

Southwestern University



Southwestern University
Department of Business and Economics
1001 E. University Ave.
Georgetown, TX 78626
Phone: 512-863-1363
Email: nguyen4@southwestern.edu



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Letter to the Stakeholders

Dear Fellow Stakeholders:

Thank you for taking part in the Southwestern University's Financial Analyst Program. We appreciate your continued commitment to student engagement and learning through your investment in the Program.

Reflecting the strong economic performance globally, financial markets soared in 2017. A sustained year-long bull market was evident in robust returns to all major indices. These returns proved real and non-inflationary as they were accompanied by jobs growth and high measures of business and consumer confidence. Given this positive investing environment, our portfolio outperformed our benchmark, the S&P 500, seven months out of the year and our portfolio return of 20.24% beat the S&P 500's 19.42% return. Reaching a new high in December of 2017 at over \$590,000, our portfolio gained nearly \$100,000 over the course of the year.

Throughout all four quarters our portfolio was invested almost exclusively in the U.S. and Canada and was overweight in sectors that were outperformers, such as basic materials, utilities, and consumer cyclicals. The US and Canada underperformed in the first three quarters of 2017 in comparison with other global regions despite the beneficial domestic stimulus of the Trump Bump. Consequently, the portfolio could have better capitalized on the global expansionary market through greater exposure to higher performing international regions such as the robust Asia-Pacific. Each investment decision proved to be a difficult act of making educated guesses in the face of a degree of uncertainty, and these moments revealed themselves to be an opportunity for learning and gleaning greater insight into the behavior of markets.

In addition to the portfolio performance, the academic merit of the program remains important. The experience students have gained from the program's rigorous nature has furthered their practical knowledge in the field of finance.

It is our hope that this report speaks to the effort, engagement, and growth of the students in the program and that this growth inspires a renewal of your commitment to supporting and sustaining the Financial Analyst Program.



Sincerely,

Southwestern University Financial Analyst Program

March 1, 2018

About the Financial Analyst Program

The Financial Analyst Program (FAP) is an undergraduate business honors 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 as financial analysts. Students are offered intensive, hands-on experience in applying the concepts of financial analysis and common stock selection and valuation towards making investment decisions in a context similar to those found in the finance 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 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 fourth that 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 kindly extended his support of the program through continued engagement in order to ensure a smooth transition.

As participants, student analysts enroll as a cohort in two business courses during the academic year—Investments in the fall semester and Financial Statement Analysis in the spring semester. In these courses, students learn how to assess the operational, 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 making investment decisions.

In addition, throughout the entire academic year, the student analysts are responsible for managing the now \$600,000 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, year-long commitment that requires significant time, energy, and focus invested outside the classroom. Therefore, the Program seeks highly-motivated and committed students to carry out all its investment needs.



Portfolio Manager and Officers



Top row left to right: Kyle Bandy, Will Preston, Gillian Glover, Riley Wayland



Middle row left to right: Brett Berdinsky, Jebb Vandervalk, Maranda Kahl

Bottom row left to right: Dr. Hazel Nguyen, David Strong, Ramish Nadeem, Maxx Prado

Officer Positions

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

Annual Report Editor, Ramish Nadeem: The editor of the annual report manages the creation of all its individual sections and orchestrates the report's formulation. After reviewing and editing each member's contribution, he compiles the pieces into the document you hold in your hands.

Economist, Jebb Vandervalk: The economist follows all of 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, David Strong: The market technician carefully monitors our primarily technical database, published by Dorsey-Wright, and interprets this information for the group as developments occur. 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 Managers, Maranda Kahl and Kyle Bandy: The portfolio managers not only set the agenda for each meeting and conduct them, but lead the members and motivate all constituents to stay on top of their jobs and as analysts. In addition, they 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, Gillian Glover: 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, Maxx Prado: 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.

Statistician, Will Preston: The statistician works with our Morningstar database, examining the breakdown of the FAP portfolio. He analyzes the portfolio based on market capitalization, sector



exposure and asset type to identify its relation to our benchmarks. He also uses these insights to identify key current performance drivers and potential trends that could outperform in the future.

Trader, Kyle Bandy: The trader 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.



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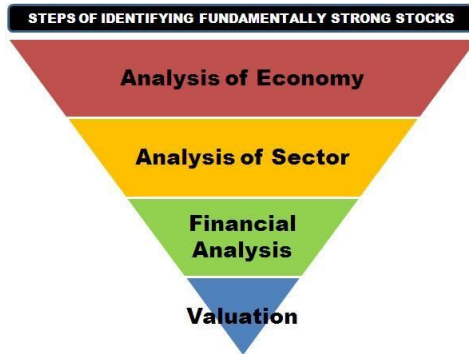
Portfolio Strategy

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 the 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.



Via: <http://svqy.org/2014/7-2014/makingmoney/makingmoney6.html>

Economic Report and Stock Market Analysis

Global economic and financial markets soared throughout 2017. The year-long financial bull market was powered by positive economic trends in all major indices, and strong consumer and business confidence. The DOW, S&P 500, and NASDAQ all posted strong returns with gains of 25.1%, 19.4%, and 28.2%, respectively. Numerous record highs were achieved in all major stock indices as 2017 marked a banner year for equities.

In light of strong growth, the Federal Reserve continued their campaign to temper markets by raising interest rates. Three interest rate hikes raised the rate from 0.75% to 1.5% during the course of the year. The Federal Reserve expects to continue to their tightening with three more rate hikes in 2018 to steady markets in the expected 3% GDP growth climate.

University of Michigan's Index of Consumer Sentiment grew in 2017 with an average reading of 96.8, the highest average rating since 2000. The readings ranged from 93.4 to 100.7, the measure's highest reading since 2004. The CPI-U, representative of consumer core inflation, increased 2.1% during 2017. Consumer inflationary expectations for 2018 settled at 2.7% in December.

The US added 2,173,000 jobs to the non-farm payroll during 2017. Monthly gains ranged from 14,000 jobs in hurricane-struck September, to 271,000 jobs in October. With a strong average monthly gain of 181,000 jobs, the unemployment rate steadily declined from January 2017's 4.8% to December 2017's closing figure of 4.1%.

The National Association of Homebuilders Index rode continued momentum from Q4 2016 to have yet another positive year. The index measures homebuilder sentiment with values over 50 indicating favorable market conditions and values below representing unfavorable conditions. In 2017, the index had an average reading of 68 and closed the year in December with reaching an 18-year high of 74.



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 PMI Manufacturing Index began the year trending downward until hitting the yearly low of 52 in June. July marked the reversal of the negative trend which closed the year at 55.1. The PMI Non-Manufacturing Index remained stable throughout the year, averaging a favorable reading of 57.

In Asia, China had impressive growth in 2017 with a 6.8% growth rate, beating widespread expectations of 6.7%. The impressive growth is notable given the governmental efforts to correct macroeconomic imbalances and curb financial risks such as the large wave of debt coming due in 2018. Outside of China, Japan also benefited from the global economic boom. The economy maintained positive GDP growth in all four quarters, and consumers finally experienced significant inflation, an extremely rare occurrence for the historically stagnated economy.

In Europe, the ECB continued their quantitative easing program for much of 2017, finally announcing a 50% reduction of monthly bond purchases beginning in 2018. Germany notably saw economic growth at 2.2%, and their strong fundamentals bode well for 2018 performance. In the UK, growth exceeded expectations at 1.8% despite the turbulent negotiations over Britain's exit process from the EU.

Short Term Strategy and Sector Allocation

Quarter One

During the first quarter, we invested 42% in growth stocks, 56% of which were large cap, and 38% of which were mid cap. Large and mid-cap growth stocks were the best performers at the end of the quarter, as well as the entire way through. We were invested almost exclusively in the US & Canada (91.16%), which had an average 13-week performance. As far as our sector allocation, our three most overweight sectors – Basic Materials, Consumer Cyclical, and Utilities - were all top 13-week performers. Of our underweight sectors, Energy greatly underperformed and Industrials performed average.

