



2015
Fall

SAFF INFORMER

LETTER FROM THE EDITOR

The Fall 2015 semester of the Student and Foundation Fund (SAFF) class has been a unique experience for each member of the portfolio management team. With the market downturn in August, we are proud to say our portfolio has made a full recovery and is producing positive returns. We have worked hard since day one of this semester to build the best possible portfolio to continue the steady growth for both our SAFF and CIBEF portfolios. This class has given us the opportunity to put skills we have learned in other classes to use. The real world experience SAFF has provided us is a rare opportunity that is invaluable to our education. I believe we will all take the lessons learned in the SAFF class with us as we venture out to the real world. We all had a taste of what it is like outside of the classroom and we are eager to put all our knowledge to use. We are proud of the work we have done and the results display the continuous hard work put in by each SAFF class from semester to semester. Welcome to the Fall 2015 edition of the SAFF Informer and we would like to thank you for your continued support.

-Katrina Wagner

LETTER FROM THE PORTFOLIO MANAGERS

The year of 2015 has certainly been an interesting one. Uncertainty in the markets coupled with the first time experience of handling real money has been a challenge. However, we are proud to say that our group willingly accepted this challenge. The concept of handling a substantial amount of real money, brought out the best in each and every one of our members. Passionate discussions over the purchase or sale of securities became the norm on a weekly basis. It is undeniable that the most important thing we will take away from this experience is that we were able to implement the fundamental lessons we learned during our time at UNC in a real world setting. Furthermore, access to the Bloomberg terminal was essential to our growth and success. We hope that future SAFF groups will have continued access to these fundamental financial instruments. As a group we cannot articulate the words to properly thank all of those who have provided us with this opportunity. We have been armed with a set of skills that few in this country will have as they enter the workforce. We all understand and appreciate that. Thank you to the Monfort College of Business and all foundation donors for this opportunity!

-Cody McDavis and John Wilson

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ABOUT SAFF

The Student and Foundation Fund (SAFF) is a class offered at the Monfort College of Business (MCB) to upper level finance students that provides the opportunity to manage a portfolio of real assets that total over \$1.4 million. Dr. John Clinebell founded the SAFF class in 1992 with an original \$200,000 in assets for students to manage. Members are selected through a competitive interview process conducted by Dr. Clinebell.

At the start of each semester, students are assigned various positions which they hold throughout the entire semester. These students are responsible for the duties that come with each position. Portfolio managers are in charge of keeping track of the portfolios as a whole. They watch overall value and yearly, quarterly, and monthly returns. Equity and fixed income managers are in charge of their respected areas in both portfolios. Alternative asset managers keep track of their respected area, in the CIBEF portfolio only. The newsletter editor is responsible for putting together the class brochure and newsletter. Our webmaster keeps our Facebook updated with current pictures and events. The special projects managers put together Power Points for various presentations.

At the beginning of the semester, the class come to a consensus on an economic forecast for the upcoming 6, 12, and 36 months. In a class with so many varying opinions, there is much discussion until a consensus is finally reached. Once that is complete, asset allocation among cash, equity, and fixed income is determined while staying within the guidelines of the investment policy. Next, a strategy is developed for fixed income in respect to the forecasted yield curve. Equity is further allocated among sectors, with weights based upon their economic forecast. Equity is further divided into weightings of growth, high yield and value. Although the class is responsible for all decisions, each student is assigned three or four stocks within different sectors to

monitor and analyze throughout the semester. They perform valuations for each of their assigned stocks and if the stock is overvalued or does not fit the class criteria for high yield, value or growth, then a sell proposal must be presented. This normally results in a screening process to find a new stock to propose to buy. The students must also perform buy and sell proposals to meet their target sector and value, high yield and growth weightings. The SAFF fund is a very unique student fund in which the class ultimately make the investment decisions through a vote or by proxy for absentees on student buy and sell proposals.

In addition, each student is assigned a position such as a Portfolio, Fixed Income, or Alternative Asset Manager, as well as a Special Project Manager, Newsletter Editor or a Webmaster. Each position comes with a different set of responsibilities. The class is held for three hours once a week and students must come professionally dressed, along with being prepared to learn and make financial decisions. Countless hours are spent in the lab outside of class researching, monitoring current stocks in the portfolio, screening for new stocks, and performing valuations using the Bloomberg Terminal, CapitalIQ, and Morningstar. Towards the end of the semester, the class presents to the Foundation's Board of Directors, current donors, and prospective donors to inform them on the current status of the portfolio and the future plans of the portfolio.

The SAFF class is a great opportunity for students to apply all they have learned to a real world experience, actively managing a portfolio with a team of fellow portfolio managers, and provide interaction with business professionals while realizing the greatest return on UNC foundation assets.

- Chuck Goodwin and Nick Gregory

ABOUT CIBEF

This school year has offered an exciting opportunity to the SAFF class members, unlike that of many prior years. A new portfolio was introduced when the Colorado Insurance and Business Education Foundation (CIBEF) gifted funds to the UNC Foundation for the SAFF class to manage. CIBEF was gifted in the Fall of 2014. In addition to the SAFF portfolio, the new fund valued at roughly \$685,000 has an altered investment policy statement (IPS) and is managed separately from the SAFF portfolio.

The CIBEF fund IPS differs because it is measured against several different benchmarks and allows students to invest in emerging markets, opportunistic fixed income, and the high yield bond market. Also, unlike the SAFF portfolio, the CIBEF IPS includes alternative asset investment options of commodities done through ETFs, real estate through REITs, and low correlated hedge funds through ETFs and mutual funds. Similar to the SAFF portfolio, the investment time horizon is five years while with the largest percentage of portfolio allocated to equity and domestic fixed income.

