

Southwestern University

2018 Annual Report

Financial Analyst Program

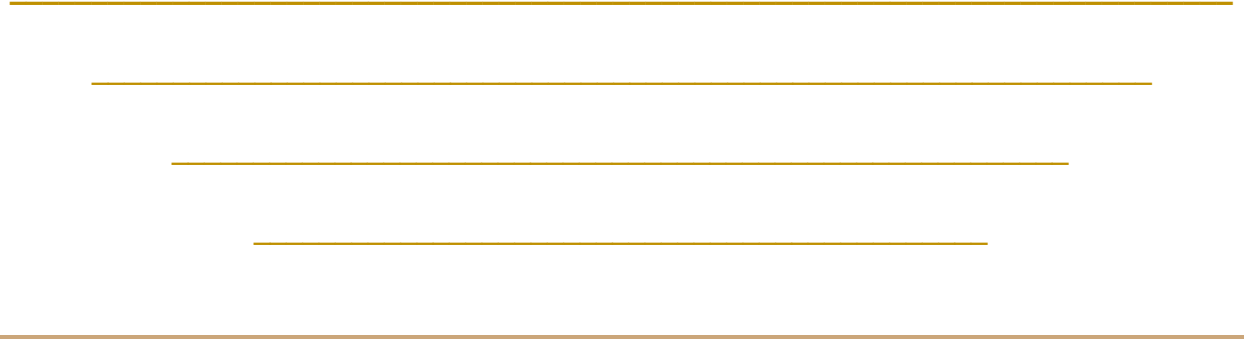


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Letter to the Shareholders

Dear fellow shareholders,

Thank you for being a part of Southwestern University's Financial Analyst Program (FAP)! We appreciate your support of this valuable program in which students gain hands-on experience in creating and maintaining a portfolio while developing meaningful financial analysis skills. The FAP fosters teamwork and critical thinking, both of which make students more marketable workforce candidates and better-equipped global citizens.

From the ongoing trade wars to the Federal Reserve's increasing of interest rates multiple times, 2018 saw turmoil that was reflected in our portfolio. Due to the stock market downturn, however, we were presented the opportunity to learn portfolio management in a volatile market. Although our portfolio saw high turnover, with many of our growth stocks proving unable to defy the October correction, both the responsibility that comes from managing a real portfolio and the academic challenges that we faced grew us as students within the realm of finance and as educated investors in the market.

Beyond our portfolio activity, the program was provided the opportunity, from the support of the university and our donors, to participate in two supplemental experiences - the ENGAGE Undergraduate Invest Conference and SeedInvest. The ENGAGE UIC, hosted by the University of Michigan, took place right after the stock market took a turn for the worse in mid-October. At this conference, we got to listen to renowned analysts from all over the country give their input on how to navigate the looming uncertainty. Obtaining insight and encouragement from such experienced, successful businessmen affirmed our efforts towards the program. SeedInvest is a crowdfunding platform that allows investors to invest in vetted start-ups. It afforded us the opportunity to invest in ways that the program usually would not allow for. These opportunities allowed the analysts to grow in ways beyond our primary job of portfolio management.

We hope you find this report helpful and that it inspires your continued support of the Financial Analyst Program.

Sincerely,

Southwestern University's Financial Analyst Program, 2018

About the Financial Analyst Program

The Financial Analyst Program (FAP) is an undergraduate business curriculum that provides an opportunity for a small group of outstanding Southwestern University (SU) students to work closely with business faculty and industry professionals to develop their skills and experiences as financial analysts. Students are offered intensive, hands-on experiences in applying the concepts of financial analysis and common stock selection and valuation in decision contexts similar to those found in the investments world.

Professor A.J. Senchack, holder of the Lucy King Brown Chair in International Business, designed, developed, and introduced this business curriculum during the 1998-99 academic year. He also initiated a request to create a student-run investment fund, subject to its approval by the SU Board of Trustees. In March 1999, the Fiscal Affairs Committee and Board of Trustees approved this request and authorized the creation of the "Southwestern University Student Investment Fund." In addition, the Board also authorized the transfer of \$200,000 in SU endowment monies to the FAP as its initial investable funds. The first investment of the Financial Analyst Program was made on March 1, 2000, in Lowe's Companies, Inc.

This year marks the fifth year Dr. Hazel Nguyen has held the leadership position in the program after replacing the now retired, Professor A.J. Senchack. Since his retirement, Professor Senchack has been kind enough to continue his engagement with the program in order to ensure a smooth transition for the program.

During the academic year, student analysts enroll as a cohort in two business courses—Investments in the fall semester and then Financial Statement Analysis in the spring semester. Students learn how to assess the operating, financial, and investment performance of companies as well as make financial projections using a company's recent operating history relative to its peer group of competitors. Both fundamental and technical analyses are used by the student analysts.

In addition, throughout the entire academic year, the student analysts are responsible for managing the now over \$550,000 investment portfolio that is part of SU's endowment. This part of the program benefits from dedicated, state-of-the-art computer equipment and facilities, telecommunications infrastructure, and electronic and hard copy financial databases for evaluating and selecting common stocks for the FAP portfolio. The objective is to earn a risk adjusted return greater than the FAP Portfolio's benchmarks—the S&P 500 Composite Index and the average large-cap growth mutual fund manager.

This program represents a serious, one-year commitment that requires significant time outside the classroom. Therefore, the program seeks highly-motivated and committed students to carry out all its investment needs.

Analysts 2018-2019



Top row (left to right): Randy Flowers, Gillian Glover, Hannah Freeman

Second row: Emma Cooper, Dejan Savic, Jared Welsh

Third row: Aiden Steinle, Jebb Vandervalk, Markell Henderson

Fourth row: Dr. Hazel Nguyen

Officer Positions

Accountant, Randy Flowers: The accountant monitors the FAP portfolio's performance and reports on the portfolio and its benchmarks on a monthly basis.

Annual Report Editor, Emma Cooper: The annual report editor manages and orchestrates the report's formulation. After reviewing and editing each member's contribution, she compiles the pieces into the masterpiece that is before you.

Economist, Dejan Savic: The economist follows all the news relating to the market and, on a monthly basis, issues a report covering the prior month's major events. He is charged with following only the most important indicators and identifying major trends occurring in the market.

Market Technician, Markell Henderson: The market technician carefully monitors our primarily technical database, published by Dorsey-Wright, and interprets this information for the group. On a monthly basis, he identifies the major developing technical trends and suggests the best manner to leverage those trends and achieve optimal returns.

Portfolio Manager, Jebb Vandervalk: The portfolio manager not only sets the agenda for each meeting and conducts them, but leads the members and motivates all constituents to stay on top of their jobs as analysts. In addition, he must monitor the portfolio as a whole, looking at the individual securities and their correlations to identify the best direction in which to go.

Public Relations, Hannah Freeman: The public relations individual heads FAP recruitment, primarily in the spring, developing a brochure, contacting faculty members to speak in their classes, and conversing with and interviewing potential recruits.

Secretary and Webmaster, Aiden Steinle: The secretary enables communication between FAP members and with outside entities, such as Southwestern faculty, staff and other stakeholders. He also presents an overview of each meeting to the members on a weekly basis. As webmaster, he maintains the program website and updates changing information to be made available to site visitors.

Statistician, Gillian Glover: The statistician works with our Morningstar database, examining the breakdown of the FAP portfolio. She analyzes the portfolio based on market capitalization, sector exposure and asset type to identify its relation to our benchmarks. She also uses these insights to identify key current performance drivers and potential trends that could outperform in the future.

Trader, Jared Welsh: As the trader, he handles all of our security transactions. He drafts each of the orders that the FAP decides upon and executes them through the business office and Regions bank.

Portfolio Objectives

The Fund follows the investment guidelines of the equity funds in Southwestern University's Endowment Funds: to preserve and expand the purchasing power relative to inflation for the future of Southwestern University.

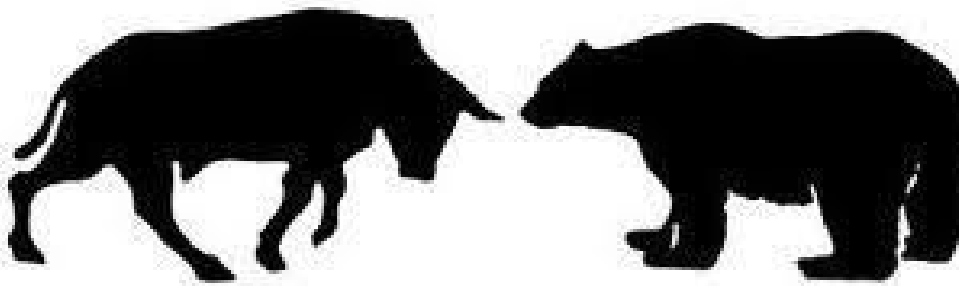
- The Fund attempts to assume risks similar to those of the Standard and Poor's 500 Index (S&P 500). This means the Fund strives for a high return correlation with its benchmark, the S&P 500. Thus, the Fund attempts to maintain a beta near 1.00 relative to the S&P 500.
- The Fund looks to realize the highest level of return, consistent with its benchmark's risk level.
- The Fund seeks a turnover rate of less than 100%. The Fund needs a healthy rate of turnover to achieve its goal of capital growth, but excessive turnover violates the Fund's long-term appreciation strategy and diminishes returns through transaction costs.
- The Fund also attempts to achieve above average risk-adjusted returns based on the Sharpe and Treynor performance ratios. Positive risk-adjusted returns in both of these measures reflect superior results; therefore, the risk-adjusted returns of each measure should be higher than the S&P 500's risk-adjusted return.
- The Fund helps the managers gain valuable experience in creating and maintaining a portfolio and developing financial analysis skills in a real-world situation.
- The Fund managers establish buy and sell points to help cut losses by automatically selling portions of a position, or buying additional shares as the stocks cross certain price thresholds.



