



Annual Report

2015-2016

Student Investment Fund

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Letter from the Student Executive Officer

To the Visionaries,

It has been my absolute pleasure to serve as the current Executive Officer for the spring 2016 Student Investment Fund. The Student Investment Fund (“SIF” or “Fund”) turned in an acceptable performance this semester. Later in the report, we present metrics and discuss transactions that led to our performance.

The SIF allows students to put theory to practical application. After many classes in finance, risk and portfolio management, this course lets us apply academic skills to practical portfolio management. This past year, we emphasized working as a team and incorporating committee research into our investment decisions. During the semester we conducted analysis on our sectors, industries, and existing securities. Finally each analyst presented an in depth analysis of a new security proposed for the Fund. One of the lessons we learned was to know when NOT to recommend the new security we selected earlier in the semester. Our skills do sharpen over the semester.

Again this year, analysts worked hard to develop ways to meet or exceed the S&P 500 index. We exercised measures that allowed the Fund to increase exposure in the sectors that we felt had the most favorable market conditions. We reduced the exposure for the sectors where we thought growth would be constrained.

The best result of our hard work extends beyond the fund’s performance and the grades we earned. We picked up a lifelong set of skills from which great experience can be built. Combining the generosity of Friends of Finance with our investment performance, we provided over \$700,000 in scholarships over the past 14 years. Founded in 1998 with \$300,000 and a creative vision of allowing students to manage its assets, the Fund has increased its value to \$4,463,756 as of April 29th, 2016.

Regarding performance, as of April 29th, we trailed the S&P 500 index by 86 basis points year to date, and by 48 and 53 basis points for 1 and 3 year returns. However our 5, and 10 year returns exceeded the benchmark. Ability to beat the S&P index over the long term is attributed to the outstanding leadership of the board and faculty, the quality education received in the business program, the consistent analysis of our assets and also paying close attention to sector allocation in relation to market conditions. We close this semester overweight in the sectors of Consumer Staples, Consumer Discretionary and Healthcare. While our sector decisions proved accurate in 2016, three individual stocks drove our performance below the benchmark. The market lost confidence in the growth prospects of our one home building stock, Toll Brothers, along with our recently acquired Costco. Apple’s disappointing iPhone sales hurt our information technology sector performance, even though we were underweight technology.

The first quarter this year, after careful deliberation, the SIF executed 13 trades, resulting

in realigning \$913,731.20 which is 20.47% of the fund. More than \$700,000 was from the movement of funds from S&P 500 Spider (SPY) to Vanguard 500 Index Fund (VOO) which reduces management fees paid and, hence, increases the SIF return. Our decision to exit a battered down energy stock illustrated some opportunity cost as that stock partially recovered early in the second quarter.

Looking ahead, the fund will be in passive management until the Fall SIF class starts.

To conclude, we want to thank all of you for your encouragement and dedicated support for the Student Investment Fund. Also special thanks to Judy Adair, Dr. Burgess, Dr. Collins, the Friends of Finance officers and directors, and the many other people who help along the way. We want to thank the SIF advisory board for their guidance that consistently improves the governance of our Fund. We also want to thank Bob Branson and the Better Investing Greater Tulsa Chapter for the opportunity to attend meetings and experience insightful investment practices. Finally, we want to thank our friends at Merrill Lynch, the Brown Shannon Hird Wealth Management Group for the flawless execution of trades and developmental feedback.

We all should continue the support and donations that allow the future growth of the SIF and the distribution of scholarships. The University of Tulsa is known for preparing its graduates for the professional level of the workforce and this course is an excellent example. I encourage all of us to contribute to this vision for years to come.

Gratefully,



Jason F. Sauer
Student Executive Officer
Student Investment Fund
jason-sauer@utulsa.edu

Mission Statement

“As members of the University of Tulsa’s Student Investment Fund, we will meet for the purpose of furthering our knowledge of financial management, elevating our experience in the investment arena, promulgating our objectives and purposes to the public, mastering the practices, habits, and ethics of finance professionals, and for the promotion of social and professional relationships amongst our members. This background will provide us with superior knowledge and competitive ability in our professional field.