A major aspect that makes the CIBEF fund so special is the scholarships that MCB has awarded to finance students. The foundation will also annually transfer an amount equal to 100 basis points of the market value of the fund's assets to a MCB fund with the designated purpose of helping to pay for the costs of technology, research, travel, competition fees, or other costs associated with class enrollment.

The new addition of the CIBEF fund undoubtedly enriches the class with increased financial opportunities which enhances the overall learning experience. The Fall 2015 SAFF class is very appreciative for the gifted funds, and also excited to explore the additional opportunities to maximize the learning experience and the portfolio value.

- Glenn McClain



ECONOMIC FORECAST

The Fall 2015 semester’s edition of the SAFF economic forecast for the next three years was concluded after a month of thorough debate. We believe it is currently a long bull market, and moderately strong economic growth will continue through the end of 2016 due to the presidential election. After the election, the market will have lower positive growth (based on the 10 Year Treasury Bill projections plus the historic market risk premium minus the dividend yield).

Real GDP growth projections will stay around 2.5-2.7% annually. Uncertainty in China and global growth as a whole will make it tough for Real GDP to grow above this projection. We still believe the Federal Reserve will increase interest rates by the end of the year, and will continue to do so to meet their goals as reflected in T-Bill rate projections. Inflation is currently low, but we expect it to increase over the next three years as the economy strengthens.

Energy prices have been declining rapidly over the past year, but we believe within the next six months prices will rebound and rise slowly and steadily until they reach their normal levels in three years. The reason for the current low prices is excess supply and now that prices are very low, oil companies are producing significantly less to reduce demand and ultimately raise the price.

Unemployment rates are the lowest they have been since the recession in 2008. In the next six months, we do not see any major change in the unemployment rate; however, the next year we do expect unemployment to slightly increase because the economy is very volatile right now. After a one year projection, we came to the conclusion that the

unemployment rate will depend on the presidential election that will take place next year.

Due to the value of the dollar increasing, it is expected that consumer confidence will do so with a near direct correlation. Energy prices are currently lower than they have been all year. While energy prices are expected to increase, it will take time and that leads our group to believe consumer confidence will remain in a strong upward trend for at least the next year. After the next year, it is expected to stabilize.

With inflation at an all-time low and interest rates expected to increase, it is expected that the money supply will increase for the duration of the interest rate hikes. The Fed would like to see inflation get to around 2%, so it would not be surprising to see them buy back Treasuries to better saturate the market with US Dollars. Furthermore, there will be a demand for USD abroad for foreign investment with rising interest rates.

We believe the value of the dollar will increase. Investors abroad will see the interest rates increasing as a sign of a strong US economy that is emerging from a 2008 recession. While the money supply is expected to increase along with inflation, the demand for the dollar will be greater due to consumer confidence. The net result will be the dollar strengthening in value.

- Fall 2015 SAFF Class

Macroeconomic Forecast

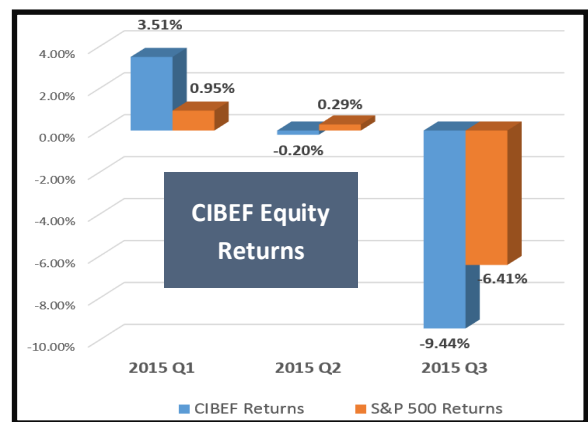
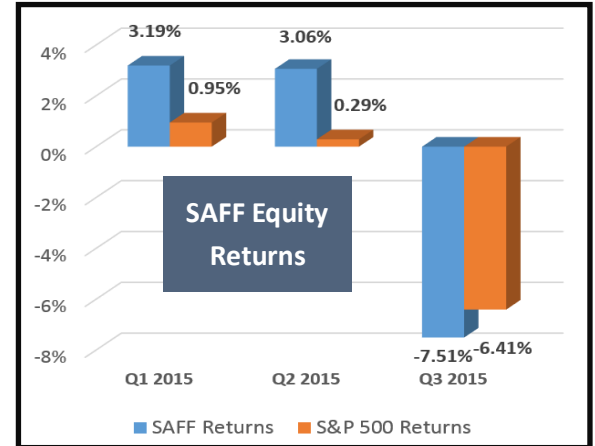
	Current	6 Months	12 Months	36 Months
GDP	2.50%	2.60%	2.70%	2.50%
S&P 500	1,978	2,030	2,200	2,420
Inflation	0.20%	0.70%	1.40%	2.50%
90-Day T-Bill	0.07%	0.60%	1.50%	3.00%
10-Year T-Note	2.18%	2.70%	3.60%	4.50%
30-Year T-Bond	3.07%	3.40%	4.50%	7.00%

EQUITY—SAFF | CIBEF

The last twelve months the SAFF portfolio has had a -5.99% return. The S&P 500 returned 1.34% over the last twelve months. This underperformance can be seen during the third quarter of 2015 when oil prices dropped heavily. Poor returns were also due to volatile markets in China. During the third quarter of 2015, we were below the S&P benchmark by 1.10%. This semester we decided to have a target holding of 60% of the portfolio as equity.

Our CIBEF portfolio also underperformed when compared with the S&P. CIBEF equities' performance are measured in five different categories: large cap, small/mid cap value, small/mid cap growth, international, and emerging markets. The benchmarks are the S&P 500, the Russell 2000 Value, the Russell 2000 Growth, the MSCI EAFE Index, and the MSCI Emerging Markets Index respectively. We currently do not hold any equities in emerging markets for the CIBEF portfolio. We decided to hold 50% of the portfolio as equities so we could free up capital to be used in Alternative Asset sector of this portfolio.

