

Student Managed Investment Fund among best at national competition

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ALFRED An Alfred University club that manages a stock portfolio on behalf of the University ranked high at a recent nationwide competition. And while the stock market has taken a significant hit in recent months, Alfred's Student Managed Investment Fund (SMIF) is still double its original value. SMIF is managed by a student club made up of business and non-business majors. The fund was initiated in 1995 when Dr. Abderrahman Robana, professor of finance, convinced the AU Board of Trustees to allow a group of his students to manage \$100,000 of the University's Endowment Fund. Students, under the direction of faculty advisors, invest the money in a variety of stocks, with the goal of building a diversified portfolio and adding value and growth. In April, the University of Dayton held its first annual Student Investment Strategy Symposium. As part of the conference, a competition was held for college and university student investment groups that use real money to buy stocks. Student groups that build only simulated portfolios and don't actually purchase stocks weren't eligible for the competition. The Alfred SMIF club was invited to compete and asked to submit its portfolio for the year Jan. 31, 2000, to Jan. 30, 2001. According to Dr. Robert Hutter, professor of law and financial planning in the AU College of Business and SMIF primary faculty advisor, 43 university and college student investment clubs nationwide were invited to submit portfolios. From those 43, competition organizers named five finalists in each of three categories: growth portfolios, value portfolios; and a combination of both. Hutter explained that growth portfolios are made up primarily of higher-risk stocks bought with an anticipated fast rate of earning in mind. Value portfolios, on the other hand, consist of stocks of lesser risk expected to earn a steady, long-term return. The AU SMIF club was one of five finalists in the growth category. "Essentially, we made the top 15 of the 43 invited to attend," Hutter said. The 15 finalists attended the Student Investment Strategy Symposium, held April 6-8 at the University of Dayton, where portfolios were judged by a blue ribbon panel of investment industry experts. Clubs were judged on the portfolio itself and how it was presented by club members to the judges. AU was represented at the competition by the following SMIF executive committee members: Jon Baulsir, a senior from Hudson Falls, NY, committee president; Brent Forsland, a senior from Loudonville, NY, treasurer; and Ben Klein, a junior from Putney, VT, secretary. Alfred did not win in their category that honor went to the host school, Dayton but Hutter was impressed by what the AU group had accomplished. "They did well in their presentation. They didn't win, but the fact they made finalist is significant," Hutter said, noting that many of the finalist schools are much larger than Alfred. AU was joined as finalists in the growth category by Dayton, Colorado State University, the University of Alaska at Fairbanks, and Virginia Tech. "AU was by far the smallest school of the 15 finalists and one of the smallest, if not the smallest, of the 43 schools that were selected to submit portfolios," Hutter said. Hutter also pointed out that most finalist schools included graduate students, while Alfred's SMIF club is made up solely of undergraduates. He added that while most other competing colleges and universities make their student investment activities a required part of the normal coursework of their business programs, Alfred's SMIF program is "essentially a club," open to business and non-business majors. "I was impressed with our students' performance, especially considering we were the smallest school at the competition," Hutter said, adding that Alfred's SMIF club will likely be back for the next competition. "The students came back enthusiastic, looking forward to competing next year and hopefully winning." "Alfred University should be very proud of the efforts put forward by these students," said Robana, co-faculty advisor to SMIF. In addition to participating in the portfolio competition, AU students attending the symposium in Dayton had the opportunity to hear a number of speakers prominent in the investment industry, including: Robert J. Froehlich, vice chairman of Scudder Investments and one of the most high-profile investment professionals in the mutual fund industry; Elizabeth Mackey, chief investment strategist at Bear Stearns, who was recently named by Money Magazine as one of "The 50 Smartest Women in the Money Business"; and Alfred E. Goldman, corporate vice president and chief investment strategist at A.G. Edwards & Sons, Inc., one of the nation's largest investment firms. The SMIF portfolio, under Robana's guidance, had reached its highest levels in March 2000. At that time, it was valued at \$320,000, more than triple the University's original investment and had been consistently outperforming the Standard and Poor's 500 Index. The fund, like the stock market, has declined in the last several months, and is valued at just more than \$200,000. "We lost about one-third when the market went down," Hutter said. "We were overweighted in tech stocks, which were hit the hardest." Still, by gradually trimming back technology stocks from its portfolio and replacing them with value-oriented stocks, SMIF lessened its overall hit. While the NASDAQ went down in value 62 percent from April 2000 to April 2001, SMIF declined in value only 33 percent

during the same time period. The last quarter, SMIF was only slightly below the S&P 500 index.