

Saluki Student Investment Fund

Annual Report

June 30, 2015

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 Finance, Business Economics, Accounting, Marketing, Management, Physiology/Pre-med, Psychology and Aviation Management.

As of June 30, 2015, the SSIF manages a total of approximately \$1,578,182.12

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, Rehn Professor of Finance, became the SSIF faculty advisor.

In April 2011, the SSIF made a proposal to the SIU Foundation to increase its AUM 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. After the May, 2015 SIU Foundation meeting, it has been decided that a \$2,000,000 AUM cap will be imposed upon the portfolio, in order to mitigate the percentage that the student managed portfolio contributes to the overall endowment.

Dr. Xiaoxin Wang Beardsley, Associate Professor and Hamilton Family Faculty Fellow in Finance, joined and assisted Dr. Greene in advising the SSIF from the Fall semester of 2014, after Dr. Greene stepped up to become the Interim Dean of the College of Business at SIU Carbondale.

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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, 2015. 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 FY2015, 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 FY2016 outlook of the Saluki Student Investment Fund followed by a list of resolutions, and a complete member roster for the SSIF during FY2015.

Although the SSIF began with an underperformance in the first quarter of the fiscal year, the portfolio slightly outperformed the benchmark in FY2015 as a whole; which can be attributed to a strong second quarter and relatively stable performance throughout the remainder of the year, relative to the benchmark. This performance can be evaluated in detail on the Monthly returns chart. The SSIF continues to focus on outperforming the benchmark over the long term by operating under an active, fundamental, value-focused strategy. 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 FY2015.

Looking forward, the SSIF will continue to work diligently to adhere to the SSIF investment philosophy, in order to generate sustainable returns while maintaining focus on long-term success in the future and continuing to improve the performance of the fund, as well as the learning experience of the members.

Thank you for your continued support,

Saluki Student Investment Fund

Saluki Student Investment Fund – FY2015

Annual review

The FY 2015 has provided the SSIF with several opportunities to hone valuation techniques and skills and remain committed to our investment philosophy and process. Although quarterly performance was mixed in comparison to the benchmark, the portfolio cumulatively outperformed the index by the conclusion of the fiscal year. The SSIF achieved this result by remaining committed to the investment philosophy of the fund and the mandate of the SIU Foundation—which is to invest in mid-cap stocks with a 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 and analyses using a variety of valuation models and resources that the SSIF has access to. The group applied lessons learned from past experiences and performances in order to react to present scenarios and manage holdings appropriately. We intend to actively analyze the benchmark constituents closely in order to continue to make the correct adjustments within the portfolio and outperform the S&P 400 index. Throughout the semester, 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 calendar year. The goal of the SSIF as instructed by the sector-neutral policy is 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, 2015, all stocks held by the SSIF portfolio were S&P 400 constituents.

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

As of 6/30/15				As of 6/30/14			
Sector	SSIF	Benchmark	Difference	Sector	SSIF	Benchmark	Difference
Cons. Disc	13.31%	14.06%	-0.75%	Cons. Disc	12.62%	12.97%	-0.35%
Cons. Staples	3.90%	4.20%	-0.30%	Cons. Staples	3.37%	3.45%	-0.08%
Energy	4.50%	4.39%	0.11%	Energy	5.68%	5.23%	0.45%
Financials	23.55%	24.20%	-0.65%	Financials	22.72%	22.98%	-0.26%
Healthcare	8.69%	9.08%	-0.39%	Healthcare	9.04%	9.48%	-0.44%
Industrials	16.01%	15.56%	0.45%	Industrials	17.17%	16.92%	0.25%
Info-Tech	17.24%	16.65%	0.59%	Info-Tech	15.76%	16.12%	-0.36%
Mateials	7.47%	7.26%	0.21%	Mateials	7.36%	7.54%	-0.18%
Telecom	19.00%	18.00%	1.00%	Telecom	0.35%	0.50%	-0.15%
Utilities	4.46%	4.42%	0.04%	Utilities	5.00%	4.82%	0.18%

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

	As of 6/30/15	As of 6/30/14
Stocks in SSIF	51	54
Stocks in the S&P 400	51	53

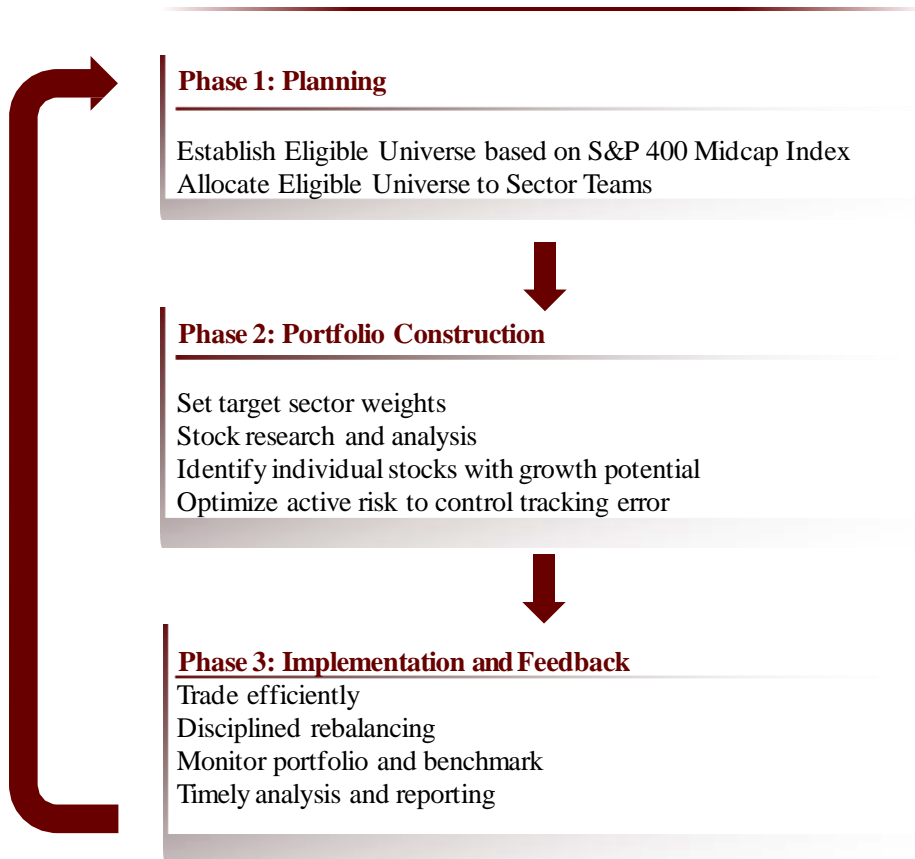
Investment Philosophy and Process

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 for 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 SIU Foundation to be fully invested. The SSIF cash balance policy states that the SSIF will hold no more than 1% cash (with an ideal target zone of 25bps to 75 bps) 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 75bps. Finally, if the cash in the portfolio falls below 25bps, appropriate actions will be taken to raise the cash back to the 75bps target. The cash balance resolution became effective as of October 26, 2010.

Organizational Structure

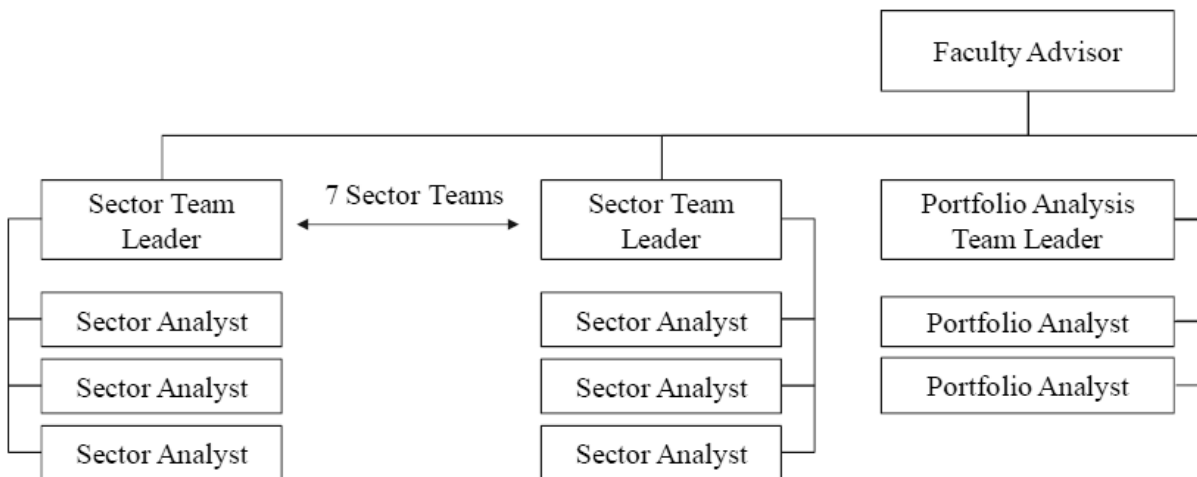
The Saluki Student Investment Fund is an investment group in which students can apply classroom lessons as professionals within an organization that operates as a real investment management firm. Students have full responsibility for researching companies and making buy/sell decisions. The responsibilities 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 for various holding periods. The SSIF and the S&P 400 both posted gains over the past fiscal year, of 8.69% and 6.40% respectively. Over the most recent quarter, the SSIF and the S&P 400 posted losses, of -0.91% and -1.06% respectively. In order to continue to beat the benchmark over the long-term, the SSIF remains committed to fundamental research, analysis, and valuations that select 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, 2015

