

Saluki Student Investment Fund

Annual Report

June 30, 2014
Southern Illinois University - Carbondale

About the Saluki Student Investment Fund

The Saluki Student Investment Fund (SSIF) exists to provide SIUC undergraduate students with hands-on experience in portfolio management and investment research. As such, the SSIF is modeled after a real investment management firm. SSIF students are focused on making the best investment decisions possible on behalf of their primary client, the SIU Foundation. The SSIF's investment philosophy is to capitalize on investment opportunities through focused research. The SSIF's competitive advantage is students' unique and unbiased perspective and their ability to spot opportunities in the markets, especially those that are perhaps driven by or favored by their generation.

SSIF members work in teams that focus their research on companies within specific sectors, such as the technology, financial, or healthcare sector. Each team's goal is to choose the best companies within their sector that give the portfolio the best chance to outperform the midcap equity benchmark. This requires students to put their class lessons to work within a professional environment. Moreover, students learn to collaborate and to take responsibility for their analysis and decisions as they make the case for their investment ideas.

The SSIF is open to undergraduate students from any major. In the past, most members have been from the College of Business, but students from other Colleges within the University are welcomed. In recent years, SSIF students have been majors in Accounting, Business Economics, Finance, Management, Marketing, Physiology/Pre-med, and Psychology.

As of June 30, 2014, the SSIF manages a total of approximately \$1,476,472.72

History of the SSIF

The SSIF was established in May 2000 through the generosity of Mr. Omar Winter and his wife Carol, both alumni of Southern Illinois University Carbondale. Mr. and Mrs. Winter provided \$25,000 to start the student investment fund. Shortly thereafter, the SIU Foundation provided \$200,000 for the students to manage on its behalf – in essence, the SIU Foundation hired the SSIF as one of its portfolio managers. The goal of Mr. and Mrs. Winter and the SIU Foundation was to provide SIUC undergraduate students with hands-on experience in portfolio management and investment research.

Dr. Mark Peterson, Gordon & Sharon Teel Professor of Finance was the inaugural faculty advisor to the SSIF and remained its advisor over its first decade. During that first decade, the assets under management for the SSIF grew to more than \$325,000 and had participation from more than 60 SIUC undergraduates. When Dr. Peterson stepped up as Chair of the Department of Finance in 2010, Dr. Jason Greene, Professor of Finance, became the SSIF faculty advisor.

In April 2011, the SSIF made a proposal to the SIU Foundation to increase its mandate from approximately \$370,000 to \$1,000,000. In recognition of the diligence of the SSIF students in managing their portfolio from the SIU Foundation, the Foundation's Investment Committee approved the increase and transferred an additional \$630,000 to the account managed by the SSIF in May 2011.

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Executive Summary

This Annual Report is made to the SIU Foundation by the Saluki Student Investment Fund (SSIF) and discusses the performance of the SSIF for the Foundation's fiscal year ending June 30, 2014. The report begins with an annual review, followed by a summary of portfolio rebalancing. Also provided is a summary of investment policies and procedures. During FY2014, the SSIF remained focused in managing the allocated capital in a manner that is consistent with its investment mandate. The mandate is to remain fully invested in mid-cap U.S. equities, with the S&P 400 Midcap Index as a benchmark. A summary of the current organizational structure is included. The report concludes with the FY2014 outlook of the Saluki Student Investment Fund followed by a list of resolutions, and a complete member roster for the SSIF during the fiscal year.

The SSIF posted growth in the most recent quarter and Fiscal Year 2014, but fell short of the benchmark, as shown in the performance analysis. However, the SSIF continues to focus on beating the benchmark over the long term rather than posting large short-term gains at the risk of large short-term losses. Also included is an attribution of the returns by contributions from sector allocation and stock selection. The SSIF's investment process creates value through stock selection; therefore, the SSIF strives to remain sector neutral in the allocation of its assets with the goal of tracking the benchmark as closely as possible. Individual stock's contribution to performance is noted, followed by a breakdown of how the teams' investment views guided the stock purchase/hold/sell activities in FY 2014.

Looking forward, the SSIF will continue to work diligently to learn from the past experience and use these lessons to generate sustainable success in the future and continue to improve ourselves and the performance of the fund.

Thank you for your continued support,
Saluki Student Investment Fund

Saluki Student Investment Fund - FY2014

Annual review

The FY 2014 has provided the SSIF with several opportunities to hone valuation techniques and skills and remain committed to our investment philosophy and process. In a year where we were challenged by a successful benchmark, we remained committed to the investment philosophy of the fund, the mandate of the SIU Foundation, and remained invested in mid-cap stocks with key emphasis on investment in stocks that are primarily constituents of the S&P 400 mid-cap index. The individual sector teams were enthusiastic in conducting valuation analyses using a variety of valuation models but were outperformed by the S&P 400 mid-cap index benchmark. In order to use this experience to help out the fund, we plan to analyze how the benchmark was able to generate a higher rate of return than the SSIF so we may be constantly striving to become better portfolio managers in the future. Attendance and participation policies were enforced in order to keep students fully engaged and active within the fund.

Portfolio Rebalancing

Table 1 shows the SSIF portfolio rebalancing over the fiscal year. The goal of the SSIF was to remain within a +/- 2% margin compared to the benchmark S&P Midcap 400 Index in each sector. All sectors remained within the +/- 2% parameter. As of June 30, 2014 the 53 out of 54 stocks held in the SSIF portfolio are constituents of the S&P Midcap 400 Index benchmark. The single out-of-benchmark stock's capitalization was well within the benchmark's midcap range and was sold soon after the fiscal year ended.

Table 1: Sector Weights in SSIF Compared to Those in the S&P 400

Sector	As of 6/30/14			Sector	As of 6/30/13		
	SSIF	Benchmark	Difference		SSIF	Benchmark	Difference
Cons. Disc	12.62%	12.97%	-0.35%	Cons. Disc	12.85%	13.52%	-0.67%
Cons. Staples	3.37%	3.45%	-0.08%	Cons. Staples	3.49%	4.28%	-0.79%
Energy	5.68%	5.23%	0.45%	Energy	5.66%	5.36%	0.30%
Financials	22.72%	22.98%	-0.26%	Financials	23.86%	22.76%	1.10%
Healthcare	9.04%	9.48%	-0.44%	Healthcare	9.49%	9.36%	0.13%
Industrials	17.17%	16.92%	0.25%	Industrials	16.48%	16.51%	-0.03%
Info-Tech	15.76%	16.12%	-0.36%	Info-Tech	14.64%	15.51%	-0.87%
Materials	7.36%	7.54%	-0.18%	Materials	7.08%	7.09%	-0.01%
Telecom	0.35%	0.50%	-0.15%	Telecom	0.48%	0.50%	-0.02%
Utilities	5.00%	4.82%	0.18%	Utilities	5.34%	5.11%	0.23%

Table 2: Number of Stocks in SSIF and the S&P 400

	As of 6/30/14	As of 6/30/13
Stocks in SSIF	54	51
Stocks in S&P 400	53	50

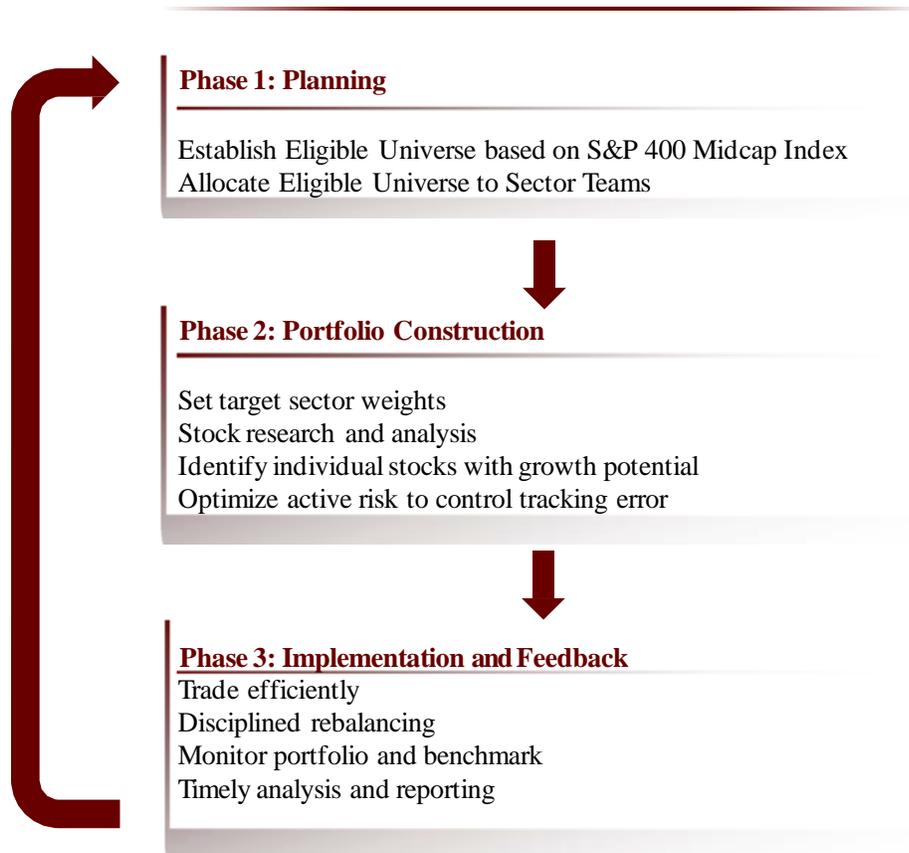
Investment Philosophy and Process

Investment Philosophy

- *SSIF believes markets are generally efficient; however, opportunities exist for a fundamental active strategy to outperform a passive benchmark.*
- *SSIF aims to capitalize on these opportunities by focusing on mid-cap stocks that are potentially less researched than large cap stocks, yet have sufficient liquidity and available value-relevant information.*
- *SSIF's competitive advantage originates from focused research and an unbiased student perspective of the market, operating outside of potential distractions of large investment management firms.*

Investment Process

SSIF Midcap Core Strategy



Eligible Universe

The eligible universe resolution states that the SSIF will have a minimum of 75% of the total portfolio value invested in stocks that are constituents of the benchmark S&P 400 Midcap Index. Also, the SSIF may not hold any stock that is a constituent of the S&P 500 or S&P 600 index, so as to avoid threatening the diversification efforts of the overall university endowment. The SSIF portfolio may be invested in stocks outside the S&P 400 only if the market capitalizations of those stocks are within 10% to 90% market capitalization of the constituents in the S&P 400 Index. No more than 25% of the total portfolio can be in stocks outside the S&P 400. The eligible universe resolution became effective as of October 1, 2010.