- Alexander Caldwell and Jordan Dunn



EQUITY SECTOR ALLOCATIONS

One of the tasks the class faced was developing our sector allocation strategy. Individually, we developed our own opinions and presented them to the class through an open discussion. This led to our final consensus to overweight financials, energy, and healthcare in relation to the S&P 500. The sectors we chose to underweight were technology, industrials, telecommunications, and cyclicals. These four sectors did not align with our bullish outlook on the market and were adjusted accordingly; the SAFF portfolio managers felt the fund would perform better if over-weighted in the aforementioned sectors. The energy sector suffered a major hit this past semester, but when guided by the time horizon of 3-5 years, we feel the energy sector has a positive outlook. Utilities, staples, and materials were equally weighted in comparison to the S&P allocation strategy.

- Alexander Caldwell and Jordan Dunn

	Financials	Healthcare	Tech	Utilities	Industrials	Energy	Cyclical	Telecom	Staples	Materials
S&P 500 Weights	16.54%	14.72%	20.43%	3.09%	9.98%	6.97%	13.09%	2.42%	9.94%	2.82%
Decision	Over	Over	Under	Stable	Under	Over	Under	Under	Stable	Stable
Target Weights	18.16%	16.30%	18.43%	3.09%	8.98%	8.97%	11.09%	2.22%	9.94%	2.82%
Current Weights (SAFF)	17.08%	15.12%	24.73%	2.67%	7.21%	6.82%	14.88%	1.97%	8.02%	1.51%
Current Weights (CIBEF)	14.81%	14.53%	24.03%	2.66%	8.89%	6.02%	16.07%	2.53%	8.82%	1.66%



FIXED INCOME—SAFF | CIBEF

The fixed income portions of the SAFF and CIBEF portfolios are managed separately, but follow the same strategies. The overall fixed income strategy is built from three approaches: interest rate anticipation (target duration), target maturity, and sector allocation. Interest rate expectations, as outlined in the class’ economic forecast, are that all interest rates will rise over the next 36 months. The class forecasted interest rates are going to increase by 50 basis points in the next 6 month. Looking long term, we expect rates to gradually increase 300 basis points by 2018. This expected trend of increasing interest rates led to set our target duration at 4.5 years.

The SAFF and CIBEF Investment Policy Statements require the target duration to be set at plus or minus 25% of the duration of the fixed income benchmark index, the Barclay’s US Aggregate Index. The Barclay’s duration is 5.56 years. Because of our forecasted rising rates, the SAFF and CIBEF target duration is set at the low end of the IPS mandated range. This is an attractive duration because it protects our fixed income holdings from expected rising interest rate and subsequent falling bond prices. It also creates a less volatile fixed income portfolio, which is in line with the appropriate level of risk for the two portfolios.

The forecasted increases in interest rates also mean the expected yield curve will be flatter than the current yield curve. A barbell maturity strategy was selected, given this flattening effect. A barbell strategy allows the fund the flexibility to hold short-term securities to maturity and then reinvest them at subsequently higher interest rates. It allows the fund to lock

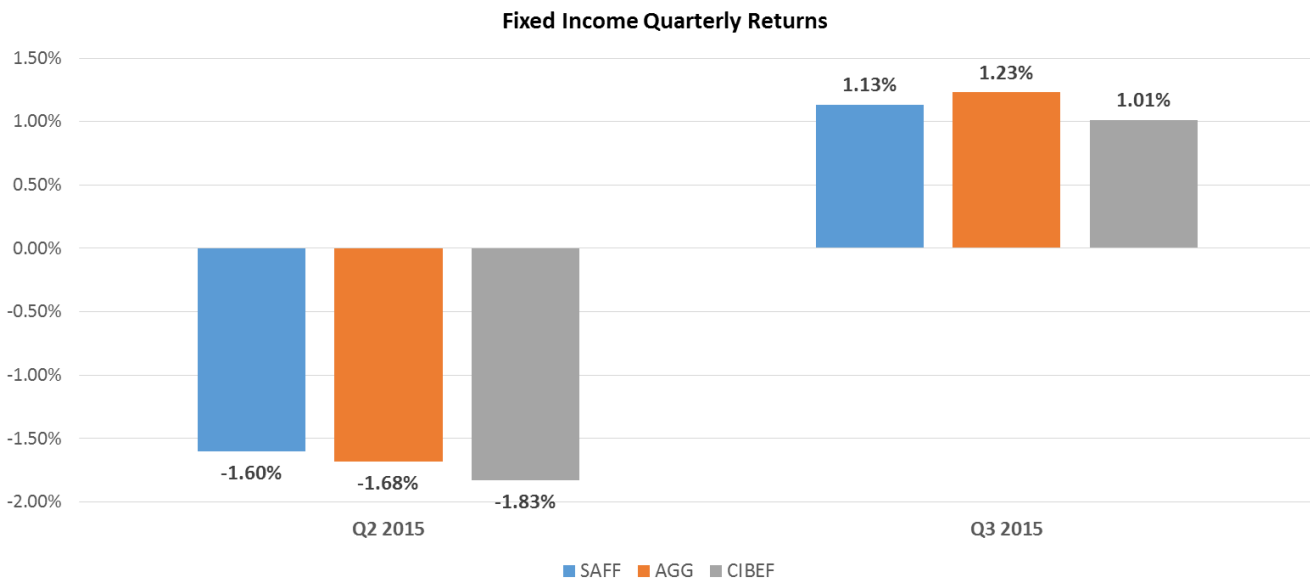
in high long-term interest rates. This blend of liquidity and long-term gain offers the fixed income portfolio a balanced maturity position.

