the world. Pepsi is known for its diverse product portfolio, which includes products such as Quaker Oats, Lays, Tropicana, and Gatorade. Approximately 52% of revenues stem from Pepsi’s food portfolio.

Performance: PepsiCo was added to the Bauhard Fund on December 1st, 2017, and the stock has since experienced a 2.92% return. Pepsi’s well-known and diversified product portfolio has augmented its performance over the year. Pepsi’s performance was partly due to the company’s snack segment generating over 50% of its revenue. The firm has also positioned itself to take advantage of healthier market trends by reducing sodium, sugar, and saturated fat content in its products.
Procter & Gamble

Ticker: PG
Beta: 0.29

Description: Procter & Gamble produces a wide variety of consumer-packaged goods. The company was founded in 1837, and is currently headquartered in Cincinnati, Ohio. Procter & Gamble’s vast business segments include beauty, grooming, health care, and fabric and home care. Products are sold through merchandisers such as grocery stores, department stores, and pharmacies.

Performance: Procter & Gamble experienced a 12.68% return in 2017. The underperformance is contributed to sluggish sales growth over the past year. The company’s Gillette shaving business was the worst performer in 2017 due to smaller shaving companies expanding market share by offering lower prices. The underperformance can also be contributed to the changing dynamic of the company’s Board of Directors through the addition of activist investor Nelson Peltz.

Archer Daniels Midland

Ticker: ADM
Beta: 1.00

Description: Archer Daniels Midland is involved in producing and processing agricultural commodity products, which include corn, wheat, oats, and rice. The company was founded in 1902 and provides food ingredients to over 170 countries. Operating segments for Archer Daniels include agricultural services, corn processing, oilseed processing, and specialty ingredients.

Performance: Archer Daniels Midland experienced a -9.51% return in 2017, which makes the company one of the worst performing stocks in the Bauhard Fund. Archer Daniels Midland’s underperformance is a direct result of the recent downturn in the agriculture economy, which has...
resulted in depressed commodity prices. Commodities, such as corn, are a major part of Archer Daniel's operations.

**ENERGY**

**Exxon Mobil Corporation**

Ticker: XOM

Beta: 0.67

Description: ExxonMobil is an integrated oil and gas company that explores for, produces, and refines oil around the world. The company is the world’s largest refiner and one of the world’s largest manufacturers of commodity and specialty chemicals.

Performance: In 2016, Exxon Mobil outperformed its competitors with strong management in a weak oil price environment. However, as the price of oil began to rise, Exxon has underperformed its peers for the year of 2017. Exxon’s diversified segments of retail and chemical operations have helped safeguard the company when oil prices were severely low, but the retail and chemical divisions have hindered the company's growth in 2017.
FINANCIALS

Bank of America

Ticker: BAC
Beta: 1.59

Description: Bank of America provides financial products and services for consumers, businesses, and corporations. The corporation operates in four different segments including: consumer banking, global wealth and investment management, global banking, and global markets. The company was founded in 1874 and is currently the 2nd largest bank in the U.S. with $2.25 trillion in assets behind JPMorgan Chase & Co.

Performance: In 2017, Bank of America was one of the best performing financial sector companies in the Bauhard Fund with a total return of 26.48%. The positive return was due to market conditions of the financial sector with stable interest rates and expected deregulation. Another factor that played a role in the success of the company was the improvements made on lower-cost mobile and online banking technologies.

Peer group: Citigroup Inc. and JPMorgan Chase & Co.

BB & T Corp.

Ticker: BBT
Beta: 1.15

Description: BB&T corporation is a financial holding company that provides different banking and trust services for small and mid-sized businesses, public agencies, local government, and consumers. The company was founded in 1872 and is headquartered in North Carolina with $219.3 billion in total assets.
Performance: In 2017, BB&T Corporation's total return was 8.65%. The positive return for the company was the result of the consistency in being a conservative lender. The bank's policy results in positive financial statements. Overall market conditions of stable interest rates and more rate increases looming positively impacted BB&T corporation.

Peer group: Bank of American Corp. and Regions Financial Corp.