Sector Weights

The sector weight resolution states that the SSIF will normally maintain a sector weight of +/- 2% of the benchmark sector weights. Deviations outside of this range will be remediated in an orderly manner with the consideration of transaction fees. Also, if it is the decision of the SSIF members to allow an overweighting of a certain sector, a strong thesis should be presented to the group and the thesis must pass with a majority vote. The sector weights resolution became effective on October 26, 2010.

Equity Weights

The equity weight policy states that SSIF will not hold any stock in a weight above 5%. This is to protect the portfolio from excessive risk from overexposure to one stock. Any equity exceeding the 5% weight will be sold off in a disciplined manner. The team will perform quantitative optimization in order to rebalance individual equity weights and sector weights according to their targets.

Cash Balance

The cash balance policy reflects the mandate given to the SSIF by the University Foundation to be fully invested. The SSIF cash balance policy states that the SSIF will hold no more than 1% cash in the portfolio at any time unless there is a proposed trade within two weeks' time. Allowing more than 1% cash for a short time period helps to reduce trading costs. This recognizes the potential need for the SIU Foundation to withdraw cash periodically. If the cash balance exceeds 1% when no trade is anticipated in the near future, purchasing an Exchange Traded Fund (ETF), that tracks the S&P 400 Index, will equitize the excess of 75 basis points. Finally, if the cash in the portfolio falls below 25 basis points, appropriate actions will be taken to raise the cash back to the 75 basis point target. The cash balance resolution became effective as of October 26, 2010.

Organizational Structure

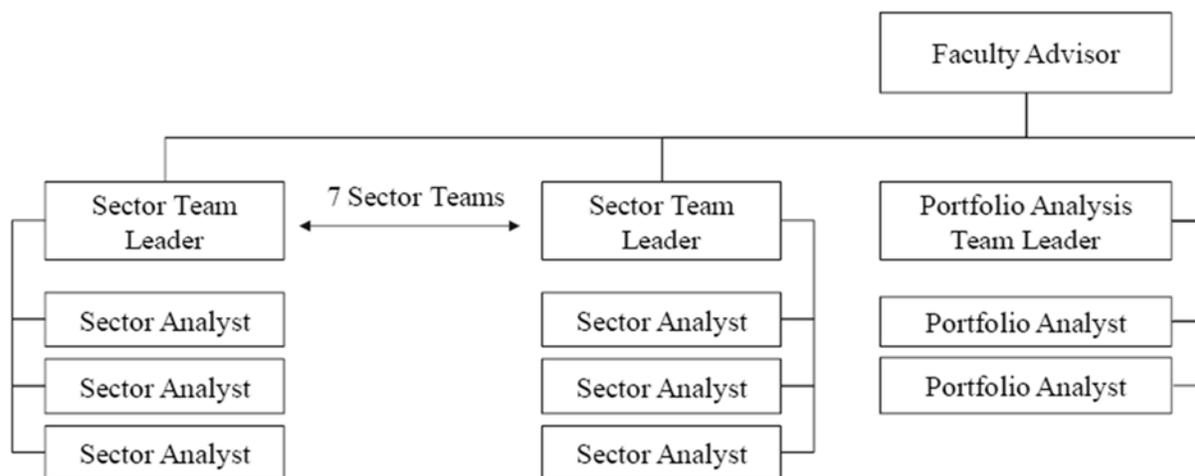
The Saluki Student Investment Fund is an investment group in which students can apply classroom lessons as professionals within an organization that operates as a real investment management firm. Students have full responsibility for researching companies and making buy/sell decisions. The responsibilities of the SSIF are divided into different categories and are assigned based on experience and general interest in a specific duty. Those duties include, but are not limited to:

Portfolio Analyst: Monitors equity positions and sector weights, performs quantitative optimization of the portfolio for trading and re-balancing, and does monthly performance attribution of stocks and sectors for internal analysis.

Team Leader: Normally the most experienced student in a sector team, he/she has the responsibility of mentoring sector analysts, as well as providing guidance for buy/sell decisions.

Sector Analyst: Provides information for the sector team on companies either in the portfolio or those that are potential purchase targets.

Faculty Advisor: Advises the SSIF in all activities.



- Sector Teams
 Consumer Goods & Services
 Energy & Utilities
 Financials
 Health Care
 Industrials
 Info-Tech & Telecom
 Materials

Performance Analysis

Table 3 below shows the SSIF performance vs. the S&P 400 benchmark. The SSIF and the S&P 400 both posted gains over the last year, of 3.45% and 7.50% respectively. Over the most recent quarter, the SSIF and the S&P 400 also posted gains, of 0.65% and 4.33% respectively, an underperformance not experienced by the SSIF in the recent past. We plan to use this experience as an opportunity to learn why and how we were outperformed by the benchmark. In order to continue to beat the benchmark over the long-term, the SSIF remains committed to fundamental research, analysis, and valuations that select for stocks with potential to provide growth and outperformance over extended future periods. The goal of the SSIF is to continue to outperform the S&P 400 Benchmark over the 7 and 10 year periods while controlling risk relative to the benchmark measured by tracking error. By tirelessly working toward this goal, the SSIF adds value to the SIU Foundation's portfolio over time while limiting the risk of significant short term underperformance of the S&P 400 Midcap core benchmark.

Table 3: Performance Summary

As of June 30, 2014

	Quarter	Calendar YTD	1-Year	3-Year	5-Year	7-Year	10-Year	Since Inception
SSIF	0.65%	3.45%	24.12%	15.34%	23.16%	9.56%	12.30%	8.10%
S&P 400 Benchmark*	4.33%	7.50%	25.24%	15.26%	21.67%	8.57%	10.50%	9.59%
<i>Difference</i>	-3.68%	-4.04%	-1.11%	0.08%	1.49%	0.99%	1.80%	-1.49%
Tracking Error**			4.36%	2.96%	3.24%	4.28%	4.36%	5.65%
Information Ratio***			-0.26	0.03	0.46	0.23	0.41	-0.26
Months > Benchmark			42%	42%	53%	52%	52%	48%

Figure 1 and Figure 2 show the cumulative returns of the SSIF and the benchmark for different holding horizons and the relative return between the two, defined as the SSIF return minus the Benchmark return. Over the years, students of the SSIF were relentless and dedicated to the investment philosophy and process of the SSIF which has caused the SSIF to outperform the benchmark over the most recent 5, 7 and 10-year periods. The SSIF remains committed to applying the investment philosophy and process toward the goal of outperforming the benchmark over the long-term while reducing the risk of significant underperformance over the short-term.

Figure 1: Annualized Average Return (as Jun 30, 2014)

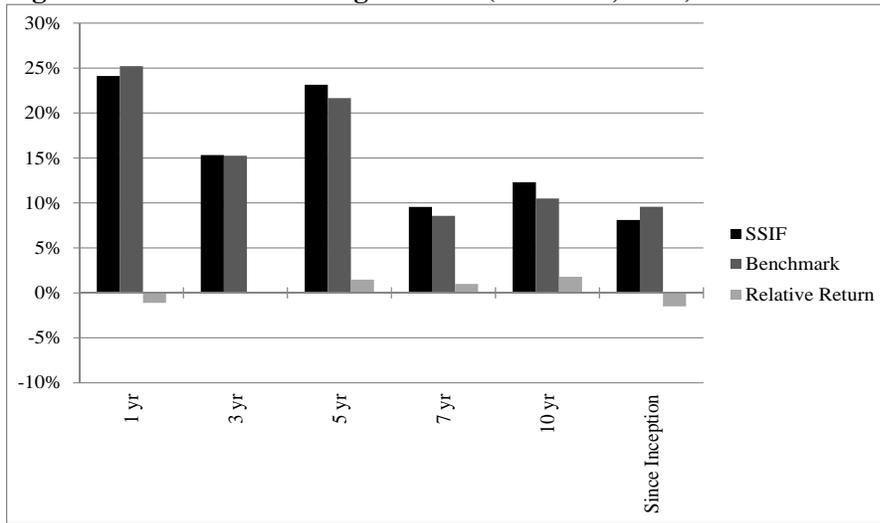


Figure 2: Cumulative Returns since Inception

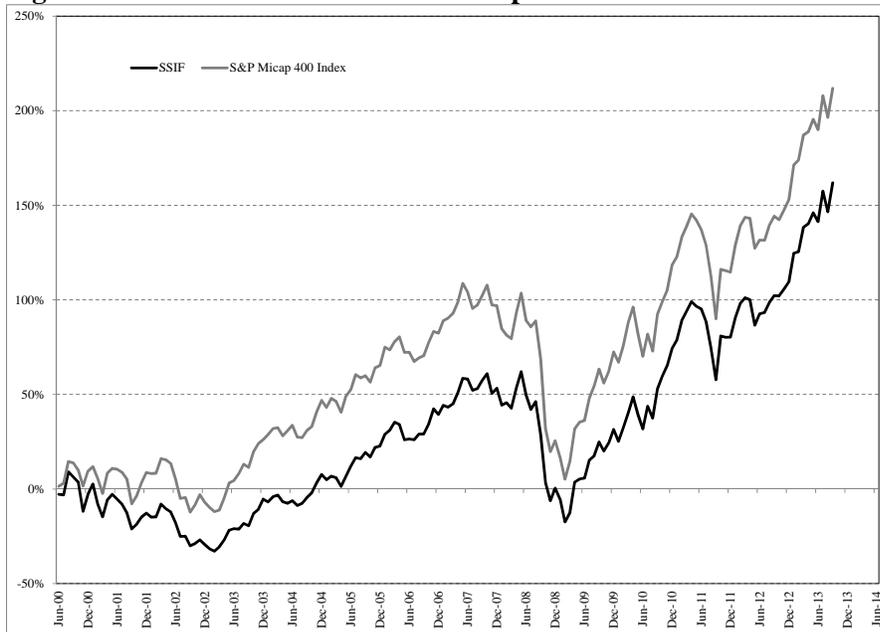


Figure 3 shows the returns for the SSIF relative to the benchmark over each month during FY 2014. In the first half of the fiscal year, the SSIF was able to outperform the benchmark monthly except for August and December 2013, but the success did not extend to the second half of the fiscal year, when the SSIF was outperformed by the benchmark monthly with the exception of March 2014.