Portfolio Strategy

The Student Fund Managers seek the highest level of return, while assuming risks similar to the Standard & Poor's (S&P) 500 Composite Index. Managers recommend a targeted portfolio of stocks from a broad set of industries. There are two main schools of thought regarding investing in financial markets: fundamental analysis and technical analysis. Stock recommendations in the Financial Analyst Program are done generally with an emphasis on fundamental analysis using a top-down approach: selecting an attractive industry first, and then choosing best stock in that industry. While the FAP focuses on fundamental analysis, the program also incorporates elements of technical analysis as well.

- The Fund purchases common stock issues of public domestic and international corporations with large market capitalizations. The Fund also purchases shares of exchange traded and mutual funds.
- The most critical strategy is the fundamental analysis of potential stocks. The managers examine the financial health of the company, looking for companies with growth potential, and strong current liquidity. Through these examinations, the managers find innovative business models that indicate exceptional growth potential.
- The investment strategy requires detailed economic analysis to identify investment opportunities based on the overall economy.
- Technical analysis plays an important role in determining when to buy or sell equities. Fund managers study historical price patterns of stocks to determine buy points, sell points, relative strength, and overall timeliness of securities.
- The managers monitor currently held stocks and industries to avoid excessive losses and to identify opportunities to accumulate gains from positively performing industries. The managers set sell points, which adjust to market conditions to help capture profits on successful securities.



Best and Worst Investment Ideas

Each week, the Financial Analyst Program meets to digest the changes in the market and economic environment from the previous week. We seek to make educated decisions to improve our portfolio in both bull and bear markets. Many of our decisions are based upon both present and future predictions.

Best Stock:

One of the program's best investment decisions in 2018 was Planet Fitness (PLNT). We bought 738 shares of PLNT at \$40.68 on May 2nd. At the end of the year on December 31st, PLNT was trading at \$53.62, up nearly 32% from the date of purchase. Planet Fitness is currently floating around their all time high, and they plan to continue the rapid expansion with new franchise locations.

Worst Stock:

Conversely, the weakest investment decision for this year proved to be Valero (VLO). Since we were lacking in the Energy Industry and Valero Energy Corporation was a strong and growth-oriented company, we bought the stock, hoping to balance our portfolio. But, the stock was too volatile for our investing strategy. Our final decision to sell on October 24, 2018 was prompted by predicted rising costs of oil and more governmental restrictions on drilling. Because the stock is naturally volatile, we decided to set its sell point lower than our normal rule of 7%. Unfortunately, this decision resulted in our selling Valero at a 22.87% loss; however, we were fortunate to sell then due to the stock's continuing downturn.



Economic Report and Stock Market Analysis

2018 proved to be extremely volatile for the global economy and financial markets. The U.S. market corrected twice in 2018 with worries of trade wars and interest rate hikes. Many major indices posted losses including the DOW, S&P 500, and NASDAQ with losses of 5.6%, 6.2%, and 3.9%, respectively. This is the first time in three years that the DOW and S&P 500 fell, and the first time in six years the NASDAQ fell. Elsewhere in the world, many other indices posted losses, including the Shanghai composite, CAC 40, DAX, FTSE, and the Nikkei.

The Federal Reserve raised interest rates four times in 2018, each time by a quarter point, bringing the interest rate to 2.5% from 1.5% during the course of the year. The Fed also indicated a milder tightening path, planning two more hikes in 2019, with GDP expected to rise only 2.3% as opposed to 3% in 2018.

The University of Michigan's Index of Consumer Sentiment ended higher than it started for 2018 with a reading of 95.7 in January and a reading of 98.3 in December. The index averaged about 98.4 with the lowest reading coming at the beginning of the year in January and the highest in March at 101.4. The core inflation rate was 2.2% for 2018, above the Fed's 2% target inflation rate, indicating the Fed will most likely continue to raise rates.

The U.S. added 2,674,000 non-farm payroll jobs during 2018, ranging from monthly gains of 108,000 jobs in September to 330,000 jobs in February. On average, about 223,000 jobs were added monthly while the unemployment rate decreased from 4.1% in January to 3.9% at the end of the year in December.

The National Association of Homebuilders Index suffered a steady decline throughout 2018, starting at 72 in January and posting a final reading of 56 in December. The index measures homebuilder sentiment with values over 50 indicating favorable market conditions and values below representing unfavorable conditions, so this declining trend may spell trouble for the future.

The ISM's PMI Manufacturing and Nonmanufacturing indexes account for the momentum of supply and investment activity in manufacturing and non-manufacturing firms. The index is similar in structure to the Homebuilder's Index as values over 50 indicate favorable market conditions and values below represent unfavorable conditions. The Manufacturing Index ranged from a low of 54.3 in December to 61.3 in August, averaging about 58.6. The Non-Manufacturing Index ranged from a low of 55.7 in July to 61.6 in September, averaging about 58.9.

In Asia, China had its lowest growth in the last 28 years, reporting a 6.6% growth rate. Chinese intentions of fostering growth through consumption as a driver seem to be faltering, since growth is expected to decelerate in 2019. The US-China trade war that started in early June affected the Chinese economy to the tune of \$250 billion in US tariffs

applied exclusively to China. Despite drawbacks such as the trade war, China's plan to reduce their high debt load will benefit their economy in the long run, although growth might come at a slower pace.

In Europe, the Eurozone seemed to lose momentum in the second half of 2018 as a global slowdown weighed down growth in Europe. Brexit continues to be an area of concern given the level of uncertainty surrounding possible market reactions. Among the Eurozone's largest economies, Italy fell into a recession for the first time in 6 years and France had no GDP growth change, while Spain expanded its economy. The ECB announced an end to its 4 year program of quantitative easing in December after pumping nearly \$3 trillion into the Eurozone economy. Looking forward, the ECB looks to spend cash from maturing bonds to purchase additional debt in hopes of keeping borrowing costs down through to 2021.



Short-term Strategy and Sector Allocation

Quarter One:

During the first quarter, we invested 55% in growth stocks. 72% of our stocks were large cap, and 20% were mid cap. Large and small-cap growth stocks were the best performers throughout this quarter. We were invested almost exclusively in the US & Canada (96.84%), which had an average 13-week performance of -3.30%. Although negative, this return was only beaten by the Latin American index. As far as our sector allocation, our two most overweight sectors – Consumer Cyclical, and Technology - were top 13-week performers. Utilities, which we were underweight in, was the top performing sector of the quarter. Our other two underweight sectors, Energy and Basic Materials, both underperformed.

Quarter Two:

During the second quarter, we invested 62% in growth stocks. 67% of our stocks were large cap, and 29% were mid cap. Large and small-cap growth stocks were the best performers throughout this quarter. We were invested almost exclusively in the US & Canada (97.38%), which had a 13-week return of 4.25%, which were the best and only positive quarterly returns. As far as our sector allocation, our two most overweight sectors – Consumer Cyclical, and Technology - were two of the top 13-week performers. Real Estate, which we were underweight in, was the top performing sector of the quarter. Our other underweight sectors, Utilities, Energy, and Basic Materials, performed average or underperformed.

Quarter Three:

For our third quarter, we invested 54% in growth stocks. 68% of our stocks were large cap, and 23% were mid cap. Both large cap growth and mid cap growth performed well in this quarter, but small cap growth and large cap core had the best returns. We were still almost completely in the US & Canada (96.73%), which had the best and only positive quarterly performance worldwide. Our overweight sectors included Consumer Cyclical, Consumer Defensive, and Industrials, which had an exceptional 3rd quarter. The best performers this quarter were Real Estate and Utilities, both of which we were underweight in.

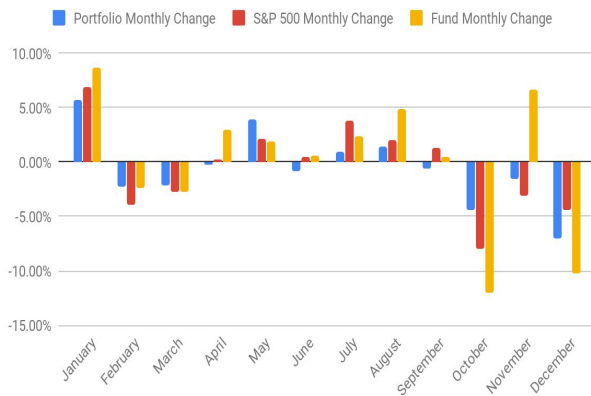
Quarter Four:

During the fourth quarter, we invested 45% in core stocks. 74% of our stocks were large cap, and 24% were mid cap. This quarter showed negative returns for each stock style. Mid cap growth and core had the least negative performance. We remained mostly in the US & Canada (93.70%), which had the second weakest quarterly numbers. For our sector allocation, we were most overweight in Consumer Cyclical, which had an average quarter. The best 13-week performers were Financial Services and Healthcare, and we were underweight in both of these.