We will also, as beneficiaries, endeavor to provide superior returns to our shareholders; those individuals who have enabled us to enjoy this experience by donating to the Finance Excellence Fund.” -Adopted January 23rd, 2001

Investment Objectives and Restrictions

Each portion of the Fund shall be under the supervision of the members and subject to the following objectives and restrictions.

- The Index Fund Portion shall consist of investments in the S&P Depository Receipts Exchange Traded Fund (“SPY”) or Vanguard’s 500 ETF (“VOO”).
- The Cash Equivalent Portion shall consist of Cash in the Operating Budget and FDIC insured bank deposits custodied at Merrill Lynch.
- Fixed Income investing is not currently permitted in the fund.
- The Equity Portion shall consist of investments in common stocks. The fund may invest in foreign exchange traded funds (ETFs) denominated in US dollars and traded on a US exchange.
- As a goal for return on a risk-adjusted basis, the Equity portion of the Fund should have positive alpha relative to the S&P 500 index over the long term. This will ordinarily require an equity portfolio with somewhat higher risk than the market.
- An initial investment in any one stock should not be more than 5% of the Funds principal without written approval of the Board.
- The total investment in any one stock held by the Fund should account for no more than 5% of the common stock investment portion without written approval of the Board.
- With respect to sector diversification, the Fund’s diversification shall be relative to the S&P 500. More specifically, the Fund shall have no more or less than 50% difference in the sector weightings in comparison to the S&P 500 sector weightings. For clarity, if a sector accounts for 12% of the S&P, the SIF proportion must be between 6% and 18%. Sectors with S&P 500 weightings below 5.0% of the total S&P 500 weight may be adjusted to 0-8% of the SIF portfolio. If parameters are exceeded, or not met, the portfolio committee will decide if action needs to be taken.
- All securities purchases for the portfolio must have a market capitalization of \$2 billion or greater.

- The Index Fund portion will be required to be a minimum of 30% of the overall Fund. This portion of the Fund acts as a measure of volatility control. More specifically, this will help control the risk and return of the overall Fund consistent with commercial Mutual Fund investing.
- The cash equivalent portion of the Fund for performance monitoring purposes will be compared against the returns of the 91-day Treasury bill. The cash portion will be invested in FDIC insured bank accounts custodied at Merrill Lynch. Consequently, the cash balance may not exceed \$250,000. The fund maintains cash to allow for liquidity and flexibility with transaction timing. SIF recognizes that liquidity management is not a high priority for the fund because redemptions are entirely within the SIF's discretion. We recognize that cash holdings reduce return. Consequently, cash holdings in excess of 1% of the fund must be invested. Since material contributions are made during the year, SIF fund managers and the Faculty Advisor have the flexibility to invest contribution over a four month period.

Management Discussion of Fund Performance

For the 12-month period ended December 31, 2015, the SIF posted a total return of 1.80%. The Fund's benchmark, the S&P 500 Index, posted a total return of 1.38%. Against a backdrop of modest economic growth, contained inflation, stalled corporate earnings, and a low level of government and corporate investment, the equities markets sputtered after three years of double digit growth. Main Street was most impacted by an historic, drop in oil prices. Stocks barely held onto gains with continued low interest rates giving investors few investment alternatives.

The SIF's year end performance was hurt by four-month investment in Yahoo!. This was more than offset by the market rally in two of our highest concentration consumer discretionary stocks, Nike and Starbucks.