**Visa Inc.**

Ticker: V  
Beta: 1.09  
Description: Visa Inc. is a worldwide payment technology company. Visa facilitates commerce through transferring value and information among customers, merchants, financial institutions, businesses, and government entities.

Performance: In 2017, Visa's return of 24.99% made it one of the best performing positions in the fund. The large positive return was due to the increase in online transactions made by cardholders during the year and the consumer acceptance of using cards more than cash. Visa, unlike competitors, has no lending risk, which results in lower risk for investors.

Peer group: American Express and MasterCard Inc.
HEALTHCARE

Abbott Laboratories

Ticker: ABT

Beta: 1.72

Description: Abbott manufactures and markets medical devices, blood glucose monitoring kits, nutritional healthcare products, diagnostic products and equipment, and branded generic drugs. Products include pacemakers, implantable cardioverter defibrillators, coronary stents, catheters, infant formula, nutritional liquids for adults, vessel closure devices, and Lasik equipment. Abbott derives approximately 60% of sales outside the U.S.

Performance: Abbott experienced 42.82% growth in 2017, which exceeded its competitors’ performance. While both competitors (BSX and JNJ) missed earnings and revenue expectations, Abbott successfully beat its expectations each quarter in 2017. Abbott’s acquisition of St. Jude Medical, a leading medical device maker, toward the beginning of 2017 also contributed to the company’s expansive growth.

Peer group: Johnson & Johnson and Boston Scientific.

CVS

Ticker: CVS

Beta: 0.74

Description: CVS Health has vertically integrated one of the largest retail pharmacy chains in the United States with one of the largest pharmacy benefit managers. This combination makes it one of the premier healthcare firms in the U.S. The company processes approximately 1.3 billion prescriptions per year and operates more than 10,000 retail pharmacies across the U.S.
Performance: CVS was acquired in November of 2017, and the company experienced a 5.79% return. CVS has underperformed one of its competitors in 2017 for a variety of reasons. United Health has performed well during the year mainly because the company implemented an innovative control over the patient experience. Also, United’s acquisition of physician group, DaVita Medical, has negatively impacted CVS’s stock performance.

Gilead Sciences

Ticker: GILD

Beta: 1.28

Description: Gilead Sciences is an American biopharmaceutical company that discovers, develops and commercializes drugs. Since the company was founded, it has concentrated primarily on antiviral drugs used in the treatment of HIV, hepatitis B, hepatitis C, and influenza, including Harvoni and Sovaldi.

Performance: Gilead experienced a 0.04% return in 2017, which significantly underperformed AbbVie. AbbVie’s stock experienced a 6.00% increase when USPTO denied Coherus BioSciences’ petition for review of one of AbbVie’s patents.
Merck & Co.

Ticker: MRK
Beta: 0.98

Description: Merck makes pharmaceutical products to treat several conditions in a number of therapeutic areas, including cardiovascular disease, asthma, cancer, and infections. The company also has a substantial vaccine business, with treatments to prevent hepatitis B and pediatric diseases as well as HPV and shingles. From a geographical perspective, close to 50% of the company’s sales are generated in the U.S.

Performance: Merck & Co. experienced a -1.54% return in 2017. The company’s stock price dropped by 6.00% after missing third quarter revenue expectations on October 27th, 2017.

INDUSTRIALS

Honeywell

Ticker: HON
Beta: 0.98

Description: Honeywell International specializes in producing a variety of commercial and consumer products in the technology and manufacturing industry through its business segments, which include aerospace, home and building, performance materials, and safety and productivity solutions. The company was founded in 1920 and is currently headquartered in New Jersey.

Performance: Honeywell returned 35.04% in 2017, which aligned closely with the performance of 3M. The company’s performance is largely contributed to the improving performance in the aerospace and materials segments of the business. Honeywell also plans to spin-off its homes and global distribution divisions in 2018.
**Union Pacific**

**Ticker:** UNP  

**Beta:** 0.99  

**Description:** Founded in 1862, Union Pacific is an American railroad company that is headquartered in Omaha, Nebraska. The company offers transportation services for agricultural products, food and beverage products, and chemical and industrial products. Union Pacific's rail network includes over 32,000 miles that link the Pacific Coast, Midwest, and Eastern United States.