Quarter Two

In the second quarter, we invested 38% of our fund in growth stocks, 59% of which were large cap and 26% of which were mid cap. Large growth and mid growth both had average 13-week performance. The majority of our portfolio was still invested in the US & Canada (90.98%), which had the worst quarterly returns along with Latin America. Basic Materials and Consumer Cyclical our overweight sectors, both had average quarterly performance. However, our underweight sectors, Real Estate, Energy and Industrials, struggled.

Quarter Three

For our third quarter, we invested 56% in growth stocks, 77% of which were large cap and 22% of which were mid cap. Both large cap growth and mid cap growth had average 13-week performance. We were



still almost completely in the US & Canada (90.73%), which had the 2nd worst quarterly performance worldwide. Our overweight sectors included Basic Materials, Sensitive, Utilities, and Technology, which had an exceptional 3rd quarter. We were most underweight in Healthcare, which had a very average quarter.

Quarter Four

During the fourth quarter, we invested 56% of our fund into growth stocks, 70% of which were large cap and 32% of which were mid cap. Large growth had the best 4-week performance at the end of the quarter, but both large and mid-growth had a great quarter. We remained mostly in the US & Canada (91.67%), which had the strongest quarterly numbers. For our sector allocation, we were most overweight in Consumer Cyclical, which had an extraordinary quarter. We were most underweight in Energy and Healthcare. Industrials performed above average for the quarter, while Energy was among the best performers during the 13-week period.

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.

One of the FAP's best investment decision in 2017 was Ferrari N.V. (RACE). In February of 2017, the forecast for the Automobile Manufacturers Industry showed promise. The industry was ranked 8th by Value Line and 8th by Investor's Business Daily (IBD). Ferrari, outpacing production for the previous two years and continuing to lengthen their wait-list, showed particular promise. We bought 210 shares of RACE at \$65.72 on February 3rd. At the end of December, RACE was trading at \$105.28 per share, up 61% over the course of 11 months, spiking as high as \$119.68 in October. Other notable investment decisions include investing in two home-building stocks in March: D.R. Horton Inc. (DHI) and PulteGroup Inc. (PHM). DHI gained 52.9% over the year, while PHM gained 39.8% over the year.

Conversely, the weakest investment decision for this year proved to be CVS. From the time we inherited the stock from the previous group of analysts to the date it was sold, CVS had been hovering in between the original buy point and our hard sell point of -7%. Our final decision to sell on May 19, 2017 was prompted by talks of Amazon moving into the both the pharmaceutical and pharmaceutical delivery space. Due to Amazon's vast resources and existing delivery infrastructure, it was very possible that the company would cut significantly into CVS's market share. We believe the FAP made a wise decision to minimize losses and sell the stock at a 6.73% loss.





2017 Portfolio Monthly Return

Month Ending	Portfolio Cash Value	Portfolio Equities Value	Total Portfolio Value	S&P 500 Value	Portfolio Monthly Change	S&P Monthly Change
December (2016)	\$104,640.88	\$387,593.40	\$492,234.28	\$2,238.83		
January	\$66,745.93	\$439,681.05	\$506,426.98	\$2,278.87	2.88%	1.79%
February	\$41,141.61	\$474,873.70	\$516,015.31	\$2,363.64	1.89%	3.72%
March	\$29,000.29	\$488,958.71	\$517,959.00	\$2,362.72	0.38%	-0.04%
April	\$9,150.11	\$514,607.75	\$523,757.86	\$2,384.20	1.12%	0.91%
May	\$46,085.03	\$486,477.01	\$532,562.04	\$2,411.80	1.68%	1.16%
June	\$68,995.84	\$460,658.32	\$529,654.16	\$2,423.41	-0.55%	0.48%
July	\$68,995.84	\$474,097.05	\$543,092.89	\$2,470.30	2.54%	1.93%
August	\$94,939.69	\$455,446.62	\$550,386.31	\$2,471.65	1.34%	0.05%
September	\$59,004.15	\$499,533.30	\$558,537.45	\$2,519.36	1.48%	1.93%
October	\$21,833.86	\$555,762.67	\$577,596.53	\$2,575.26	3.41%	2.22%
November	\$18,882.70	\$569,870.21	\$588,752.91	\$2,647.58	1.93%	2.81%

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Monthly Performance



December	\$3,285.71	\$588,591.45	\$591,877.16	\$2,673.61	0.53%	0.98%
Average Return					1.55%	1.50%
Annual Return					20.24%	19.42%

Sharpe and Treynor Risk-Adjusted Performance Measures

The following table contains the Sharpe and Treynor risk-adjusted performance measures for the Financial Analyst Program Portfolio and the S&P 500 for 2016.

	Risk-free Rate	FAP Portfolio	S&P 500
	0.93%		
Average Monthly Return		1.55%	1.50%
Standard Deviation		1.11%	1.12%
Beta		1.01	1
Sharpe Ratio		17.40	16.47
Treynor Ratio		0.191	0.185

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 .93%, 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, 1.11%. The resulting Sharpe risk-adjusted performance value of 17.40 for our portfolio compared to the 16.47 value for the S&P indicates that our portfolio outperformed the S&P by producing a higher risk-adjusted return (earned a higher return per unit of risk) than 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 1.01. The resulting portfolio's Treynor ratio of .191 compared to the S&P's 0.185 indicates that our portfolio again outperformed the S&P 500 on a risk-adjusted return basis.

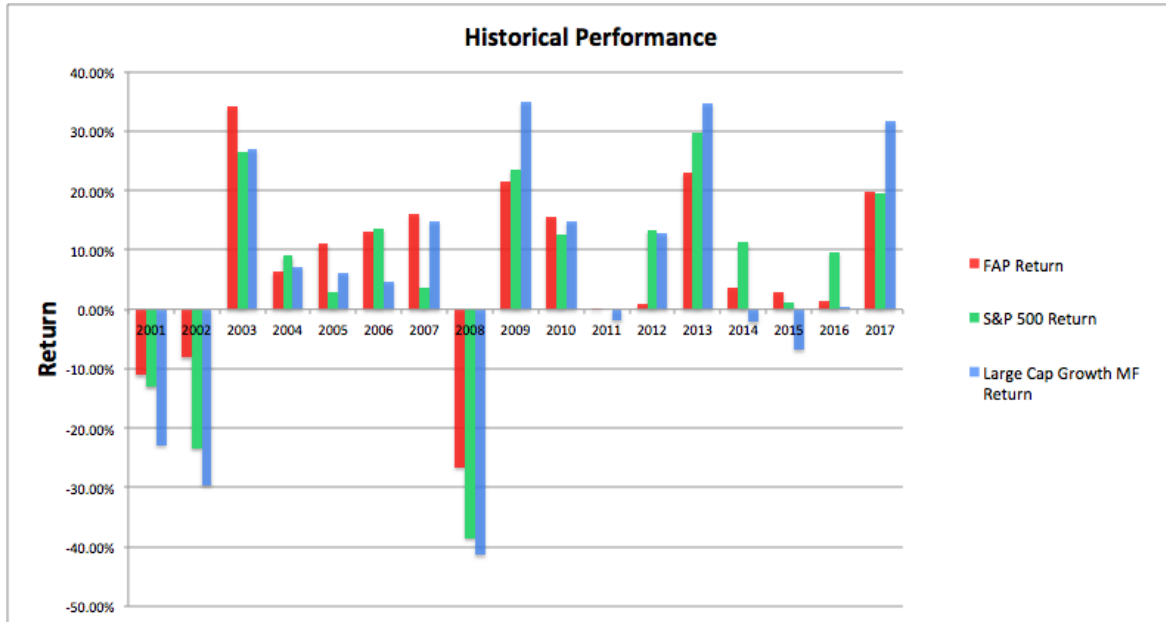


Historical Performance Comparison

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%



2017 Portfolio Financial Statements

Quarter One

	Ticker	Shares	Cost/ Share	Cost Basis	Price/Share	Market Value
Cash and Cash Equivalents				23,081.72		23,081.72
Equities:						
Atmos Energy Corporation	ATO	350	69.94	24,479.49	78.99	27,646.50
Chubb Limited	CB	205	118.51	24,294.55	136.25	27,931.25
CVS Health Corporation	CVS	300	81.89	24,567.00	78.50	23,550.00
DR Horton, Inc.	DHI	780	33.40	26,052.00	33.31	25,981.80
Expedia, Inc.	EXPE	100	122.98	12,298.00	126.17	12,617.00
Facebook, Inc.	FB	195	80.66	15,728.70	141.90	27,669.75
SPRD Gold Trust	GLD	210	116.49	24,462.90	118.72	24,931.20
iShares Core High Dividend	HDV	310	78.03	24,189.30	83.86	25,996.60
PulteGroup, Inc.	PHM	1100	23.79	26,168.01	23.55	25,905.00