	Quarter	Calendar YTD	1-Year	3-Year	5-Year	7-Year	10-Year	Since Inception
SSIF	-0.91%	5.18%	8.69%	19.13%	19.82%	11.73%	11.26%	8.14%
S&P 400 Benchmark*	-1.06%	4.20%	6.40%	18.60%	17.83%	10.74%	9.74%	9.38%
<i>Difference</i>	<i>0.15%</i>	<i>0.99%</i>	<i>2.29%</i>	<i>0.53%</i>	<i>2.00%</i>	<i>1.00%</i>	<i>1.52%</i>	<i>-1.23%</i>
Tracking Error**			2.05%	2.90%	2.81%	4.08%	4.22%	5.48%
Information Ratio***			1.12	0.18	0.71	0.24	0.36	-0.23
Months > Benchmark			50%	44%	52%	52%	51%	48%

Periods greater than one year are annualized.

Inception: June 30, 2000

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

** Tracking error is annualized and based on monthly return differences relative to the benchmark.

*** Information ratio is the ratio of the annualized relative return divided by the tracking error

SIU Foundation Portfolio value as of June 30, 2015: **\$1,578,182.12**

Over the years, students of the SSIF were relentless and dedicated to the investment philosophy and process of the SSIF which contributed to its outperformance over the benchmark for the most recent 1, 3, 5, and 10-year periods, though the performance since its year 2000 inception has been under the benchmark.

Figure 1: Annualized Average Return

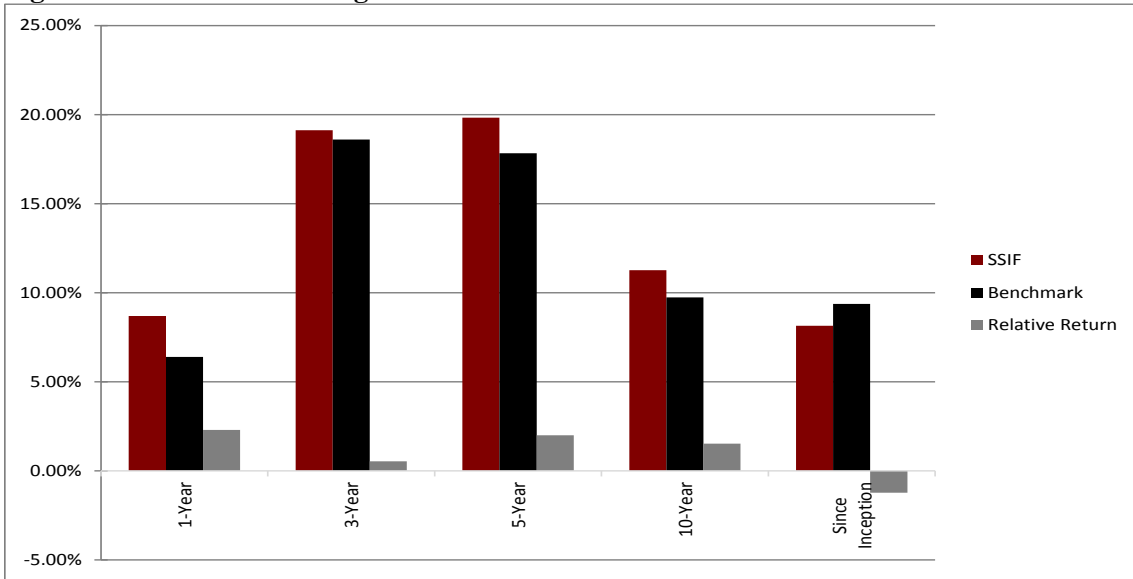


Figure 2: Cumulative Returns since Inception

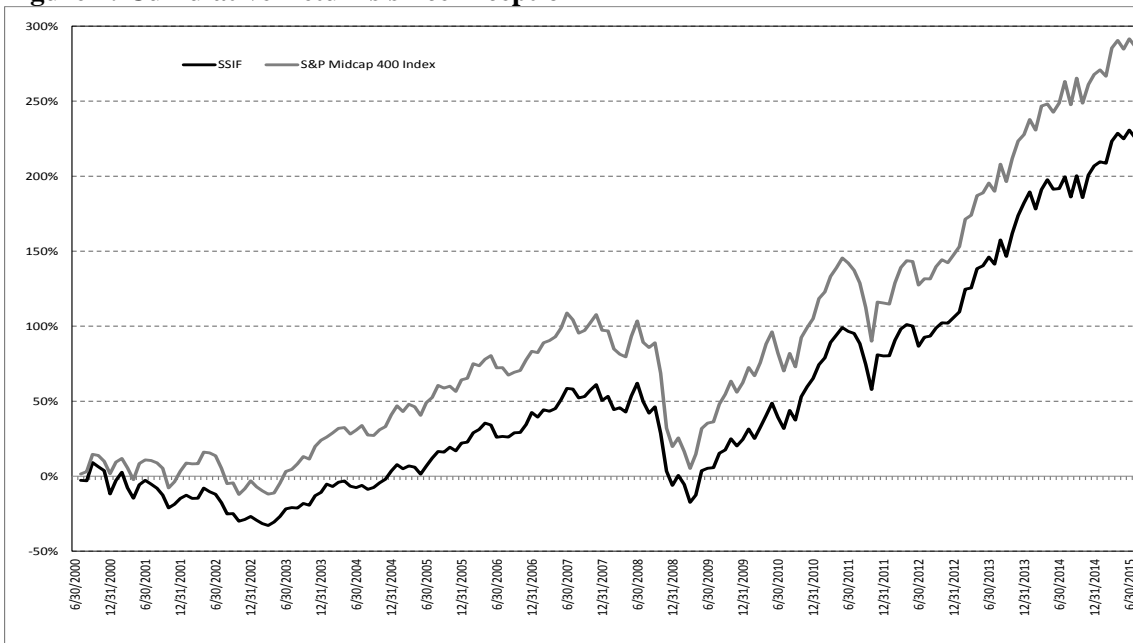


Figure 3 shows the returns for the SSIF relative to the benchmark over each month during FY 2015. After the commencement of the fiscal year, the SSIF underperformed the benchmark for three months in a row, but experienced a recovery at the beginning of the second quarter into the fiscal year. The outperformance generally sustained in to the final months of the fiscal year.