**Performance:** Union Pacific’s 29.34% performance in 2017 outperformed its peer group. Union's performance is due to higher freight revenues and volume growth. The rise in natural gas prices and the relaxation of coal regulations set forth by the Trump Administration have had a positive impact on the company's top line revenue. Intermodal has also improved for Union Pacific in 2017, which helped offset the declines in the company's agricultural segment revenues.
**United Technologies**

Ticker: UTX

Beta: 1.09

Description: United Technologies produces a variety of products in the technology, building systems, and aerospace industries. These products include aircraft engines, aerospace equipment, HVAC, elevators and other industrial products. The company was founded in 1934 and is headquartered in Connecticut.

Performance: United Technologies 19.13% performance in 2017 underperformed its peer group. The growth stems from increased organic sales revenue. Additionally, the proposed acquisition of Rockwell Collins is expected to contribute to the company’s overall growth by creating a premier aerospace systems supplier and generating over $500 million in cost synergies.

**INFORMATION TECHNOLOGY**

**Adobe Systems Inc.**

Ticker: ADBE

Beta: 1.04

Description: Adobe Systems Inc. operates as a diversified software company. Its digital media segment is the company’s main segment that generates the majority of its revenue. This segment provides tools and solutions that enable individuals, small and medium businesses, and enterprises to create, publish, and promote digital content. Adobe's digital marketing segment offers solutions for how digital advertising and marketing are created, managed, executed, and measured. The company’s print and publishing segment offers products and services such as web application development, high-end printing, eLearning solutions, and technical document publishing.
Performance: The past year Adobe has increased 70.22%, which makes it one of the best performers in 2017. Since the Bauhard Fund acquired Adobe in October of 2017, the stock has risen 17.47%. Adobe's performance can be attributed to the company's subscription-based revenue model recording record highs in both revenue and profit. Adobe's management is confident the growth can be carried forward to 2018.

Peer Group: Apple Inc. and Oracle Corporation

Alphabet Inc.

Ticker: GOOG

Beta: 1.16

Description: Alphabet Inc., through its subsidiaries, provides online advertising services in the United States and internationally. The company offers performance and brand advertising services. It operates through Google and Other Bets segments. The Google segment includes principal Internet products, such as Ads, Android, Chrome, Commerce, Google Cloud, Google Maps, Google Play, Hardware, Search, and YouTube, as well as technical infrastructure and newer efforts, including Virtual Reality.

Performance: Alphabet has been a strong performing stock in 2017 with a gain of 32.93%. Google maintained double digit growth in each quarter this past year. The company’s revenues continued to increase in 2017. Google’s release of its first smart phone in 2017 also contributed to its performance.
**Apple Inc.**

Ticker: AAPL  
Beta: 1.3

Description: Apple Inc. designs, manufactures, markets mobile communication and media devices, personal computers to consumers, small and mid-sized businesses; for education, enterprise, and government customers worldwide. The company also sells related software, services, accessories, networking solutions, and third-party digital content and applications.

Performance: Apple Inc. has experienced a gain of 46.11% over 2017, which led to Apple outperforming its peer group. Apple's revenue continued to grow over the year due to several new product launches. The company's iPhone 8 and 8 Plus sales were among the top two performing products within the company.
Facebook Inc.

Ticker: FB

Beta: 0.54

Description: Facebook, Inc. provides various products to connect and share through mobile devices, personal computers, and other surfaces worldwide. Facebook’s mobile application enables people to connect, share, discover, and communicate with each other on mobile devices and personal computers. Social media sites that are owned by Facebook include Instagram, Messenger, and WhatsApp.

Performance: Facebook outperformed its peer group in 2017 with a price gain of 53.38%. Since the fund acquired Facebook in March of 2017, the price has gained 30.19%. Facebook experienced high growth in revenue and profits in 2017. Acquisitions of other social media platforms such as Instagram and WhatsApp have helped boost the company’s performance.