Primerica, Inc.	PRI	310	80.51	24,958.10	82.2	25,482.00
PowerShares QQQ ETF	QQQ	220	117.30	25,806.00	132.38	29,123.60
Ferrari NV	RACE	210	65.78	13,813.80	74.36	15,615.60
The Charles Schwab Corporation	SCHW	650	39.50	25,675.00	40.81	26,526.50
Steel Dynamics, Inc.	STLD	710	25.17	17,870.70	34.76	24,679.60
T-Mobile US, Inc.	TMUS	205	62.25	12,761.25	64.59	13,240.95
Texas Instruments, Inc.	TXN	440	59.05	25,982.00	80.56	35,446.40
Ulta Beauty, Inc.	ULTA	100	259.94	25,994.00	285.23	28,523.00
Vanguard Consumer Staples ETF	VDC	180	130.78	23,540.40	140.64	25,315.20
Vanguard Dividend Appreciation ETF	VIG	240	77.92	18,700.80	89.94	21,585.60
Vanguard Total World Stock ETF	VT	420	57.35	24,087.42	65.22	27,392.40
Total Common Stock				441,429.42		495,159.95
Total Assets				464,511.14		518,241.67

Beginning Portfolio Value (1/1/17)	492,234.28
Ending Portfolio Value (3/31/17)	518,241.67
% Change for 1st Quarter	5.28%

Quarter Two

	Ticker	Shares	Cost/Share	Cost Basis	Price/Share	Market Value
Cash and Cash Equivalents				70,388.88		70,388.88
Equities:						
Atmos Energy Corporation	ATO	350	69.94	24,479.49	82.95	29,032.50
Chubb Limited	CB	205	118.51	24,294.55	145.38	29,802.90
Rockwell Collins, Inc.	COL	146	99.09	14,467.14	105.08	15,341.68
DR Horton, Inc.	DHI	390	33.40	13,026.00	34.57	13,482.30
Expedia, Inc.	EXPE	100	122.98	12,298.00	148.95	14,895.00



Facebook, Inc.	FB	195	80.66	15,728.70	150.98	29,441.10
SPRD Gold Trust	GLD	210	116.49	24,462.90	118.02	24,784.20
HEICO Corporation	HEI	166	68.29	11,336.14	71.84	11,925.44
iShares Core High Dividend	HDV	310	78.03	24,189.30	83.13	25,770.30
PulteGroup, Inc.	PHM	550	23.79	13,084.00	24.53	13,491.50
PowerShares QQQ ETF	QQQ	220	117.30	25,806.00	137.64	30,280.80
Ferrari NV	RACE	210	65.78	13,813.80	86.02	18,064.20
The Charles Schwab Corporation	SCHW	650	39.50	25,675.00	42.96	27,924.00
Steel Dynamics, Inc.	STLD	710	25.17	17,870.70	35.81	25,425.10
T-Mobile US, Inc.	TMUS	205	62.25	12,761.25	60.62	12,427.10
Texas Instruments, Inc.	TXN	440	59.05	25,982.00	76.93	33,849.20
Ulta Beauty, Inc.	ULTA	100	259.94	25,994.00	287.34	28,734.00
Vanguard Consumer Staples ETF	VDC	180	130.78	23,540.40	141.02	25,383.60
Vanguard Dividend Appreciation ETF	VIG	240	77.92	18,700.80	92.67	22,240.80
Vanguard Total World Stock ETF	VT	420	57.35	24,087.42	67.53	28,362.60
Total Common Stock				391,597.59		460,658.32
Total Assets				461,986.47		531,047.20

Beginning Portfolio Value (3/31/17)	518,241.67
Ending Portfolio Value (6/30/17)	531,047.20
% Change for 2nd Quarter	2.47%

Quarter Three

	Ticker	Shares	Cost/Share	Cost Basis	Price/Share	Market Value
Cash and Cash Equivalents				59,831.48		59,831.48
Equities:						



Applied Materials, Inc.	AMAT	326	47.3	15,419.80	52.09	16,981.34
Atmos Energy Corporation	ATO	350	69.94	24,479.49	83.84	29,344.00
Chubb Limited	CB	205	118.51	24,294.55	142.55	29,222.75
Rockwell Collins, Inc.	COL	146	99.09	14,467.14	130.71	19,083.66
DR Horton, Inc.	DHI	390	33.40	13,026.00	39.93	15,572.70
Expedia, Inc.	EXPE	100	122.98	12,298.00	143.94	14,394.00
Facebook, Inc.	FB	195	80.66	15,728.70	170.87	33,319.65
SPRD Gold Trust	GLD	210	116.49	24,462.90	121.58	25,531.80
HEICO Corporation	HEI	166	68.29	11,336.14	89.81	14,908.46
iShares Core High Dividend ETF	HDV	310	78.03	24,189.30	85.95	26,644.50
Las Vegas Sands Corporation	LVS	464	32.15	29,556.80	64.16	29,770.24
MKS Instruments, Inc.	MKSI	176	171.89	15,331.36	94.45	16,623.20
PulteGroup, Inc.	PHM	550	23.79	13,084.00	27.33	15,031.50
PowerShares QQQ ETF	QQQ	220	117.30	25,806.00	145.45	31,999.00
Ferrari NV	RACE	210	65.78	13,813.80	110.48	23,200.80
The Charles Schwab Corporation	SCHW	650	39.50	25,675.00	43.74	28,431.00
T-Mobile US, Inc.	TMUS	205	62.25	12,761.25	61.66	12,640.30
Texas Instruments, Inc.	TXN	440	59.05	25,982.00	89.64	39,441.60
Vanguard Consumer Staples ETF	VDC	180	130.78	23,540.40	138.56	24,940.80
Vanguard Dividend Appreciation ETF	VIG	240	77.92	18,700.80	94.79	22,749.60
Vanguard Total World Stock ETF	VT	420	57.35	24,087.42	70.72	29,702.40
Total Common Stock				408,040.85		499,533.30
Total Assets				467,872.33		559,364.78

Beginning Portfolio Value (6/30/17)	531,047.20
Ending Portfolio Value (9/31/17)	559,364.78
% Change for 3rd Quarter	5.33%