Figure 3: Monthly Returns during the Fiscal Year

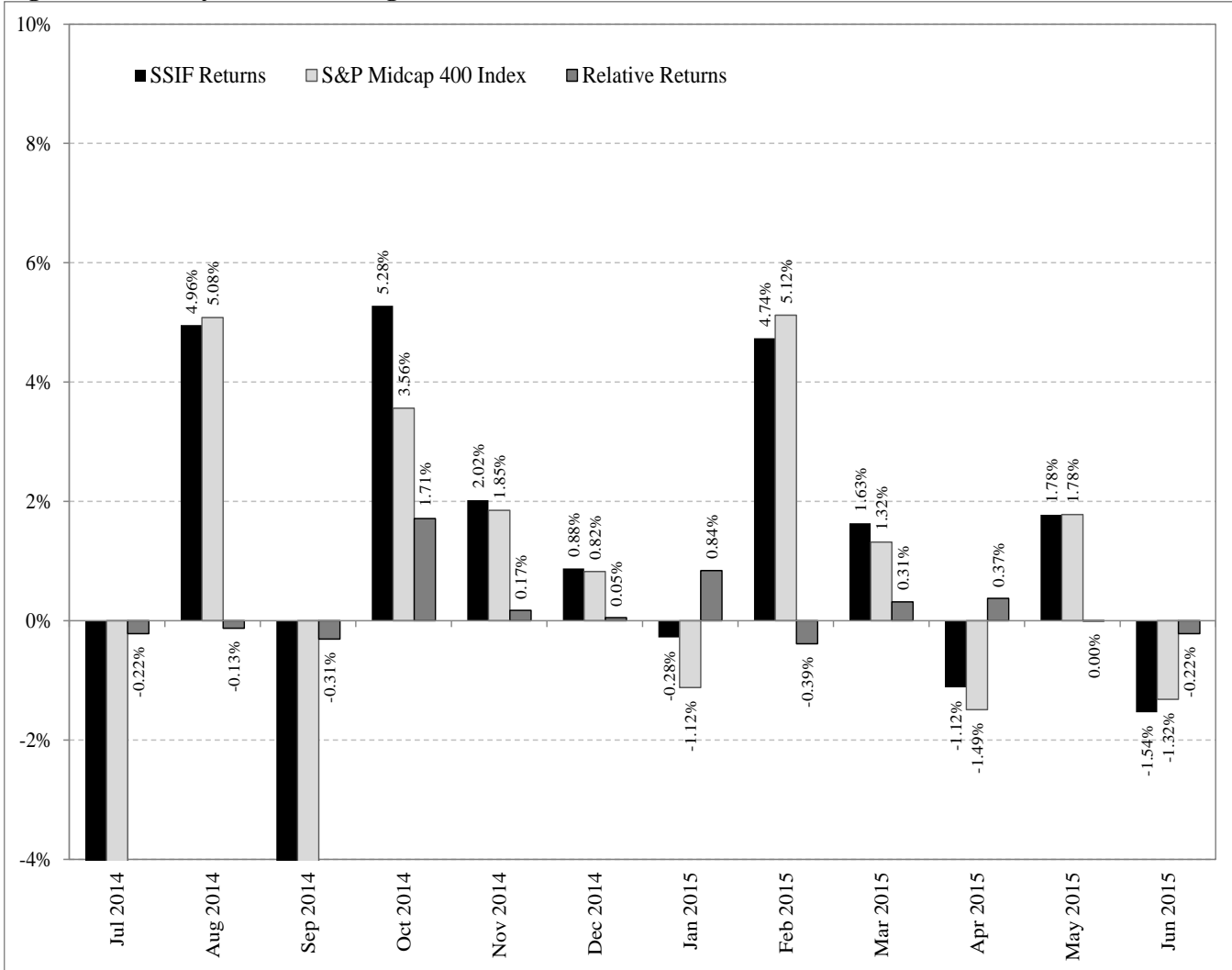


Figure 4: Fiscal Year 2015 Quarterly Relative Return Performance Attribution

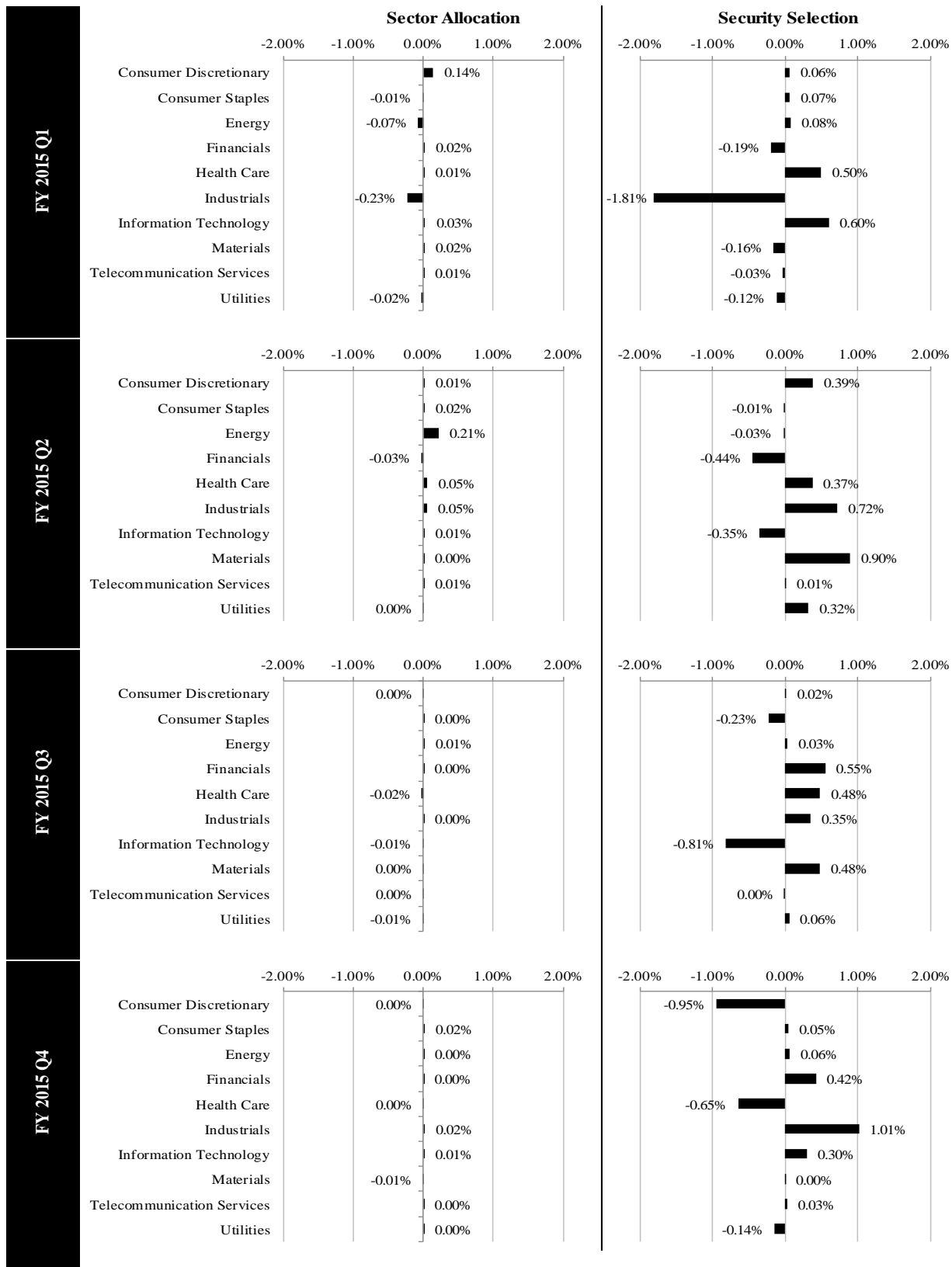


Figure 4, on the previous page, shows the quarterly performance attribution by sector allocation and stock selection, demonstrating how SSIF applies its investment philosophy and process in order to generate abnormal returns over the benchmark. The left panel of the figure shows how much of the relative 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 FY2015