Peer group: Alphabet Inc. and Baidu

Nucor Corporation

Ticker: NUE

Beta: 1.62

Description: Nucor has been manufacturing steel and steel products since 1958. The firm has three operating segments: steel mills, steel products and raw materials. The company produces direct reduced iron for use in the firm's steel mills. Operations also include various international trading companies that buy and sell steel products manufactured by Nucor.

Performance: Nucor Corporation returned 9.62% in 2017. Nucor Corporation saw revenues increase 25% driven by increased steel tonnage which boosted operating rates 9.00% from the
previous year. Nucor Corporation completed the firm's most profitable year in a decade while facing heavy pressure from steel imports impacting pricing and volume.

**AdvanSix Inc.**

Ticker: ASIX  
Beta: N/A  
Description: AdvanSix Inc. was incorporated in 2016 when it was spun off from Honeywell. AdvanSix is an integrated manufacturer of Nylon 6 which is a polymer resin used to produce engineered plastics, fibers, filaments and films used in end products such as electronic components, carpets, sports apparel, fishing nets, food and industrial packaging. The company also produces byproducts such as Sulf-N ammonium sulfate fertilizers and chemical intermediates, including phenol, acetone and Nadone cyclohexanone.

Performance: AdvanSix saw returns of 90.02% in 2017, which made the stock the Bauhard Fund's top performer. The firm saw large growth in China operations as well as a decrease in supply due to competitor closures. AdvanSix also greatly benefited from relatively low U.S. natural gas prices.
REAL ESTATE

HCP Inc.
Ticker: HCP
Beta: 0.42

Description: HCP Inc. operates as a real estate investment trust (REIT) that invests in real estate in the healthcare industry. HCP owns a large portfolio of real estate consisting of senior housing, life science, and medical offices.

Performance: As a member of one of the worst performing sectors in 2017, HCP resulted in a negative return for the Bauhard Fund of -7.82%. The negative return was related to a downturn in the industry due to expectations of strong economic growth and higher interest rates. Brookdale Senior Living properties, owned by HCP, experienced a high rate of decline in occupancy and ultimately hindered HCP's portfolio in 2017.

Peer group: Welltower Inc and Ventas Inc.

UTILITIES

American Electric Power Company
Ticker: AEP
Beta: 0.06

Description: American Electric Power company operates as a public utility holding and engages in the generation, transmission, and distribution of electricity for sale to customers in the U.S. The company generates electricity using coal, natural gas, nuclear, hydroelectric, solar, and wind as sources of energy.

Performance: In 2017, American Electric's total return of 20.77% for the Bauhard Fund was the result of a variety of key factors. The company introduced the largest wind farm project in the U.S., which resulted in higher tax credits for the company. Another major factor that positively
impacted performance was the Trump Administration's infrastructure plan, which positively impacted stocks within the utilities sector.

Peer group: The Southern Company and Duke Energy Corp.

**MUTUAL FUND**

**Vanguard 500 Index Admiral**

Ticker: VFIAX

Beta: 1.00

Description: The Vanguard 500 Index Fund seeks to mimic the performance of the S&P 500 benchmark index that measures the return of large-capitalization stocks. The Vanguard Fund holds all stocks in the same capitalization as the S&P 500 Index. The ten largest holdings include Apple, Microsoft, Alphabet, Amazon, Facebook, Berkshire Hathaway, JPMorgan Chase, Johnson & Johnson, Exxon Mobil, and Bank of America, which account for 21.40% of total net assets within the fund.

Performance: The Bauhard Fund's position in Vanguard 500 Index had a market value of $36,005.15 on December 31st, 2016, which accounted for 31.63% of the Bauhard Fund. At December 31st, 2017, the Vanguard Index had a market value of $36,415.33, which made up 26.15% of the Bauhard Fund. The Vanguard 500 Index had a total return of 25.45% in 2017. Below is a hypothetical $10,000 investment growth chart for the Vanguard Fund compared to the S&P 500. As illustrated, each fund's growth is nearly identical.
Note: Quality Care Properties was sold on December 1st, 2017, and the executive decision to sell Qualcomm was executed on August 1st, 2017.
Portfolio Performance

NARRATIVE OF PERFORMANCE
The figure below depicts the monthly increase in market value for the Bauhard Fund in 2017. During 2017, the Bauhard Fund followed the benchmark closely but was outperformed towards the end of the year by the S&P 500 Index.