Figure 3: Monthly Returns during the Fiscal Year

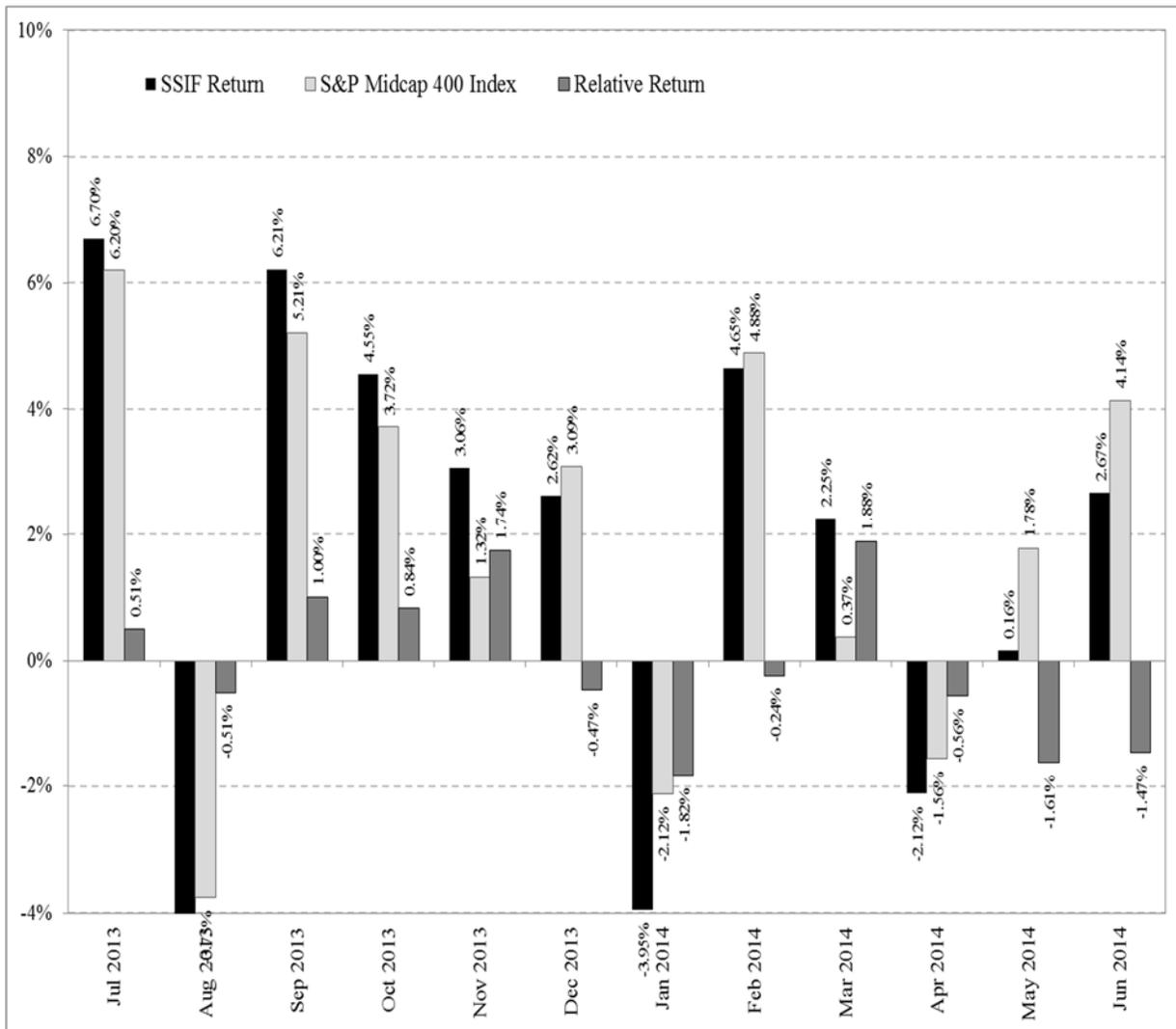


Figure 4: Fiscal Year 2013 Quarterly Relative Return Performance Attribution

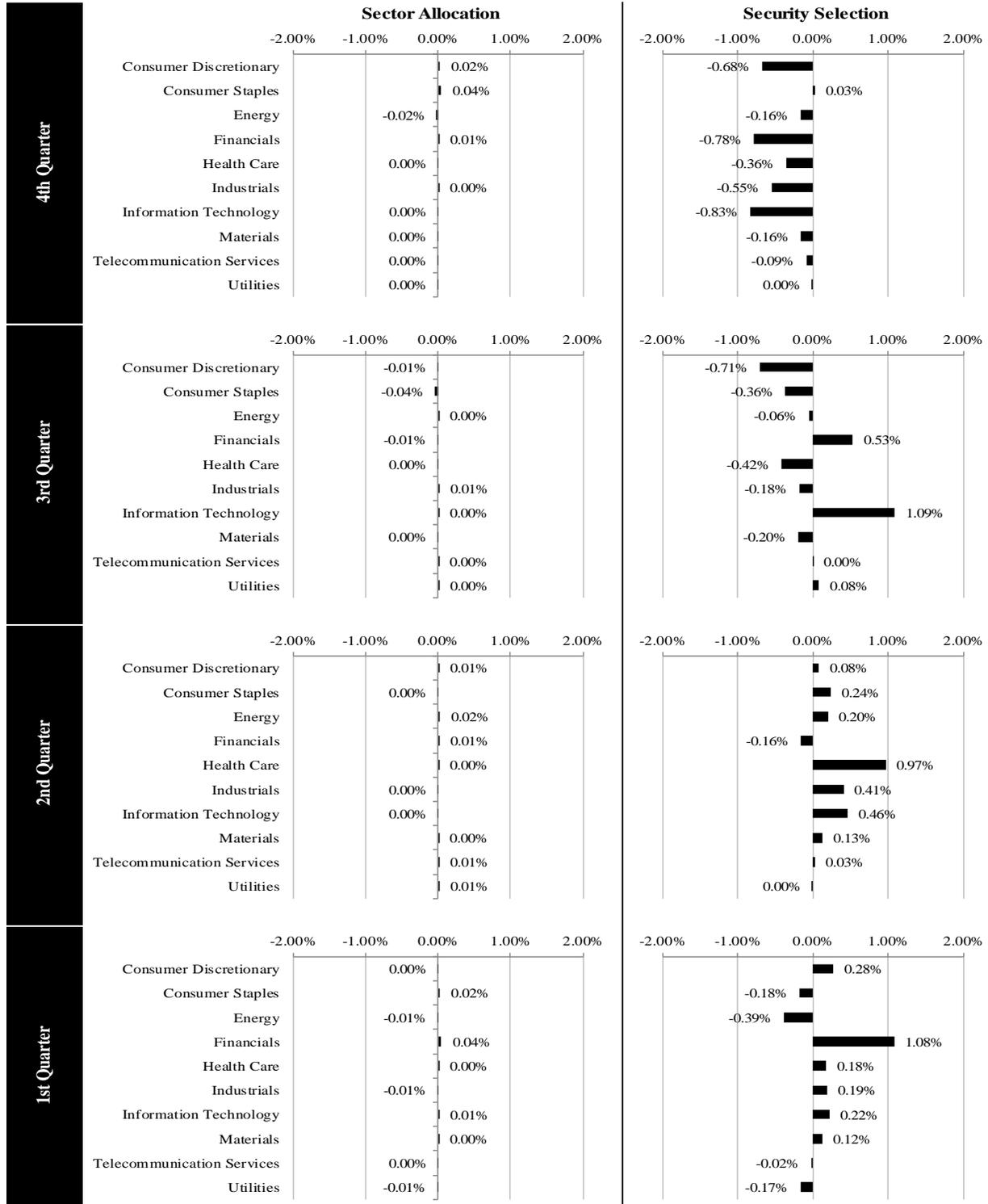


Figure 4 shows the quarterly performance attribution by sector allocation and stock selection, demonstrating how SSIF applies its investment philosophy and process in order to generate abnormal returns over the benchmark. The left panel of the figure shows how much of the relative return is generated from sector allocation. The right panel of the figure shows how much of the relative return is generated from stock selection. The SSIF maintains a sector neutral policy. Therefore, the very low contribution from sector allocation is to be expected. Stock selection contributes mostly to the portfolio's relative return from the benchmark, while sector allocation has virtually no role in this, indicating a thorough execution of the sector neutral policy.