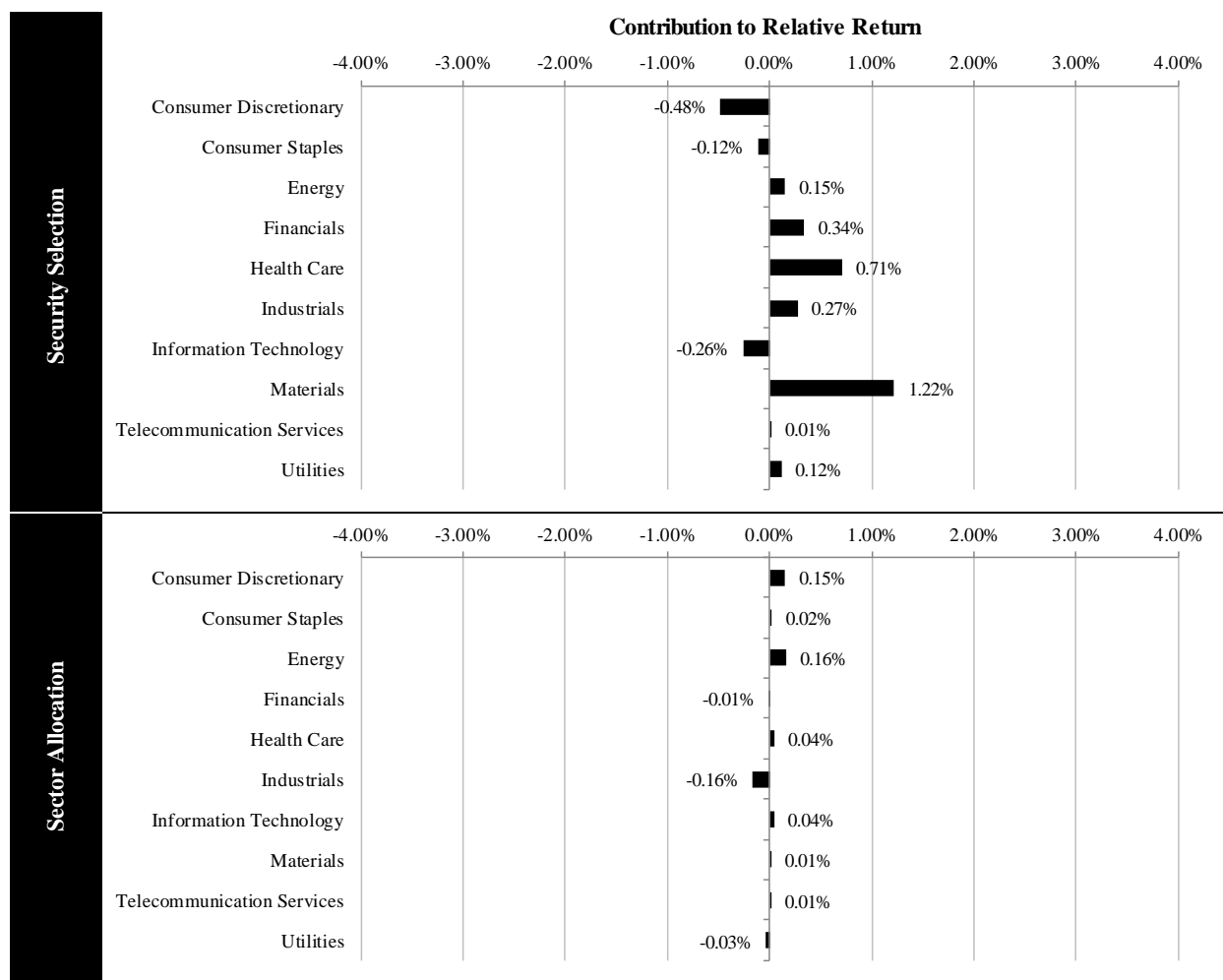


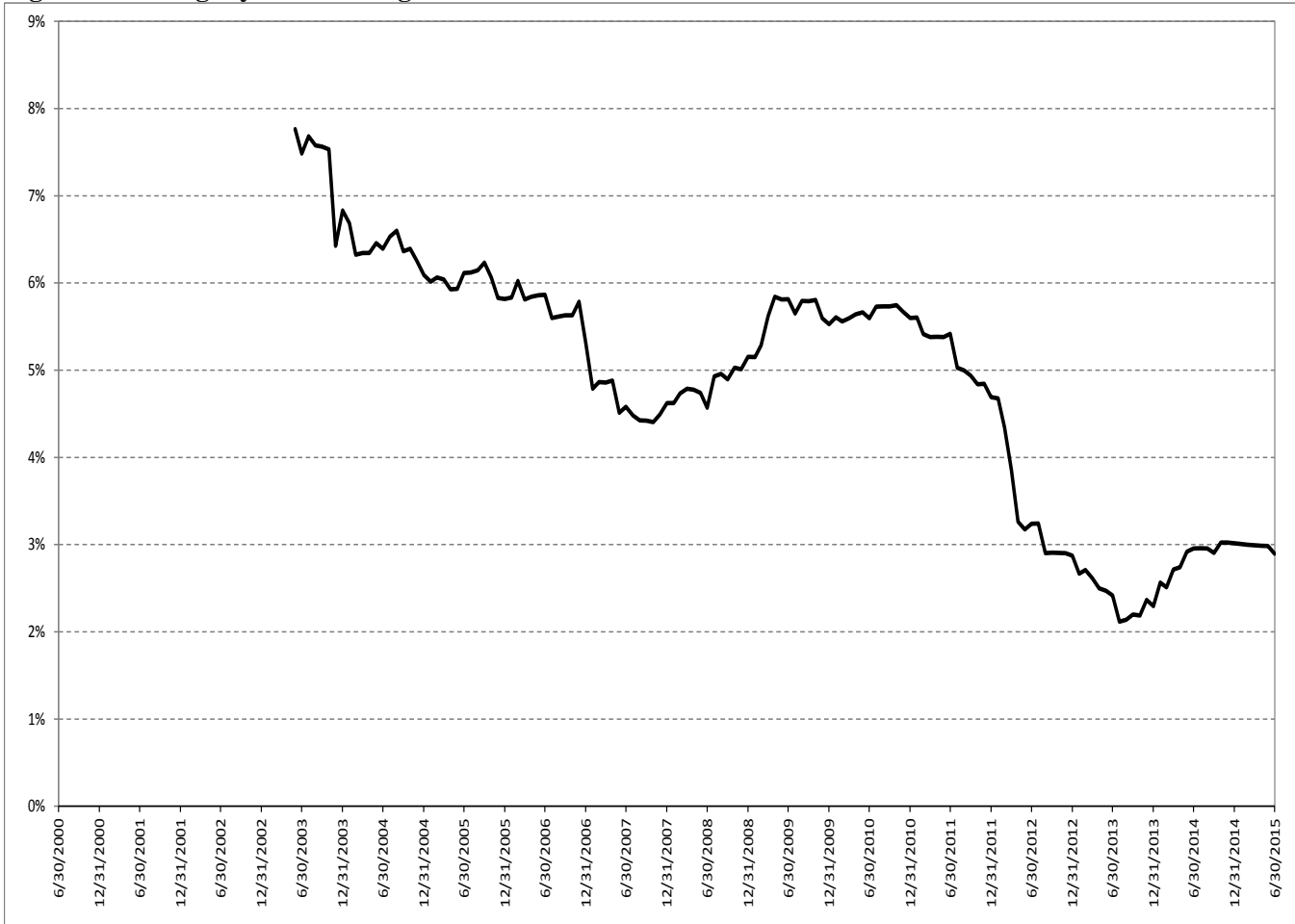
Figure 5 and Table 4 show the relative return attribution into sector allocation and stock selection for the Fiscal Year, 2015. As demonstrated by Figure 4, because the SSIF maintains a sector neutral policy, the very low contribution from sector allocation is to be expected. The small returns from sector 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 Materials, Healthcare, and Energy sectors were the top performing sectors in contrast to Consumer Discretionary, Information Technology, and Consumer Staples, being the worst performing sectors. As shown in Table 4, a negative contribution of 7 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 calendar year and the zero return earned on the cash balance.

Table 4: Full Year Relative Return Contributions by Sectors

Sector	Full Year		Total
	Sector Allocation	Security Selection	
Cash	-0.07%	0.00%	-0.07%
Consumer Discretionary	-0.04%	-0.48%	-0.52%
Consumer Staples	0.04%	-0.12%	-0.07%
Energy	0.20%	0.15%	0.35%
Financials	-0.03%	0.34%	0.31%
Health Care	0.01%	0.71%	0.71%
Industrials	0.02%	0.27%	0.30%
Information Technology	0.01%	-0.26%	-0.25%
Materials	0.00%	1.22%	1.22%
Telecommunication Services	0.00%	0.01%	0.01%
Utilities	-0.02%	0.12%	0.10%
Total	0.12%	1.97%	2.09%
Actual Relative Return			2.29%
Unexplained by Attribution Model			0.20%

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

Rank	Top 10 Holdings	Cntr.
1	UNITED THERAPUTICS CORP.	1.298%
2	GLOBAL PAYMENTS INC	0.931%
3	VCA INC	0.928%
4	SEI INVESTMENTS	0.619%
5	MSCI INC	0.515%
6	SENSIENT TECHNOLOGIES CORP	0.489%
7	CHARLES RIVER LABORATORY	0.484%
8	LENNOX INTERNATIONAL INC	0.435%
9	STERIS CORP	0.338%
10	DICK'S SPORTING GOODS INC	0.325%

Rank	Bottom 10 Holdings	Cntr.
1	ATWOOD OCEANICS INC	-0.950%
2	ITT CORP	-0.514%
3	WILEY (JOHN) & SONS-CLASS A	-0.451%
4	INGRAM MICRO INC-CL A	-0.425%
5	TUPPERWARE BRANDS CORP	-0.415%
6	GULFPORT ENERGY CORP	-0.396%
7	CIVEO CORP	-0.349%
8	OIL STATES INTERNATIONAL INC	-0.299%
9	WESTAR ENERGY INC	-0.272%
10	LEXMARK INTERNATIONAL INC	-0.169%

*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 2015. UTHR of the healthcare sector was the leading stock in its contribution to the portfolio performance relative to the benchmark. The Healthcare sector made up four out of the top ten performing stocks and the Energy and Utilities sectors made up four out of the bottom ten performing holdings.

Individual Stock Theses

Below is the value thesis for each stock that was held by the SSIF as of June 30, 2015. Data sources include: Bloomberg Professional Service, Morningstar, Yahoo Finance, Google Finance, as well as the companies' websites. Detailed portfolio holdings are provided in the section of Portfolio Holdings.