	December 31, 2015				
	Returns		Return Difference	Annualized Standard Deviation	
	<u>SIF</u>	<u>S&P500</u>		<u>SIF</u>	<u>S&P500</u>
Since 4/13/98	5.60%	5.37%	0.23%	15.49%	15.45%
10 Years	8.38%	7.31%	1.08%	15.40%	15.06%
5 Years	13.26%	12.57%	0.69%	12.09%	11.70%
3 Years	14.12%	15.13%	-1.00%	11.01%	10.62%
1 Year	1.80%	1.38%	0.42%	13.90%	13.66%

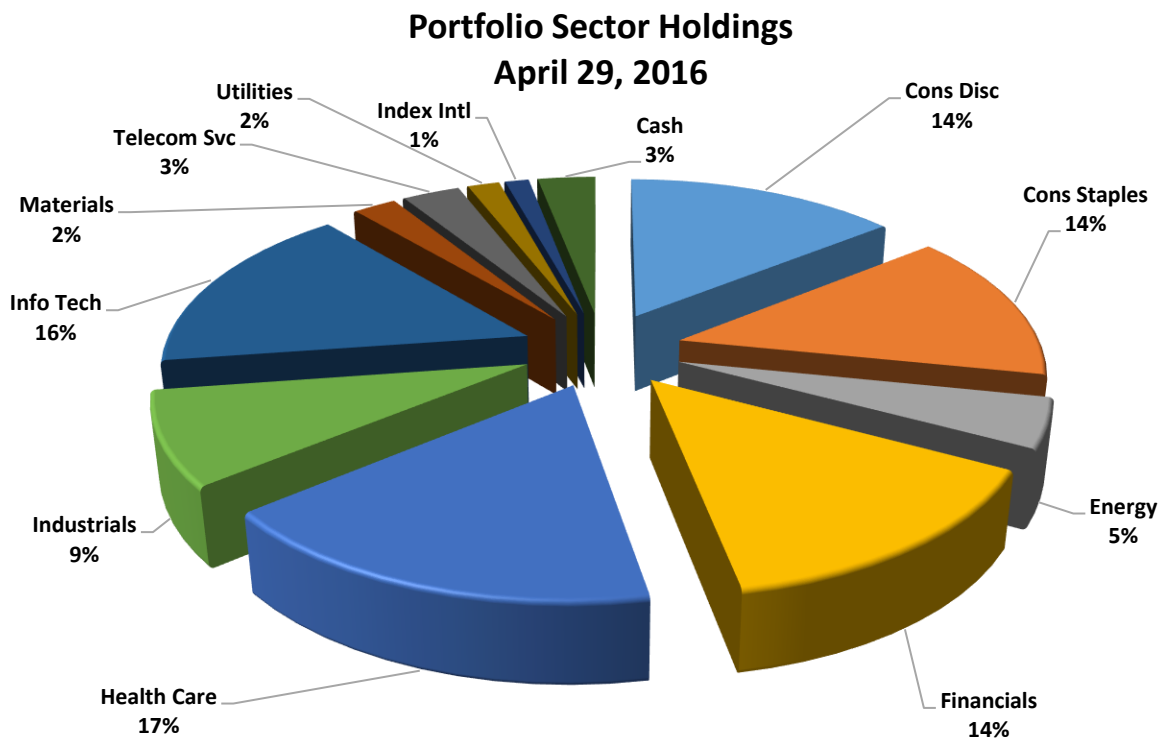
By April, we gave up our advantage over the market. While our sector decisions proved accurate in 2016, three individual stocks drove our performance below the benchmark. The market lost confidence in the growth prospects of our one home building stock, Toll Brothers, along with our recently acquired Costco. Apple's disappointing iPhone sales hurt our information technology sector performance, even though we were underweight technology.

	April 29, 2016				
	Returns		Return Difference	Annualized Standard Deviation	
	<u>SIF</u>	<u>S&P500</u>		<u>SIF</u>	<u>S&P500</u>
Since 4/13/98	5.55%	5.37%	0.18%	15.45%	15.43%
10 Years	7.55%	6.91%	0.65%	15.54%	15.28%
5 Years	11.33%	11.02%	0.31%	12.48%	12.19%
3 Years	10.73%	11.26%	-0.53%	11.61%	11.35%
1 Year	0.72%	1.21%	-0.48%	14.34%	14.64%
YTD through April, 2015	0.88%	1.74%	-0.86%	11.70%	11.56%

Sector Weighting

The Portfolio Accounting Risk (PAR) committee has identified the following Sector recommendation.