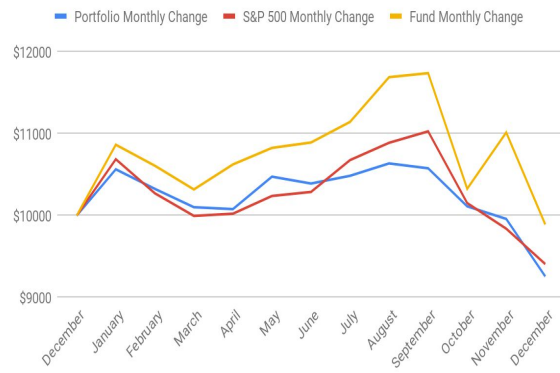
2018 Portfolio Monthly Return

Month Ending	Total Portfolio Value	S&P 500 Value	Large Cap Growth Fund	Portfolio Monthly Change	S&P 500 Monthly Change	Fund Monthly Change
December (2017)	588752.91	2642.22	9093.19			
January	621962.1	2823.81	9878.64	5.64%	6.87%	8.64%
February	607882.33	2713.83	9645.15	-2.26%	-3.89%	-2.36%
March	594685.89	2640.87	9382.09	-2.17%	-2.69%	-2.73%
April	593,325.54	2,648.05	9,660.23	-0.23%	0.27%	2.96%
May	616,662.87	2,705.27	9,843.74	3.93%	2.16%	1.90%
June	611,715.08	2,718.37	9,903.77	-0.80%	0.48%	0.61%
July	617,259.91	2,821.17	10,132.46	0.91%	3.78%	2.31%
August	626,175.75	2,877.13	10,628.47	1.44%	1.98%	4.90%
September	622,666.11	2,913.98	10,673.21	-0.56%	1.28%	0.42%
October	595,307.24	2,682.63	9,389.10	-4.39%	-7.94%	-12.03%
November	586,246.82	2,599.95	10,014.71	-1.52%	-3.08%	6.66%
December	544934.50	2,485.74	8,993.47	-7.05%	-4.39%	-10.20%
Average Return				-0.59%	-0.43%	0.09%
Annual Return				-7.44%	-5.04%	-1.10%

2018 Monthly Performance



2018 Growth of \$10,000



Sharpe and Treynor Risk-Adjusted Performance

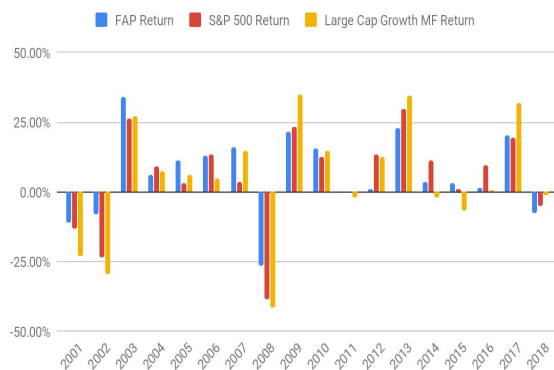
The Sharpe measure starts with the average risk premium, which is found by taking the annual portfolio return minus the average risk-free rate of 2.64%, calculated by averaging the 3-month Treasury bill rate for the year. This risk premium is then divided by the portfolio standard deviation of monthly returns, -0.59%. The resulting Sharpe risk-adjusted performance value of -0.84 for our portfolio compared to the -0.565 value for the S&P. The Treynor measure also begins with the same average risk premium as found with the Sharpe measure; this average risk premium is then divided by the portfolio's systematic, or beta, risk of 1.05. The resulting portfolio's Treynor ratio of -0.092 compared to the S&P's -0.077.

	Risk Free Rate	FAP Portfolio	S&P 500
	0.0264		
Average Monthly Return		-0.0059	-0.0004
Standard Deviation		0.1132	0.1357
Beta		1.05	1
Sharpe Ratio		-0.84	-0.565
Treynor Ratio		-0.092	-0.077

Historical Performance Comparison

Year	FAP Return	S&P 500 Return	Large Cap Growth MF Return
2001	-11.10%	-13.04%	-22.90%
2002	-8.10%	-23.37%	-29.60%
2003	34.10%	26.38%	27.00%
2004	6.30%	8.99%	7.20%
2005	11.20%	3.00%	6.20%
2006	13.10%	13.62%	4.70%
2007	16.00%	3.55%	14.80%
2008	-26.60%	-38.47%	-41.40%
2009	21.40%	23.49%	34.90%
2010	15.60%	12.64%	14.80%
2011	0.03%	0.00%	-1.90%
2012	0.95%	13.29%	12.73%
2013	22.99%	29.60%	34.66%
2014	3.75%	11.39%	-2.14%
2015	2.96%	1.19%	-6.85%
2016	1.32%	9.54%	0.45%
2017	20.24%	19.42%	31.67%
2018	-7.44%	-5.04%	-1.10%

Historical Performance



Growth of Initial Donation \$200,000



2018 Portfolio Activities

Quarter One:

Financial Statement:

	Ticker	Shares	Cost per Share	Cost Basis	Price per Share	Market Value
Cash and Cash Equivalents				109,975.08		109,975.08
Equities:						
Applied Materials Inc	AMAT	326	47.30	15,419.80	55.61	18,128.86
Activision Blizzard Inc	ATVI	240	62.99	15,116.71	67.46	16,190.40
Rockwell Collins Inc	COL	146	99.09	14,467.14	134.85	19,688.10
Facebook Inc	FB	98	80.66	7,904.68	159.79	15,659.42
iShares High Dividend ETF JDR	HDV	310	78.03	24,189.30	84.48	26,188.80
HEICO Corp	HEI	207	54.63	11,308.82	86.81	17,969.67
Houlihan Lokey Inc	HLI	355	42.35	15,034.21	44.60	15,833.00
Intercontinental Exchange Inc	ICE	225	66.30	14,917.48	72.52	16,317.00
Lear Corp	LEA	174	173.86	30,251.99	186.09	32,379.66
Las Vegas Sands Corp	LVS	464	63.70	29,556.80	71.90	33,361.60
MKS Instruments Inc	MKSI	176	87.11	15,331.36	115.65	20,354.40
PowerShares QQQ Trust Series 1	QQQ	220	117.30	25,806.00	160.13	35,228.60
Ferrari NV	RACE	210	65.78	13,813.80	120.52	25,309.20
Charles Schwab Corp/The	SCHW	325	39.50	12,837.50	52.22	16,971.50
Stryker Corp	SYK	194	155.42	30,152.35	160.92	31,218.48
Texas Instruments Inc	TXN	440	59.05	25,982.00	103.89	45,711.60
Vanguard Consumer Staples ETF	VDC	180	130.78	23,540.40	136.12	24,501.60
Vanguard Dividend Appreciation ETF	VIG	110	77.92	8,571.20	101.05	11,115.50
Vanguard Total World Stock ETF	VT	420	57.35	24,087.42	73.63	30,924.60
SPDR S&P Biotech ETF	XBI	370	82.59	30,556.71	87.73	32,460.10
Total Common Stock				388,845.67		485,512.09
Total Assets				498,820.75		595,487.17

Dividends:

Company Name	Ticker	Posting Date	Shares	Dividend per Share	Cash Received
PulteGroup Inc	PHM	1/3/2018	550	\$0.09	\$49.50
HEICO Corp	HEI	1/17/2018	166	\$0.09	\$14.53
Chubb Limited Com	CB	1/19/2018	205	\$0.71	\$145.55
Stryker Corp	SYK	1/31/2018	194	\$0.47	\$91.18
Texas Instruments Inc	TXN	2/12/2018	440	\$0.62	\$272.80
Charles Schwab Corp/The	SCHW	2/23/2018	325	\$0.10	\$32.50
Rockwell Collins Inc	COL	3/5/2018	146	\$0.33	\$48.18
DR Horton Inc	DHI	3/9/2018	390	\$0.13	\$48.75
MKS Instruments Inc	MKSI	3/9/2018	176	\$0.18	\$31.68
Applied Materials Inc	AMAT	3/14/2018	326	\$0.10	\$32.60
Houlihan Lokey Inc	HLI	3/15/2018	355	\$0.20	\$71.00
SPDR S&P Biotech ETF	XBI	3/21/2018	370	\$0.06	\$21.86
Vanguard Consumer Staples ETF	VDC	3/21/2018	180	\$0.54	\$96.43
Lear Corp	LEA	3/26/2018	174	\$0.70	\$121.80
iShares High Dividend ETF JDR	HDV	3/28/2018	310	\$0.80	\$247.57
Vanguard Dividend Appreciation ETF	VIG	3/29/2018	110	\$0.40	\$43.64
Vanguard Total World Stock ETF	VT	3/29/2018	420	\$0.26	\$108.07
Intercontinental Exchange Inc	ICE	3/29/2018	225	\$0.24	\$54.00
Las Vegas Sands Corp	LVS	3/30/2018	464	\$0.75	\$348.00
Other Income					\$27.96
Total					\$1,907.60

Sales:

Company Name	Ticker	Posting Date	Shares	Price per Share	Cash Received
Atmos Energy Corp	ATO	2/8/2018	350	\$79.72	\$27,897.19
PulteGroup Inc	PHM	2/12/2018	550	\$29.26	\$16,087.95
DR Horton Inc	DHI	3/1/2018	390	\$42.20	\$16,454.10
Chubb Limited Com	CB	3/15/2018	205	\$141.80	\$29,067.03
Facebook Inc	FB	3/26/2018	97	\$157.06	\$15,233.49
Total					\$104,739.76

Quarterly Performance:

Beginning Portfolio Value (1/1/17)	591,877.16
Ending Portfolio Value (3/31/17)	595,487.17
% Change for 1st Quarter	0.61%

Note: There were no purchases in Q1 2018 due to a fully-invested portfolio, SeedInvest opportunities, and few sales.