Figure 5: Relative Return Contributions and Performance Attribution for FY2014

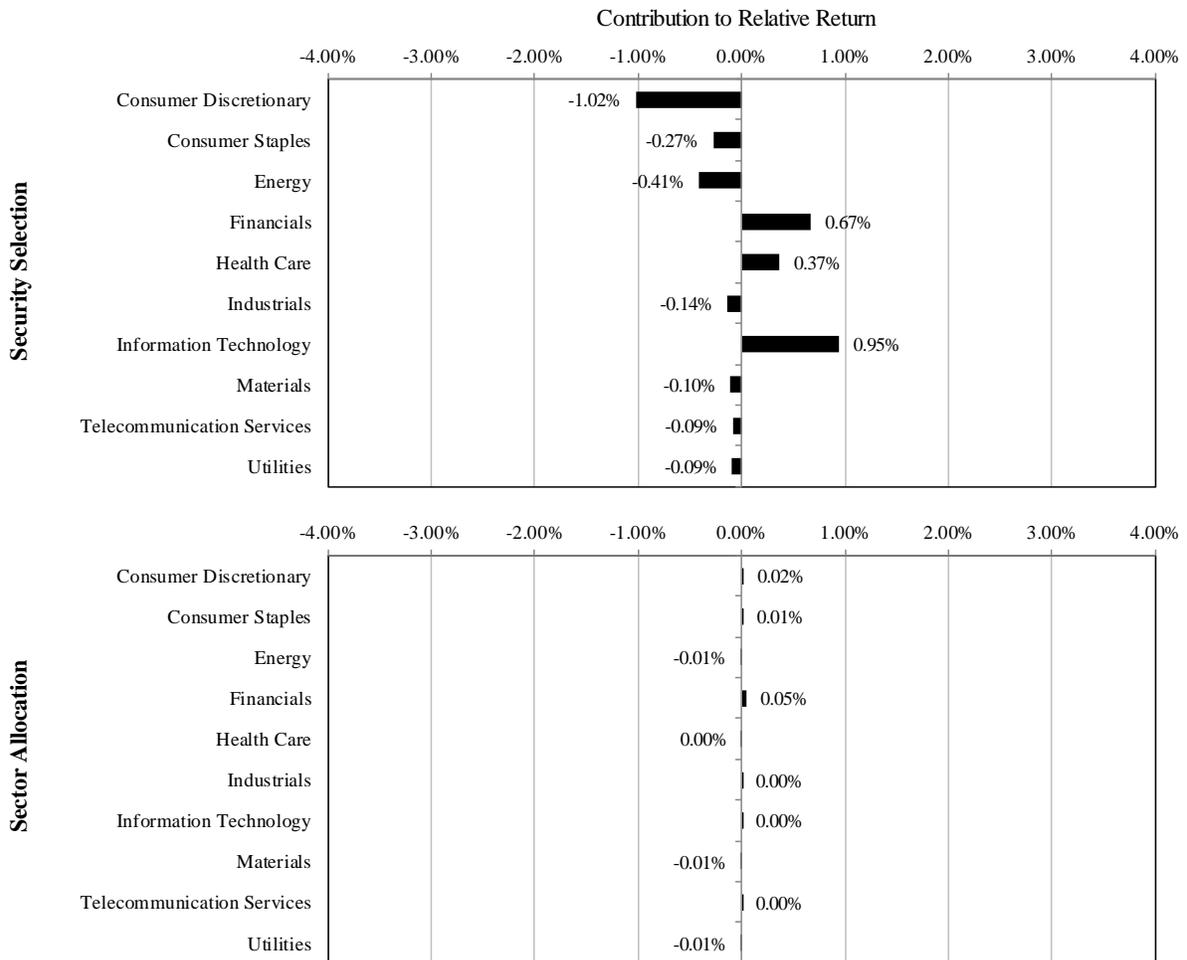


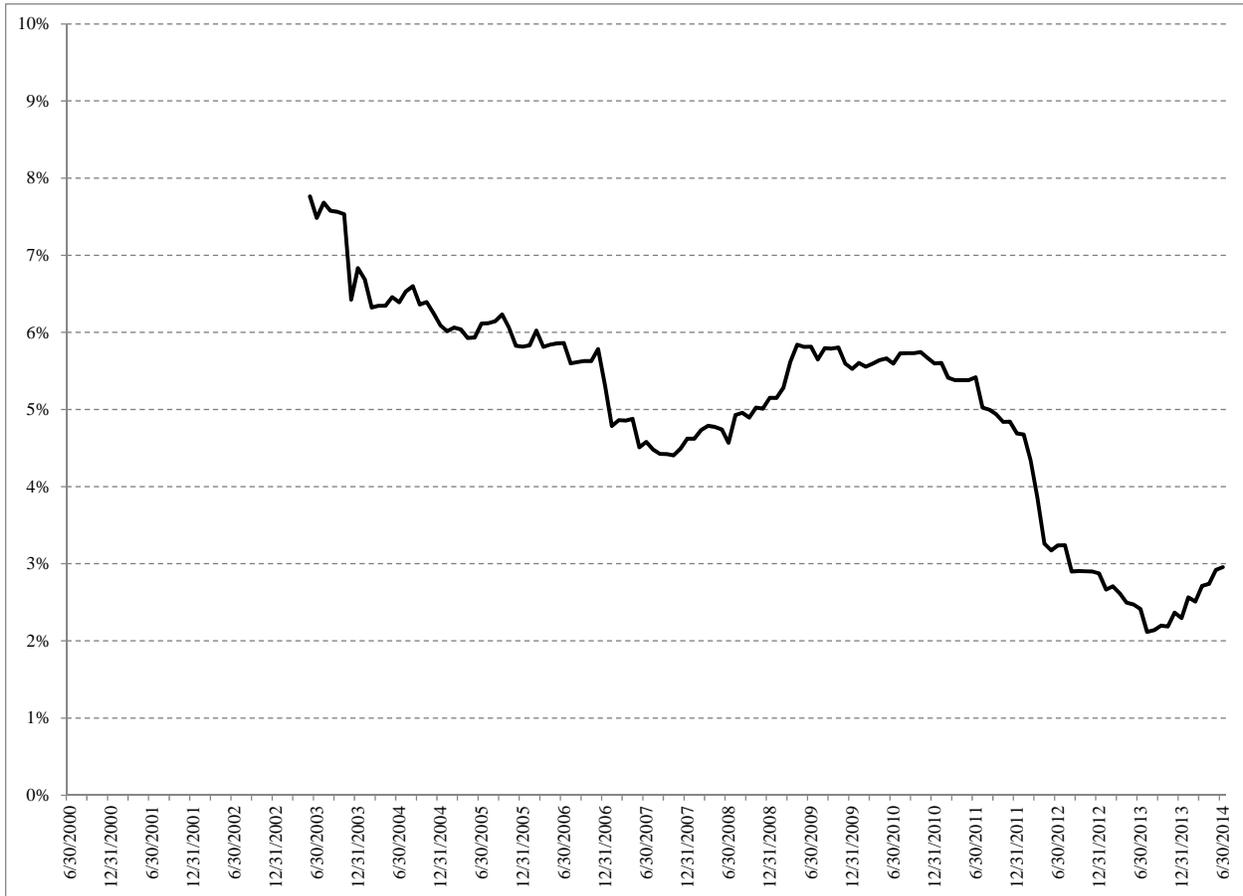
Figure 5 and Table 4 show the relative return attribution into sector allocation and stock selection for the fiscal year 2014. As demonstrated by Figure 4, because the SSIF maintains a sector neutral policy, the very low contribution from sector allocation is to be expected. The small returns from sector allocation are due to minor differences between the SSIF portfolio and the S&P 400 midcap benchmark and within the sector neutral level of tolerance. Also shown is the relative performance attributed to stock selection by each sector. The SSIF draws its competitive advantage from the students' fresh and unbiased perspective of markets and stock selection. Therefore, stock selection is the key contributor to the performance of the SSIF. The financials, healthcare, and information technology sectors were the top performing sectors in contrast to Consumer Discretionary, Energy, and Consumer Staples, the worst performing sectors. As shown in Table 4, a negative contribution of 21 basis points is attributed to cash. This is due to the maintenance of a small cash balance of near 1% by the SSIF during the fiscal year.

Table 4: Full Year Relative Return Contributions by Sectors

Sector	Full Year		Total
	Sector Allocation	Security Selection	
Cash	-0.21%	0.00%	-0.21%
Consumer Discretionary	0.02%	-1.02%	-1.00%
Consumer Staples	0.01%	-0.27%	-0.26%
Energy	-0.01%	-0.41%	-0.42%
Financials	0.05%	0.67%	0.72%
Health Care	0.00%	0.37%	0.37%
Industrials	0.00%	-0.14%	-0.13%
Information Technology	0.00%	0.95%	0.95%
Materials	-0.01%	-0.10%	-0.11%
Telecommunication Services	0.00%	-0.09%	-0.08%
Utilities	-0.01%	-0.09%	-0.09%
Total	-0.13%	-0.13%	-0.26%
Actual Relative Return			-1.11%
Unexplained by Attribution Model			-0.85%

Figure 6 shows the 3-year tracking error of the SSIF. Since 2011, the SSIF has significantly decreased tracking error relative to the benchmark in accordance with its implemented sector neutral policy and enhanced tracking error controls through a portfolio optimizing procedure.

Figure 6: Rolling 3-year Tracking Error



Individual Stock Contributions

Table 5: Individual Stock Contributions

Top Contributors			
Rank	Contr.	Name	
1	1.55%	WDR	Waddell & Reed Financial, Inc.
2	1.41%	ADS	Alliance Data Systems
3	1.25%	JW/A	John Wiley & Sons
4	1.00%	LII	Lennox International, Inc.
5	0.97%	GPN	Global Payments, Inc.
6	0.76%	BEAV	B/E Aerospace, Inc.
7	0.75%	TRMB	Trimble Navigation, Ltd.
8	0.62%	UA	Under Armour, Inc.
9	0.57%	HPT	Hospitality Properties Trust
10	0.56%	SXT	Sensient Technologies Corp.

Bottom Contributors			
Rank	Contr.	Name	
1	-0.46%	SMTC	Semtech Corp.
2	-0.43%	RYN	Rayonier, Inc.
3	-0.23%	ITRI	Itron, Inc.
4	-0.18%	ASNA	Ascena Retail Group, Inc.
5	-0.16%	TW	Towers Watson & Co.
6	-0.13%	HFC	HollyFrontier Corp.
7	-0.13%	ATW	Atwood Oceanics, Inc.
8	-0.13%	OIS	Oil States International, Inc.
9	-0.10%	MD	Mednax, Inc.
10	-0.06%	CRL	Charles River Laboratories

*Individual stock contribution is calculated by taking the stocks return in a period minus the benchmarks return, multiplied by the stock's weight for that particular period.