Quarter Four



	Ticker	Shares	Cost/Share	Cost Basis	Price/Share	Market Value
Cash and Cash Equivalents				3,285.71		3,285.71
Equities:						
Applied Materials, Inc.	AMA T	326	47.30	15,419.80	51.12	16,665.12
Atmos Energy Corporation	ATO	350	69.94	24,479.49	85.89	30,061.50
Activision Blizzard, Inc.	ATVI	240	62.99	15,116.71	63.32	15,196.80
Chubb Limited	CB	205	118.51	24,294.55	146.13	29,956.65
Rockwell Collins, Inc.	COL	146	99.09	14,467.14	135.62	19,800.52
DR Horton, Inc.	DHI	390	33.40	13,026.00	51.07	19,917.30
Facebook, Inc.	FB	195	80.66	15,728.70	176.46	34,409.70
HEICO Corporation	HEI	166	68.29	11,336.14	94.35	15,662.10
iShares Core High Dividend ETF	HDV	310	78.03	24,189.30	90.14	27,943.40
Houlihan Lokey, Inc.	HLI	355	42.35	15,034.21	45.43	16,127.65
Intercontinental Exc., Inc.	ICE	225	66.30	14,917.48	70.56	15,876.00
Lear Corporation	LEA	174	173.86	30,251.99	176.66	30,738.84
Las Vegas Sands Corporation	LVS	464	63.70	29,556.80	69.49	32,243.36
MKS Instruments, Inc.	MKSI	176	87.11	15,331.36	94.50	16,632.00
PulteGroup, Inc.	PHM	550	23.79	13,084.00	33.25	18,287.50
PowerShares QQQ ETF	QQQ	220	117.30	25,806.00	155.76	34,267.20
Ferrari NV	RACE	210	65.78	13,813.80	104.84	22,016.40
The Charles Schwab Corporation	SCHW	325	39.50	12,837.50	51.37	16,695.25
Stryker Corporation	SYK	194	155.42	30,152.35	154.84	30,038.96
Texas Instruments, Inc.	TXN	440	59.05	25,982.00	104.44	45,953.60
Vanguard Consumer Staples ETF	VDC	180	130.78	23,540.40	146.04	26,287.20
Vanguard Dividend Appreciation ETF	VIG	110	77.92	8,571.20	102.03	11,223.30
Vanguard Total World Stock ETF	VT	420	57.35	24,087.42	74.26	31,189.20
SPDR S&P Biotech ETF	XBI	370	82.59	30,556.71	84.87	31,401.90
Total Common Stock				471,581.05		588,591.45
Total Assets				474,866.76		591,877.16



Beginning Portfolio Value (9/30/17)	559,364.78
Ending Portfolio Value (12/31/17)	591,877.16
% Change for 4th Quarter	5.81%

Portfolio Activity: Purchases

Quarter One

Company Name	Ticker	Date	Shares	Price per Share	Outlay
CVS Health Corporation	CVS	1/25/17	300	\$81.83	\$24,567.00
Jacobs Engineering Group, Inc.	JEC	1/30/17	420	\$61.92	\$26,031.60
Ferrari NV	RACE	2/8/17	210	\$65.72	\$13,813.80
T-Mobile US, Inc.	TMUS	2/13/17	205	\$62.19	\$12,761.25
Primerica, Inc.	PRI	2/27/17	310	\$80.45	\$24,958.10
Addus Homecare Corporation	ADUS	3/15/17	730	\$34.20	\$25,009.80
Total					\$127,141.55

Quarter Two

Company Name	Ticker	Date	Shares	Price per Share	Outlay
PulteGroup, Inc.	PHM	4/3/17	1100	\$23.75	\$26,168.01
DR Horton, Inc.	DHI	4/3/17	780	\$33.34	\$26,052.00
Ebix, Inc.	EBIX	4/19/17	230	\$60.25	\$13,971.30
Heico Corporation	HEI	4/25/17	166	\$68.23	\$11,336.14
Rockwell Collins, Inc.	COL	4/25/17	146	\$99.03	\$14,467.14
Total					\$91,994.59

Quarter Three

Company Name	Ticker	Date	Shares	Price per Share	Outlay
Applied Materials, Inc.	AMAT	9/18/17	326	\$47.24	\$15,419.80
MKS Instruments, Inc.	MKSI	9/18/17	176	\$87.05	\$15,331.36
Las Vegas Sands Corporation	LVS	9/25/17	464	\$63.63	\$29,556.80
Total					\$60,307.96



Quarter Four

Company Name	Ticker	Date	Shares	Price per Share	Outlay
Activision Blizzard, Inc.	ATVI	10/5/17	240	\$62.97	\$15,116.71
Lear Corporation	LEAR	10/27/17	174	\$173.85	\$30,251.99
Stryker Corporation	SYK	10/31/17	194	\$155.41	\$30,152.25
Intercontinental Exchange, Inc.	ICE	11/16/17	225	\$66.29	\$14,917.48
Houlihan Lokey, Inc.	HLI	11/16/17	355	\$42.34	\$15,034.21
SPDR S&P Biotech ETF	XBI	12/5/17	370	\$82.57	\$30,556.71
Total					\$136,029.35

Portfolio Activity: Sales***Quarter One***

Company Name	Ticker	Posting Date	Shares	Price per Share	Cash Received
Steel Dynamics, Inc.	STLD	1/25/17	320	\$35.86	\$11,456.73
Jacobs Engineering Group, Inc.	JEC	3/1/17	420	\$55.62	\$23,334.48
Facebook, Inc.	FB	3/1/17	205	\$135.39	\$14,209.84
Addus Homecare Corporation	ADUS	3/28/17	730	\$30.90	\$22,512.70
Total					\$71,513.75

Quarter Two

Company Name	Ticker	Posting Date	Shares	Price per Share	Cash Received
USA Compressions Partners LP	USAC	4/3/17	1390	\$16.48	\$24,464.00
PulteGroup, Inc.	PHM	4/25/17	550	\$23.76	\$13,035.21
DR Horton, Inc.	DHI	4/25/17	390	\$33.28	\$12,956.52
Primerica, Inc.	PRI	5/17/17	310	\$76.35	\$23,649.48
Ebix, Inc.	EBIX	5/25/17	230	\$54.25	\$12,463.42
CVS Health Corporation	CVS	5/31/17	300	\$76.40	\$22,901.50
Total					\$109,470.13

Quarter Three

Company Name	Ticker	Posting Date	Shares	Price per Share	Cash Received
ULTA Beauty, Inc.	ULTA	8/22/17	100	\$242.24	\$24,217.44
Steel Dynamics, Inc.	STLD	1/25/17	710	\$33.78	\$23,937.37
Total					\$48,154.81

Quarter Four

Company Name	Ticker	Posting Date	Shares	Price per Share	Cash Received
Expedia, Inc.	EXPE	10/31/17	100	\$122.54	\$12,252.21
SPDR Gold Shares	GLD	10/31/17	210	\$120.69	\$25,341.48
T-Mobile US, Inc.	TMUS	11/3/17	205	\$58.89	\$12,070.12
The Charles Schwab Corporation	SCHW	11/16/17	325	\$44.81	\$14,560.15
Vanguard Dividend Appreciation ETF	VIG	12/5/17	130	\$100.09	\$13,011.07
Total					\$77,235.03

Portfolio Activity: Cash Dividends

Quarter One

Company Name	Ticker	Posting Date	Shares	Dividend per Share	Cash Received
Steel Dynamics, Inc.	STLD	1/13/17	1030	\$0.14	\$144.20
Chubb Limited	CB	1/20/17	205	\$0.69	\$141.45
Texas Instruments Incorporated	TXN	2/8/17	440	\$0.50	\$220.00
USA Compression Partners LP	USAC	2/14/17	1390	\$0.52	\$729.75
The Charles Schwab Corporation	SCHW	2/24/17	650	\$0.08	\$52.00
Atmos Energy Corporation	ATO	3/13/17	350	\$0.45	\$157.50
Jacobs Engineering Group, Inc.	JEC	3/17/17	420	\$0.15	\$63.00
Expedia, Inc.	EXPE	3/30/17	100	\$0.28	\$28.00
Vanguard Consumer Staples ETF	VDC	3/30/17	180	\$0.83	\$150.12
iShares High Dividend ETF	HDV	3/30/17	310	\$0.72	\$224.09
Total					\$1,910.11