The final piece of the fixed income strategy is the sector allocations. These allocations were determined by forecasting yield spreads between government, corporate, and mortgage-backed securities. These spread predictions were used to set an under/overweight strategy relative to the Barclay’s Aggregate Bond Index. An increasing government to mortgage-backed securities spread, a decreasing corporate to mortgage-backed securities spread and an increasing government to corporate spread led to an equal weighting of government securities, an overweighting of corporate securities, and an underweighting of mortgage- and asset-backed securities.

Returns in the SAFF portfolio outperformed the AGG Index by 0.8% in Quarter 2 of 2015 and underperformed by 0.10% in Quarter 3 of 2015. Returns in the CIBEF portfolio underperformed the AGG Index by 0.15% in Quarter 2 of 2015, and underperformed the AGG Index by 0.22% in Quarter 3 of 2015.

- *Weston Hager and Connor Jacobs*

	MBS/ABS	GOV'T	CORP
AGG (Benchmark)	31%	46%	23%
F.I. Portfolios	25%	46%	29%



CIBEF ALTERNATIVE ASSETS



The addition of Alternative Assets to the CIBEF portfolio provided us an excellent opportunity to expand our knowledge in an area relatively new. Investments are made across four segments: High Yield, Commodities, Real Estate, and Low Correlated Hedge Funds. While Alternatives are risky themselves, our goal is to minimize the overall portfolio risk by adding low correlated assets that have forecasted strong future performance. To find a security with low correlation, we conducted a correlation analysis based on historic monthly returns of the potential asset and the CIBEF portfolio.

The alternative assets target allocation are targets as a percentage of the entire portfolio. We weighted high-yield bonds at 2% because these had the strongest correlation with the CIBEF portfolio. We have commodities weighted at 7.5% because of their low correlation with the portfolio. While we have forecasted a strong dollar for the next twelve months that will negatively impact commodity returns, we are looking to hold assets such as Gold and Silver for the long run. We have allocated 4.5% to REITS because while forecasted interest rate increase

may harm the housing market as a whole, REIT's pay a nice dividend that is mandated by law. Finally, we have 11% allocated to the low correlated hedge funds because of their low correlation to the portfolio. Looking forward, we intend to purchase "liquid alternative" mutual funds because of their unique diversification strategy.

- Conner Barr and Jake Sheldon

Alternative Assets Target Allocation (25% of CIBEF Portfolio)	
High Yield	2.0%
Commodities	7.5%
Real Estate	4.5%
Low Correlated Hedge Funds	11.0%

PURCHASES AND LIQUIDATIONS

Purchases and liquidations have occurred throughout the Fall 2015 semester of the SAFF class. Intel Corporations (INCT), Johnson & Johnson (JNJ), Qualcomm (QCOM), Winmark (WINA), and Cabelas Incorporated (CAB) were completely liquidated from their respected portfolios. AT&T (T) and Cognizant Tech Solutions (CTSH) were partial liquidations from both portfolios.

Purchases this semester included the additions of Gilead Sciences Incorporated (GILD), Verizon Wireless (VZ), Sprouts Farmers Market (SFM), and Chevron Corporation (CVX). The first three securities were purchased to meet sector allocations. Chevron was bought to do the same, as well as to be consistent with our forecasted expectation of oil prices increasing.

Rebalancing our fixed income securities to match our bar bell strategy set at the beginning of the semester was a major emphasis of ours. This semester we added several Mortgage Backed Securities, Government Bonds, and Corporate Bonds to meet said bar bell strategy.

We are in the final phases of evaluating, purchasing, and liquidating some of our alternative assets in the CIBEF fund since we have reduced equities to reweight the portfolio. Purchases and liquidations will continue to be made to meet our sector allocations, which were dictated by our economic forecast.

Company	Date of Liquidation	SAFF Liquidations		CIBEF Liquidations	
		Liquidation Value	Realized Gain/Loss	Liquidation Value	Realized Gain/Loss
Intel Corp. (INCT)	10/20/15	—	—	\$6,724	2.62%
Johnson & Johnson (JNJ)	11/10/15	\$28,420	8.77%	\$11,869	0.14%
Qualcomm (QCOM)	11/11/15	\$21,256	32.98%	\$7,468	-29.46%
Winmark Corp. (WINA)	11/11/15	—	—	\$2,491	9.55%
AT&T (T)	11/23/15	\$7,648	3.16%	\$1,829	-4.04%
Cognizant Tech Solutions (CTSH)	11/23/15	\$19,510	165.40%	\$8,807	43.86%
Cabelas Inc. (CAB)	11/30/15	\$13,124	36.56%	\$5,706	-22.77%

- Cody McDavis

At the beginning of the semester, Dr. Clinebell asked for volunteers to participate in the 2015-2016 CFA Challenge. This challenge is a large competition sponsored by the CFA Institute. Five eager finance students put together a team to take this opportunity: Conner Barr, Alexander Caldwell, Katie Cyr, Connor Jacobs, and Charles Rasmussen-Goodwin. This is the seventh year students will compete for the University of Northern Colorado, and represent the Monfort College of Business. Students receive financials from the company, visit the corporate headquarters, and talk to high level executives in order to analyze if the company is a sell, buy or hold the company's stock as an investor. The CFA Challenge is great experience for students to work in a group, find a financial plan and present their conclusion to other financial peers in a professional setting.