Consumer Discretionary

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. It was purchased by the SSIF in February 2014 under the belief that Brinker International is a fiscally strong company that will continue to grow. Brinker International has changed the way dining works in its restaurants and has integrated Ziosk tablets that customers can interact with. This innovation can also lead to customer loyalty programs to increase future performance. We view this innovation as a positive sign for the company for creating the best customer experience and overall business performance.

Deckers Outdoor Corporation (DECK)

Deckers Brands is a global leader in designing, marketing and distributing innovative footwear, apparel and accessories developed for both everyday casual lifestyle use and high performance activities. The Company's portfolio of brands includes UGG, Teva, Sanuk, Ahnu, and HOKA ONE ONE. The SSIF has found Deckers Outdoor Corporation to be undervalued by the market. It is a recognizable company with sound management practices and corporate philosophies, as well as strong financial ratios.

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.

Murphy USA Inc. (MUSA)

Murphy USA Inc. operates a chain of retail stations in the United States. They sell motor fuel products and convenience merchandise. The standout feature of Murphy USA Inc. is the strategic positioning of their stores. Multiple locations are placed in close proximity to a Walmart, so they can capitalize on the traffic that the other company and any others around it will draw in. The Consumers sector views the strategic locations of each building as an advantage in bringing in future customers and securing steady future growth. As a result, SSIF purchased this stock 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 stands out from their competitors in the mix of their high quality food in an environment that is warm and inviting to customers. This is shown through the “Panera 2.0,” transition, which includes a mobile app that allows customers to order without having to wait in line. This is consistent with the fast-casual policy and the Consumers sector sees the future potential of Panera Bread to benefit from these changes.

Tupperware Brands Corporation (TUP)

Founded in 1996, Tupperware Brands Corporation is a direct-to-consumer marketer of various products across a range of brands and categories worldwide. This iconic brand is known for their preparation, storing, and serving solutions for the kitchen and home, but also has cookware, microfiber textiles, and other products under the Tupperware name.

Consumer Staples

Church and Dwight Co. Inc. (CHD)

Church & Dwight Co. Inc. develops, manufactures, and sells a wide variety of household, personal care, and specialty products internationally. They operate in three sectors, the Consumer Domestic, Consumer International, and Specialty Products Division (SPD). Examples of their products include baking soda, fabric softeners, deodorants, etc. Major customers of CHD include Wal-Mart, Kroger, and Target. Looking forward, we expect Church and Dwight Co. Inc. to continue to grow and to add value to the SSIF portfolio.

Energizer Holdings, Inc. (ENR)

Energizer Holdings, Inc. manufactures and sells a large variety of personal care, portable lighting, and battery products. It does so by dividing into Personal Care and Household Products divisions. In these divisions, there are many highly recognizable brands which include: Schick, Banana Boat, Playtex, and the namesake Energizer batteries. The Consumers sector recognizes the power of the brands that Energizer Holdings, Inc. owns and perceives growth potential due to a well-established brand-image.

Ingredion Inc. (INGR)

Formerly known as Corn Products International, Inc., Ingredion Incorporated manufactures and sells starch, sweetener, and nutrition ingredients to various industries. It also offers science-based collaboration and problem solving for customers in the form of applied research, process technology, and other services. Ingredion Inc. looks to focus more on higher-value specialty ingredients which will increase total sales dollars. The Consumers sector feels that this approach will lead to future growth through improved margins, improved earnings, as well as cash flows from the company.

Energy

Atwood Oceanics (ATW)

Atwood is a mid-sized oil drilling contractor with operations focused in the waters located off of Africa, Indonesia, and Australia. ATW utilizes ultra deep-water rigs and semisubmersible rigs in the regions listed. Atwood compares favorably to the industry due to 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 its competitors in the industry as well as the S&P 400 index. SSIF expects strong revenue growth from drill contracts that Atwood Oceanics currently has in place and into the future.

Gulfport Energy (GPOR)

Gulfport Energy is an independent natural gas exploration and production company with acreage positions in Texas, New Mexico, Ohio, Louisiana, and Colorado. Gulfport has also established interests in Canada as well as Thailand. SSIF bought GPOR in June of 2014, 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 compares favorably to its competitors in the oil and gas production segment of the energy sector with its strong revenue growth, asset growth, strong dividends, and ROE. GPOR also focuses on diversification within the energy sector, through small relationships 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 SSIF purchased it in the following fall. HollyFrontier is still currently the largest Independent oil refinery in the United States. With its extensive pipeline that spans the nation, HFC appears to benefit from new drilling areas, as well as established drilling areas where it receives oil to be refined.

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 which include fixed, indexed and variable annuities. In addition, they have a variety of supplemental products. The SSIF continues to hold AFG because it has a unique competitive advantage over competing companies with its specialized niche approach in marine, agricultural, commercial /automobile / transportation, and casualty insurance specialization. Holding AFG also increases diversification within the financial sector through investing in a property and casualty insurance company.

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 from adhering to a disciplined and conservative style of lending. Bank of Hawaii 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 emphasizes customer service and caters to needs of a community that is focused on small businesses rather than large corporations. The SSIF believes that Bank of Hawaii can add value to the portfolio by maintaining a conservative style of business while simultaneously balancing the portfolio.

Chicago Board of Options Exchange (CBOE)

CBOE, the largest U.S. options exchange and creator of listed options, continues to set the bar for options trading through product innovation, trading technology, and investor education. The growth values our sector foresees in CBOE are based on the ability to fully integrate options into more indices over the next several years. The Financials sector also sees CBOE entering the global indices market as a huge compliment to their US indices, which they were primarily focused on. Looking forward, the Financials sector believes the CBOE to be an excellent holding due to strong fundamentals, and competitive advantages it has over its competitors.

Cullen/Frost Bankers Inc. (CFR)

Cullen/Frost Bankers, Inc. was founded in 1868 and is headquartered in San Antonio, Texas; being the only state the company operates in. CFR is a holding Company for Frost National Bank. Their services include: Commercial banking, consumer services, investment banking, international banking, trust services, correspondent banking, discount brokerage, and insurance services. The analysts of the Financials sector see future growth in CFR due to their expansion in customer base, strategic acquisitions, diverse loan portfolio, and their ability to manage risks. CFR is a strong hold due to its value, strategic acquisitions, risk mitigation, and competitive advantages over its peers.

Everest Re Group Ltd. (RE)

Everest Re Group, Ltd. (RE) is a leading international reinsurance and insurance organization. Headquartered in Bermuda, with operations that span the globe. Everest provides capacity to its clients to protect against a wide range of property and casualty risks. The growth potential for RE can be attributed to the ability of management to consciously maintain shareholders' best interests and to make the right decisions. Everest Group also enhances diversification that is needed in the insurance segment, as there are few predominantly life insurance and reinsurance companies presently in the portfolio. RE's grasp on the global market and its ability to grow within, reaffirms the SSIF's decision to hold this company. RE has successfully mitigated its own risk with diversification within the organization, which also reduces the risk of owning RE given its diverse array of segments and services. Looking forward, the financial sector has selected RE for its diversification and strong financials, coming down from strategic management.

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 include a wide variety of brands that range from Holiday Inn to Crown Plaza. The SSIF purchased Hospitality Properties Trust in order to fully diversify the financial sector and the SSIF portfolio. Furthermore, the consistent dividends paid by a REIT give the portfolio a reliable cash flow. HPT's strong revenue generation make it an excellent addition to the SSIF portfolio.

Mid-America Apartment Communities, Inc. (MAA)

Founded in 1977 and based in Memphis, Tennessee, Mid-America Apartment Communities, Inc. is an independent real estate investment trust. The firm invests in the real estate markets of the United States. It is engaged in acquisition, redevelopment, new development, property management, and disposition of multifamily apartment communities. Mid-America Apartment Communities Inc. 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. The merger with Colonial Properties Trust removes one of MAA's largest competitors in the region and creates the largest sun-belt focused REIT, thus showing strong future growth potential for the company and the SSIF portfolio.

Reinsurance Group of America (RGA)

Reinsurance Group of America (RGA), is an insurance holding company that is primarily focused on traditional life, asset-intensive and critical illness insurance, as well as 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. Through RGA's diversification and growth into recent markets like China, the SSIF believes there is future growth still present within the company for years to come.

Signature Bank (SBNY)

Signature Bank of New York is solely located in New York, NY. The bank provides investments, loans, 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 proved to be an excellent addition to the financial sector, and the SSIF Portfolio.