Quarter Two

Company Name	Ticker	Posting Date	Shares	Dividend per Share	Cash Received
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Vanguard Dividend Appreciation ETF	VIG	4/4/17	240	\$0.43	\$102.00
Vanguard Total World Stock ETF	VT	4/4/17	420	\$0.25	\$106.26
Steel Dynamics, Inc.	STLD	4/10/17	710	\$0.16	\$110.05
Chubb Limited	CB	4/21/17	205	\$0.69	\$141.45
PowerShares QQQ ETF	QQQ	4/28/17	220	\$0.27	\$60.31
CVS Health Corporation	CVS	5/1/17	300	\$0.50	\$150.00
Ferrari NV	RACE	5/2/17	210	\$0.68	\$143.29
Texas Instruments Incorporated	TXN	5/15/17	440	\$0.50	\$220.00
DR Horton, Inc.	DHI	5/19/17	390	\$0.10	\$39.00
The Charles Schwab Corporation	SCHW	5/26/17	650	\$0.08	\$52.00
Rockwell Collins, Inc.	COL	6/5/17	146	\$0.33	\$48.18
Atmos Energy Corporation	ATO	6/5/17	350	\$0.45	\$157.50
Expedia, Inc.	EXPE	6/15/17	100	\$0.28	\$28.00
Vanguard Dividend Appreciation ETF	VIG	6/27/17	240	\$0.52	\$124.32
iShares High Dividend ETF	HDV	6/30/17	310	\$0.72	\$222.62
				Total	\$1,704.98

Quarter Three

Company Name	Ticker	Posting Date	Shares	Dividend per Share	Cash Received
PulteGroup, Inc.	PHM	7/5/17	550	\$0.09	\$49.50
Vanguard Total World Stock ETF	VT	7/5/17	420	\$0.47	\$195.72
Vanguard Consumer Staples ETF	VDC	7/5/17	180	\$1.04	\$186.66
Steel Dynamics, Inc.	STLD	7/7/17	710	\$0.16	\$110.05
Heico Corporation	HEI	7/19/17	166	\$0.08	\$13.28
Chubb Limited	CB	7/21/17	205	\$0.71	\$145.55
PowerShares QQQ ETF	QQQ	7/31/17	220	\$0.38	\$83.25
Texas Instruments Incorporated	TXN	8/14/17	440	\$0.50	\$220.00
Ferrari NV	RACE	8/18/17	210	\$0.18	\$37.25
DR Horton, Inc.	DHI	8/23/17	390	\$0.10	\$39.00
The Charles Schwab Corporation	SCHW	8/25/17	650	\$0.08	\$52.00
Rockwell Collins, Inc.	COL	9/5/17	146	\$0.33	\$48.18



Atmos Energy Corporation	ATO	9/5/17	350	\$0.45	\$157.50
Expedia, Inc.	EXPE	9/14/17	100	\$0.30	\$30.00
Vanguard Dividend Appreciation ETF	VIG	9/25/17	110	\$0.94	\$103.20
iShares High Dividend ETF	HDV	9/29/17	310	\$0.73	\$226.81
				Total	\$1,697.95



Quarter Four

Company Name	Ticker	Posting Date	Shares	Dividend per Share	Cash Received
Vanguard Total World Stock ETF	VT	10/2/17	420	\$0.35	\$148.68
Vanguard Consumer Staples ETF	VDC	10/2/17	180	\$0.77	\$138.78
PulteGroup, Inc.	PHM	10/3/17	550	\$0.09	\$49.50
Chubb Limited	CB	10/20/17	205	\$0.71	\$145.55
PowerShares QQQ ETF	QQQ	10/31/17	220	\$0.32	\$70.26
Texas Instruments Incorporated	TXN	11/13/17	440	\$0.62	\$272.80
The Charles Schwab Corporation	SCHW	11/24/17	650	\$0.08	\$52.00
Rockwell Collins, Inc.	COL	12/4/17	146	\$0.33	\$48.18





MKS Instruments, Inc.	MKSI	12/8/17	176	\$0.18	\$31.68
Atmos Energy Corporation	ATO	12/11/17	350	\$0.49	\$169.75
Applied Materials, Inc.	AMAT	12/14/17	326	\$0.10	\$32.60
Houlihan Lokey, Inc.	HLI	12/15/17	355	\$0.20	\$71.00
DR Horton, Inc.	DHI	12/15/17	390	\$0.20	\$78.09
Vanguard Consumer Staples ETF	VDC	12/19/17	180	\$1.04	\$186.43
Vanguard Total World Stock ETF	VT	12/22/17	420	\$0.49	\$206.43
iShares High Dividend ETF	HDV	12/26/17	310	\$0.78	\$240.66
SPDR S&P Biotech ETF	XBI	12/26/17	370	\$0.03	\$12.85
Vanguard Dividend Appreciation ETF	VIG	12/27/17	110	\$0.55	\$60.07
Lear Corporation	LEA	12/27/17	174	\$0.50	\$87.00
PowerShares QQQ ETF	QQQ	12/29/17	220	\$0.33	\$72.47
Las Vegas Sands Corporation	LVS	12/29/17	464	\$0.73	\$338.72
Intercontinental Exchange, Inc.	ICE	12/29/17	225	\$0.20	\$45.00
				Total	\$2,558.50

Stocks in the FAP Portfolio

Applied Materials	
<p>Ticker: AMAT Current Price: \$51.12 Sell Price: \$44 Recommendation: Hold Analyst: Kyle Bandy</p>	<p>Applied Materials is a semiconductor capital equipment company, which engineers highly sophisticated manufacturing and process technologies used to build complex chips and displays.</p> <p><u>Growth Catalyst:</u> A much broader set of demand drivers which span smartphones, data centers, and artificial intelligence are fueling AMAT's markets.</p>



	<p><u>What to Watch for:</u> Breakthroughs in materials and materials engineering are key to new growth rather than purely focusing on shrinking transistor size.</p>
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<p>Activision Blizzard Inc.</p>	
<p>Ticker: ATVI Current Price: \$63.32 Sell Price: \$58.50 Recommendation: Hold Analyst: Maxx Prado</p> 	<p>Activision Blizzard, Inc. develops and publishes games for video game consoles, personal computers (PC), mobile devices, and online social platforms. The company operates through three segments: Activision Publishing, Inc., Blizzard Entertainment, Inc., and King Digital Entertainment.</p> <p><u>Growth Catalyst:</u> Activision Blizzard remains a leader in the markets for interactive entertainment, and boasts tremendous audience reach and healthy user engagement. The firm is well placed to consolidate its leading position by developing compelling new versions of its existing profitable franchises.</p> <p><u>What to Watch for:</u> Exports have been on the rise for the last few years and capitalizing on this shift has been a priority for Activision Blizzard. Releasing the first major tests of a model similar to that of other professional sports, Activision's Overwatch League debuted in the beginning of fiscal 2018. Activision may not have break out financial results, but what investors should be looking for is indications that these leagues are sustained through high viewer engagement.</p>

<p>Chubb Limited</p>	
<p>Ticker: CB Current Price: \$146.13 Sell Price: \$120 Recommendation: Hold</p>	<p>Chubb is the world's largest publicly traded property and casualty insurer. With operations in 54 countries, Chubb provides a variety of property,</p>