Quarter Two:*Financial Statement:*

	Ticker	Shares	Cost per Share	Cost Basis	Price per Share	Market Value
Cash and Cash Equivalents				55,680.64		55,680.64
Equities:						
Activision Blizzard Inc	ATVI	240	62.99	15,116.71	76.32	18,316.80
Rockwell Collins Inc	COL	146	99.09	14,467.14	134.68	19,663.28
Cintas Corp	CTAS	95	171.94	16,334.29	185.07	17,581.65
Facebook Inc	FB	98	80.66	7,904.68	194.32	19,043.36
iShares High Dividend ETF JDR	HDV	310	78.03	24,189.30	84.99	26,346.90
HEICO Corp	HEI	258.75	43.71	11,308.82	72.93	18,870.64
Houlihan Lokey Inc	HLI	355	42.35	15,034.21	51.22	18,183.10
Intercontinental Exchange Inc	ICE	225	66.30	14,917.48	73.55	16,548.75
Lear Corp	LEA	174	173.86	30,251.99	185.81	32,330.94
Las Vegas Sands Corp	LVS	464	63.70	29,556.80	76.36	35,431.04
MKS Instruments Inc	MKSI	176	87.11	15,331.36	95.70	16,843.20
Ollie's Bargain Outlet Holdings Inc	OLLI	265	60.61	16,061.65	72.50	19,212.50
Planet Fitness Inc	PLNT	738	40.69	30,030.47	43.94	32,427.72
Invesco QQQ Trust Series 1	QQQ	220	117.30	25,806.00	171.65	37,763.00
Ferrari NV	RACE	210	65.78	13,813.80	135.01	28,352.10
Charles Schwab Corp/The	SCHW	325	39.50	12,837.50	51.10	16,607.50
Stryker Corp	SYK	194	155.42	30,152.35	168.86	32,758.84
Texas Instruments Inc	TXN	440	59.05	25,982.00	110.25	48,510.00
Vanguard Consumer Staples ETF	VDC	180	130.78	23,540.40	134.27	24,168.60
Vanguard Dividend Appreciation ETF	VIG	110	77.92	8,571.20	101.62	11,178.20
Vanguard Total World Stock ETF	VT	420	57.35	24,087.42	73.37	30,815.40
SPDR S&P Biotech ETF	XBI	370.00	82.59	30,556.71	95.19	35,220.30
Total Common Stock				405,295.57		556,173.82
Total Assets				460,976.21		611,854.46

Dividends:

Company Name	Ticker	Posting Date	Shares	Dividend per Share	Cash Received
Powershares Qqq Trust Units Series 1	QQQ	4/30/2018	220	\$0.28	\$60.84
Stryker Corp	SYK	4/30/2018	194	\$0.47	\$91.18
Ferrari NV	RACE	5/2/2018	210	\$0.88	\$184.62
Activision Blizzard Inc	ATVI	5/9/2018	240	\$0.34	\$81.60
Texas Instruments Inc	TXN	5/21/2018	440	\$0.62	\$272.80
Charles Schwab Corp/The	SCHW	5/25/2018	325	\$0.10	\$32.50
Rockwell Collins Inc	COL	6/4/2018	146	\$0.33	\$48.18
MKS Instruments Inc	MKSI	6/8/2018	176	\$0.20	\$35.20
Applied Materials Inc	AMAT	6/14/2018	326	\$0.20	\$65.20
Houlihan Lokey Inc	HLI	6/15/2018	355	\$0.27	\$95.85
SPDR S&P Biotech ETF	XBI	6/20/2018	370	\$0.06	\$21.64
Lear Corp	LEA	6/27/2018	174	\$0.70	\$121.80
Vanguard Total World Stock ETF	VT	6/27/2018	420	\$0.55	\$231.46
Las Vegas Sands Corp	LVS	6/28/2018	464	\$0.75	\$348.00
Intercontinental Exchange Inc	ICE	6/29/2018	225	\$0.24	\$54.00
Other Income					\$191.58
Total					\$1,936.45

Purchases:

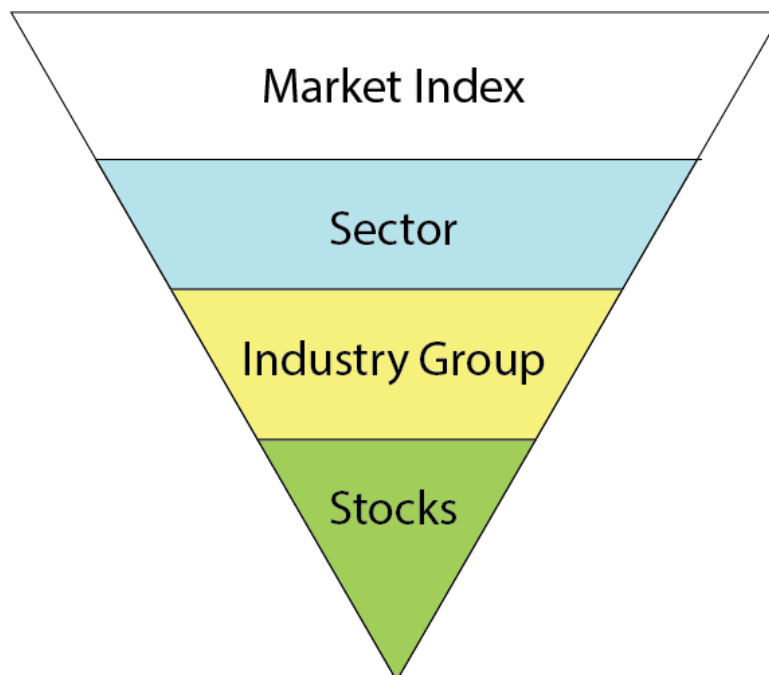
Company Name	Ticker	Posting Date	Shares	Price per Share	Outlay
Macy's Inc.	M	4/5/2018	530	\$30.67	\$16,259.29
Ollie's Bargain Outlet Holdings Inc.	OLLI	4/10/2018	265	\$60.60	\$16,061.65
Cintas Corp.	CTAS	4/12/2018	95	\$171.93	\$16,334.29
Planet Fitness Inc.	PLNT	5/2/2018	738	\$40.68	\$30,030.47
Daqo New Energy Corp.	DQ	5/3/2018	555	\$54.22	\$30,099.76
Total					\$108,785.46

Sales:

Company Name	Ticker	Posting Date	Shares	Price per Share	Cash Received
Macy's Inc	M	4/18/2018	265	\$28.77	\$7,621.38
Macy's Inc	M	4/23/2018	265	\$28.97	\$7,674.51
Daqo New Energy Corp	DQ	6/8/2018	555	\$40.84	\$22,660.85
Applied Materials Inc	AMAT	7/2/2018	326	\$45.02	\$14,673.52
Total					\$52,630.26

Quarterly Performance:

Beginning Portfolio Value (4/1/18)	595,487.17
Ending Portfolio Value (6/30/18)	611,854.46
% Change for 2nd Quarter	2.75%



Quarter Three:*Financial Statement:*

	Ticker	Shares	Cost per Share	Cost Basis	Price per Share	Market Value
Total Cash and Cash Equivalents				67,720.69		67,720.69
Equities:						
Advance Auto Parts Inc	AAP	186	169.75	31,574.19	168.33	31,309.38
Activision Blizzard Inc	ATVI	240	62.99	15,116.71	83.19	19,965.60
Cigna Corp	CI	156	200.81	31,326.56	208.25	32,487.00
Rockwell Collins Inc	COL	146	99.09	14,467.14	140.47	20,508.62
Cintas Corp	CTAS	95	171.94	16,334.29	197.81	18,791.95
iShares High Dividend ETF JDR	HDV	310	78.03	24,189.30	90.54	28,067.40
HEICO Corp	HEI	258	43.71	11,276.04	92.61	23,893.38
Houlihan Lokey Inc	HLI	355	42.35	15,034.21	44.93	15,950.15
Intercontinental Exchange Inc	ICE	225	66.30	14,917.48	74.89	16,850.25
JB Hunt Transport Services Inc	JBHT	247	125.67	31,041.60	118.94	29,378.18
Ollie's Bargain Outlet Holdings Inc	OLLI	265	60.61	16,061.65	96.10	25,466.50
Planet Fitness Inc	PLNT	738	40.69	30,030.47	54.03	39,874.14
Invesco QQQ Trust Series 1	QQQ	220	117.30	25,806.00	185.79	40,873.80
Ferrari NV	RACE	210	65.78	13,813.80	136.91	28,751.10
Stryker Corp	SYK	194	155.42	30,152.35	177.68	34,469.92
Texas Instruments Inc	TXN	440	59.05	25,982.00	107.29	47,207.60
Vanguard Consumer Staples ETF	VDC	180	130.78	23,540.40	140.12	25,221.60
Vanguard Dividend Appreciation ETF	VIG	110	77.92	8,571.20	110.70	12,177.00
Vanguard Total World Stock ETF	VT	420	57.35	24,087.42	75.83	31,848.60
SPDR S&P Biotech ETF	XBI	370	82.59	30,556.71	95.87	35,471.90
Total Common Stock				433,879.52		558,564.07
Total Assets				501,600.21		626,284.76