Table 5 shows the individual stocks that contributed the most and the least to the portfolio's relative return over FY 2014. FY 2014 came to a close with Waddell & Reed Financial, Inc leading the portfolio relative to the benchmark. The information technology sector made up seven out of the top ten performing stocks. This was the biggest reason why the information technology sector also contributed the most to the overall portfolio performance. Semtech, also of the information technology sector, was the top detractor of performance in FY 2014 but was compensated by the other firms in its sector. The energy sector held three of the ten lowest contributors to performance.

Individual Stock Theses

Below is the value thesis for each stock that was held by the SSIF as of June 30, 2014. Data sources include: Bloomberg Professional Service, Morningstar, Yahoo Finance, Google Finance, as well as the companies' websites. Detailed portfolio holdings are provided in Portfolio Holdings.

Consumer Discretionary

Dick's Sporting Goods (DKS)

Dick's Sporting Goods, Inc. operates as a sports and fitness retailer primarily in the eastern United States. There is a location here in Carbondale. The company provides sporting goods equipment, hunting and fishing gear, and fitness equipment. As of May 3, 2014 there are approximately 565 stores.

DeVry, Inc. (DV)

DeVry, Inc. owns several higher education institutions across the United States. DV offers Associate's, Bachelor's, and Master's degrees in a variety of fields. DeVry was purchased recently by the Consumer Discretionary sector who saw its excellent growth opportunity in current economic conditions. It is also believed that future technological advances have the potential to push consumers towards new forms of education, especially online education where DeVry has a strong foothold.

Brinker-International, Inc. (EAT)

Brinker International, Inc. owns, develops, and operates casual dining restaurants (Chili's Grill & Bar and Maggianos Little Italy) primarily in the United States. EAT was purchased in February 2014 under the belief that Brinker International is a fiscally strong company that will continue to grow. The long-term growth of Brinker International will increase the long-term value of the SSIF portfolio.

John Wiley & Sons (JW-A)

John Wiley & Sons is a publishing firm that produces and sells books and textbooks for universities, as well as scientific, technical, medical and scholarly communities. Wiley & Sons is a value company with steady growth, presenting a strong financial condition. The SSIF believes John Wiley & Sons has a different strategy than its competitors because of the focus on improving technological services. Holding a value publishing company that has plans to expand globally and is digitizing its products and services will better diversify the SSIF portfolio. The SSIF is confident that John Wiley & Sons is still financially stable and will continue to grow.

Matthews International Corp. (MATW)

Matthews International Corp. is a designer, manufacturer, and marketer of products and solutions for cemetery and funeral home industries. The company is located in the United States, Mexico, Canada, Europe, Australia, and Asia. Matthews was purchased in April of 2014 for its high intrinsic value. We believe that the market did not realize the value of this stock. However, on May 30, 2014 MATW was moved to the S&P 600 and no longer met the requirements to be held in the SSIF portfolio. The stock was sold and replaced in July 2014.

Panera Bread (PNRA)

Panera Bread Company owns and operates retail bakery-cafes in the United States and Canada. The company operates under various names: Panera Bread, Saint Louis Bread Co. and Paradise Bakery and Café. Panera Bread is growing and showing one of the best financial statements compared to their competitors. The company believes that the quality of their food and the cozy dining environment it offers are the main factors in building a loyal customer base.

Tupperware Brands Corporation (TUP)

Tupperware Brands Corporation was purchased in August 2013 to increase the number of stocks held in the Consumer sector to reduce the risk associated with low diversification. The valuation model showed that the stock was undervalued by the market. The company operates as a direct-to-consumer marketer of various products worldwide. Tupperware Brands Corporation was founded in 1996.

Consumer Staples

Church & Dwight (CHD)

Church & Dwight Co. Inc. develops, manufactures, and markets a range of household, personal care, and specialty products. Examples include baking soda, fabric softeners, deodorants, etc. Major customers of CHD include Wal-Mart, Kroger, and Target. We expect the company's growth to continue and to add more value to the SSIF portfolio.

Energizer Holders Inc. (ENR)

Energizer Holdings, Inc. majorly manufactures and distributes dry batteries and flash lights. After 2000, ENR entered personal shaving market such as razors and shaving blades, as well as disposable nursing products. ENR has large market shares in each of its segments. Variety of product lines makes ENR partially immune from market uncertainties.

Ingredion Inc. (INGR)

Ingredion Inc. was called Corn Products International and refines corn into multiple products such as sweeteners, starch and other basic materials. INGR and its subsidiaries reach over 20 countries in the world. Its final products are essential to many industries. SSIF believes that the food sector in consumer staples is extremely resilient and INGR is expanding its regional reach as well.

Energy

Atwood Oceanics (ATW)

Atwood is a mid-sized oil drilling contractor with operations focused in the waters off Africa, Indonesia, and Australia. ATW utilizes jack-ups, ultra deep-water rigs and semi-submersible rigs in the regions listed. Atwood compares favorably to the industry through its continual increase in drill and well sites. Compared to other offshore oil drillers, ATW has a younger fleet as well as continual projects to create the best value for themselves and their investors. In Atwood Oceanics, the SSIF continually sees a very low P/E and high EPS compared to other competitors in the industry as well as the S&P 400. For this to continue, the SSIF expects strong revenue growth from drill contracts that Atwood Oceanics has in place for now and into the future.

Gulfport Energy (GPOR)

Gulfport Energy is an independent natural gas exploration and production company with acreage positions in Texas, Ohio, Louisiana, and Colorado. Gulfport has also established interests in Canada as well as Thailand. SSIF holds GPOR because of its acreage positioning in the Utica Shale region in Ohio along with the fact that there are fewer competitors in this region. GPOR favors comparably to its competitors in the oil and gas production segment of the energy sector with its strong revenue growth, asset growth, and ROE. GPOR also helps in diversification within the energy sector through little correlations with other firms of the same sector.

HollyFrontier Corp. (HFC)

HollyFrontier Corp. refines, transports, and markets oil products in the United States. HFC's primary function is to refine oil that is transported from other companies to their sites. HollyFrontier originated from a merger that took place in July 2011 before we bought it in the following fall. HollyFrontier is still currently the largest Independent oil refinery in the U.S.. With its extensive pipeline that is across the U.S., HFC is believed to benefit from new drilling areas as well as established drilling areas where it receives oil to be refined.

Oil States International (OIS)

Oil States International provides parts and services to large oil companies around the world such as Shell and Halliburton. OIS's continual improvement of new products and existing products is why SSIF believes OIS has an advantage over other oil service and parts companies in the S&P 400. OIS has shown potential in expansion in their offshore and deep water drilling equipment markets and continues to make acquisitions in this market. OIS recently spun off Civeo Corp that the SSIF ended up holding in the industrials sector of our portfolio. Civeo provides accommodations for oil drillers in Australia, US, and Canada. Looking forward, with its new proposals and acquisitions, the SSIF looks for continual revenue and asset growth in OIS.

Financial Services

American Financial Group (AFG)

American Financial Group, Inc. is a financial holding company that engages primarily in property and casualty insurance. They focus on specialized commercial products for businesses and fixed, indexed and variable annuities, in addition to a variety of supplemental insurance products. The company operates its business in three segments: property and casualty insurance, annuity and supplemental insurance, and investments.

Arthur J Gallagher & Co. (AJG)

Arthur J Gallagher & Co. is an insurance broker and risk management firm with a specialty in property/casualty insurance along with consulting and appraisal services. It has been shown to generate revenues in both domestic and international markets with approximately 25% of its revenue coming from foreign markets. The SSIF views its desire to further expand globally as a sign of great potential for growth in the upcoming years.

Bank of Hawaii (BOH)

Bank of Hawaii Corporation is a bank holding company providing a broad range of financial products and services to customers in Hawaii and the Pacific Islands. It was founded in 1897 and is one of the largest independent financial institutions in Hawaii. The company derives its competitive advantage by following a disciplined and conservative style of lending. BOH has a high level of risk aversion compared to many regional banks. Small business loans are their main assets and sources of revenue. Bank of Hawaii provides detailed customer service and caters to the needs in a community that is focused on small businesses rather than large corporations.

Hospitality Properties Trust (HPT)

Hospitality Properties Trust is a real estate investment trust (REIT) that purchases, operates, and owns a variety of hotels throughout the United States and Puerto Rico. The hotel properties are of a wide variety of brands from Holiday Inns to Crown Plazas. The SSIF purchased HPT in order to fully diversify the financial sector and the SSIF portfolio. Furthermore the consistent dividends paid by an REIT give the portfolio a reliable cash flow. This coupled with HPT's strong revenue generation make it an excellent addition to the SSIF portfolio.

MSCI Inc. (MSCI)

MSCI provides worldwide investment decision support tools for its clients. Among these services include: indices, portfolio risk and performance analytics and governance tools. MSCI has worldwide research and client services with offices in over 20 countries. We expect that MSCI to continue to grow by making strategic acquisitions, utilizing their increased sales force, and through their aggressive financing strategy to pay down long term debt.

Reinsurance Group of America (RGA)

Reinsurance Group of America (RGA) is an insurance holding company that is primarily focused on traditional life, asset-intensive, critical illness insurance and financial reinsurance. RGA has five financial reporting segments: U.S., Canada, Europe & South Africa, Asia-Pacific, and Corporate. Our valuations for RGA expect positive growth in the future. RGA is currently one of the largest life reinsurers. RGA was bought as an attempt to diversify the Insurance sub-sector that was primarily focused on property and causality insurance.

SEI Investments Company (SEIC)

SEI Investments Company provides investment processing, fund processing, and investment management business outsourcing solutions to corporations, financial institutions, financial advisors, and high net-worth families. SEIC is held to diversify the Asset Management sub-sector within the financial sector. The sector believes that its outsourcing solutions will be in higher demand as the cost of business increases, due to various political changes in the financial market that will benefit SEIC in the long-term.