Waddell and Reed (WDR)

Waddell & Reed Financial provides investment management, investment product underwriting and distribution, shareholder services and administration to mutual funds, and other financial institutions. 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

Bio-Techne Corporation (TECH)

Bio-Techne is a Life Science and Diagnostics Tools Company within the S&P 400 index. Bio-Techne is headquartered in Minneapolis, MN and was founded originally as The Techne Corporation in 1977. Bio-Techne is believed to be undervalued in our Free Cash Flow valuation model and we believe that Bio-Techne, with their recent acquisitions, has potential for future growth. We are confident in this company due to their business strategy and financial data.

Charles River Laboratories (CRL)

Charles River Laboratories provides research models and services to help biotech, governmental agencies, and academic institutions around the globe to more efficiently conduct research and drug development. The company has expanded to 65 facilities in 15 countries, with outlook on future acquisitions. CRL was purchased in February of 2014 by the SSIF to help diversify the SSIF portfolio and to gain exposure to the life science sub-industry within the healthcare sector. The reported increase in revenue in the most recent earnings call confirms SSIF's belief on its potential for future growth.

Mednax (MD)

Mednax is a neonatal, maternal-fetal, pediatric physician, and anesthetic service provider to hospitals. The health-care sector bought Mednax in February of 2014, because of future growth potential as a result of their acquisitions and expansions across the United States. Since 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. Steris is a leader in infection prevention, contamination control, decontamination, and other sterilized medical equipment. They are a global company headquartered in Ohio. Based off their acquisition policy and continual steady growth, the stock has solid potential for long term growth. With the recent acquisition of another sterilized medical equipment leader, Synergy Health plc., STE has grown in the market for sterilized medical equipment, allowing for more revenue and increased free cash flow.

United Therapeutics Corporation (UTHR)

United Therapeutics is a biotechnology company that focuses on producing treatments for patients that have chronic or life-threatening illnesses. Most of the drugs they produce have been focused on patients with pulmonary arterial hypertension. We feel strongly that United Therapeutics has the potential to grow in the future. Although they are one of the leading companies in the healthcare sector and the S&P 400, they have been focusing much effort into research and development into new drugs that may be a breakthrough in their field. In the past, they have researched pharmaceuticals in the areas of cancer, but have had most of their success in pulmonary arterial hypertension. Recently, they received a patent in Remodulin that does not expire until 2017, ensuring that other companies cannot make a generic version of the drug. The SSIF believes this, along with their history of research and development, will keep United Therapeutics growing in the future.

VCA INC. (WOOF)

VCA, Inc. is the leading veterinarian provider in the country. They have grown to over 600 animal hospitals across the United States and Canada. VCA is made up of 5 parts: VCA hospitals, Vetstreet, Antech Diagnostics, VCA Specialty Hospitals, and Sound-Eklin. These different sections help to amplify the reach of the company. VCA provides health care to pets with their hospitals, as well as diagnostics services, if necessary. Sound-Eklin provides ultrasound and x-rays for their pet patients. Vetstreet helps inform pet owners of vital information. VCA can help animals and their owners in many ways. The SSIF continues to hold VCA due to its unique innovations and diverse segmentation.

Industrials

AGCO Corp. (AGCO)

AGCO Corporation (AGCO) is a global leader in the design, manufacture, and distribution of agricultural solutions. Through multiple big-name brands such as Massey Ferguson, Challenger, Valtra, GSI and Fendt, they achieve extreme diversity in the agricultural world. AGCO manufactures and distributes tractors, combine harvesters, hay and forage equipment, seeding and tillage implements, grain storage and protein production systems, as well as replacement parts. AGCO has advantage over its competitors by manufacturing and distributing their own product line. The SSIF holds AGCO due to their growth strategy being focused on innovation in new technologies to provide for the farming industry for years to come.

Alaska Air Group (ALK)

Founded in 1932 and based in Seattle, Washington, Alaska Air Group, Inc. is a holding company of both Alaska Airlines, Inc. (Alaska) and Horizon Air Industries, Inc. (Horizon). The company provides passenger and cargo services through subsidiaries with its partner regional airlines, serving approximately 100 cities in Alaska, the Lower 48, Hawaii, Canada, and Mexico. Its fleet is comprised of Boeing 737 jet aircraft and Bombardier Q400 turboprop aircraft.

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 competitive advantage of the company, helping to simplify consumers' procurement process.

Kirby Corporation (KEX)

Kirby Corporation (KEX) is a marine transportation service company that also produces and repairs diesel engines. They provide service to companies by shipping bulk liquid products via river systems and coastlines. Kirby Corporation has strong growth potential due to deep roots in this niche industry and a company strategy that includes acquisitions of many of its competitors. The SSIF has conviction in Kirby Corporation's ability to prosper and feels that it will provide diversity and value to the portfolio.

KLX INC. (KLXI)

KLX Inc. is a leading provider of aerospace fasteners, consumables, and logistics services globally as KLX Aerospace Solutions. It also provides oilfield services and associated rental equipment across North America as KLX Energy Services. B/E Aerospace (BEAV) is the parent company of KLX. After a strong reputation was built and extreme growth occurred in the segment of consumables management, B/E Aerospace spun-off their consumables management segment to form KLX Inc. in December 2014. This allowed the focus to be narrowed on these two rapidly growing subsidiaries. The SSIF continues to hold shares of this company due to the strong reputation built and success while operating under its parent company, the continuously increasing size of its subsidiaries, and future demand of the product line and services offered.

Lennox International, Inc. (LII)

Founded in 1895 and headquartered in Richardson, Texas, 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 enacted strategy to grow 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 remains undervalued, based on industry valuation, relative to its competitors within the Midcap S&P 400 index.

Oshkosh Corporation (OSK)

Oshkosh Corporation is a manufacturer and marketer of access equipment, specialty vehicles and truck bodies for the primary markets of defense, concrete placement, refuse hauling, and fire/emergency. They operate in eight U.S. states, Australia, Belgium, Canada, China, France and Romania and through investments in joint ventures in Mexico and Brazil. OSK was purchased in December 2014 due to its large contracts with many high-traffic airports across the globe and the Department of Defense, recent innovation with ARFF (Aircraft Rescue and Firefighting) vehicles, and conservative positioning to maintain sustainable growth in the future.

Towers Watson & Co. (TW)

Towers Watson & Co., a leading global professional services company, assisting organizations seeking to improve performance through effective risk and financial management. It operates in four segments: Benefits, Risk and Financial Services, Talents and Rewards, and Exchange Solutions. Advising more than 3/4 of the world's leading insurance companies, TW's clients include 81% of Fortune 500 companies and 79% of Fortune 100 Companies. Along with owning the largest private healthcare exchange, One Exchange, TW has a clear advantage over its competitors. The SSIF continues to hold stock in Towers Watson & Co. due to its sustained dominance and overall quality over competitors.

Information Technology

Ansys Inc. (ANSS)

Ansys Inc. is a simulation software company, headquartered in Cecil Township, Pennsylvania that allows organizations to predict how their products will perform in real life situations. Ansys Inc. is experienced in automotive, energy, electronics, semiconductor, aerospace and defense markets. The company will continue to grow and work in the favor of customers and investors by acquiring companies that add diversification to the service line. Ansys Inc. has a solid foundation built in their specific industry that shows strong future revenue growth. They have solid fundamentals and a track record of success. We believe they will continue to grow with both vertical and horizontal integrations into their company profile.

Arrow Electronics. (ARW)

Arrow Electronics is headquartered in Centennial, Colorado. The company provides products, services and solutions to industrial and commercial users of electronic components and enterprise computing solutions worldwide. Global Components and Global Enterprise Computing Solutions are the two segments in which the company operates. Global Components segment distributes electronic components to original equipment and contract manufactures. The Global Enterprise Computing Solutions segment distributes enterprise and midrange-computing products to value added resellers. We believe Arrow Electronics is a good fit for the Info Tech sector because of the company's success in keeping long term debt relatively low while still acquiring companies at a rapid rate.

DST Systems Inc. (DST)

DST Systems, Inc. is a trusted global provider of technology-based service solutions that help clients grow their business and provide exceptional customer experiences. They operate with clients to help safeguard, process and communicate the critical, high-value information their customers need to manage their business. DST Systems, Inc. delivers a combination of industry knowledge and experience, technological expertise and service through three segments: financial services, healthcare and customer communications. DST Systems, Inc., maintains strong relationships with customers from each of their segments. This element is one of their strongest competitive advantages in the industry. DST Systems, Inc. has the potential to maintain a conservative growth during the upcoming years. There is a need more than ever with cloud based computing applications for documents to be processed and archived, and we believe DST provides reliable and proprietary products that will be at the forefront of the next wave of digital technology.