Dividends:

Company Name	Ticker	Posting Date	Shares	Dividend per Share	Cash Received
iShares High Dividend ETF JDR	HDV	7/2/2018	310	\$0.80	\$246.88
Vanguard Dividend Appreciation ETF	VIG	7/3/2018	110	\$0.57	\$62.23
Vanguard Consumer Staples ETF	VDC	7/3/2018	180	\$1.25	\$224.53
HEICO Corp	HEI	7/19/2018	258.75	\$0.06	\$15.53
Stryker Corp	SYK	7/31/2018	194	\$0.47	\$91.18
Invesco QQQ Trust Series 1	QQQ	7/31/2018	220	\$0.38	\$83.24
Texas Instruments Inc	TXN	8/13/2018	440	\$0.62	\$272.80
Charles Schwab Corp/The	SCHW	8/24/2018	325	\$0.13	\$42.25
MKS Instruments Inc	MKSI	9/7/2018	176	\$0.20	\$35.20
Rockwell Collins Inc	COL	9/10/2018	146	\$0.33	\$48.18
Houlihan Lokey Inc	HLI	9/17/2018	355	\$0.27	\$95.85
Lear Corp	LEA	9/18/2018	174	\$0.70	\$121.80
SPDR S&P Biotech ETF	XBI	9/26/2018	370	\$0.07	\$26.87
Vanguard Consumer Staples ETF	VDC	9/27/2018	180	\$0.82	\$147.80
Intercontinental Exchange Inc	ICE	9/28/2018	225	\$0.24	\$54.00
Other Income					\$189.84
Total					\$1,758.18

Purchases:

Company Name	Ticker	Posting Date	Shares	Price per Share	Outlay
JB Hunt Transport Services Inc.	JBHT	9/13/2018	247	\$125.66	\$31,041.60
Cigna Holding Co.	CI	9/20/2018	156	\$200.80	\$31,326.56
Advance Auto Parts Inc.	AAP	9/27/2018	186	\$169.74	\$31,574.19
Total					\$93,942.35

Sales:

Company Name	Ticker	Posting Date	Shares	Price per Share	Cash Received
Lear Corp	LEA	2/8/2018	174	\$164.05	\$28,542.06
Las Vegas Sands Corp	LVS	2/12/2018	464	\$59.91	\$27,793.28
Facebook Inc	FB	3/1/2018	98	\$162.33	\$15,907.16
The Charles Schwab Corp	SCHW	3/15/2018	325	\$50.50	\$16,410.56
MKS Instruments Inc	MKSI	3/26/2018	176	\$83.75	\$14,738.04
Total					\$103,391.10

Quarterly Performance:

Beginning Portfolio Value (6/1/18)	611,854.46
Ending Portfolio Value (9/30/18)	626,284.76
% Change for 3rd Quarter	2.36%



Quarter Four:*Financial Statement:*

	Ticker	Shares	Cost/Share	Cost Basis	Price/Share	Market Value
Cash & Cash Equivalents				305,343.38		305,343.38
Equities:						
McCormick & Co Inc.	MKC	50	150.19	7,910.00	139.24	6,962.00
T-Mobile US Inc.	TMUS	411	68.44	28,116.51	63.61	26,143.71
iShares High Dividend ETF JDR	HDV	310	78.03	24,189.30	84.38	26,157.80
Intercontinental Exchange Inc.	ICE	225	66.30	14,917.48	75.33	16,949.25
Planet Fitness Inc.	PLNT	738	40.69	30,030.47	53.62	39,571.56
Invesco QQQ Trust Series 1	QQQ	220	117.30	25,806.00	154.26	33,937.20
Texas Instruments Inc.	TXN	300	59.05	17,715.00	94.50	28,350.00
Vanguard Consumer Staples ETF	VDC	180	130.78	23,540.40	131.17	23,610.60
Vanguard Dividend Appreciation ETF	VIG	110	77.92	8,571.20	97.95	10,774.50
Vanguard Total World Stock ETF	VT	420	57.35	24,087.42	65.46	27,493.20
Total Common Stock				168,857.27		239,949.82
Total Assets				474,200.65		545,293.20



Dividends:

Company Name	Ticker	Posting Date	Shares	Dividend per Share	Cash Received
Vanguard Total World Stock ETF	VT	10/1/2018	420	\$0.36	\$151.83
Vanguard Dividend Appreciation ETF	VIG	10/1/2018	110	\$0.50	\$54.79
iShares High Dividend ETF JDR	HDV	10/2/2018	310	\$0.79	\$245.24
Invesco QQQ Trust Series 1	QQQ	10/31/2018	220	\$0.33	\$72.55
Stryker Corp	SYK	10/31/2018	194	\$0.47	\$91.18
Texas Instruments Inc	TXN	11/19/2018	300	\$0.77	\$231.00
Rockwell Collins Inc	COL	12/10/2018	146	\$0.33	\$48.18
Tetra Tech Inc	TTEK	12/14/2018	433	\$0.12	\$51.96
Kellogg Co	K	12/17/2018	444	\$0.56	\$248.64
Vanguard Consumer Staples ETF	VDC	12/18/2018	180	\$1.04	\$187.85
Vanguard Dividend Appreciation ETF	VIG	12/20/2018	110	\$0.58	\$63.49
iShares High Dividend ETF JDR	HDV	12/21/2018	310	\$0.71	\$219.73
Vanguard Total World Stock ETF	VT	12/28/2018	420	\$0.49	\$205.38
Invesco QQQ Trust Series 1	QQQ	12/31/2018	220	\$0.42	\$92.53
Intercontinental Exchange Inc	ICE	12/31/2018	225	\$0.24	\$54.00
Other Income					\$384.89
Total					\$2,403.24

Purchases:

Company Name	Ticker	Posting Date	Shares	Price per Share	Outlay
Valero Energy Corp.	VLO	10/4/2018	260	\$117.00	\$30,423.72
The Goldman Sachs Group Inc.	GS	10/18/2018	131	\$226.99	\$29,736.61
Tetra Tech Inc.	TTEK	11/1/2018	433	\$65.17	\$28,221.86
McCormick & Co Inc.	MKC	11/8/2018	50	\$150.19	\$7,510.00
Kellogg Co.	K	11/8/2018	444	\$64.82	\$28,783.68
T-Mobile US Inc.	TMUS	11/29/2018	411	\$68.40	\$28,116.51
Total					\$152,792.38


Sales:


Company Name	Ticker	Posting Date	Shares	Price per Share	Cash Received
Cintas Corp.	CTAS	10/11/2018	95	\$95.00	\$17,523.47
Houlihan Lokey Inc.	HLI	10/18/2018	355	\$355.00	\$15,310.45
JB Hunt Transport Services Inc.	JBHT	10/24/2018	247	\$247.00	\$26,905.36
Valero Energy Corp.	VLO	10/24/2018	260	\$260.00	\$23,460.79
Texas Instruments Inc.	TXN	10/25/2018	140	\$140.00	\$12,825.83
Activision Blizzard Inc.	ATVI	11/9/2018	105	\$105.00	\$5,715.08
The Goldman Sachs Group Inc.	GS	11/13/2018	131	\$131.00	\$26,733.57
Ferrari NV	RACE	11/13/2018	210	\$210.00	\$23,003.12
SPDR S&P Biotech ETF	XBI	11/26/2018	370	\$370.00	\$29,483.43
Tetra Tech Inc.	TTEK	12/6/2018	433	\$433.00	\$23,980.35
Ollie's Bargain Outlet Holdings Inc.	OLLI	12/7/2018	265	\$265.00	\$18,232.93
Kellogg Co.	K	12/18/2018	444	\$444.00	\$26,254.30
United Technologies Corp.	UTX	12/18/2018	54	\$54.00	\$6,291.45
HEICO Corp	HEI	12/18/2018	129	\$129.00	\$10,603.11
Cigna Holding Co.	CI	12/18/2018	156	\$156.00	\$30,892.89
Stryker Corp.	SYK	12/20/2018	194	\$194.00	\$29,904.71
Advance Auto Parts Inc.	AAP	12/20/2018	186	\$186.00	\$28,671.52
HEICO Corp.	HEI	12/21/2018	129	\$129.00	\$9,558.77
Total					\$365,351.13



Quarterly Performance:


Beginning Portfolio Value (10/1/18)	611,854.46
Ending Portfolio Value (12/31/18)	545,293.20
% Change for 4th Quarter	-10.88%


Stocks in the 2018 Portfolio



Cintas	
<p>Ticker: CTAS Current Price: \$183.10 Sell Price: \$185.47 Recommendation: Sell (Sold on 10/11/2018) Analyst: Markell Henderson</p>  <p>Cintas Corporation is a firm that designs, manufactures, and rents identity uniforms to other companies. They are the largest firm in the industry and hold a considerably higher market share than their next competitor.</p>	<p><u>Growth Catalyst:</u> In March of 2017, Cintas acquired rival G&K Services, making a positive early impression. The transaction will likely add about \$900 million to annual revenues. They also have a large distribution network that gives them a significant cost advantage over competitors.</p> <p><u>What to Watch for:</u> Cintas is highly exposed to shifts in U.S. employment trends, and a downturn in employment will certainly affect their margins; however, they weathered past recessions well. The high fixed-cost nature of the business works to further their cyclical nature. With future acquisitions likely to be made, they face a risk of overpayment or integration issues.</p>