Signature Bank (SBNY)

Signature Bank of New York is a bank located in New York, NY. The bank provides investment, loan, insurance, and personal banking to its clients. In addition, SBNY is unique in that its primary focus is providing financial services to private businesses and their senior managers. SBNY has shown remarkable potential for growth as it has attracted and hired several financial managers from its competitors who have brought their clients with them to Signature Bank. SBNY was purchased after showing further growth potential in several of the SSIF valuation models and has thus far proved to be an excellent addition to the financial sector and the SSIF overall Portfolio.

Waddell and Reed (WDR)

Waddell & Reed Financial provides investment management, investment product underwriting and distribution, and shareholder services administration to mutual funds, other financial institutions, as well as, separately managed accounts in the U.S.. This firm's competitive advantage is the strength of their management, and their ability to continue generating increased sales of their IVY funds. In addition, management has expressed a strong desire to diversify and generate sales from other areas and funds.

Healthcare

Charles River Laboratories (CRL)

Charles River Laboratories provides research tools and support services to companies for drug development. They currently have 65 facilities in 15 countries, with an optimistic outlook of future expansion. CRL's recent addition will help diversify the SSIF portfolio and provide exposure to the life sciences, tools, and services subsector.

Endo International (ENDP)

Endo international is a healthcare specialty company that focuses on manufacturing, developing, distributing and marketing their own pharmaceutical products. ENDP has over 600 pharmaceutical products ranging from pain relief to muscle relaxants. It is a diverse company with different segments including laboratories and specialty products for the male and female pelvis. SSIF believes that there is much more potential for growth going forward.

Mednax (MD)

Mednax is a neonatal, maternal-fetal, pediatric physician, and anesthetic service provider to hospitals. Mednax is also the second best performing stock within the health care services sector. The health-care sector bought Mednax because of future growth potential through their acquisitions and expansions across the United States. Since the date of purchase, Mednax has acquired a total of five anesthesia and pediatric practices.

Steris Corporation (STE)

Steris Corporation develops, manufactures, and markets sterilization and cleaning products to healthcare facilities. It also offers consulting services on sterilization management, facility planning, engineering support, device testing, customer education, hand hygiene process, and asset management/planning. The market for these products and services is expected to grow. The explanation can be found partly in the public awareness of contagion disease and government regulations on hospitals to increase disincentive controls and the like. The further development of medical instruments puts higher demand on the instruments that decontaminate them. New methods must be developed to disinfect the many intricate parts of new medical machinery and Steris is well prepared to meet these demands. The aging population in the U.S. and worldwide is also a positive factor for Steris and the Healthcare industry in general because the demand for health care related products and services will most likely increase.

United Therapeutics Corporation (UTHR)

United Therapeutics Corporation is a biotech company with products focused on treatment of chronic and life-threatening conditions. While United Therapeutics has established itself by building upon its core competencies, namely pulmonary disorders, the SSIF feels that the company has great potential for growth going forward. This belief is founded upon the significant capital spending by United Therapeutics in recent years, as well as its development of new drugs in other areas, such as cancer, while continuing to be a leader in the treatment of pulmonary hypertension. A relative comparison to valuations of other biotech companies in the industry shows that UTHR is the most undervalued, which influenced the SSIF to make the decision about purchasing the stock.

VCA INC. (WOOF)

VCA Inc. is a leading provider in the veterinary services industry in the United States and Canada. VCA Inc. has potential for growth, having more than 600 animal hospitals through acquisitions and other veterinarian service segments. The healthcare sector concluded that the addition of this company would help the SSIF portfolio diversify and provide exposure to the veterinarian services industry.

Industrials

AGCO Corp. (AGCO)

AGCO is a manufacturer and distributor of agricultural equipment. In 2004, AGCO started expanding its market internationally. With the growth in emerging markets, AGCO can benefit from increasing demands for agricultural products. Even though AGCO has little presence over the North American market, SSIF believes that AGCO is at a good position in its business and growth potential in international markets.

Alaska Air Group (ALK)

Alaska Air Group is an airline holding company. The company provides air travel services to multiple destinations. In addition, ALK provides air delivery services within and to the state of Alaska, and the West Coast of the North America. Alaska Air Group provides diversification via exposure to the air travel industry.

B/E Aerospace (BEAV)

B/E Aerospace manufactures a variety of cabins for commercial and private business aircrafts. B/E also provides oxygen systems, water and waste systems, structures and integration, and wing de-icing systems, for companies like Airbus and Boeing, in addition to, governments for military aircrafts. The industrials sector holds B/E because of its ability to generate competitive profits, as well as, their large contracts from the aviation industry, which gives them an upper hand compared to the competitors.

Copart Inc. (CPRT)

Copart, Inc. provides online auctions and vehicle remarketing services in the United States, Canada, and the United Kingdom. It offers a wide range of services for processing and selling vehicles over the Internet, through its virtual bidding process online. Revenue is predominantly derived from auction fees paid by vehicle suppliers and vehicle buyers, as well as related storing and towing fees. The company operates more than 140 facilities in the United States, Canada, and the United Kingdom. This company was bought for the reason of diversifying the industrials sector, and that it is a strong global competitor in the car auctioneer business.

Civeo Corporation (CVEO)

Civeo Corporation provides workforce accommodations in Australia, U.S., and Canada, mainly for oil drilling companies. It had recently been spun off from Oil States International (OIS) and now operates independently. After evaluating CVEO apart from OIS, the Industrials sector decided that there was still growth potential in this company and expects to see future growth.

ITT Corporation (ITT)

ITT Corporation designs and manufactures critical engineered components and customized technology solutions for the energy transportation and industrial markets. They make various products including pump valves, high pressure shock absorbers, high performance suspension systems, truck, rail, trailer, and industrial applications. Their breadth of products is a major selling point, since the ability to simplify the consumers' procurement process is one of their competitive strengths.

Lennox International, Inc. (LII)

Lennox International Inc. is a global leader in the heating, air conditioning, and refrigeration markets. Lennox is focused on four key business segments: residential heating and cooling, commercial heating and cooling, service experts, and refrigeration. Lennox is involved in markets not only in the United States, but also in Canada and abroad. The SSIF was attracted to Lennox because of their conviction to growing internationally. Lennox has also become one of the leading providers in energy efficient appliances, which is growing in demand due to increasing energy costs. Also, Lennox was undervalued, based on industry valuation, relative to its competitors within the Midcap 400 index. Lennox International was founded in 1895 and their corporate headquarters is in Richardson, Texas.

Mid America Apartment Communities Inc. (MAA)

Mid America Apartment Communities Inc. is a Residential REIT (Real Estate Investment Trust) that is headquartered in Memphis, Tennessee and owns 85,000 properties in 14 states. It is regionally located in the Southeast and Midwest. Its main focus is multifamily homes and obtains its revenues through rental income. We saw the merger with Colonial Properties Trust as removing one of its largest competitors in the region and creating the largest sun-belt focused REIT, thus showing strong future growth potential for the company and the SSIF portfolio.

Towers Watson & Co. (TW)

Towers Watson & Co. is a leading global professional services company that helps organizations improve performance through effective risk and financial management. It operates in four segments: Benefits, Risk and Financial Services, Talents and Rewards, and Exchange Solutions. It also has the competitive advantage of owning the largest private healthcare exchange.

Information Technology

Ansys Inc. (ANSS)

Ansys Inc. develops engineering simulation software and other services that are used in fields such as aerospace, biomedical, and defense industries. They offer a wide range of simulation products that provide services across multiple industries. The company was founded in 1970 and is based out of Pennsylvania. We bought Ansys because of the company's growth through acquisitions, the variety of products offered to a growing customer base, and the increasing performance in net income and free cash flow.

Conversant, Inc. (CNVR)

Conversant provides internet advertising solutions. They sell their products to advertisers and other advertising agencies worldwide. Conversant, formerly known as ValueClick, makes money from clicks on their internet advertisements. The information technology team found this company to be of interest because it uses a solely online marketing approach to sell its brand. CNVR recently sold one of its segments to keep focused on its two main segments, Media and Affiliate Marketing. Conversant is the largest independent ad network in the market.

Itron Inc. (ITRI)

Itron, Inc. is a global manufacturer of metering technologies that focus on electric, natural gas, and water utilities worldwide. They produce meters in three distinctive categories: standard, advanced, and smart meters. They also provide their customers with services such as implementation, installation, consulting, and project management services. The Information Technology sector believed that this stock added stability to the portfolio because of the low volatility of their customer base, diversification of their business lines, and growth potential.

Lexmark International, Inc. (LXK)

Lexmark is a manufacturer, developer, and supplier of printing, imaging, and business processes across the globe. The company operates in two segments: Imaging Solutions and Services (ISS) and Perceptive Software. The ISS segment focuses on color laser printers, other accessories and supplies for their physical printers. The Perceptive Software segment provides solutions for healthcare, higher education, and other industries with its business process management software. With its large numbers of acquisitions and partnerships, LXK has been shifting their focus to higher-margin software services away from their lower-valued hardware business. With this shift, the information technology sector believes in the long-term growth of Lexmark International.

Global Payments Inc. (GPN)

Global Payments Inc. specializes in electronic payments transaction processing services, where they operate in two segments; North America Merchant Services and International Merchant Services. They offer processing solutions for many forms of payment and services to make the entire payment process more secure. They provide services for many international credit card brands, including American Express, Discover, MasterCard, and Visa. GPN was purchased under the belief that as economies around the world grow, more frequent electronic transactions will occur. Also, with electronic card transfers still being less developed in some countries, Global Payments will be able to use their existing worldwide reach to capitalize off developing markets.

Plantronics, Inc. (PLT)

Plantronics, Inc. designs, manufactures, and markets multiple forms of communication headsets and accessories for worldwide markets under the Plantronics brand. The company also manufactures other specialty telephone products under the Clarity brand, such as Bluetooth products and personal gaming headsets. PLT was honored with six CES innovations awards demonstrating their continued ability to serve a wide variety of needs for consumers worldwide. With the use of two distinct brands and the continuing growth of Bluetooth and other headset-based products, the information technology sector believes Plantronics will continue to grow.