Sector	Fall 2015	Spring 2016
Consumer Discretionary	Market Weight	Market Weight
Consumer Staples	Overweight	Overweight
Energy	Underweight	Market Weight
Financials	Underweight	Overweight
Health Care	Overweight	Overweight
Industrials	Underweight	Market Weight
Information Technology	Underweight	Market Weight
Materials	Underweight	Underweight
Telecommunication Services	Market Weight	Market Weight
Utilities	Overweight	Underweight



Sector Performance

Below is a chart that shows the total return for each sector. We calculated these values by multiplying the return of each stock by its weight in the sector then totaled the weighted returns by sector. This shows us which sectors performed the best for us in 2015 and through 2016.

	Period Start	12/31/2014	Period End	12/31/2015						
	SIF Sector Weight	Benchmark sector Weight	Benchmark Sector Return	Alpha from sector	SIF Sector Return	Benchmark Sector Return	SIF Weight	Alpha from security selection	Total	
Benchmark	1	1	1.38%	0.00%	1.80%	1.38%	1	0.42%	0.42%	
Health Care	15.3%	14.5%	6.9%	0.0%	3.1%	6.9%	15.3%	-0.6%	-0.5%	
Cons Disc	12.6%	12.5%	10.1%	0.0%	9.1%	10.1%	12.6%	-0.1%	-0.1%	
Financials	14.6%	16.3%	-1.5%	0.0%	-6.0%	-1.5%	14.6%	-0.7%	-0.6%	
Cons Staples	10.6%	9.7%	7.0%	0.1%	17.9%	7.0%	10.6%	1.2%	1.2%	
Energy	7.9%	8.2%	-21.6%	0.1%	-6.4%	-21.6%	7.9%	1.2%	1.3%	
Telecom Svc	2.2%	2.4%	3.4%	0.0%	-17.3%	3.4%	2.2%	-0.5%	-0.5%	
Industrials	10.3%	10.3%	-4.2%	0.0%	-11.1%	-4.2%	10.3%	-0.7%	-0.7%	
Info Tech	18.5%	20.2%	5.9%	-0.1%	-8.4%	5.9%	18.5%	-2.6%	-2.7%	
Materials	3.1%	3.1%	-8.5%	0.0%	-33.0%	-8.5%	3.1%	-0.8%	-0.8%	
Utilities	3.2%	3.1%	-4.8%	0.0%	-3.1%	-4.8%	3.2%	0.1%	0.0%	
Cash	0.8%	0.0%	0.0%	0.0%	0.1%	0.0%	0.8%	0.0%	0.0%	

	Period Start	12/31/2015	Period End	4/29/2016						
	SIF Sector Weight	Benchmark sector Weight	Benchmark Sector Return	Alpha from sector	SIF Sector Return	Benchmark Sector Return	SIF Weight	Alpha from security selection	Total	
Benchmark	1	1	1.74%	0.00%	0.88%	1.74%	1	-0.86%	-0.86%	
Health Care	15.5%	14.5%	-2.8%	0.0%	-2.4%	-2.8%	15.5%	0.1%	0.0%	
Cons Disc	13.9%	13.1%	1.7%	0.0%	-4.8%	1.7%	13.9%	-0.9%	-0.9%	
Financials	14.3%	15.9%	-1.8%	0.1%	-1.6%	-1.8%	14.3%	0.0%	0.1%	
Cons Staples	12.7%	10.1%	4.2%	0.1%	-0.2%	4.2%	12.7%	-0.6%	-0.5%	
Energy	7.0%	7.0%	12.7%	0.0%	10.4%	12.7%	7.0%	-0.2%	-0.1%	
Telecom Svc	2.7%	2.6%	14.1%	0.0%	14.7%	14.1%	2.7%	0.0%	0.0%	
Industrials	9.3%	10.2%	6.6%	0.0%	9.1%	6.6%	9.3%	0.2%	0.2%	
Info Tech	17.1%	20.8%	-2.9%	0.2%	-4.8%	-2.9%	17.1%	-0.3%	-0.1%	
Materials	2.7%	2.9%	8.8%	0.0%	-0.1%	8.8%	2.7%	-0.2%	-0.3%	
Utilities	2.8%	3.2%	12.8%	0.0%	15.8%	12.8%	2.8%	0.1%	0.0%	
XX Cash	1.2%	0.0%	0.0%	0.0%	0.1%	0.0%	1.2%	0.0%	0.0%	