Texas Instruments	
<p>Ticker: TXN Current Price: \$101.35 Sell Price: \$90.00 Recommendation: Hold Analyst: Dejan Savic</p>  <p>Texas Instruments is a global manufacturer of semiconductors and electronic products as well as the leading supplier of digital signal processors and analog devices. They operate in electrical controls, educational and productivity solutions, and metallurgical materials.</p>	<p><u>Growth Catalyst:</u> Texas Instruments bottom line advanced more than 25%, supported by a 3.5% rise in sales from healthy gains in Analog products. Overall, the company plans to register annual sales increase of about 7% for 2019.</p> <p><u>What to Watch for:</u> In the past year, long-term debt increased by about 20% to 29% of total capital, leveraging the company to a relatively modest level. Downturns in Embedded Processing and other divisions may bring down sales.</p>


<p>Advance Auto Parts</p>	
<p>Ticker: AAP Current Price: \$153.22 Sell Price: \$154.16 Recommendation: Sell (Sold on 12/20/18) Analyst: Randy Flowers</p>  <p>Advance Auto Parts is one of the largest retailers of aftermarket automotive parts, tools, and accessories to do-it-yourself (DIY) customers in North America. Advance operated 5,183 stores as of the end of 2017, in addition to servicing 1,218 independently owned Carquest stores. The company's Worldpac unit is a premier distributor of imported original-equipment parts.</p>	<p><u>Growth Catalyst:</u> Advance Auto Parts plans to add more commercial programs and cost synergies from the General Parts acquisition should allow them to increase earnings faster than the industry. Estimated annual sales growth of 4% and operating margin of 11% for next 10 years. Advance should continue to cut costs and improve operating margins.</p> <p><u>What to Watch for:</u> They should continue to pursue fruitful acquisitions in order to grow sales while also expanding its supplier infrastructure in order to cut costs and boost profitability.</p>
<p>Valero Energy Corporation</p>	
<p>Ticker: VLO Current Price: \$85.26 Sell Price: \$90.25 Recommendation: Sell (Sold on 10/24/18) Analyst: Hannah Freeman</p>  <p>Valero Energy Corporation is an international manufacturer and marketer of transportation fuels and other petrochemical products.</p>	<p><u>Growth Catalyst:</u> Valero has seen the second best recovery in 2019 among its peers. They continue to invest over \$700 million in growth and sustaining capital investments each year.</p> <p><u>What to Watch for:</u> While Valero has continued to beat earnings each quarter, their profits have fallen \$1 billion from last year. With the rising sanctions in Venezuela, Valero and other U.S. refiners have stopped or slowed buying of crude oil and processing in Venezuela.</p>


United Technologies	
<p>Ticker: UTX Current Price: \$121 Sell Price: \$116.52 Recommendation: Sell (Sold on 12/18/18) Analyst: Aiden Steinle</p>  <p>United Technologies Corp. engages in the provision of products and services to the building systems and aerospace industries worldwide.</p>	<p><u>Growth Catalyst:</u> The Rockwell deal will deliver more than the \$500 million in cost synergies annually and establish United Technologies as the leading aerospace components and systems supplier. The breakup of United Technologies will create significant value for shareholders as each business will perform better as independent entities.</p> <p><u>What to Watch for:</u> The tax-free spin-offs of CCS and Otis might not create better performance in either business, and the remaining aerospace business will stumble as it integrates Rockwell Collins.</p>


Goldman Sachs	
<p>Ticker: GS Current Price: \$200.50 Sell Price: \$204.09 Recommendation: Sell (Sold on 11/13/18) Analyst: Markell Henderson</p>  <p>Goldman Sachs is a global investment banking, securities, and investment management firm that provides a wide range of services to corporations, financial institutions, governments and high-net-worth individuals. They operate through three core businesses: Trading and Principal Investments, Investment Banking and Asset Management and Securities Services.</p>	<p><u>Growth Catalyst:</u> Cutting the corporate tax rate from 35-21% increased the bottom line for Goldman which could help fuel M&A. M&A fees should also see an increase. The firm ranked #1 in worldwide announced mergers and acquisitions, equity and equity-related offerings, common stock offerings and initial public offerings for the year-to-date. Goldman has planned share buybacks starting Q3 2018 ending in Q2 2019 and increased dividends. The bank has increased their focus on technology growth throughout the bank and products. Lastly, Marcus by Goldman Sachs is a new savings account that offers 2.25%.</p> <p><u>What to Watch for:</u> Global economic slowdown, reduced loan activity, disappointment on U.S. tax reform, no regulatory reform, and any downturn in the capital markets could hurt GS. Banks and financial institutions will likely be hit hard if the market begins to sell-off.</p>


<p>McCormick & Company</p>	
<p>Ticker: MKC Current Price: \$140.32 Sell Price: \$139.01 Recommendation: Sell (Sold on 1/10/19) Analyst: Jared Welsh</p>  <p>McCormick & Company is an American food company that manufactures, markets, and distributes spices, seasoning mixes, condiments, and other flavoring products for the industrial, restaurant, institutional, and home markets.</p>	<p><u>Growth Catalyst:</u> As a company, MKC holds a 20% share in the \$11 billion spice and seasoning market, which is 4 times larger than their next competitor. Also, it operates as the leading private-label producer in spices and seasoning creating a wide economic moat. MKC reported a sales increase of 14% year-over-year for the August period.</p> <p><u>What to Watch for:</u> Input costs (ingredient prices, delivery expenses, etc.) are rising for MKC, which reduces their gross margins. As a result, management teams must decide if they want to increase product prices to offset rising costs, which could reduce the number of consumers buying their products. Consumer preferences are shifting towards healthy food products, which might diminish MKC's net profit.</p>
<p>J.B. Hunt</p>	
<p>Ticker: JBHT Current Price: \$105 Sell Price: \$108 Recommendation: Sell (Sold on 10/24/2018) Analyst: Aiden Steinle</p>  <p>J.B. Hunt Transport Services, Inc. engages in the provision of logistics solutions. They offer services from Intermodal (JBI), Dedicated Contract Services (DCS), Integrated Capacity Solutions (ICS), and Truckload (JBT) segments.</p>	<p><u>Growth Catalyst:</u> J.B. Hunt's asset-light truck brokerage operations are benefiting from solid execution and branch expansion. Intermodal market share in the Eastern U.S. is still relatively low, suggesting decent growth potential via share gains from shorter-haul trucking.</p> <p><u>What to Watch for:</u> The stubbornly limited driver pool is placing upward pressure on wages and recruiting costs in Hunt's intermodal drayage and for-hire and dedicated truckload units.</p>




<p>Ollie's Bargain Outlet</p>	
<p>Ticker: OLLI Current Price: \$76.83 Sell Price: \$68.81 Recommendation: Sell (Sold on 12/07/2018) Analyst: Emma Cooper</p>  <p>Ollie's Bargain Outlet is a chain of retail stores that sell a broad selection of brand name products at reduced prices. Ollie's merchandise is a combination of closeouts, its own private label brands, and other products that are exclusive to Ollie's. It currently operates more than 268 stores in 20 states.</p>	<p><u>Growth Catalyst:</u> Sales and earnings advanced 19% and 45%, respectively, on a year-over-year basis, for the September period. They are healthy in absolute terms, proving to be a fundamentally strong growth stock.</p> <p><u>What to Watch for:</u> Top-line growth should remain in mid-double-digit territory in fiscal 2019, on the back of ongoing aggressive store rollouts and the likelihood of momentum stemming from migration of business from Toys 'R' Us. Earnings, meantime, ought to reach the \$2.10-a-share mark, representing an 18% year-over-year advance.</p>
<p>T-Mobile</p>	
<p>Ticker: TMUS Current Price: \$67.78 Sell Price: \$63.60 Recommendation: Hold Analyst: Emma Cooper</p>  <p>T-Mobile provides mobile communications services in the U.S., Puerto Rico, and the U.S. Virgin Islands. They are the third largest carrier in the U.S., preceded only by Verizon and AT&T.</p>	<p><u>Growth Catalyst:</u> The potential Sprint merger remains under review at the Department of Justice; if passed, the competition for customers would be reduced to three companies (AT&T, Verizon, and T-Mobile) rather than four.</p> <p><u>What to Watch for:</u> T-Mobile has done a good job of adding new customers through its innovative marketing campaigns and aggressive pricing plans. This trend is expected to continue, with or without Sprint; thus, long-term investors may be interested. In the near term, though, T-Mobile's stock price will likely move on news flow rather than fundamentals.</p>


Tetra Tech	
<p> Ticker: TTEK Current Price: \$48.61 Sell Price: \$55.39 Recommendation: Sell (Sold on 12/6/18) Analyst: Gillian Glover </p>  <p> TETRA TECH Tetra Tech, Inc. is an international provider of engineering and management consulting services to public agencies and private corporations. They operate in the water, environment, infrastructure, resource management, energy, and global development arenas. </p>	<p> <u>Growth Catalyst:</u> The Department of Defense budget increased 14.2%, and spending will be focused on infrastructure, water supplies, and power generation. U.S. state and local governments continue to partner with TTEK to address water supply, treatment and management. Fast-growing disaster relief markets in the southern states and California increase the need for water supplies as well as water security. </p> <p> <u>What to Watch for:</u> A steep decline in demand for oil, gas and mining would pressure Tetra Tech's revenues. Budget cuts to foreign aid or other government agencies could greatly affect revenues. Continued appreciation of the dollar would also negatively affect Tetra Tech. </p>