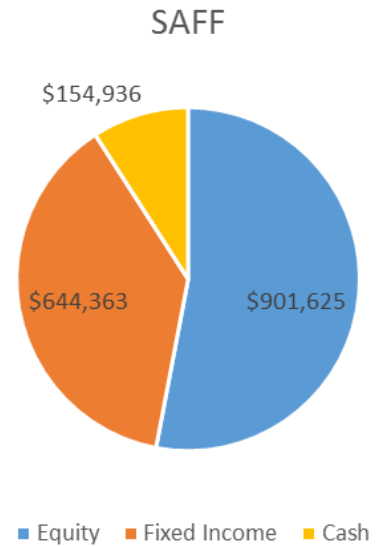
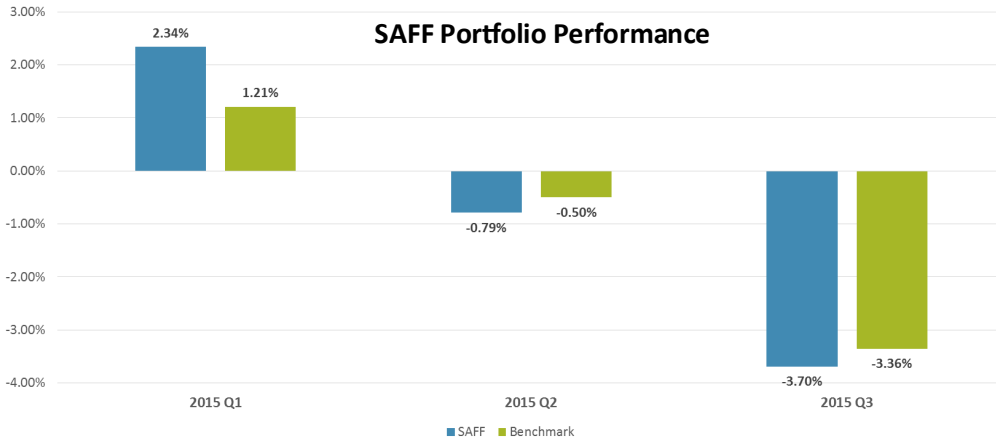
CFA participants (from left to right): Standing: Katie Cyr, Dr. John Clinebell, and Alexander Caldwell. Sitting: Conner Barr, Connor Jacobs, and Charles Rasmussen-Goodwin.

The team members will be competing against other regional teams at the beginning of February. The company that was chosen for this intense analysis is DaVita HealthCare Partners. DaVita is based out of Denver, Colorado and is one of the best kidney dialysis company in the nation with multi-national operations. The CFA Challenge is focused on giving students practical, useful scenarios that will challenge them to learn new techniques, but also allows students to show off the knowledge they have learned throughout their college career.

-Katie Cyr



SAFF PORTFOLIO SNAPSHOT

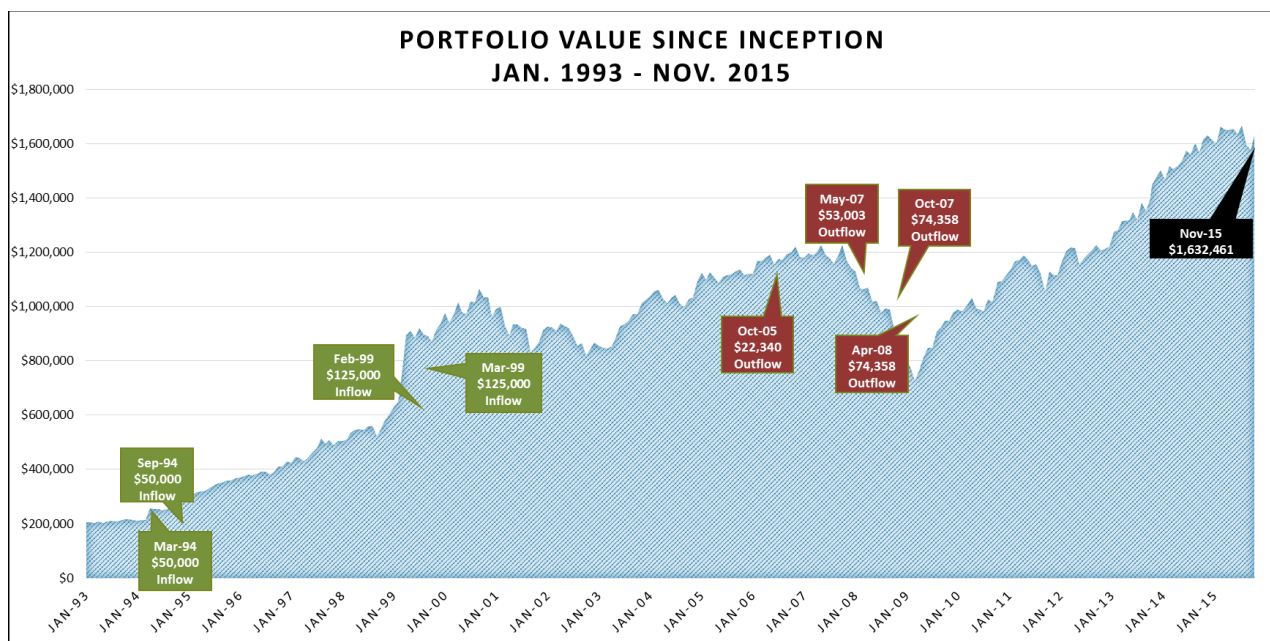


SAFF Annual Returns

	Portfolio Value	Yearly Return	Total Return
December 31, 2008	\$814,067	NA	NA
December 31, 2009	\$988,694	21.45%	21.45%
December 31, 2010	\$1,115,454	12.82%	37.02%
December 31, 2011	\$1,115,072	-0.034%	36.97%
December 31, 2012	\$1,219,139	9.33%	49.75%
December 31, 2013	\$1,498,043	22.87%	84.02%
December 31, 2014	\$1,612,131	7.26%	98.03%

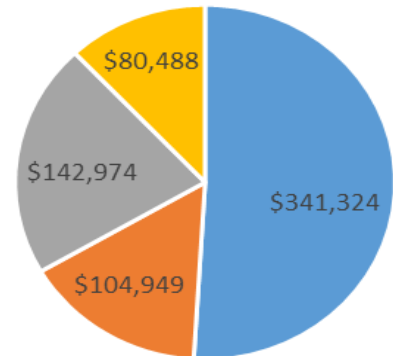
Since Inception

	Portfolio Value	Total Portfolio Return	Annualized Return	Total Equity Return	Annualized Return	Total Fixed Income Return	Annualized Return
January 1, 1993	\$205,629	370.49%	7.29%	479.35%	8.31%	264.89%	6.06%
November 10, 2015	\$1,632,461						