<p>Analyst: Gillian Glover</p> <p>CHUBB</p>	<p>accident, health, and life insurance to a diverse group of clients.</p> <p><u>Growth Catalyst:</u> Chubb's product and geographic diversification differentiates itself from the majority of its competitors and has been a source of stability during periods of industry volatility.</p> <p><u>What to Watch for:</u> Chubb is sensitive to international political climates. Political uncertainty could lead to volatility or have an adverse effect on its business, liquidity, and financial condition.</p>
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<p>Rockwell Collins Inc.</p> <p>Ticker: COL Current Price: \$135.62 Sell Price: \$125 Recommendation: Hold Analyst: Ramish Nadeem</p> <p>Rockwell Collins</p>	<p>Rockwell Collins is an American multinational company that provides and services information technology and avionics systems and services to government agencies and aircraft manufacturers.</p> <p><u>Growth Catalyst:</u> COL agreed to be acquired by United Technologies for \$140 a share in cash and stock. Sales rose 28% in FY 18. This reflects the addition of B/E aerospace. Organic revenues are also up 4% from COL benefiting from growth in government systems.</p> <p><u>What to Watch for:</u> With mergers and acquisitions, the risk for operational and integration issues is always present. In addition, renewed defense budget pressures and lower-than-expected commercial growth pose risks.</p>
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D.R. Horton	
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<p>Ticker: DHI Current Price: \$51.07 Sell Price: \$46.50 Recommendation: Hold Analyst: David Strong</p> 	<p>D. R. Horton is the largest home construction company in the United States. The company works in East, Midwest, Southeast, South Central, Southwest, and West America. It engages in the acquisition and development of land; and construction and sale of homes in 26 states and 79 markets in the United States under the names of D.R. Horton, America's Builder, Express Homes, Emerald Homes, Freedom Homes, and Pacific Ridge Homes.</p> <p><u>Growth Catalyst:</u> Home Builders had a very strong 2017 and 2018 looks to be just as strong. With tightening supply and consumer confidence increasing as well as unemployment decreasing more first time homebuyers are entering the market.</p> <p><u>What to Watch for:</u> Tightening monetary policy and increasing labor costs may have an effect on the business but D. R. Horton seems poised to do well in 2018.</p>
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<p>Facebook</p> <p>Ticker: FB Current Price: \$176.46 Sell Price: \$155 Recommendation: Hold Analyst: Jebb Vandervalk</p> 	<p>Facebook, Inc develops various social media applications to connect people through mobile devices, personal computers, and other surfaces. It offers various platforms for users to connect by sharing ideas, photos, and videos. Facebook product line includes Facebook, Instagram, Facebook Messenger, WhatsApp, and Oculus.</p> <p><u>Growth Catalyst:</u> Facebook views their Facebook Messenger and WhatsApp, two messaging apps that each have more than 1 billion users, as key sources of revenue in the coming years. Long-term, there could be realized benefits through development of artificial intelligence for its platforms and virtual reality experience through its Oculus program.</p> <p><u>What to Watch for:</u> Facebook has stated that they plan to lower the average daily time spent on the platform and focus on higher quality, meaningful connections. Facebook has cautioned</p>
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	slower growth in ad revenue as they cut ad volume to drive up prices for limited advertising space.
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Heico Corporation	
<p>Ticker: HEI Current Price: \$94.35 Sell Price: \$66 Recommendation: Hold Analyst: Riley Wayland</p> 	<p>Heico Corp. (HEI) is an aerospace/electronics company, & produces products for aircraft/spacecraft, defense systems, medical equipment, and telecommunications services.</p> <p><u>Growth Catalyst:</u> New acquisitions in both the Flight Support Group and the Electronic Technologies Group, the two operating segments of Heico, have been very profitable. Heico has proved previous acquisitions to be profitable for the company and will continue to make acquisitions as it is beneficial to Heico, its shareholders, and employees.</p> <p><u>What to Watch For:</u> Heico made the largest acquisition in its company's history in 2017 by acquiring AeroAntenna, and added the company to its Electronic Technologies Group. The acquisition will hit the books in 2018 and is projected to have positive effects in 2018 as well.</p>

HDV (ETF)	
<p>Ticker: HDV Current Price: \$90.14 Sell Price: \$72.51 Recommendation: Hold Analyst: Maranda Kahl</p> 	<p>The iShares Core High Dividend ETF (HDV) seeks to track the investment results of an index composed of relatively high dividend paying U.S. equities. Eligible securities must pass two Morningstar proprietary screens, each designed to ensure sustainability. The first is the presence of an economic “moat”—something that sets the firm apart from its peers which should help it weather downturns. The second is a forward-looking comparison of assets to liabilities. REITs are excluded. Stocks that make the cut are ranked by yield; the top 75 make the cut. Stocks are weighted by the total dollar amount of dividends paid rather than yield.</p>





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Houlihan Lokey, Inc.	
<p>Ticker: HLI Current Price: \$45.43 Sell Price: \$39.50 Recommendation: Hold Analyst: Brett Berdinsky</p>  <p>HOULIHAN LOKEY</p>	<p>Houlihan Lokey, Inc. is an independent investment bank that offers expertise in mergers and acquisitions, financings, and financial restructuring.</p> <p><u>Growth Catalyst:</u> The company has seen strong financial performance from all three of its operating segments; Corporate Finance, Financial Restructuring, and Financial Advisory. However, the Corporate Finance segment has seen the largest improvements with a 46% YOY increase in revenues and profits nearly doubled in Q4 of 2017.</p> <p><u>What to Watch for:</u> HLI is revamping its government contracting investment banking practice. The company is merging Bluestone Capital Partners, a boutique firm in northern Virginia, into its aerospace, defense, and government services group.</p>

Intercontinental Exchange, Inc.	
<p>Ticker: ICE Current Price: \$70.56 Sell Price: \$61.50 Recommendation: Hold Analyst: Brett Berdinsky</p>	<p>Intercontinental Exchange, Inc. (ICE) owns and operates the leading global, electronic marketplace for trading both futures and over-the-counter (OTC) energy contracts and the leading soft commodity exchange.</p> <p><u>Growth Catalyst:</u></p>





	<p>Energy markets will continue to attract high numbers of hedgers and speculators, positioning ICE to profit from continued volume growth. Regulatory reform and pro-business policies from the Trump Administration.</p> <p><u>What to Watch for:</u> ICE will probably continue to invest in its infrastructure. It ought to focus on technological innovation to improve its platforms and services, and make its business more efficient. Also, the company has raised the annual dividend each year since it initiated the payout.</p>
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<p>Lear Corporation</p>	
<p>Ticker: LEA Current Price: \$176.66 Sell Price: \$162 Recommendation: Hold Analyst: Will Preston</p> 	<p><u>Growth Catalyst:</u> The company is well-positioned to capitalize on several trends in the global automotive industry, including automakers' focus on quality interiors, premium-vehicle segment growth, and the proliferation of automotive electronics. Lear competes within the markets for vehicle seating and automotive power and electric signal management. A culture of continuous innovation, high switching costs for customers, highly integrated engineering relationships with customers, and lengthy vehicle programs provide Lear with sticky market shares.</p> <p><u>What to Watch for:</u> Economic profitability may be at risk if steel, copper, aluminum, or plastic resin prices return to the highs of the last decade</p>


<p>Las Vegas Sands Corp.</p>	
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<p>Ticker: LVS Current Price: \$69.49 Sell Price: \$60.45 Recommendation: Hold Analyst: David Strong</p> 	<p>Las Vegas Sands owns and operates casinos and resorts in the United States and Asia. Sheldon Adelson is the CEO and LVS owns some of the nicest resorts and hotels in the world.</p> <p><u>Growth Catalyst:</u> Macau gaming revenue grew more than 36% last quarter and as the largest market for casinos it should continue to grow. LVS is also looking into opening one of the first casinos in Japan waiting on governmental approval.</p> <p><u>What to Watch for:</u> An economic pullback would be very bad for the casino business and slower growth in Macau would heavily impact LVS.</p>
<p>MKS Instruments</p> <p>Ticker: MKSI Current Price: \$94.50 Sell Price: \$81 Recommendation: Hold Analyst: Kyle Bandy</p> 	<p>MKS Instruments is a semiconductor capital equipment company, which primarily serves the markets of semiconductor devices, process manufacturing, environmental, life sciences and scientific research.</p> <p><u>Growth Catalyst:</u> The integration of Newport Corp. into MKSI's light and motion segment is ahead of schedule and excellent growth opportunities are arising from the strategic acquisition.</p> <p><u>What to Watch for:</u> Further success of long-term strategic investments alongside the deleveraging of the Company's balance sheet.</p>