SIF History and Purpose

The University of Tulsa Student Investment Fund (SIF) started in the Fall semester of 1997. It provides unique opportunities to outstanding undergraduate and graduate students in their study of finance. Some of these opportunities include gaining practical experience in financial modeling, portfolio management, and fundamental analysis, making investment decisions with real consequences and understanding the effects of macroeconomic forces on industries and firms. Students apply financial theories and models in making real investment decisions and manage a real portfolio of financial assets. Thanks to the generous donations of TU friends and alums, TU students have gained valuable hands-on experience that has helped prepare them for the challenges faced in their financial careers.

The TU SIF is completely funded by donations to the Finance Excellence Fund. Since its inception in 1990, the Finance Excellence Fund has provided more than \$700,000 in scholarships to 157 outstanding students and the operating funds for the SIF. Furthermore, the Finance Excellence Fund has allowed the University of Tulsa to advance toward its goal of national academic recognition. Frank M. Engle made the first contribution to the Finance Excellence Fund in 1990. Since then more than 475 TU alumni and friends of the University have generously contributed more than \$2,300,000. Without Friends of Finance, the TU SIF would not be possible.

SIF Goals and Management Style

As of April 29, 2016, the TU SIF had \$4,463,756 under management. The goal of the SIF is to outperform the S&P 500 index using an enhanced index methodology. At least 30% of the assets under management are allocated to a SPDR 500 ETF or index fund. The remaining 70% may be allocated to individual securities and cash. SIF student managers adhere to a diversified portfolio approach. No more than 7% can be allocated to any single security. Furthermore, the Fund shall have no more or less than 50% difference in the sector weightings in comparison to the S&P 500 sector weightings. The fund is moving toward value securities in an attempt to stabilize returns over the long-run.

SIF Membership

Fall 2015



Front Row (Left to Right): Sirui Zhao, Max Boudreaux, Dillon Eden, Addyson Owen, Mitchell Harding, Nathan Toh, Tally Ferguson, Chris Guglielmo, Eddie Garcia

Back Row (Left to Right): Johnny Haoze, Noah Roberts, Grant Harper, Connor Brady, Dylan O'Hara, Brianna Dick, Joshua Donaldson, and Peter Johnson

Not pictured: Justin Hart & Elaine Schillinger

Spring 2016



Front Row (Left to Right): Nanwei Yuan, Collin Mardis, Yunwei Gong, Fang Liu, Yi Su, Tally Ferguson

Back Row (Left to Right): Qiushi Zhang, Joe Willis, Brett Baumgartner, Rob Riederer, Matthew Kirby, Marshall Cornett, Mark Fraser, Jason Sauer

Not pictured: Zack Bonner and Clinton Jones

Faculty



Tally Ferguson, CFA

*SVP Director of Market Risk Management at BOK Financial
Adjunct Instructor in Finance, University of Tulsa*

Tally Ferguson is the Faculty Advisor of the Student Investment Fund here at the University of Tulsa. He received a bachelor's degrees at Yale University in 1985 in the fields of Mathematics and Economics. He then earned his M.B.A from the Wharton School of Business at the University of Pennsylvania in 1990. Mr. Ferguson specializes in Risk management, Portfolio analysis, Economic capital, Personal finance, Modeling, Derivative strategies and bank regulation. During the years 1985-1994 he worked in New York as an examiner for the

Federal Reserve Bank of New York. He had been promoted to Supervising examiner by the end of his time there. From 1994-1996 he worked with Ernst & Young as a regulatory consultant. He worked at the Bank of Oklahoma as the Senior Vice-President of Risk Management from 2002-2011. He is now the Senior Vice-President Director of Market Risk Management for BOK Financial.

Mr. Ferguson has taught at the University of Tulsa since 2003 in areas of Finance such as the Student Investment Fund, Personal Finance, Basic Financial Principles and Financial Institution Management. He is a member of multiple committees.