Solarwinds, Inc. (SWI)

Solarwinds designs, creates, and distributes business applications, computer servers, and data storage systems for information technology (IT) professionals worldwide. They offer enterprise-class software primarily for small and mid-size businesses, as well as large enterprises and local, state, and federal government entities. They provide free, easy-to-use, downloadable trials of their products as well as an interactive online community for customer help and other product related topics. The company itself does not have any suppliers, due to the fact that it designs and implements its own products. The company has acquired seven firms since 2011 without the use of any debt, which the information technology sector found to be very impressive.

Trimble Navigation Ltd. (TRMB)

Trimble Navigation Limited designs and distributes positioning products and applications that are used by global positioning systems (GPS), laser, optical, and wireless communication technology. The company operates in four segments: Engineering and Construction, Field Solutions, Mobile Solutions, and Advanced Devices. TRMB has developed numerous joint ventures with firms such as Caterpillar, Nikon, and Hilti, along with other numerous acquisitions; this level of expansion gives the company an advantage in its field. With its quality products and continuing growth and acquisitions, the information technology sector believes that TRMB will continue to grow and add value to the sector and the SSIF portfolio.

Materials

AptarGroup Inc. (ATR)

AptarGroup engages in developing consumer product dispensing system. Currently ATR has three segments: beauty, home and pharmaceuticals. ATR's products include pumps, dispensing closures and aerosol valve, and these products are important to many other manufacturers as well. As a result, many companies are using ATR's products that can be found in various areas of our lives. The dedication to research and development from ATR shows promise of continued innovation. SSIF believes that ATR's diversified operations and innovation intent will help ATR exceed its peers.

Sensient Technologies (SXT)

SXT is one of the world's leading suppliers of flavors, fragrances, and colors used to make a variety of foods, pharmaceuticals, cosmetics, home care products, specialty printing and imaging products, and industrial colors. Sensient Technologies has a competitive position based on its process and application expertise, product quality, advanced technology, and customer service. SXT has a significant global presence that continues to grow through its targeting of the emerging markets. The diversified product line and steady earnings of this company are factors we believe will create a stable stock holding for the Materials sector.

Silgan Holdings (SLGN)

Silgan has market segments in metal containers, composite containers, and plastic closures for food and beverage products. Their core business in metal containers places them as the largest supplier of containers for food products in North America. In the past, Silgan has used a responsible acquisition strategy to increase market share. This industry is facing consolidation and Silgan has been buying out smaller competitors and taking over manufacturing responsibilities for large final goods producers. The Materials sector believes that SLGN is well positioned in the wave of consolidation and will continue to grow.

Telecommunication

Telephone & Data Systems Inc. (TDS)

TDS is a diversified service company that operates in three segments: Wireline, Cable, and Hosted and Managed Services. It offers a multitude of products including smartphone messaging, international dialing plan, cloud computing and many more. Our valuations concluded that TDS was undervalued by the market and that we should see growth from this company in the future.

Utilities

Black Hills Corporation (BKH)

Black Hills Corporation is a well-diversified utility company that produces natural gas, coal, and oil. It provides electric utilities, natural gas for energy and heating to customers in Colorado, Iowa, Kansas, Nebraska, Wyoming, Montana, and South Dakota, while also selling excess energy in wholesale markets. Black Hills has been providing energy to customers for over 100 years and has been traded on the New York Stock Exchange for over 30 years. SSIF holds BKH for their continual increase of quarterly dividends. SSIF believes that the aggressive growth plan put in place by Black Hills Corporation to expand operations from its subsidiaries, construction of new Utilities, and their strong history of paying a growing dividend still create a strong value for our overall portfolio.

Alliant Energy (LNT)

Alliant Energy is the parent company of two regulated electric and natural gas utilities, serving customers in Iowa, Minnesota, and Wisconsin. LNT is one of the SSIF's longest holdings, and has provided consistent returns for the sector, and the portfolio as a whole. Alliant has positioned itself as a company that offers a growing dividend, with growth prospects through favorable acquisitions. LNT also operates in a relatively favorable regulatory environment which assists in maintaining the stability of the firm.

Westar (WR)

Westar Energy, a utility company based out of Kansas, has a diverse energy supply and a strong presence throughout the entire state with about 700,000 customers. Westar Energy is also one of the few energy producing companies with an emphasis on reducing its impact on the environment by means of recycling used energy and planting trees to reduce their carbon footprint on the environment. Recent investments in upcoming projects will continue to advance the company and its customers towards being more environmentally friendly. Their commitment to financially-rewarding efficient energy and cleaner energy is why SSIF holds this particular stock.

Aqua America (WTR)

Aqua America is a water utility company that provides water and wastewater services. WTR currently services three million customers in the Northeastern, Southeastern, and Midwestern part of the United States. The SSIF thinks that WTR compares favorably to its competitors in its capitalization range, based on higher profit margins, growing dividend yield, and strong earnings growth. WTR, with its continuous acquisitions of water systems and wastewater systems, puts itself in position to continually have the growing earnings that SSIF looks forward to seeing. WTR also serves as an effective diversifier for the portfolio, with extremely low correlation to other stocks the SSIF holds in utilities.

Portfolio Holdings

Symbol/Sector	As of 6/30/13		As of 6/30/14		S&P 400 Constituent
	Shares	Market Value	Shares	Market Value	
Consumer Discretionary					
ASNA	1700	\$29,665.00			
DKS	700	\$35,042.00	800	\$37,248.00	Yes
DV	400	\$12,408.00	400	\$16,936.00	Yes
EAT			600	\$29,190.00	Yes
JW/A	900	\$36,081.00	600	\$36,354.00	Yes
MATW			700	\$29,099.00	No
PNRA	70	\$13,016.00	80	\$11,986.40	Yes
TUP			300	\$25,110.00	Yes
UA	600	\$35,826.00			
Total		\$162,038.00		\$185,923.40	
Consumer Staples					
CHD	400	\$24,684.00	200	\$13,990.00	Yes
ENR	100	\$10,051.00	150	\$18,304.50	Yes
INGR	200	\$13,124.00	400	\$22,512.00	Yes
Total		\$47,859.00		\$54,806.50	
Energy					
ATW	600	\$31,230.00	800	\$41,984.00	Yes
GPOR			200	\$12,560.00	Yes
HFC	400	\$17,112.00	300	\$13,107.00	Yes
LGN	500	\$13,880.00			
OIS			250	\$16,022.50	Yes
Total		\$62,222.00		\$83,673.50	

Symbol/Sector	Shares	Market Value	Shares	Market Value	S&P 400 Constituent
Financials					
AJG			900.00	\$41,940.00	Yes
AFG	200	\$9,782.00	600	\$35,736.00	Yes
AMG	225	\$36,887.00			
BOH	500	\$25,160.00	800	\$46,952.00	Yes
ESS	225	\$35,757.00			
HPT	1300	\$34,164.00	800	\$24,320.00	Yes
MAA			600	\$43,830.00	Yes
MSCI			700	\$32,095.00	Yes
RGA	200	\$13,822.00	200	\$15,780.00	Yes
RYN	700	\$38,773.00			
SBNY	100	\$8,302.00	150	\$18,927.00	Yes
SEIC	1150	\$32,695.00	1150	\$37,685.50	Yes
WDR	800	\$34,800.00	600	\$37,554.00	Yes
Total		\$270,142.00		\$334,819.50	
Health Care					
CRL			200.00	\$10,704.00	Yes
ENDP			200.00	\$14,004.00	Yes
MD			600.00	\$34,890.00	Yes
OCR	200	\$9,542.00			
STR	300	\$12,864.00	800	\$42,784.00	Yes
UHS	500	\$33,480.00			
UTHR	200	\$13,164.00	150	\$13,273.50	Yes
VRTX	300	\$23,961.00			
WOOF	600	\$15,654.00	500	\$17,545.00	Yes
Total		\$108,665.00		\$133,200.50	
Industrials					
AGCO	300	\$15,057.00	700	\$39,354.00	Yes
ALK	200	\$10,400.00	200	\$19,010.00	Yes
AME	900	\$38,070.00			
BEAV	500	\$31,540.00	400	\$36,996.00	Yes
CPRT	1000	\$30,800.00	700	\$25,172.00	Yes
CVEO			300	\$7,509.00	Yes
GDI	500	\$37,590.00	800	\$38,480.00	Yes
LII	500	\$32,270.00	500	\$44,785.00	Yes
TW			400	\$41,692.00	Yes
Total		\$195,727.00		\$252,998.00	

Symbol/Sector	As of 6/30/13		As of 6/30/14		S&P 400 Constituent
	Shares	Market Value	Shares	Market Value	
Information Technology					
ADS	200	\$36,206.00			
ANSS	600	\$43,860.00	550	\$41,701.00	Yes
CNVR			1700	\$43,180.00	Yes
GPN	800	\$37,056.00	250	\$18,212.50	Yes
ITRI	300	\$12,729.00	400	\$16,220.00	Yes
LXK			800	\$38,528.00	Yes
PLT	300	\$13,176.00	300	\$14,415.00	Yes
SMTC	400	\$14,012.00			
SWI			500	\$19,330.00	Yes
TRMB	1200	\$31,212.00	1100	\$40,645.00	Yes
Total		\$188,251.00		\$232,231.50	
Materials					
ATR	500	\$27,605.00		\$43,556.50	Yes
SXT	300	\$12,141.00		\$44,576.00	Yes
SGLN	300	\$14,088.00		\$20,328.00	Yes
STLD	2000	\$29,820.00			
Total		\$83,654.00		\$108,460.50	
Telecommunication Services					
TDS			200	\$5,222.00	Yes
TWTC	200	\$5,628.00			
Total		\$5,628.00		\$5,222.00	
Utilities					
LNT	500	\$25,210.00	300	\$18,258.00	Yes
WTR	411	\$12,864.00	623	\$16,333.76	Yes
BKH	300	\$14,625.00	200	\$12,278.00	Yes
WR	400	\$12,784.00	700	\$26,733.00	Yes
Total		\$65,483.00		\$73,602.76	
Cash		\$12,749.00		\$8,535.00	
TOTAL		\$1,202,418.00		\$1,473,473.16	

The COBA Portfolio

The College of Business Portfolio (COBA Portfolio) was established due to the generosity of Mr. and Mrs. Omar and Carol Winter, who provided the initial \$25,000 to start the Saluki Student Investment Fund. Managing the COBA portfolio provides the students of the SSIF with an additional responsibility and opportunity to expand valuation techniques and application to a wide variety of stocks.