Global Payments Inc. (GPN)

Global Payments Inc. specializes in electronic payments transaction processing services, where they operate in two segments; North American 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 continues to maintain consistently increasing earnings and we continue to look forward to the great decisions and direction GPN is heading.

Ingram Micro Inc. (IM)

Ingram Micro is a wholesale distributor of Information technology products and services. Based in Santa Ana, California the company also markets computer hardware, networking equipment, and software products. Ingram Micro provides supply chain optimization services to suppliers and reseller customers. The company sells its products to resellers of IT products and services through sales representatives. Being a global leader in IT distribution services, Ingram Micro Inc., is able to acquire companies due to its national brand recognition. The demand for computers and computer services, combined with Ingram Micro's global network and customers, the SSIF believes Ingram Micro fits well into the Info Tech sector.

Lexmark Inc. (LXK)

Lexmark, Inc. is a developer, manufacturer and supplier of printing, imaging, device management, managed print services (MPS), document workflow and, more recently, business process and content management solutions. The Company is primarily managed in two segments: Imaging Solutions and Services (ISS) and Perceptive Software. The ISS segment offers monochrome and color laser printers, laser multifunction products, as well as a range of cartridges, service parts. The Perceptive Software segment provides a suite of enterprise content management, business process management, and document output management, intelligent data capture, search software, and medical imaging vendor neutral archive software products and solution. Lexmark, Inc. made a major investment with the the acquisition of Kofax. The combination of Kofax's smart process applications with Perceptive Intelligent Capture will create a broad and deep portfolio of captures solutions in the market, ranging from Web portals and mobile devices to smart multifunction printers. The info-tech sector believes that this acquisition will strongly improve the overall performance of the company. As a company that is constantly thriving and innovating, we believe they are well positioned to deliver long term growth.

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. Over the few months PLT has introduced new and innovative products. They have unveiled a wireless, blue tooth and noise-canceling headset for professionals on the go. They have also updated previous brands to make them more user-friendly and customizable. These great new product designs and ability to adapt to changing consumer demands really shows PLT's leadership in the headset space. We will have to keep a close watch on PLT's future in product developments, due to the fact that they have reached about as far as technology has reached into the efficiency of the product and demands of the consumer.

SolarWinds Inc. (SWI)

SolarWinds Inc., headquartered in Austin, Texas, focuses on developing information technology software to manage networks of all sizes. They are constantly creating new products that are inexpensive and easy to use for IT professionals globally. They also provide an online community (Thwack) that is used for customer assistance and feedback on products. SolarWinds has aimed to bring security to government agencies, small and large business by meeting customer needs and innovating user-friendly IT software that reduces the threat of system hacks. Solarwinds is an exciting company for growth opportunity and niche markets. Within the past five years they have acquired on average of two companies per year while to maintaining good fundamentals.

Materials

AptarGroup Inc. (ATR)

AptarGroup is a diversified company and one of the leaders in the global dispensing system industry that operates in three segments: Beauty/Home, Food/Beverage, and Pharma. AptarGroup develops products such as customized packaging solutions, dispensing pumps, spray pumps, pressurized packaging, pre-filled syringe and cartridge components for companies around the world. They possess technical expertise to customize products according to their customers' needs as well as operating in highly diversified locations, constantly putting them ahead of their competitors in the industry and showing potential for promising growth in the future.

Sensient Technologies (SXT)

SXT is a prominent global corporation and retailer of colors, flavors, and fragrances. They manufacture quality food and beverage, cosmetic components, pharmaceutical substances, specialty inks, and other well-made chemicals. Their goal is to distribute products that consumers desire while offering appealing experiences that motivate brand satisfaction and increase sales. Sensient also offers value added services that allow them to go beyond their competitive market by frequently investing in improved and pioneering technologies. Their experienced R&D staff utilizes extensive variety of technologies to create unique ingredients that help drive and accomplish the company's long and short term goals. Sensient technologies also considers customers as their partners, as Sensient walks through each stage from concept formation, to product launching, to creating products that will appeal to today's consumer needs and exceed customer's expectations, all the while adhering to regulation and environmental compliance.

Silgan Holdings (SLGN)

Silgan operates in market segments of metal containers, composite containers, and plastic closures. Silgan's core business is in metal containers, which places them as the leading supplier of rigid packaging for shelf-stable food in North America. Silgan has used responsible acquisition strategies and geographic expansion to increase company size and market share. With recent acquisitions, Silgan has been able to expand its plastic enclosure offering in Europe. In the long term, the Materials sector believes that Silgan's plan for increased productivity and cost reduction will increase growth. Sales for Silgan were boosted as a result of recent acquisitions, increasing the EPS of the company. Silgan is viewed positively by the Materials sector for strong potential for future growth.

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 is undervalued by the market, and growth is attainable.

Utilities

Alliant Energy (LNT)

Alliant Energy is the parent company of two regulated electric and natural gas utilities (IPL, and WPL), 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.

Aqua America (WTR)

Aqua America is a water utility company that provides water and wastewater services. WTR currently services a little over 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 the SSIF looks forward to seeing. With numerous acquisitions in the past year in different states, Aqua America is utilizing an aggressive strategy in the states of Indiana, Illinois, and Virginia. WTR also serves as an effective diversifier for the portfolio, with extremely low correlation to other stocks the SSIF holds in utilities. As the biggest water utilities company traded on the NYSE, Aqua is believed to have an experienced management team to deliver long-term growth.

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 712,000 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. Although coal is being driven out of the market, Westar is taking precautions to remain competitive in the market with diversified energy.

Portfolio Holdings

<u>Symbol/Sector</u>	<u>As of 6/30/14</u>		<u>As of 6/30/15</u>		<u>S&P 400 Constituent</u>
	<u>Shares</u>	<u>Market Value</u>	<u>Shares</u>	<u>Market Value</u>	
Consumer Discretionary					
DECK			300	\$ 21,591.00	Yes
DKS	800	\$ 37,248.00			Yes
DV	400	\$ 16,936.00			Yes
EAT	600	\$ 29,190.00	700	\$ 40,355.00	Yes
MATW	700	\$ 29,099.00			No
MUSA			800	\$ 44,656.00	Yes
PNRA	80	\$ 11,986.40	230	\$ 40,197.10	Yes
TUP	300	\$ 25,110.00	300	\$ 19,362.00	Yes
<u>JW/A</u>	<u>600</u>	<u>\$ 36,354.00</u>	<u>800</u>	<u>\$ 43,496.00</u>	Yes
Total		\$ 185,923.40		\$ 209,657.10	
Consumer Staples					
CHD	200	\$ 13,990.00	300	\$ 24,339.00	Yes
ENR			100	\$ 13,155.00	Yes
EPC	150	\$ 18,304.50			Yes
<u>INGR</u>	<u>400</u>	<u>\$ 22,512.00</u>	<u>300</u>	<u>\$ 23,943.00</u>	Yes
Total		\$ 54,806.50		\$ 61,437.00	
Energy					
ATW	800	\$ 41,984.00	1,100	\$ 29,084.00	Yes
GPOR	200	\$ 12,560.00	400	\$ 16,100.00	Yes
HFC	300	\$ 13,107.00	600	\$ 25,614.00	Yes
<u>OIS</u>	<u>250</u>	<u>\$ 16,022.50</u>			Yes
Total		\$ 83,673.50		\$ 70,798.00	
Financials					
AFG	600	\$ 35,736.00	700	\$ 45,528.00	Yes
AJG	900	\$ 41,940.00			Yes
BOH	800	\$ 46,952.00	700	\$ 46,676.00	Yes
CBOE			300	\$ 17,166.00	Yes
CFR			250	\$ 19,645.00	Yes
RE			250	\$ 45,502.50	Yes
HPT	800	\$ 24,320.00	1,500	\$ 43,230.00	Yes
MAA	600	\$ 43,830.00	600	\$ 43,686.00	Yes
MSCI	700	\$ 32,095.00			Yes

RGA	200	\$ 15,780.00	500	\$ 47,435.00	Yes
SBNY	150	\$ 18,927.00	100	\$ 14,639.00	Yes
SEIC	1,150	\$ 37,685.50			Yes
<u>WDR</u>	<u>600</u>	<u>\$ 37,554.00</u>	<u>1,000</u>	<u>\$ 47,310.00</u>	Yes
Total		\$ 334,819.50		\$ 370,817.50	