Guest Speakers:

Fall 2015

Friday, October 30th – Steve Wyett



Steve is the Private Wealth Chief Investment Strategist for Bank of Oklahoma. He has over 30 years of experience in the investment field, including over 10 years at BOK. Steve gave a talk on investing, including material on bonds, stocks, and the economy in general.

Tuesday, November 10th – Bill Feingold



Bill is a former convertible bond trader at Goldman Sachs. He is the co-founder of Hillside Advisors LLC, a consulting firm that specializes in convertible bonds and related investments. Bill is also the author of The Undoing of Cowardice, a guide to investing. Bill spoke to the investment fund about the advantages of investing in convertible bonds.

Friday, November 13th – Jana Shoulders



Jana is the CEO of Mariner Wealth Management. She is also on the SIF advisory board. Before Mariner, Jana was a co-founder and the CEO of Adams Hall Wealth Advisors. Jana is a TU graduate. She spoke about her career path and about her experience as CEO of a wealth management company.

Spring 2016

Monday, February 29th – Tom Seng



Tom Seng is a Professor at the University of Tulsa, where he teaches Energy Commodity Trading. He is also Assistant Director of the School of Energy. Tom Seng gave an overview of Technical analysis to the class, and also demonstrated how it is used for energy commodities.

Wednesday, March 30th – Andrew Boyd



Andrew Boyd is a CFA with Gibraltar Capital Management. He presented on his investing strategies, and tips on how to expedite security analysis. He also gave CPA exam advice for those who will take the exam.

Friday, March 25th – Relay for Life



Our third event was Relay for Life. Relay for Life is a fundraiser that is held every year at TU to help cancer patients and survivors. It's a relay, where participants walk around a track for some time with members of the other teams. The SIF team got 8th place out of 20 teams for raising \$180 for the American Cancer Society.

Financial Statements

Statement of Assets and Liabilities

April 29, 2016

Assets:

Equity Investments, at cost	\$1,934,448
Equity Investments, at value	2,861,270
Mutual Funds, at cost	1,300,915
Mutual Funds, at Value	1,511,748
Total Cost Basis	\$3,235,623
Total Investments	\$4,373,018
Cash	90,738
Total Assets	\$4,463,756

Liabilities:

Total Liabilities	0
Net Assets	\$4,463,756

Statement of Operations

May 1, 2015 – April 29, 2016

Investment Income:

Interest and Dividend income	\$ 89,078
Total income	89,078

Expenses:

commissions and Fees -- Merrill Lynch	3,674
Net expenses	3,674

Net investment income	85,404
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Realized/Unrealized Gains/(Losses) on Investments:	-47,483
Change in net assets resulting from operations	37,921

Statement of Changes in Net Assets

May 1, 2015 – April 29, 2016

From Investment Activities:

Operations:

Net investment income	\$ 85,404
Net realized gains/(losses) from investment transactions	507,890
Change in unrealized appreciation/depreciation on investments	-555,373
Change in net assets resulting from operations	37,921

Distributions to Shareholders:

Change in net assets from capital transactions	100,000
Change in net assets	\$ 137,921

Net Assets:

Beginning of period	\$4,325,835
End of period	\$4,463,756

Disclaimer and Risks

The Fund's past performance does not necessarily indicate how the Fund will perform in the future. The Student Investment Fund is subject to certain investment risks. The Student Investment Fund is not open to outside investors. Nevertheless, we emphasize that the fund can lose money. The Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor, Friends of Finance, has no legal obligation to provide financial support to the Fund. In addition, the principal risks of investing in the Fund, which could adversely affect the Fund's net asset value, yield or total return are (in alphabetical order):

- **Issuer Specific** — The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, earnings and sales trends, investor perceptions, financial leverage or reduced demand for the issuer's goods or services.
- **Management Risk** — There is no guarantee that the investment techniques and risk analyses used by the Fund's portfolio managers will produce the desired results.
- **Market Risk** — The market value of a security may move up and down, sometimes rapidly and unpredictably.