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Pulte Group	
<p>Ticker: PHM Current Price: \$33.25 Sell Price: \$29.36 Recommendation: Hold Analyst: David Strong</p> 	<p>The PulteGroup is involved in the acquisition and development of land primarily for residential purposes; and the construction of housing on such land. It offers various home designs, including single-family detached, townhouses, condominiums, and duplexes under the Centex, Pulte Homes, Del Webb, DiVosta Homes, and John Wieland Homes and Neighborhoods names.</p> <p><u>Growth Catalyst:</u> In 2018 consumer confidence seems to be on the rise and with strong employment numbers the housing market still has a lot of room to grow. With demand at an all-time high and with supply not being able to keep up PHM is poised for solid growth in 2018. They still have a huge amount of houses on backlog and demand is very strong.</p> <p><u>What to Watch for:</u> The company warns of higher labor and commodity costs which could hurt their margins in 2018 but seem to still be poised for solid growth. Increasing interest rates should also have a negative effect on housing.</p>

PowerShares QQQ	
<p>Ticker: QQQ Current Price: \$155.76 Sell Price: \$108.81 Recommendation: Hold</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 of 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>





	
<p>Ferrari N.V.</p> <p>Ticker: RACE Current Price: \$104.84 Sell Price: \$100 Recommendation: Hold Analyst: Maranda Kahl</p> 	<p>Ferrari N.V. designs, engineers, and produces a line of high-performance sports cars, with sales in over 60 markets worldwide. The company traces its roots back to 1947, but it became a standalone corporation when it was spun off from Fiat Chrysler in January 2016.</p> <p><u>Growth Catalyst:</u> Ferrari continues to post strong results, increasing the number of shipments by nearly 3% year over year, while its waitlist steadily grows. As demand for luxury vehicles continues to rise, Ferrari will benefit. Over the past year shipments in the Asia-Pacific region excluding China, Hong Kong, and Taiwan rose 7%, with healthy growth of 16% in Japan. In the EMEA region and the Americas, shipments expanded 5%. International demand is expected to expand in 2018.</p> <p><u>What to Watch for:</u> Ferrari has performed extremely well in the last year, and although they continue to beat their expectations, investors have shown some disappointment that RACE's growth has not been as exceptional as it was in Q1 and Q2 of 2017. Investors should also watch for the potential manufacture of SUVs and electric vehicles in the near future, which could prove profitable for RACE.</p>
<p>Charles Schwab Corp.</p> <p>Ticker: SCHW Current Price: \$51.37</p>	<p>Charles Schwab Corp is a savings and loan holding company, which is engaged in securities brokerage,</p>





<p>Sell Price: \$45 Recommendation: Hold Analyst: Kyle Bandy</p> 	<p>banking and related financial services through two main segments: Investor Services and Advisor Services.</p> <p><u>Growth Catalyst:</u> Net interest revenue will grow with higher short-term rates and growing client cash balances. Asset management and administration fees continue to increase revenues, largely attributable to growing balances in advised solutions, mutual funds, and ETFs.</p> <p><u>What to Watch for:</u> Further interest rate hikes will benefit SCHW and help accelerate further growth of revenues and profits in 2018.</p>
<p>Stryker</p> <p>Ticker: SYK Current Price: \$154.84 Sell Price: \$144 Recommendation: Hold Analyst: Jebb Vandervalk</p> 	<p>Stryker Corp is one of the largest and most diversified medical equipment sellers in the global market. Stryker Corp. operates three main product divisions: Orthopaedics, Medical-Surgical, and Neurotechnology and Spinal.</p> <p><u>Growth Catalyst:</u> Internal growth through research and development remains key to company growth. Beyond internal development, Stryker's strong balance sheet makes them a strong player in the acquisition. Two recent acquisitions, Entellus and Mako Surgical, look to improve domestic and international performance.</p> <p><u>What to Watch for:</u> Smooth integration of recent acquisitions is crucial to minimize costs and steadying 2018 performance. Furthermore, continued acquisition activity is expected in coming year to spur growth.</p>



Texas Instruments	
<p>Ticker: TXN Current Price: \$104.44 Sell Price: \$88.80 Recommendation: Hold Analyst: Riley Wayland</p> 	<p>Texas Instruments is an American technology company that designs and manufactures semiconductors and various integrated circuits. TI is a global leader in the semiconductor industry and operates two core sectors, Analog and Embedded Processing.</p> <p><u>Growth Catalyst:</u> Texas Instruments has continued to expand its 300 mm analog output, to meet the increasing demand from customers. TI has a very large and diversified customer base that allows it to weather downturns in particular industries.</p> <p><u>What to Watch for:</u> TI has continued to improve its Gross Profit Margins and is predicted to do so throughout 2018 as they further expand their 300mm Analog output wafers, which cost significantly less than the 200 mm wafers. TI will look to continue its sales increases in the automobile industry as demand is expected to continue to increase in 2018. Long time CEO, Rich Templeton, will be succeeded by Brian Cutcher in June this year as part of a well-planned succession.</p>

Vanguard Consumer Staples ETF	
<p>Ticker: VDC Current Price: \$146.04 Sell Price: - Recommendation: Hold</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 nondurable household goods.</p>



Vanguard Dividend Appreciation ETF	
<p>Ticker: VIG Current Price: \$102.03 Sell Price: - Recommendation: Hold</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>
Vanguard Total World Stock ETF	
<p>Ticker: VT Current Price: \$74.26 Sell Price: - Recommendation: Hold</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. The fund's breadth effectively diversifies company-specific risk, and its cost advantage should give it an edge over the long term.</p>
SPDR S&P Biotech ETF	
<p>Ticker: XBI Current Price: \$104.44 Sell Price: -</p>	<p>The SPDR S&P Biotech ETF attempts to match the return performance of the S&P Biotechnology Select Industry Index. Because of its particular composition of assets, it allows exposure to the biotechnology sub-industry. By seeking to track a modified equal weighted index, this ETF allows for diverse, broad, and dilute industry exposure across large, mid, and small cap stocks. This allows for diversification of company and size specific risks, while providing exposure to the industry.</p>





Meet the Analysts

Kyle Bandy

Co-Portfolio Manager



Kyle Bandy is a senior accounting major from Austin, TX. This is his second year participating in the Financial Analyst Program. Kyle was the recipient of the 2018 Outstanding Accounting Student Award. He joined the program in Spring of 2016 as Webmaster and was selected as Co-Portfolio Manager in Spring of 2017. He has also worked at Avant Technology, assisting in an operational audit of their accounting department. His goals include passing the CPA examination upon graduation and attending graduate school to attain a Master in Professional Accounting degree with a focus on taxation.

Brett Berdinsky

Webmaster

Brett is a senior from Frisco, TX graduating with a Bachelor of Arts in Business with a minor in Economics in Spring of 2018. He has gained business experience through his internship at Lockton Companies as well as at Willis Towers Watson. During his time at Southwestern University Brett played on the men's soccer team and was a member, as well as, the Treasurer of Kappa Alpha Order.





Maranda Kahl

Co-Portfolio Manager



Maranda is a senior from Sherman, TX graduating in May of 2018 with a Bachelor of Arts in both Economics and Business and a minor in Environmental Studies. This is Maranda's second year in the Financial Analyst Program. She previously served as Secretary for the 2016-2017 school year. While at Southwestern, she has served as a Head Resident Assistant, a Student Representative on the University Committee on Discipline, and Vice President of Sigma Phi Lambda. Maranda is also a King Creativity Scholar and a Teaching Assistant for the Economics Department. Her career experiences include her research on mental health and marital status for her Economics Honors Thesis and interning with the District Attorney's Office in Grayson County for the summer of 2017. Maranda was also a four-year member of the women's tennis team, setting SCAC records for doubles winning percentages for the conference.

Will Preston

Statistician

Will is a senior from Sugar Land, TX graduating in May of 2018 with a Bachelor of Arts in Business with a minor in Communication Studies. His interests in the financial markets led to his joining of the FAP, where he was selected as the program's Statistician in the Spring of 2017. During his time at Southwestern, he also developed an interest in the sciences, which led to the founding of the Southwestern Astronomy Club. Will has served as the club's President since its founding in the fall of 2017. In addition, he has played on the Southwestern University Men's Baseball Team during his time here. His goals include pursuing a Master's degree in Finance and eventually becoming a Venture Capitalist.