![Bauhard Fund vs. S&P 500 2017 Return](image)

The Bauhard Fund began 2017 with 20 constituents that had a market value of $69,413. The Spring of 2017 portfolio management class added four equity positions to the fund. These positions include Facebook, General Motors, Visa, and Bank of America. An executive decision to sell Qualcomm was executed during the summer. The student analysts increased the active managed portion of the fund to $89,877. In the fall of 2017, the investments class inherited the Bauhard Fund and added four equity positions, which included Adobe Systems, CVS Health, PepsiCo, and Starbucks. The student analysts also sold the equity position in Quality Care Properties in December of 2017. The Bauhard Fund ended 2017 with 26 constituents that had a market value of $102,009. The increase in value was a result of eight added equity positions and two positions sold during the year. The total return for the equity positions held in 2017 for the Bauhard Fund was 13.07% or $13,333.

As seen in the table above, the Bauhard fund tracked the S&P 500 closely in the first five months of 2017 but fell behind in the month of June. The decline was attributed to three poor performing stocks during that time period, which included Nucor (-2.03%), Google (-5.93%), and Apple (-5.98%). These three companies played a major role in the Bauhard Fund’s June return because of the weights held by the equity positions. In the month of June, these three companies made up 14.49% of the Bauhard Fund and caused a separation between the portfolio and benchmark returns. Throughout the rest of 2017, Nucor, Google, Apple, and the Bauhard Fund returned positive values.
Bauhard Fund Performance by Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage gain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Discretionary</td>
<td>1.58%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>0.26%</td>
</tr>
<tr>
<td>Energy</td>
<td>-0.13%</td>
</tr>
<tr>
<td>Financial</td>
<td>2.58%</td>
</tr>
<tr>
<td>Health Care</td>
<td>0.72%</td>
</tr>
<tr>
<td>Industrials</td>
<td>3.47%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>4.15%</td>
</tr>
<tr>
<td>Materials</td>
<td>0.32%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>-0.25%</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.36%</td>
</tr>
<tr>
<td>Bauhard Fund</td>
<td>13.07%</td>
</tr>
</tbody>
</table>

The figure displays the total return of the Bauhard Fund dissected into sector performance for 2017. In 2017, the total return of the S&P 500 was 21.70%, which was one of the best years in stock market history. The Bauhard Fund underperformed the benchmark by 8.63% due to the fund’s sector allocation. The Bauhard Fund was under allocated in information technology stocks, which contributed to the underperformance. The information technology sector made up 24.1% of the S&P 500 and posted a total return of 32.24% in 2017. The Bauhard Fund only consisted of 19.59% of equities allocated to the information technology sector and a total return of 4.15%. The equity positions in the information technology sector of the Bauhard Fund were negatively impacted by Qualcomm, which experienced a total return of -16.85% and had a portfolio weight of 3.34%.

The Bauhard Fund benefited from overweighting the industrials sector by 5.3% compared to the S&P 500 with a return contribution from the sector of 3.47%. Several individual security selections also helped augment performance within the sector. Honeywell made up 6.15% of Bauhard Portfolio and experienced a return of 35.14% in 2017. Union Pacific also positively impacted the portfolio in 2017 with a weight of 5.26% and 29.34% return over the year. Lastly, United Technologies returned 19.13% with a fund weight of 4.23%. Additionally, the Bauhard Fund held no equity positions in the telecommunications sector. The absence from the telecommunications sector benefited the portfolio because of the sector’s negative performance in 2017.

Overall, the Bauhard Fund consisted of seven equity positions resulting in negative returns with a total decrease in market value of ($1,581). Additionally, 19 positions within the Bauhard Fund experienced positive returns with an increase in market value of $14,914. The 26 different equity positions resulted in a total return for the year of $13,333 or 13.07%. 
PORTFOLIO PERFORMANCE

Top 5 Performers
The total 2017 return is highlighted by the five best performing stocks held in the Bauhard Fund. The total percentage gain for each equity position was calculated from the difference in stock price on December 31, 2017 and December 31, 2016.