To the extent that the Fund makes investments with additional risks, those risks could increase volatility or reduce performance. The Fund may trade securities actively, which could increase its transaction costs (thus lowering performance).

Transaction List

Fall 2015

<u>Date</u>	<u>Description</u>	<u>Security</u>	<u>Symbol</u>	<u>Quantity</u>	<u>Price</u>	<u>Amount</u>
09/18/15	Sale	Yahoo Inc	YHOO	-720	30.74	22,069.53
19/18/15	Purchase	Nike Inc	NKE	338	115.01	-38,903.80
09/18/15	Purchase	Kimberly Inc	KMB	544	108.22	-58,918.19
09/18/15	Sale	Chubb Corp	CB	-410	119.97	49,151.85
09/18/15	Purchase	Coca Cola	CCE	635	49.14	-31,260.99
10/02/15	Purchase	SPDR S&P 500 ETF	SPY	200	189.36	-37,889.34
10/20/15	Purchase	Southern Company	SO	530	46.01	-24,430.43
10/20/15	Purchase	Exxon Mobil Corp	XOM	307	80.94	-24,875.04
10/20/15	Sale	ConocoPhillips	COP	-1000	53.69	53,601.08
12/04/15	Purchase	SPDR S&P 500 ETF	SPY	200	206.1	-41,238.00
12/17/15	Sale	Wells Fargo & Co	WFC	-1600	56.02*	-89,491.63
12/17/15	Sale	Schlumberger LTD	SLB	-499	70.90	-35,335.57
12/17/15	Purchase	Eni SpA	E	1470	30.01*	-44,296.00
12/17/15	Purchase	General Mills	GIS	760	57.49*	-43,762.36
12/17/15	Purchase	PNC Financial Services Group	PNC	480	97.23*	-92,450.77
12/17/15	Purchase	Traveler Companies Inc.	TRV	400	114.29*	-68,625.36

Transaction List

Spring 2016

<u>Date</u>	<u>Description</u>	<u>Security</u>	<u>Sym.</u>	<u>Quantity</u>	<u>Price</u>	<u>Amount</u>
02/17/16	Sale	Helmerich & Payne	HP	-925	51.56	47,608.80
02/17/16	Purchase	PNC	PNC	530	83.88	-44,503.68
04/18/16	Sale	SPDR S&P 500 ETF	SPY	-1800	208.29	374,760.83
04/18/16	Purchase	Vanguard 500 ETF	VOO	1950	191.01	-375,732.83
04/19/16	Sale	SPDR S&P 500 ETF	SPY	-1800	209.97	377,781.53
04/19/16	Purchase	Vanguard 500 ETF	VOO	1950	192.59	-372,652.41
04/21/16	Sale	CF Industries	CF	-800	34.87	27,826.19
04/21/16	Sale	Healthcare Select SPDR	XLV	-1200	71.55	85,753.85
04/21/16	Purchase	UnitedHealth Group	UNH	400	133.16	-53,299.96
04/21/16	Purchase	United Therapeutics	UTHR	500	115.89	-57,989.80
04/21/16	Purchase	Chubb	CB	350	119.56	-41,878.48
04/21/16	Purchase	Wells Fargo	WFC	840	50.22	-42,256.68