David Strong

Market Technician



Riley Wayland

Accountant

David is a senior from Tucson, Arizona graduating in May of 2018 with a Bachelor of Arts in Economics. David joined the FAP in Spring of 2017 and took on the role as the market technician. During his time at Southwestern, he played on the Men's' Varsity Tennis Team and is the former finance chair of the Kappa Alpha Order. His work experience includes teaching tennis and a research analyst internship at a boutique mutual fund named The Archer Funds.



Riley is a Senior from Plano, Texas graduating in May of 2018 with a Bachelor of Arts in Business and a Bachelor of Science in Physics. During his time at Southwestern he has been a Pitcher and Outfielder on the Southwestern Baseball Team, leading the Southern Collegiate Athletic Conference in Saves during the 2015 Season. Riley is also a member of the Alpha Chi, Omicron Delta Kappa, & Chi Alpha Sigma Honor Societies. Riley gained valuable experience as the Business Development Intern for Progenity, Inc, a Biotech company based in La Jolla, California. While at Progenity, Riley worked on the company's flagship R&D product, a novel drug delivery device, and determined its potential applications to Colorectal Cancer.



Gillian Glover

Public Relations



Gillian joined the program in the Spring of 2017 as Public Relations chair. She is from Amarillo, TX and is planning to graduate in May of 2018 with a Bachelor of Arts in Business and in Spanish with a minor in Mathematics. During her time at Southwestern, she has served as Tri Delta's Music Chair and Membership Development Chair. She is currently serving as Membership Vice President for Tri Delta. Gaining international experience, Gillian studied Spanish abroad in Granada, Spain over the Summer of 2017.

Ramish Nadeem

Annual Report Editor



Ramish is a Junior from Denton, TX pursuing his Bachelor of Arts in Economics with minors in Chemistry, Mathematics, and Art History and plans to graduate in May of 2019. His interests in the financial markets surrounding biotechnology and genetics led to his joining the program in the Spring of 2017 as Annual Report Editor. He has interned internationally at a public health NGO working with the World Health Organization on a public awareness campaign for a micronutrient initiative as well as an assessment of tobacco consumption in the context of a developing nation. During his time at Southwestern, Ramish founded the school's Muslims and Allies group and has worked on issues of immigration and reproductive health policy on the national level in an organizational and lobbying capacity. He has also contributed extensively on original research projects with small cell-penetrating peptides in Biochemistry and presented on these projects at relevant conferences. In the economics department, Ramish has worked as a teaching assistant for Principles of Economics and Finance courses. As part of his econometrics work, he conducted original policy analysis research into the public health outcomes of state-level sex education legislation, uncovering novel and unreported insights. He also serves on the Board of Directors for the Austin-area non-profit MuslimSpace.



Jebb Vandervalk

Economist



Jebb is a junior from Anchorage, AK who expects to graduate in May of 2019 with a Bachelor of Arts in Financial Economics and Accounting. He joined the program in Spring 2017 and assumed the role of Economist in May of 2017. 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. During his time at Southwestern, Jebb previously worked as a Resident Assistant and currently serves as a teaching assistant for the Economics Department.

Maxx Prado

Secretary



Maxx is a senior from Dallas, TX and will be graduating with a Bachelor of Arts in Financial Economics in May of 2018 with a minor in Business. During the summer of 2017, he interned for Santander Compliance Analytics. He also has experience as a volunteer Income Tax Assistant during the Fall of 2017. As a member of the Kappa Alpha Order, Maxx has been active on the Philanthropy Committee.



What We Learned

Kyle Bandy

The two years that I have been in the Financial Analyst Program have been an invaluable experience. As the Co-Portfolio manager I have had the opportunity to build both my leadership and team-working skills. 2017 was an especially great year to be a member of the Program as our team was able to participate in a strong year for the stock market which we were able to translate to our portfolio as well.

Brett Berdinsky

I believe that my biggest improvement has been my ability to do research on the stock market and be able to analyze the information given by our databases. This will primarily help me with my personal finances and my future career opportunities.

Maranda Kahl

I came into this program two years ago with textbook knowledge of economics and finance, but little real-life or professional experience. The Financial Analyst Program has taught me how to collaborate with others, disagree with my peers in a positive and polite way, and adapt my leadership style depending on a group's dynamics. From time spent on individual research, to group debates about ethics, to discussions on investment strategies, I have gained memorable real-world experiences. My involvement with the FAP has been incredible, and I am thankful to have met and worked with so many passionate people over the last two years.

Will Preston

Aside from all of the finance and investment knowledge I have gained during my time in the FAP, I believe my confidence in myself as an analyst has grown. I have learned that while research and financial know how are extremely important when dealing with investment decisions, it is also very important to



not waiver in your convictions when in discussions. I have also grown merely by listening to my fellow group members. Hearing different opinions and concepts from all the analysts has accelerated my financial education much faster than a semester long class. Having the ability to ask pointed questions about real-world situations and examples has been very valuable.

David Strong

This program has helped me go through an intense research process looking into many different industries and markets. Creating a proposal for a stock has helped my presentation skills as well as learning how much research needs to go into a proposal before being able to present it. Presenting my research to the group has also helped me grow professionally as I am now more confident in presenting my own work.

Riley Wayland

Coming into the FAP, I had a baseline knowledge of finance and investing. The FAP has helped me grow my knowledge in these areas greatly as well as teaching me important lessons in working with groups & sticking to guidelines and parameters. Getting the opportunity to hear my fellow members & Dr. Nguyen's viewpoints has allowed me to think of investing in a deeper & different manner than I had previously done before joining the FAP.

Gillian Glover

This program has showed me what it's like to invest real money with real gains and losses. Through FAP, I had a chance to apply things I learned in my finance classes to actual investment decisions.

Ramish Nadeem

This program was the first to challenge me to thoroughly research and investigate a diverse array of markets against the wider macroeconomic background towards making investment decisions in the broader context of our portfolio. To try and balance all of these competing viewpoints and perspectives while facing the pressure of making a decision in a timely manner without being able to exhaustively examine all the sources proved challenging, but highly rewarding. It was also incredible to be able to translate basic economic principles along with the deeper understanding of the market from courses like Finance and Investments to the dizzying market itself. I feel I am much better at making decisions from a place of uncertainty, managing risk, and presenting my case to my team than I was at the start of the



program. I am excited to continue to learn about creating productive group dynamics, examining new industries, and engaging with mentorship as I move into my second year of participation in the program.

Jebb Vandervalk

The Financial Analyst Program has taught me so much in just a year's time. The application of educational knowledge to first-hand investing has further developed my undergraduate work in Financial Economics and Accounting and introduced me to new challenges I would not have otherwise encountered. 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. I am excitedly looking forward to my second year in the program and the new experiences that await.

Maxx Prado

The Financial Analyst program has allowed me to experience the challenges that accompany managing a portfolio. Through team collaboration and continual market forecasting, the fund has taught me the values of technical and fundamental analysis. Being part of a team has also taught me the importance of perspective. Overall, the program has provided me with an encompassing financial experience that will found my professional career after college.

Thank You

We would like to thank the Department of Economics and Business at Southwestern University for their continued support for the Financial Analyst Program. We would also like to thank our Faculty Advisor, Dr. Hazel Nguyen, for her contributions of time, knowledge, and support to the program and all its members. Her patient pedagogy and guidance facilitated all of our growth as students, professionals, and individuals in the program. We could not have succeeded 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's transition to Dr. Nguyen's advisement.

We would also like to extend our immense gratitude to our FAP donors for their financial support which has allowed the Program to succeed. The Student Fund Managers would also like to personally extend our gratitude to our donors for their contributions to our chicken nugget supply that kept us fueled during



meetings.

An enormous thank you also goes out to our parents, families, and support networks who help in numerous ways to uplift our academic and extracurricular activities at Southwestern. 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.

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