<table>
<thead>
<tr>
<th>Company</th>
<th>Percent gain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advansix Inc Com</td>
<td>90.02%</td>
</tr>
<tr>
<td>Apple Inc</td>
<td>46.11%</td>
</tr>
<tr>
<td>Abbott Laboratories</td>
<td>42.82%</td>
</tr>
<tr>
<td>Honeywell INTL</td>
<td>35.04%</td>
</tr>
<tr>
<td>Alphabet Inc.</td>
<td>32.93%</td>
</tr>
</tbody>
</table>

Bottom 5 Performers
The fund was held back by the bottom five performing equity positions in 2017. The biggest laggard of the fund, Qualcomm, was sold in August of 2017. Quality Care Properties was also eliminated from the fund in December of 2017.

<table>
<thead>
<tr>
<th>Company</th>
<th>Percent loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualcomm</td>
<td>-16.85%</td>
</tr>
<tr>
<td>Archer Daniels midland</td>
<td>-9.51%</td>
</tr>
<tr>
<td>HCP Inc.</td>
<td>-7.82%</td>
</tr>
<tr>
<td>Quality Care PPTYS Inc.</td>
<td>-5.23%</td>
</tr>
<tr>
<td>Exxon Mobile corp</td>
<td>-3.79%</td>
</tr>
</tbody>
</table>
Performance measures

<table>
<thead>
<tr>
<th>Portfolio Statistics</th>
<th>0 Months</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bauhard Fund</td>
<td>S&amp;P 500</td>
</tr>
<tr>
<td>Return</td>
<td>13.23%</td>
<td>11.11%</td>
</tr>
<tr>
<td>Total Return</td>
<td>1.09</td>
<td>2.00</td>
</tr>
<tr>
<td>Risk</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jensen Alpha</td>
<td>0.0124</td>
<td>-</td>
</tr>
<tr>
<td>Treynor Ratio</td>
<td>0.1120</td>
<td>-</td>
</tr>
</tbody>
</table>

The Bauhard Fund's performance in 2017 was evaluated using the Jensen's Alpha measure and the Treynor ratio. The Jensen measure is used to measure the risk-adjusted performance of a portfolio in relation to the expected market return. Jensen's Alpha is used to determine if a portfolio has earned the proper return for its level of risk. The Treynor ratio is a measurement of the investment performance per unit of risk.

As seen in the table above, the Bauhard Fund's beta coefficient for 2017 was 1.04 and an alpha of -9.05%. The value was calculated using the 90-day T-Bill rate of 1.37% as the risk-free rate and the market return of 21.70% from the 2017 return of the S&P 500. The alpha value of -0.0954 indicates the fund slightly underperformed the benchmark with the accepted risk value. The portfolio's beta for 2017 of 1.04 indicates a relatively low risk portfolio compared to the overall market.

As noted above, the positive Treynor value indicates the portfolio earned 11.20% return per unit of risk. The value was calculated using the 90-day T-Bill rate of 1.37% for 2017, the portfolio beta of 1.04, and the total portfolio return of 13.07%.
## Individual Equity Performance