Planet Fitness	
<p> Ticker: PLNT Current Price: \$57.58 Sell Price: \$48.00 Recommendation: Hold Analyst: Dejan Savic </p>  <p> Planet Fitness franchises and operates fitness centers throughout the U.S., Puerto Rico, Canada, and the Dominican Republic, with over 1,600 locations. The company has three revenue streams: company-owned facilities, franchised-owned gyms, and equipment. </p>	<p> <u>Growth Catalyst:</u> Same-facility sales are likely to continue to grow about a 10% rate for the next year or two while they continue to expand. PLNT could be better off in an economic downturn based on their attractive pricing compared to other gym memberships. </p> <p> <u>What to Watch for:</u> Their rapid price run-up has discounted a portion of the long-term appreciation potential, and the rate of ascent will slow at some point. Also, management plans to add 4,000 facilities over the next several years. </p>

Cigna	
<p>Ticker: CI Current Price: \$189.92 Sell Price: \$200 Recommendation: Sell (Sold on 12/18/18) Analyst: Jebb Vandervalk</p>  <p>Cigna Corp. is a global health service company, providing medical, dental, disability, life and accident insurance and related products and services to businesses, governmental and non-governmental organizations and individuals. They operate through the following segments: Global Health Care, Global Supplemental Benefits, and Group Disability and Life.</p>	<p><u>Growth Catalyst:</u> In March 2018, CI agreed to acquire Express Scripts (ESRX), the nation's largest pharmacy benefit manager (PBM). Cigna estimated \$600M in cost savings synergies through redundant administrative costs and did not provide any anticipated sales synergies. Additionally, their expansion into Medicare Advantage and into Arizona further sources of new growth.</p> <p><u>What to Watch for:</u> In the fallout of ruling to overturn the ACA by the Texas Supreme Court, Healthcare providers and insurers have a murky short-term future as the case makes its way to the federal courts. The synergization of Express Scripts is also key in realizing earnings targets in 2019.</p>

Macy's Inc.	
<p>Ticker: M Current Price: \$25.72 Sell Price: \$28.77 Recommendation: Sell (Sold on 04/19/18) Analyst: Emma Cooper</p>  <p>Macy's is the largest U.S. department store chain, and, as of 2015, became the largest U.S. department store company by retail sales.</p>	<p><u>Growth Catalyst:</u> Macy's claims strong fundamentals and holds a strong presence in the retail industry. They recently introduced a mobile app, which is expected to keep them current in today's online-shopping craze.</p> <p><u>What to Watch for:</u> Earnings are expected to bottom out in fiscal 2019. Large capital outlays have been made to boost up the mobile presence and get the store experience more in line with the specific needs in today's retail landscape. These are pluses for the future of the department store titan, but will eat into EPS near term.</p>

iShares Core High Dividend Equity Fund	
<p>Ticker: HDV Current Price: \$89 Recommendation: Hold Analyst: Aiden Steinle</p> 	<p>HDV tracks a dividend-weighted index of 75 high-yielding US equities, screened for high earnings potential and dividend sustainability.</p>
PowerShares QQQ	
<p>Ticker: QQQ Current Price: \$167.45 Recommendation: Hold Analyst: Emma Cooper</p> 	<p>The PowerShares QQQ ETF seeks investment results that generally correspond to the price and yield performance of the Nasdaq-100 Index. The Fund will, under most circumstances, consist of all stocks in the Index. In order to maintain the correspondence between the composition and weights of the securities in the Index, the Fund is rebalanced quarterly and reconstituted annually.</p>
Vanguard Total World Stock ETF	
<p>Ticker: VT Current Price: \$76.02 Recommendation: Hold Analyst: Jebb Vandervalk</p> 	<p>VT is a low-cost, one-stop shop for global equity coverage and is managed by one of the industry's top stewards. It accurately represents the composition of the global stock market through its broad, market-cap-weighted portfolio, which includes large-, mid-, and small-cap stocks. The fund's breadth effectively diversifies company-specific risk, and its cost advantage should give it an edge over the long term. This is one of the best diversified equity portfolios available. In contrast to most of its peers, which own fewer than 200 stocks, the fund holds more than 7,300 stocks and covers 98% of the world's public equity market capitalization. Top holdings include Apple AAPL, Alphabet GOOGL, and Microsoft MSFT.</p>

Vanguard Consumer Staples ETF	
<p>Ticker: VDC Current Price: \$138.54 Recommendation: Hold Analyst: Hannah Freeman</p> 	<p>This investment attempts to track the performance of the MSCI US Investable Market Consumer Staples 25/50 Index, an index of stocks of large, medium, and small U.S. companies in the consumer staples sector. This sector is made up of companies whose businesses are less sensitive to economic cycles. It includes manufacturers and distributors of food, beverages, and tobacco, as well as producers of non-durable household goods.</p>

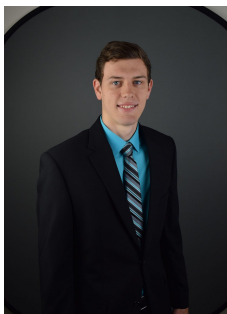
Vanguard Dividend Appreciation ETF	
<p>Ticker: VIG Current Price: \$105.28 Recommendation: Hold Analyst: Gillian Glover</p> 	<p>The investment seeks to track the performance of the NASDAQ US Dividend Achievers Select Index which measures the return of common stocks of companies that have a record of increasing dividends over time. It attempts to replicate the target index by investing most of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.</p>



Meet the Analysts

Randy Flowers

Accountant



Randy is a senior from Athens, TX graduating in May of 2019 with a Bachelor of Arts in Business. His interests in the financial markets led to his joining of the FAP, where he was selected as the program's Accountant in the Spring of 2018. Randy's work experience includes a Banker-In-Training internship with Horizon Bank and a financial advising internship with Goodwater Wealth Management of Raymond James. Randy hopes to attain a Chartered Financial Analyst (CFA) designation and become an equity analyst.

Emma Cooper

Annual Report Editor



Emma is a junior from Yoakum, Texas who will be graduating in May of 2020 with a Bachelor of Arts in Business and a minor in music. She joined the FAP in the spring of 2018 and assumed the role of Annual Report Editor. During her time at Southwestern, she has been a Residential Assistant for almost two years, held a music internship at Northside Baptist Church, and will be at an internship in Washington D.C. this coming summer in hopes of finding some inspiration for what she wants to do post-graduation.

Dejan Savic

Economist



Dejan is a junior from Fort Worth, Texas. He will be graduating in December 2019 with a Bachelor of Arts in Business and Economics, and a minor in Exercise and Sport Studies. He joined the FAP in the Spring of 2018 and assumed the role as Economist. During his time at Southwestern, he played on the Men's Varsity Soccer team and was Scholarship Chair for the Alpha Omicron chapter of Pi Kappa Alpha. After graduation, Dejan plans to pursue a career in Finance.

Markell Henderson**Market Technician**

Markell is a senior from San Antonio, Texas who is double majoring in Economics and Business. Upon graduation in May of 2019, he will move to Chicago to start his career as an investment analyst at Northern Trust, where he previously interned. Markell hopes to earn his CFA and run a hedge fund in the future. While at Southwestern, he was a Kemper Scholar, member of the Varsity football team where he served as a 2x captain, Co-Founder of E.M.P.I.R.E., Head Resident Assistant and more. He joined the FAP to fulfill his passion for markets and gain real world experience.

Jebb Vandervalk**Portfolio Manager**

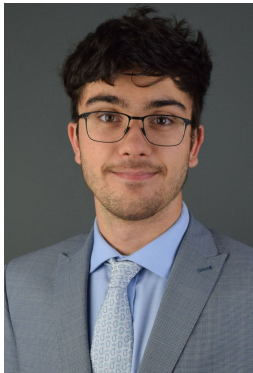
Jebb is a senior from Anchorage, Alaska who will be graduating in May of 2019 with a Bachelor of Arts in both Economics and Accounting. This is Jebb's second year in the FAP, having previously served as the Economist for the 2017-2018 academic year. During his time at Southwestern, Jebb previously worked as a Resident Assistant and currently serves as a teaching assistant for the Business & Economics Department. His career experiences include work as an accountant at Capital Credit Union in Austin, TX and volunteer tax preparation with the United Way of Williamson County.

Hannah Freeman**Public Relations**

Hannah is a junior from Cypress, Texas. She will be graduating in May 2020 with a Bachelor of Arts in Mathematics and Financial Economics. She joined the FAP in the Spring of 2018 and assumed the role of Public Relations. She has dedicated much of her time to Zeta Tau Alpha Lambda Chapter, holding the offices of Philanthropy Chair, Treasurer, and Recording Secretary. She has held the position of Vice Chair and is currently Chair of Student Foundation, holds membership in the SU Chorale, and works on campus as an Academic Peer Mentor. After graduation, she plans to pursue a career in Actuarial Science.