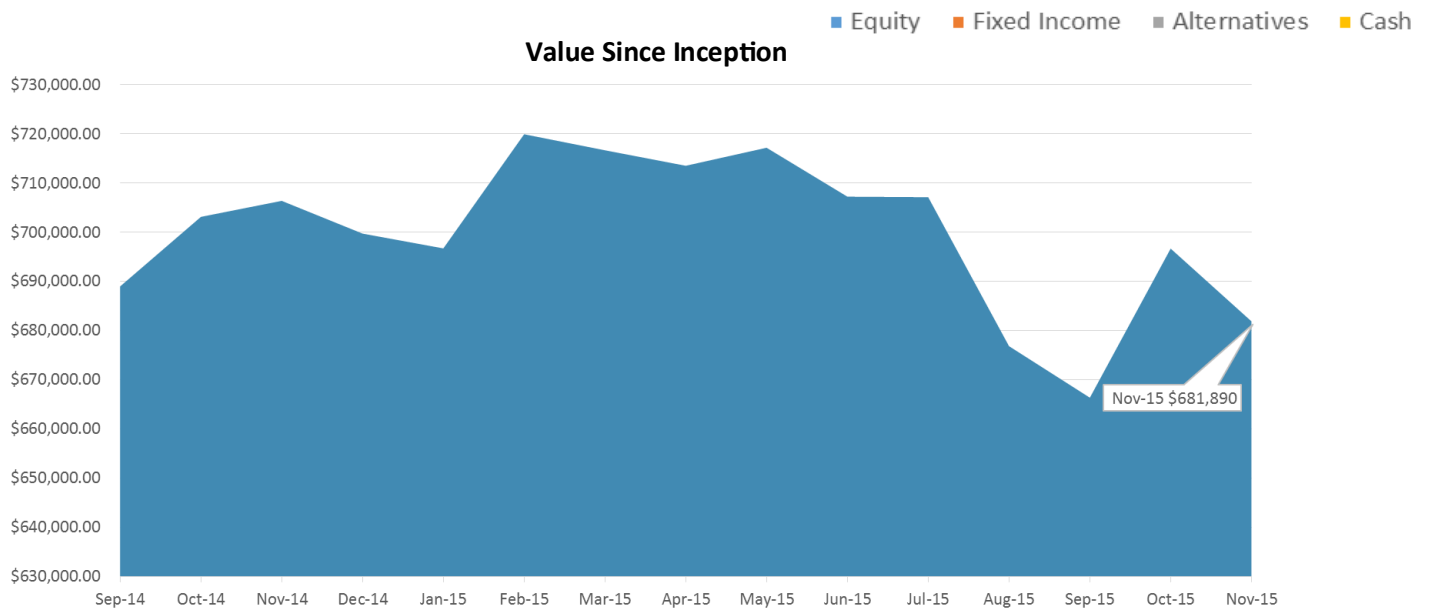


CIBEF PORTFOLIO SNAPSHOT

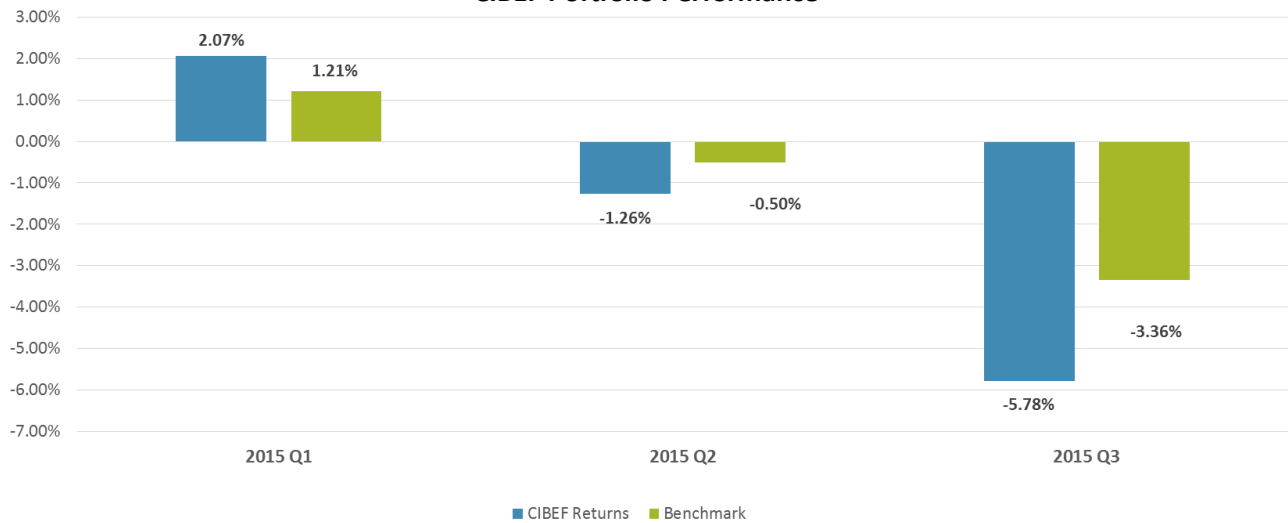
CIBEF



Value Since Inception



CIBEF Portfolio Performance



MEMBER BIOGRAPHIES



Conner Barr - Alternative Asset Manager

Conner Barr is a senior at the Monfort College of Business double majoring in Accounting and Finance. He is from Beaverton, Oregon and will be graduating in May 2016. Conner will be joining Tax Services at Deloitte upon graduation.