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Value</th>
<th>Portfolio Weight</th>
<th>Percentage Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott Laboratories</td>
<td>$2,631.50</td>
<td>2.49%</td>
<td>42.82%</td>
</tr>
<tr>
<td>Adobe Systems</td>
<td>$3,504.80</td>
<td>3.32%</td>
<td>17.47%</td>
</tr>
<tr>
<td>AdvanSix Inc.</td>
<td>$42.07</td>
<td>0.04%</td>
<td>90.02%</td>
</tr>
<tr>
<td>Alphabet Inc.</td>
<td>$5,267.00</td>
<td>4.98%</td>
<td>32.93%</td>
</tr>
<tr>
<td>American Electric Power Co.</td>
<td>$2,148.76</td>
<td>2.03%</td>
<td>20.77%</td>
</tr>
<tr>
<td>Apple Inc.</td>
<td>$5,923.05</td>
<td>5.60%</td>
<td>46.11%</td>
</tr>
<tr>
<td>Archer Daniels Midland</td>
<td>$3,984.35</td>
<td>3.77%</td>
<td>-9.51%</td>
</tr>
<tr>
<td>Bank of America</td>
<td>$4,428.00</td>
<td>4.19%</td>
<td>26.48%</td>
</tr>
<tr>
<td>BB &amp; T Corp.</td>
<td>$5,887.89</td>
<td>5.57%</td>
<td>8.65%</td>
</tr>
<tr>
<td>CVS Health</td>
<td>$2,900.00</td>
<td>2.74%</td>
<td>5.79%</td>
</tr>
<tr>
<td>Disney Walt CO</td>
<td>$3,225.30</td>
<td>3.05%</td>
<td>3.16%</td>
</tr>
<tr>
<td>Exxon Mobile Corp.</td>
<td>$3,355.80</td>
<td>3.17%</td>
<td>-3.79%</td>
</tr>
<tr>
<td>Facebook Inc. class A</td>
<td>$5,293.80</td>
<td>5.01%</td>
<td>30.19%</td>
</tr>
<tr>
<td>General Motors Company</td>
<td>$2,869.30</td>
<td>2.71%</td>
<td>18.33%</td>
</tr>
<tr>
<td>Gilead Sciences Inc.</td>
<td>$2,507.40</td>
<td>2.37%</td>
<td>0.04%</td>
</tr>
<tr>
<td>HCP Inc.</td>
<td>$2,971.76</td>
<td>2.81%</td>
<td>-7.82%</td>
</tr>
<tr>
<td>Honeywell INTL</td>
<td>$6,270.74</td>
<td>5.93%</td>
<td>35.04%</td>
</tr>
<tr>
<td>Merck &amp; Co Inc.</td>
<td>$3,592.16</td>
<td>3.40%</td>
<td>-1.54%</td>
</tr>
<tr>
<td>Nucor Corp</td>
<td>$3,500.97</td>
<td>3.31%</td>
<td>9.62%</td>
</tr>
<tr>
<td>PepsiCo</td>
<td>$2,398.40</td>
<td>2.27%</td>
<td>2.92%</td>
</tr>
<tr>
<td>Priceline Group</td>
<td>$6,950.96</td>
<td>6.57%</td>
<td>18.53%</td>
</tr>
<tr>
<td>Procter and Gamble</td>
<td>$4,108.05</td>
<td>3.89%</td>
<td>12.68%</td>
</tr>
<tr>
<td>Qualcomm</td>
<td>$3,402.83</td>
<td>3.22%</td>
<td>-16.85%</td>
</tr>
<tr>
<td>Quality Care Properties Inc.</td>
<td>$308.49</td>
<td>0.29%</td>
<td>-5.23%</td>
</tr>
<tr>
<td>Starbucks</td>
<td>$2,297.20</td>
<td>2.17%</td>
<td>-0.67%</td>
</tr>
<tr>
<td>Union Pacific</td>
<td>$5,364.00</td>
<td>5.07%</td>
<td>29.34%</td>
</tr>
<tr>
<td>United Technologies Corp</td>
<td>$4,314.80</td>
<td>4.08%</td>
<td>19.13%</td>
</tr>
<tr>
<td>Visa Inc.</td>
<td>$6,271.10</td>
<td>5.93%</td>
<td>24.99%</td>
</tr>
<tr>
<td>Vanguard 500 Index</td>
<td>$36,415.33</td>
<td>26.15%</td>
<td>25.45%</td>
</tr>
</tbody>
</table>
Total Portfolio Value

<table>
<thead>
<tr>
<th>Bauhard Fund Total Value 2016</th>
<th>Bauhard Fund Total Value 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Equities</td>
<td>Total Equities</td>
</tr>
<tr>
<td>$69,413.25</td>
<td>$102,009.16</td>
</tr>
<tr>
<td>Total Mutual Funds</td>
<td>Total Mutual Funds</td>
</tr>
<tr>
<td>$36,005.15</td>
<td>$36,415.33</td>
</tr>
<tr>
<td>Total Cash</td>
<td>Total Cash</td>
</tr>
<tr>
<td>$8,407.99</td>
<td>$856.45</td>
</tr>
<tr>
<td><strong>Total Portfolio Value</strong></td>
<td><strong>Total Portfolio Value</strong></td>
</tr>
<tr>
<td><strong>$113,826.39</strong></td>
<td><strong>$139,280.94</strong></td>
</tr>
</tbody>
</table>