Gillian Glover**Statistician**

Gillian is a senior from Amarillo, Texas. She will be graduating in May of 2019 with a Bachelor of Arts in Mathematics, Business, and Spanish. She joined the FAP in the Spring of 2017 and assumed the role of Public Relations for the 2017-2018 academic year. During her time at Southwestern, Gillian has participated in several on-campus organizations. Her freshman year, Gillian swam for Southwestern's Women's Swimming and Diving team, and she currently plays goalie for the school's Women's Lacrosse team. She is also a member of the Theta Epsilon chapter of Tri Delta, where she held the positions of Music Chair, Membership Development Chair, and Vice President of Membership. She was recently nominated for a national award due to her work in this organization. Gillian has been employed as a tutor for the Math Department as well as a tutor and teaching assistant for the Spanish Department. In the summers of 2017 and 2018, Gillian studied abroad in Spain and Argentina, respectively. After graduation, Gillian will pursue a career in Investments or Finance.

Aiden Steinle**Secretary and Webmaster**

Aiden is a Junior from San Antonio, Texas. He will be graduating in May of 2020 with a Bachelor of Arts in Mathematics and minors in Studio Art and Economics. He joined the Financial Analyst Program in Spring of 2018, and assumed the role of webmaster and secretary. While at Southwestern, he has been active in the Mathematics department, giving presentations at major conferences. Through this, he was admitted into the Pi Mu Epsilon mathematics honors society. His ceramic work has been featured in several student exhibitions in Texas, and he is currently Treasurer of the Southwestern Art Association. He has also worked for the campus newspaper, *The Megaphone*, since Fall 2016 and currently serves as the Assistant Editor-In-Chief. After graduating, Aiden plans to pursue a graduate degree in mathematics.

Jared Welsh**Trader**

Jared is a senior from Stuart, Florida. He will be graduating in May 2019 with a Bachelor of Arts in Business and a minor in Communication Studies. He joined the program in the Spring of 2018 and assumed the role of Trader. During his time at Southwestern, he played on the Men's Varsity Lacrosse team, was a member of the Honor Code Council, and was on the Omicron Delta Kappa National Leadership Honor Society. His work experiences include internships with Brown University's Investment Office in Providence, Rhode Island, and Morgan Stanley Graystone Consulting in Austin. After graduation, Jared plans to pursue a career in Investments or Finance.



ENGAGE Undergraduate Investment Conference

In October of 2018, eight of the financial analysts attended the 2018 ENGAGE Undergraduate Investment Conference hosted by the University of Michigan. The UIC promotes interaction between students from across the country and some of the most experienced professionals in the financial services industry. The conference revolves around a student stock pitch competition and a slate of keynote speeches and panels. Student teams from around the country present their stock pitches in front of a panel of professional investors for a chance to present their pitches in front of the entire conference audience. The key speakers were Federal Reserve President, Charles Evans and Anthony Scaramucci. In between these speakers were panels discussing "Financial Markets," "How to Identify Cycle and Invest Appropriately," and "Using Past Investment to Source New Ideas and Improve."



Because this was our first year attending the conference, we did not participate in the stock pitch competition but did sit in two other university's pitches. It was fascinating to see how their recommendation processes were different from ours. Both schools used the bottom-up approach and technical analysis, different from our recommendations which use the top-down approach.

We appreciated the opportunity to travel to Michigan and listen to the many experienced speakers, and we hope the 2019 financial analysts can return to this conference next year to compete in the stock pitch competition.

Investing on the SeedInvest Platform

In Spring of 2018, the Financial Analyst Program had the opportunity to participate in seed investing for the first time, thanks to a donation from a generous benefactor. We did this through a crowdfunding platform called SeedInvest. On this platform, about 15-25 companies would be listed at any given time. The opportunity to invest in each of these companies would be available for 60 days, and up to 4 new companies were available every week. To provide diversification of investments and to avoid inter-platform competition, none of the companies on the site would be in overlapping markets or sectors.

seedinvest

Our account was set up as an one of SeedInvest's AutoInvest accounts. The AutoInvest account is a unique account on the site that would automatically invest a portion of our funds into a company once it gained enough momentum from the other investors on the site, and reached a minimum \$250,000 dollar threshold. This screening process was set up so that our available cash funds would flow to the most successful opportunities on the site, and from there we could decide whether to opt-in or opt-out of this auto-investment. This decision needed to be made within a 72-hour window after our automatic investment, or else we would stay invested in the company. To prepare for these automatic investments, one analyst each week would analyze and recommend to either opt in or out of the 3-4 new companies that week. Throughout this experience, our team looked over 30 different companies, opting in to only 9 startups.

Our work through SeedInvest was an enjoyable experience with the website easy to navigate and user-friendly. The lack of financial data was the most challenging obstacle for our group as we are accustomed to analyzing established companies with multiple years of audited financial history. SeedInvest's internal screening process eliminated some of our concerns as they only offered their crowdfunding services to a handful number of applicants that passed through their stringent screening process, but scouring through financial reports with qualified auditors' opinions was still disconcerting. Over time, we gained confidence in our decision making with these startups as we became more familiar with this different style of investing. Overall, we are grateful for this unique and challenging experience in evaluating interesting and up-and-coming companies.



What We Learned

Randy Flowers: Through my participation in the Financial Analyst Program, I have gained a wealth of knowledge in investing and portfolio management. I learned how intense the research and analysis process is for selecting equity investment options. I also learned how to work with a group of people with different ideas and opinions towards the goal of having the best portfolio for meeting our financial goals.

Emma Cooper: Being in the Financial Analyst Program has afforded me the opportunity to observe and invest in the stock market, to better understand the influences that affect the stock market, and to analyze companies on more-than-a-name basis, all while working in a team-setting. My time in the FAP has been such a valuable learning catalyst for me and I am thankful for this experience, as I know I will use the skills that I am learning for the rest of my life.

Dejan Savic: The Financial Analyst Program is a perfect avenue for taking materials learned throughout business courses and applying them in a real world setting such as managing a portfolio. My participation in the FAP helped improve my group-setting skills as well as sharpened my investment skills. Moving forward, I believe that my FAP experiences will have a strong, positive impact in my future endeavors.

Markell Henderson: I have learned a great deal during my time in the FAP. The program has taught me how to thoroughly develop my analysis in a way that is convincing to others with differing perspectives. Furthermore, the program has taught me how to synthesize lots of information and moving parts to create the big picture. I am eager to use these skills and others after graduation.

Jebb Vandervalk: The Financial Analyst Program has been such a unique and amazing experience throughout my two years with the program. The program has allowed me to directly apply all skills and knowledge I've cultivated here at Southwestern, all the while serving both the longevity of the program, and our university as a whole. I'm greatly appreciative of the team dynamic of the program that promotes diversity of thought and perspective, which has not only improved my skills as an analyst, but also as an academic. This invaluable experience has been incredible and I'm thankful for all of my peers and professors who have helped and worked with me along the way.

Hannah Freeman: Upon joining the Financial Analyst Program at the end of my sophomore year, I possessed limited knowledge about the stock market and how to evaluate investment decisions. I have learned to collaboratively work in a team to give and receive feedback in order to work towards improving the value of our portfolio. My experiences in the program have helped me gain insight into the real realm of financial analysis and what it entails. I am very appreciative to have been able to work with such a cooperative, determined group of people and am excited to continue working next year.

Gillian Glover: This program has taught me how to analyze the market and invest in timely stocks. Through being the statistician, I have also learned how to analyze the allocation of a portfolio. I know what a well balanced portfolio looks like and how to find stocks that will fill underweighted sectors. The Financial Analyst Program has also taught me how to work with a team to make difficult decisions involving real stakes. I know that this experience will help me in my future career, whatever it may be.

Aiden Steinle: Being a part of the Financial Analyst Program has allowed me to apply content I've learned in classes to real-life situations. I've learned a lot about finance, investing, and even more about what I want to do after leaving Southwestern. I've enjoyed working with this group, and appreciate all the patience and guidance they have shared. If there was one thing I were to take away from this program, it's that the largest returns aren't always percentages - more often, they are immeasurable.

Jared Welsh: The Financial Analyst Program taught me the difficulties of managing a portfolio, especially in a time with a great deal of volatility. Additionally, I have learned the importance about setting guidelines and parameters and sticking to those. As a member of the FAP, both my technical and fundamental analysis skills have improved, which will greatly benefit me in the career path I plan to pursue after graduation.



Thank You

We thank the Department of Economics and Business at Southwestern University for their continued support for the Financial Analyst Program. We also thank our Faculty Advisor, Dr. Hazel Nguyen, for her contributions of time, knowledge, and support to the program and all its members. We could not succeed without her contributions.

We thank Dr. A.J. Senchack, previous FAP Faculty Advisor and founder of the program, for his continued guidance and support of the program even after the program transitioned to Dr. Nguyen's advisement.

We extend our immense gratitude to the FAP donors for their financial support which has allowed the program to succeed. The Student Fund Managers personally extend our gratitude to our donors for their contributions to our chicken nugget and pizza supply that kept us fueled during meetings and for their financial support used for team development activities throughout the school year.

We also thank the Frank A. Smith, Jr. Library Center at Southwestern University for providing access to two of our databases, Standard and Poor's NetAdvantage and ValueLine Investment Survey. Additionally, we thank Dorsey Wright and Associates for access to their Global Technical Research Platform.

We send a wholehearted thank you to our parents who help in numerous ways to support our academic and extracurricular activities at Southwestern.

Finally, we thank President Edward Burger and the Southwestern University Board of Trustees for endorsing the operations of the Financial Analyst Program.

In Gratitude,

Southwestern University Financial Analyst Program