"If competitive challenge is what excites people, then why do we choose the easiest challenges?" – James Tarantin



Alexander Caldwell - Equity Manager

Alexander Caldwell is a senior at the Monfort College of Business double majoring in Finance and Management. He is from Aurora, Colorado and will be graduating in December 2015. Alex's future plans include working, and creating a personal securities portfolio while also preparing to take the first CFA exams.

"I have no special talent, I am only passionately curious." - Albert Einstein



Katie Cyr - Webmaster

Katie Cyr is a senior at the Monfort College of Business majoring in Finance. She is from Arvada, Colorado and will be graduating in May 2016. Katie will be working for Lockton Companies starting in June and hopes to continue in the risk management and insurance field.

"You don't have to be great to start, but you have to start to be great." - Zig Zager



Jordan Dunn - Equity Manager

Jordan Dunn is a senior at the Monfort College of Business majoring in Finance. He is from Kersey, Colorado and will be graduating in May 2016. Jordan's future plans are to go into Commercial Banking or a related sector of the financial industry at a corporate level. He hopes to work with commercial real estate and employer and cash management services.

"You miss 100% of the shots you don't take." - Wayne Gretzky



Nick Gregory - Special Projects Manager

Nick Gregory is a senior at the Monfort College of Business double majoring in Accounting and Finance. He is from Eaton, Colorado and will be graduating in May 2016. Nick will be attending law school at Iowa, Nebraska, or Wyoming after graduation this spring.

"I'm not a big fan of quotes." - Nick Gregory

MEMBER BIOGRAPHIES



Weston Hager - Fixed Income Manager

Weston Hager is a senior at the Monfort College of Business majoring in Finance. He is from Eaton, Colorado and will be graduating in May 2016. Weston plans on pursuing a career as a financial advisor. He is taking the Series 7 exam in December and will follow that up with getting his insurance licenses and Series 66. While going through this process, he plans on studying for the CFP to eventually become a Certified Financial Planner.

*"If you don't build your dream, someone else will hire you to help them build theirs."
- Dhirubhai Ambani*



Connor Jacobs - Fixed Income Manager

Connor Jacobs is a senior at the Monfort College of Business majoring in Finance. He is from Parker, Colorado and will be graduating in May 2016. Connor will be taking the CFA exam in June and then hopes to become a financial analyst.

"If you ain't first, you're last." - Ricky Bobby



Glenn McClain - Special Projects Manager

Glenn McClain is a senior at the Monfort College of Business majoring in Finance. He is from Kersey, Colorado and will be graduating in May 2016. Glenn plans to continue improving in the field of investments and to seek out new opportunities within the field. To begin this, he plans to take the CFA exam and enter into the field of investment banking.

"Whether you think you can or think you can't, you're right." - Henry Ford



Cody McDavis - Portfolio Manager

Cody McDavis is a senior at the Monfort College of Business majoring in Finance. He is from Phoenix, Arizona and will be graduating in December 2015. Cody will be attending UCLA School of Law this coming fall.

"You have this opportunity of a lifetime. It means absolutely nothing if you don't take advantage of it in the lifetime of this opportunity." - Eric Thomas

MEMBER BIOGRAPHIES

Charles Rasmussen-Goodwin - Special Projects Manager

Chuck Rasmussen-Goodwin is a senior at the Monfort College of Business majoring in Finance. He is from Pueblo, Colorado and will be graduating in May 2016. Chuck would like to spend some time traveling after graduation before he goes to Salt Lake City to start the analyst program at Goldman Sachs.

"Genius is the ability to put into effect what is on your mind." - F. Scott Fitzgerald

Jake Sheldon - Alternative Asset Manager

Jake Sheldon is a senior at the Monfort College of Business majoring in Finance with a minor in Economics. He is from Parker, Colorado and will be graduating in May 2016. Jake will be working full-time at Goldman Sachs starting in July.

"Through chances various, through all vicissitudes, we make our way." - Aeneid

Katrina Wagner - Newsletter Editor

Katrina Wagner is a senior at the Monfort College of Business majoring in Finance. She is from Greeley, Colorado and will be graduating in May 2016. Katrina plans to start a career in the field of investments and/or real estate.

"Integrity is doing the right thing even when no one is watching." - C.S. Lewis

John Wilson - Portfolio Manager

John Wilson is a senior at the Monfort College of Business majoring in Finance with a minor in Economics. He is from Highlands Ranch, Colorado and will be graduating in December 2015. John's short-term goal is to get a job somewhere he feels comfortable in the financial industry. His long-term goal is to one day own and run his own business.

"One of the funny things about the stock market is that every time one person buys, another sells, and both think they are astute." - William Feather

Dr. John Clinebell is a Professor of Finance at the Monfort College of Business at the University of Northern Colorado. He has been with the university for twenty nine years. Professor Clinebell is the developer of the Student and Foundation Fund. This fund is one of the largest portfolios managed by undergraduate students in the country. Dr. Clinebell has published numerous articles in highly regarded academic journals. He has presented numerous times at professional conferences.

SPECIAL THANKS

The Fall 2015 Student and Foundation Fund class would like to give a special thanks to everyone outside of the class who put in effort to make this a successful semester. Their patience, willingness to help, and guidance did not go unnoticed and we as a class would like to express our gratitude for all of their efforts.

We would like to thank Dr. John Clinebell for his commitment to the SAFF class. This is the 45th consecutive semester of the class since the portfolio's inception. The experience he has given students here at UNC is invaluable. Every lesson learned, no matter how small, will go with each of us as we enter into the workforce upon graduation. We are all very grateful to be able to gain this real world experience in an academic setting. It is truly a once in a lifetime opportunity Dr. Clinebell has given us.

Next, we would like to thank Kristi Cozbey, the Administrative Assistant for the Finance Department. From printing out brochures to editing the newsletter to catching miscolored letters on the power point, the class would not be as organized and together without her. Her patience and dedication to every student here at MCB can be seen through her hard work. We cannot express our gratitude for all that she does.