Health Care

TECH			200	\$ 19,694.00	Yes
CRL	200	\$ 10,704.00	700	\$ 49,238.00	Yes
ENDP	200	\$ 14,004.00			Yes
MD	600	\$ 34,890.00	200	\$ 14,822.00	Yes
STE			300	\$ 19,332.00	Yes
STR	800	\$ 42,784.00			Yes
UTHR	150	\$ 13,274.00	100	\$ 17,395.00	Yes
<u>WOOF</u>	<u>500</u>	<u>\$ 17,545.00</u>	<u>300</u>	<u>\$ 16,321.50</u>	Yes
Total		\$ 133,200.50		\$ 136,802.50	

Industrials

AGCO	700	\$ 39,354.00	900	\$ 51,102.00	Yes
ALK	200	\$ 19,010.00	200	\$ 12,886.00	Yes
BEAV	400	\$ 36,996.00			Yes
CPRT	700	\$ 25,172.00			Yes
CVEO	300	\$ 7,509.00			Yes
ITT	800	\$ 38,480.00	1,200	\$ 50,208.00	Yes
KEX			250	\$ 19,165.00	Yes
KLXI			450	\$ 19,858.50	Yes
LII	500	\$ 44,785.00	450	\$ 48,460.50	Yes
OSK			300	\$ 12,714.00	Yes
<u>TW</u>	<u>400</u>	<u>\$ 41,692.00</u>	<u>300</u>	<u>\$ 37,740.00</u>	Yes
Total		\$ 252,998.00		\$ 252,134.00	

Information Technology

ANSS	550	\$ 41,701.00	550	\$ 50,182.00	Yes
ARW			800	\$ 44,640.00	Yes
CNVR	1,700	\$ 43,180.00			Yes
DST			150	\$ 18,897.00	Yes
GPN	250	\$ 18,212.00	450	\$ 46,552.50	Yes
IM			1,200	\$ 30,036.00	Yes
ITRI	400	\$ 16,220.00			Yes
LXK	800	\$ 38,528.00	400	\$ 17,680.00	Yes
PLT	300	\$ 14,415.00	800	\$ 45,048.00	Yes

SWI	500	\$ 19,330.00	400	\$ 18,452.00	Yes
<u>TRMB</u>	<u>1,100</u>	<u>\$ 40,645.00</u>			Yes
Total		\$ 232,231.00		\$271,487.50	
Materials					
ATR	650	\$ 43,556.00	350	\$ 22,319.50	Yes
SXT	800	\$ 44,576.00	700	\$ 47,838.00	Yes
<u>SLGN</u>	<u>400</u>	<u>\$ 20,328.00</u>	<u>900</u>	<u>\$ 47,484.00</u>	Yes
Total		\$ 108,460.00		\$ 117,641.50	
Telecommunication Services					
<u>TDS</u>	<u>200</u>	<u>\$ 5,222.00</u>	<u>100</u>	<u>\$ 2,940.00</u>	Yes
Total		\$ 5,222.00		\$ 2,940.00	
Utilities					
BKH	200	\$ 12,278.00			Yes
LNT	300	\$ 18,258.00	300	\$ 17,316.00	Yes
WTR	623	\$ 16,334.00	1,323	\$ 32,399.06	Yes
<u>WR</u>	<u>700</u>	<u>\$ 26,733.00</u>	<u>600</u>	<u>\$ 20,532.00</u>	Yes
Total		\$ 73,603.00		\$ 70,247.06	
<u>Cash</u>		<u>\$ 8,535.00</u>		<u>\$ 14,219.96</u>	
SSIF Total		1,473,473.16		\$ 1,578,182.12	

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, 2015, the COBA portfolio holds 15 stocks with a total market value of \$ 102,111.87. Performance by calendar and fiscal year are reported in Table 6.

Table 6: Performance of the COBA Portfolio as of June 30, 2015

As of June 30, 2015

	Quarter	Calendar YTD	1-Year	3-Year	5-Year	7-Year	10-Year	Since Inception
SSIF	-0.79%	2.27%	10.90%	20.04%	14.49%	11.22%	9.63%	9.87%
S&P 500 Index*	0.28%	1.23%	7.42%	17.31%	17.34%	9.42%	7.89%	4.50%
<i>Difference</i>	<i>-1.07%</i>	<i>1.04%</i>	<i>3.47%</i>	<i>2.74%</i>	<i>-2.85%</i>	<i>1.80%</i>	<i>1.74%</i>	<i>5.37%</i>
Tracking Error**			5.66%	4.59%	8.70%	9.65%	10.28%	14.53%
Information Ratio***			0.61	0.60	-0.33	0.19	0.17	0.37
Months > Benchmark			50%	50%	48%	50%	52%	54%

COBA portfolio value as of June 30, 2015: **\$102,111.87**

Inception: June 30, 2000

* 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

In February 2014, SSIF started the COBA Challenge to determine which stocks should be bought and sold in the COBA portfolio, the portfolio originally started by Mr. and Mrs. Omar and Carol Winter in 2000. This intense competition is intended to be challenging, as it takes place over a small time span of a weekend and consists of three teams of three students each, who must conduct all related research associated with proposing a buy and a sell recommendation in the allotted period. By design, every team will be at an equal playing field because a random sector, from the Russell 1000 Index, will be chosen, but will not be revealed until the start of the competition. After hours of intensive research, the groups will present their stock pick recommendations in front of SSIF members, CoB faculty and students, and vie for the votes of the most audience to win the competition. Once the votes for both decisions are determined, the SSIF will appropriately add and remove the winning stocks from the COBA portfolio.

This competition forces its participants to understand the most important sources of value in an investment decision, the fundamental analysis and security valuation models. In a way, the COBA Challenge's role could be linked to that of an examination. It's meant to push the boundaries of its participants and show what all they have learned, while encouraging a healthy competition that creates a better portfolio overall. While the COBA Challenge helps current members of the SSIF, it also draws attention to our organization as the presentation is open to all CoB students and faculty. We market this event by inviting faculty members and other students to attend and observe the knowledge and skills we have acquired through our efforts with the SSIF. We also use this event as a channel to give others a better understanding of what we do at the SSIF, and potentially attract new members. The SSIF is very pleased with the first three COBA Challenges, with winning teams' names and their stock picks instated on the east wall of the trading room. We look forward to continuing our success each semester with this event in the future.

Outlook for FY 2016

The SSIF reviews the past fiscal year (FY 2015) as a period to reflect from, so that we may advance our strategies for upcoming years while adhering to the investment philosophy, process and mandate. Our mission is to continue to develop a hands-on investment organization that best represents SIU and its stakeholders.

In the past fiscal year, we have had success in attracting many new members and developing a more professional and efficient way in holding meetings and improving individual skills. We plan to use these as advantages in the upcoming year by having additional dedicated members contribute to our discussions and research. As always, we will work together tirelessly to ensure the mission of the group is being carried out and to enrich our learning experience in order to continue to build a sustainable portfolio as we have done 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 understand and implement the investment philosophy, process and mandate as communicated to the SIU Foundation. The SSIF believes that its organizational structure, along with its commitment to the investment philosophy, process and mandate, will continue to deliver positive results to the SIU Foundation and the overall 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	2015
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%	8.69%
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%	6.40%
<i>Difference</i>	-11.50%	-8.31%	-3.29%	-9.23%	5.29%	-0.03%	6.49%	2.05%	-1.38%	-0.26%	8.72%	0.99%	0.12%	-1.11%	2.29%

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	2015
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%	10.90%
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%	7.42%
<i>Difference</i>	17.60%	7.06%	9.96%	15.79%	22.42%	-18.47%	10.59%	13.81%	17.83%	2.40%	3.03%	-20.41%	-1.53%	6.40%	3.47%

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 2015 SSIF Members

(Including Those Graduated during the fiscal year)

Abbasi	Hiba
Adams	Kyle
Alamon	Ogboda
Arrieta	Eddie
Berger	Sam
Cole	Kendall
Crofts	Rachel
Davis	Josh
Donaldson	Audra
Drever	Sam
Drewes	Reid
Ferland	Cody
Goeckner	Aaron
Goh	Kathleen
Goodman	Josh
Guebert	Connor
Havelka	Koban
Jackson	Valincia
Khuntangta	Micah
Koester	Kaid
Liaboe	Eric
Logan	Kyle
Lopera	Isaac
Lou	Tiffany (Hou)
Mcarthy	Lukas
Morgan	Molly
Mowobi	Francis
Munselle	Jace
Murphy	Melissa
Noonan	James
O'Neil	Tristin
Pang	Xiaomei
Phuah	Genevieve
Qu	Angela
Ray	Nathan
Reidner	Duncan

Rhodes	Megan
Sherry	Lauren
Tuksakulvith	Champ
Uffelmann	Blake
Wang	Liyuan
Whitmire	Christopher
Xia	Xiaoyun
Yong	Calvin
Yong	Nancy