Holdings as of April 29, 2016

Symbol	Name	Quantity	Market value	Gain	Percent
AAPL	Apple Inc	1,351	126,642.74	107,404.50	2.90
ACN	Accenture PLC A	450	50,814.00	8,451.00	1.16
BUD	Anheuser-Busch Inbev SA ADR	315	39,116.70	7,106.40	0.89
CAT	Caterpillar Inc	396	30,777.12	11,088.00	0.70
CB	Chubb Ltd	849	100,063.14	26,700.29	2.29
CCE	Coca-Cola Enterprises Inc	1,250	65,600.00	15,221.88	1.50
CNI	Canadian National Railway Co	1,572	96,772.32	39,347.16	2.21
COST	Costco Wholesale Corp	350	51,845.50	10,031.00	1.19
CTL	CenturyLink Inc	1,100	34,045.00	-4,059.00	0.78
CTSH	Cognizant Tech. Solutions Corp A	677	39,516.49	21,731.70	0.90
DEO	Diageo PLC ADR	705	76,372.65	23,655.78	1.75
E	Eni SpA ADR	1,470	48,171.90	4,042.21	1.10
FDX	FedEx Corp	250	41,277.50	-127.50	0.94
GILD	Gilead Sciences Inc	1,961	172,979.81	130,681.04	3.96
GIS	General Mills Inc	760	46,618.40	2,918.02	1.07
IFF	International Flavors & Fragrances Inc	564	67,381.08	38,053.08	1.54
INTC	Intel Corp	2,550	77,214.00	18,589.50	1.77
ITW	Illinois Tool Works Inc	311	32,505.72	14,610.78	0.74
JNJ	Johnson & Johnson	680	76,214.40	24,964.02	1.74
KMB	Kimberly-Clark Corp	1,088	136,206.72	46,995.07	3.11
MA	MasterCard Inc A	1,920	186,220.80	133,939.20	4.26
MDT	Medtronic PLC	980	77,567.00	1,503.22	1.77
NKE	Nike Inc B	2,800	165,032.00	97,401.64	3.77
PCLN	The Priceline Group Inc	79	106,149.14	73,411.48	2.43
PNC	PNC Financial Services Group Inc	1,480	129,914.40	-6,925.51	2.97
SBUX	Starbucks Corp	2,000	112,460.00	23,961.00	2.57
SO	Southern Co	1,000	50,100.00	5,548.70	1.15
SPY	SPDR® S&P 500 ETF	3,569	736,394.65	224,876.98	16.84
SYK	Stryker Corp	700	76,307.00	18,944.03	1.74
TOL	Toll Brothers Inc	1,590	43,407.00	-11,495.38	0.99
TRV	The Travelers Companies Inc	600	65,940.00	-2,640.00	1.51
UNH	UnitedHealth Group Inc	400	52,672.00	-628.00	1.20
UNP	Union Pacific Corp	650	56,699.50	-4,049.50	1.30
USB	US Bancorp	2,100	89,649.00	28,140.00	2.05
UTHR	United Therapeutics Corp	500	52,600.00	-5,390.00	1.20
VGK	Vanguard FTSE Europe ETF	750	37,395.00	-3,592.50	0.86
VOO	Vanguard 500 ETF	3,900	737,958.00	-10,452.00	16.88
VZ	Verizon Communications Inc	1,100	56,034.00	4,774.00	1.28
WFC	Wells Fargo & Co	840	41,983.20	-273.59	0.96
XOM	Exxon Mobil Corp	1,000	88,400.00	23,196.10	2.02
	Cash		90,738.22		
Total			<u>\$4,463,756.10</u>	<u>\$1,137,654.80</u>	

Best and Worst Performers, YTD, 2016

Name	Sector	Ticker	Shares Held	\$ Market Value	% Total 4 mos. 2016	percent of portfolio
Toll Brothers Inc	Cons Disc	TOL	1,590	42,230.40	(20.24)	0.99
Gilead Sciences Inc	Health Care	GILD	1,961	162,174.70	(17.85)	3.96
Apple Inc	Info Tech	AAPL	1,351	122,292.52	(12.97)	2.9
Intel Corp	Info Tech	INTC	2,550	76,283.25	(11.67)	1.77
Costco Wholesale Corp	Retail - Defensive	COST	350	50,575.00	(10.00)	1.19

Name	Sector	Ticker	Shares Held	\$ Market Value	% Total 4 mos. 2016	percent of portfolio
Verizon Communications Inc	Telecom Svc	VZ	1,100	56,034.00	12.66	1.28
CenturyLink Inc	Telecom Svc	CTL	1,100	30,668.00	12.96	0.78
General Mills Inc	Cons Staples	GIS	760	49,035.20	13.46	1.07
Exxon Mobil Corp	Energy	XOM	1,000	88,660.00	15.64	2.02
Stryker Corp	Health Care	SYK	700	77,637.00	19.74	1.74