The Bauhard Fund grew a total of $25,454 or 22.36% in 2017 to its total value of $139,280. The growth is attributed to gains in equity positions. The Bauhard Portfolio was positively impacted by the growth of the Vanguard 500 index during the year. Cash allocated to the index is primarily used as a holding position until the student managers have identified an underpriced equity position to add to the fund. The Bauhard Fund’s cash position decreased due to the acquisition of additional equities.
Lessons Learned

"The Bauhard student managed investment fund has given me an opportunity to experience and learn from a real-world environment. The experience has been priceless and unlike any other learning environment offered at the university, with that I have learned many lessons that I can take with me as I enter the business world. The most impactful lesson I will take with me into my professional career, is not to dwell on the equities we did not buy or sell, but to learn from those choices. I have learned it is better to understand those choices to make better decisions in the future." – Blake Holtmeier

“We had such a great opportunity to serve as fund managers and achieved our primary objective so well, which is our education. At the time I started to take the course, I wouldn't expect the courses would change the way of thinking; even I regarded the price of stock just as a measure which decides fund's profitability. Today, I really consider the investment as investment, and could not appreciate enough to all the stakeholders who have supported us. I would like to try what we learned from the fund management after I graduate and continue to learn using our experience as a basis." – Yoshiaki Kasugahara

"Managing the Bauhard Portfolio has been challenging, but the experience I have gained from working with our analyst team has provided me with a meaningful learning experience. By providing weekly market and sector updates, I have learned how to better understand the overall market in order to accurately value stocks. Overseeing the Bauhard Fund has also provided me with hands-on management skills through deliberations and difficult discussions with our team to decide which stocks to buy, sell, and hold. The most important lesson I am taking away from managing the fund is that the fundamental analysis of equities is important but understanding the industry and business operations are equally important in choosing a winning stock." – Austin Partridge

"The opportunity to manage the Bauhard Portfolio has proven to be educational in many ways, and the experience gained is second to none as I prepare for life after graduation. From learning how to properly value stocks through relative and intrinsic valuations to the weekly tracking and reporting of market updates, I am confident that the lessons I learned during my time of managing the Bauhard Portfolio will be carried with me as I begin my professional career. My most important lesson learned is that you will experience positive and negative times in the market, but always staying true to what you know is essential to finding success.' – Matthew Testa

"Managing the Bauhard Fund has been educational, challenging, and an eye-opening experience for me. I thought I wanted to do accounting most of the way through my college career, but after managing the Bauhard fund I realized that my career should be down finance. The learning experience it gave me has been second to none, it has taught me how to look at companies differently from their balance sheets, their forward plans, and how the market effects the company. The way it has taught me will help me be a better professional after I graduate and start my career." - Jake Filsinger
STUDENT ANALYSTS

Student Analysts

Jake Filsinger
Senior
Major: Business Administration
Accounting & Finance Emphasis
Shawnee, KS

Blake Holtmeier
Senior
Major: Business Administration
Finance Emphasis
Kearney, NE

Yoshiaki Kasugahara
Senior
Major: Business Administration
Accounting & Finance Emphasis
Tokyo, Japan

Austin Partridge
Senior
Major: Business Administration
Finance Emphasis
Grand Island, NE

Matthew Testa
Senior
Major: Business Administration
Finance Emphasis
Joliet, IL


2017 Fall Investments Class: Daniel Albayrak, Shayne Carpenter, Siwen Chen, Ryan Clark, Jakob Filsinger, Blake Geiser, Andy Gonzalez, Nicklaus Higgins, Blake Holtmeier, Yoshiaki Kasugahara, Ryan King, Thaddeus Mines, Thao Nguyen, Matthew Testa, Kaitlynn Thomas, and Austin Partridge.
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