The SSIF manages this portfolio in addition to the SIU Foundation portfolio. While the SSIF does not have a mandate to outperform a specific benchmark with the COBA Portfolio, the COBA portfolio performance is compared to the S&P 500 as an informal benchmark in the table below. As of June 30, 2014, the COBA portfolio holds 15 stocks with a total market value of \$92,078.19. Performance by calendar and fiscal year are reported in Table 6.

Table 6: Performance of the COBA Portfolio as of June 30, 2014

	Quarte r	Fiscal YTD	1- Year	3- Year	5- Year	7- Year	10- Year	Since Inceptio n
SSIF	4.64%	31.01 %	31.01%	9.88%	15.69%	9.70%	11.28%	9.79%
S&P 500 Index*	5.23%	24.61 %	24.61%	16.58%	18.83%	6.16%	7.78%	4.30%
<i>Difference</i>	<i>-0.60%</i>	<i>6.40%</i>	<i>6.40%</i>	<i>-6.71%</i>	<i>-3.14%</i>	<i>3.55%</i>	<i>3.49%</i>	<i>5.50%</i>
Tracking Error**			3.90%	7.97%	8.73%	10.22%	13.23%	14.97%
Information Ratio***			1.64	-0.84	-0.36	0.35	0.26	0.37
Months > Benchmark			58%	47%	50%	52%	53%	54%

COBA portfolio value as of June 30, 2014: **\$92,078.19**

Periods greater than one year are annualized.

* Performance of the S&P 500 Total Return Index (Source: Bloomberg SPXT Index) is used for comparison purposes only. The COBA Portfolio does not have a formal mandated benchmark against which it is managed.

** Tracking error is annualized and based on monthly return differences relative to the S&P 500 Index. Due to incomplete monthly data for the portfolio during the period December 2001 through April 2004, S&P 500 Index returns were used in twelve separate months for the purposes of calculating tracking error. Therefore, tracking error is likely underestimated for periods that include the December 2001 through April 2004 period.

*** Information ratio is the ratio of the annualized relative return divided by the tracking error. See note regarding tracking error.

COBA Challenge

During the past fiscal year, the SSIF has started a successful new event to determine which stocks should be held and traded in the COBA portfolio. This event is intended to be a challenge, as its name suggests, so the entire competition takes place over a small time span of around three days and consists of teams of three students which must do all the research associated with conducting a buy and sell suggestion in that short period. By design, everyone will be at an equal playing field because a random sector out of the Russell 1000 Index will be chosen, but will not be revealed until the start of the competition. After intensive hours of research, the groups will present their claims for both buy and sell recommendations and vie for the votes of the most SSIF members and faculty audience to win the competition. Once the votes for both decisions are determined, the SSIF will add and remove the winning stocks from the COBA portfolio as appropriate.

This competition forces its participants to understand the most important sources of value in an investment decision. In a way, the COBA Challenge's role could be linked to that of an exam in a course. It is meant to push the boundaries of its participants and show what all we have learned, while encouraging healthy competition that creates a better overall portfolio in the end. Not only does it help current members of the SSIF, but it can be used as a channel to draw attention to our organization. We market this event by inviting people to attend, such as faculty members from the Finance department and demonstrate our skills to them. We can also possibly use this event as a channel to attract new members into the SSIF with a better understanding of what we do. The SSIF is very pleased with the first COBA Challenge that it conducted in the spring semester of 2014 and is looking forward to continued success with this event in the future.

Outlook for FY 2015

The SSIF reviews the past fiscal year as a period to reflect from, so that we may advance our strategies for upcoming years while adhering to the investment mandate. Our mission is to continue to develop an organization that represents SIU and its stakeholders well.

In the past fiscal year, we have had success in attracting many new members. We plan to use this as an advantage in the upcoming year by having additional dedicated people contribute to our discussions and research. As always, we will work together tirelessly to ensure the mission of the group is being carried out. Our increasing popularity is a reassuring sign that we will always have a sufficient group of members to diligently be involved in managing the portfolio as we have had in the past.

The SSIF will still be active in recruitment throughout the year, in order to maintain a strong organization and continuity in management in the future. The group will work to ensure all members implement the investment philosophy and process as communicated to the Foundation. The SSIF believes that its organizational structure, along with its commitment to the investment philosophy and process, will continue to deliver positive results to the Foundation and University community.

Appendix I: Resolutions

Saluki Student Investment Fund Mid-Cap Core Strategy

Resolution: *Investment Process (Cash Balance)*

The decision of the Saluki Student Investment Fund as of October 26, 2010 in regards to the investment process is as follows:

1. The cash balance of the SSIF portfolio will not exceed 1% of the overall portfolio value unless the following stipulations are true:
 - a. There will be a proposed trade by a sector team within 2 weeks' time
 - b. The sector team proposing the trade is underweight against the benchmark
2. If the above stipulations are false, then any percentage over 1% will be allocated into the benchmark ETF to correct the excessive cash balance.
If a correction in cash is needed because of the above stipulations the ETF will be sold to obtain a cash balance as close to 75 basis points as possible.
3. The cash balance will not go below 25 basis points of the overall portfolio value. If the cash balance falls below the lower limit, the SSIF will immediately sell the proper amount of the benchmark ETF to maintain the target goal of 75 basis points.
4. If the SSIF portfolio does not hold the mid-cap ETF at the point where a cash balance adjustment is needed, the group will have one week to decide the proper Equity to be sold to achieve the cash balance goal.

Saluki Student Investment Fund
Mid-Cap Core Strategy

Resolution: *Investment Process (Eligible Investment Universe)*

The decision of the Saluki Student Investment Fund as of October 1, 2010 in regards to the investment process is as follows:

1. All equities in the S&P 400 are in the acceptable eligible investment universe.
2. A minimum of 75% of the portfolio value will be S&P 400 constituents.
3. All equities with a market capitalization in the 10% to 90% range of S&P 400 constituents' market capitalizations at of the beginning of the semester will be in the eligible investment universe.
4. Stocks that are a constituent of the S&P 500 or 600 will not be held in the SSIF portfolio.
5. The eligible investment universe will be re-adjusted every semester to account for changes in the overall market.
6. Any holding outside the eligible investment universe for more than one semester will be removed from the portfolio in an orderly manner.

Saluki Student Investment Fund
Mid-Cap Core Strategy
Sector Weight Policy

Resolution: *Investment Process (Sector Weight)*

The decision of the Saluki Student Investment Fund as of October 26, 2010 in regards to Sector Weights is as follows:

1. With the absence of a strong thesis, sector weights will be maintained within +/- 2% of the S&P 400 Mid-Cap index.
2. Sectors that become organically under or overweighed will be addressed and brought back to the proper sector weight in an orderly manner.
3. For sector teams that wish to over or underweight their sector, the sector team must present a thesis that supports their decision to the other sector teams. The SSIF as a whole will need to approve or deny the proposed sector weight before any weights can be changed.
4. In the event that no other sector wants to make an equal under or overweight bet to the new proposed weight, then all the sectors should be adjusted equally up or down compared to the new sector weight.

Appendix II: Yearly Performance

SIU Foundation Portfolio***

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
SSIF	-2.62	-13.03	-4.01	18.75	19.31	12.95	24.99	-5.28	29.40	24.67	48.10	1.34	25.31	24.12
S&P 400 Benchmark*	8.87	-4.72	-0.71	27.99	14.03	12.98	18.51	-7.34	28.02	24.93	39.38	2.33	25.18	25.24
<i>Difference</i>	<i>-11.50</i>	<i>-8.31</i>	<i>-3.29</i>	<i>-9.23</i>	<i>5.29</i>	<i>-0.03</i>	<i>6.49</i>	<i>2.05</i>	<i>-1.38</i>	<i>-0.26</i>	<i>8.72</i>	<i>0.99</i>	<i>0.12</i>	<i>-1.11</i>

Fiscal Year ends on June 30 of the given year

*Performance of the benchmark is reported for the S&P Midcap 400 Total Return Index (Source: Bloomberg SPTRMDCP)

**Partial year. Performance begins June 1, 2000.

*** All numbers are listed as percentages.

COBA Portfolio***

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
SSIF COBA Portfolio	2.77	-10.93	10.21	34.90	28.74	-9.84	31.18	0.69	-8.38	16.83	33.73	14.96	19.07	31.01
S&P 500*	-14.83	-17.99	0.25	19.11	6.32	8.63	20.59	-13.12	26.21	14.43	30.69	5.45	20.60	24.61
<i>Difference</i>	<i>17.60</i>	<i>7.06</i>	<i>9.96</i>	<i>15.79</i>	<i>22.42</i>	<i>-18.47</i>	<i>10.59</i>	<i>13.81</i>	<i>17.83</i>	<i>2.40</i>	<i>3.03</i>	<i>20.41</i>	<i>-1.53</i>	<i>6.40</i>

Fiscal Year ends on June 30 of the given year

*Performance of the S&P 500 is for comparison purposes only. The COBA portfolio does not have a mandated benchmark.

**Partial year. Performance begins June 1, 2000.

*** All numbers are listed as percentages

Appendix III: FY 2014 SSIF Members

Angela Qu

Blake Uffelman

Cody Ferland

Chris Whitmire

Tristin O'Neil

Rachel Crofts

Eddie Arrieta

Eric Liaboe

Genevieve Phuah

Nathan Ray

Hiba Abbasi

Mike Carrier

Matthew Selvaggio

Megan Rhodes

Tianfu Gu

Kyle Adams

Kyle Logan

Yanru Fang

Liyuan Wang

Luke Mcarthy

Dewone Hobbs

Micah Khuntangta

Michael Kordas