Additionally, we would like to thank alumni Kevin Ahern and Centennial Bank for hosting a gathering where we presented to about 32 alumni and friends of UNC in Denver this October. This was a great opportunity to network and share where the class and portfolios are today. We also would like to thank Carl Miller, our CFA mentor for the CFA Institute research challenge. His guidance and expertise will help the CFA team tremendously as they prepare for their competition next semester.

Lastly, we would like to thank the Monfort College of Business, the UNC Foundation, and the Colorado Insurance and Business Education Fund for the donations to our SAFF and CIBEF funds. We greatly appreciate your assistance in giving us this wonderful opportunity. We would also like to thank all of our finance professors for giving us the strong foundation of knowledge that we were able to put to use in this class. If it were not for the dedication of everyone here at MCB we would not be the students we are today. We greatly appreciate the guidance and knowledge given to us by each and every one of you.

- Fall 2015 SAFF Class

FALL 2015 SAFF CLASS





ALUMNI SPOTLIGHT

- SANDY RUFENACHT and THREE PEAKS CAPITAL MANAGEMENT, LLC

UNC alumnus Sandy Rufenacht '87 and the work being done at his Castle Rock, Colorado-based investment firm, Three Peaks Capital Management, LLC, has been getting a lot of attention. His unique formula for picking stocks was the topic of his recent interview with Bloomberg media, and, according to Bloomberg reports, the Aquila Three Peaks Opportunity Growth Fund co-managed by Rufenacht and UNC alumnus Zach Miller '08 has consistently topped 97 to 99 percent of peer funds over several years. Dave Battilega '04 is also a co-portfolio manager at Three Peaks.



Rufenacht says the firm's success is thanks to no mystery ingredient, but due to the hard work, passion and talent of the team he's formed at Three Peaks.

Three Peaks seems to be blazing a path and garnering a lot of attention from the financial press – how do you explain the attention?

Rufenacht: Three Peaks is made up of a good contingent of UNC kids making happen what is happening here – their drive, their tenacity and a work ethic not found on the street, on Wall Street that is. UNC is a college of hard working students. I often see other major financial firms, firms of all sizes, and firms here in Colorado, recruiting from Ivy League schools, from Yale and Harvard, but we have talent that is just as good right here in our own back yard.

What do you think Three Peaks is doing that is unique?

Rufenacht: What we do is complex. We're building portfolios for people who are entrusting us with their funds and, in some cases, with their life savings, and we have an extreme fiduciary responsibility, an obligation to know what is going on around the world that could have an impact on that portfolio and on individual investments. At Three Peaks, we're taking a complex business and simplifying it. We're simplifying it in the sense that we make sure we're dotting all the I's and crossing all the T's. We go further and dig deeper through the layers. Acting much like agents, we go further to validate what the management team tells us and dive deeper to find what we believe is the perfect combination of investments. It means a lot of travel, a lot of one-on-one, a lot of digging for what is true. It's hard work. It all ties back to being willing to do the hard work.

What's behind the Three Peaks and UNC connection?

Rufenacht: I believe the workforce you can get here in Colorado, specifically at UNC, is as good as you can get in the country. One common thread at Three Peaks is UNC and, with these good numbers, what we do here is working. We've got a good crop of people. Our numbers speak for themselves. The work ethic is second to none. It comes from the UNC student base, and I like to prove it again and again. We're all [Rufenacht, Battilega and Miller] from UNC and we're from different years, spread over several years. It shows long-term success of the program. The SAFF program at UNC is second to none.

- Amber Medina, M.A.

Communications Manager, Development and Alumni Relations at UNC



ALUMNI SPOTLIGHT

- SANDY RUFENACHT and THREE PEAKS CAPITAL MANAGEMENT, LLC cont.



Sandy Rufenacht

Chief Investment Officer & Co-Portfolio Manager

A 25-year industry veteran, Sandy Rufenacht is the Chief Investment Officer, Co-Portfolio Manager and principal owner of Three Peaks Capital Management, LLC. He also serves as the Co-Portfolio Manager for the Aquila Three Peaks High Income Fund and the Aquila Three Peaks Opportunity Growth Fund. Prior to founding Three Peaks in 2003, Sandy managed or co-managed multiple fixed-income products at Denver-based Janus Capital for more than a decade. Prior to joining Janus Capital, Sandy spent two years at Colonial Investments in Boston, Massachusetts, as Fund Accounting Supervisor. Sandy graduated from the University of Northern Colorado in 1987 with a degree in business administration. He also serves on the University of Colorado's School of Medicine Council of Advisors and on the University of Northern Colorado's Monfort School of Business Deans Leadership Council.



Dave Battilega

Co-Portfolio Manager

Dave Battilega is the Co-Portfolio Manager of the TPCM Fixed Income Strategy as well as the Co-Portfolio Manager of the Aquila Three Peaks High Income Fund. Since January 2012, Dave has been Assistant Portfolio Manager of both the Aquila Three Peaks High Income Fund and the Aquila Three Peaks Opportunity Growth Fund, and Director of Trading for TPCM. Dave joined TPCM in 2004 as a research analyst covering a wide range of sectors, and later transitioned to the trading desk. He is a 2004 graduate of the University of Northern Colorado, holding degrees in both Finance and Accounting.



Zach Miller, CFA

Co-Portfolio Manager

Zach Miller is the Co-Portfolio Manager of the TPCM Equity Strategy as well as the Co-Portfolio Manager of the Three Peaks Opportunity Growth Fund. Since January 2012, Zach has been Director of Research with TPCM. He joined TPCM in 2008. Zach received his CFA designation in June 2012 and is a 2008 graduate of the University of Northern Colorado, holding a degree in business administration with an emphasis in Finance and a minor in economics.



Fall 2015

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