

The background of the entire page is a photograph of the New York Stock Exchange building. The image is darkened with a green tint. At the top, the pediment features a series of classical sculptures. Below this, the words "NEW YORK STOCK EXCHANGE" are inscribed in large, capital letters on a stone frieze. The lower portion of the image shows the massive, fluted columns of the portico.

NEW YORK STOCK EXCHANGE

2017-2018

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# ANNUAL REPORT

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ROLAND GEORGE INVESTMENTS PROGRAM

STETSON UNIVERSITY

School of Business Administration

# STETSON UNIVERSITY

## School of Business Administration

### **Eugene M. and Christine Lynn Business Center**

421 N. Woodland Blvd. Unit 8398, DeLand, Florida 32723  
(386) 822-7442

#### **Neal P. Mero, PhD**

Dean, School of Business Administration

*Professor of Management*

#### **Prasad Nanisetty, PhD**

Interim Roland and Sarah George Professor of Investments

*Professor of Practice in Finance*

#### **Matthew Hurst, PhD**

Interim Director for the Roland and Sarah George Investments Institute

*Associate Professor of Finance*

#### **Caroline Skinner**

Administrative Assistant

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# ACKNOWLEDGMENT

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**The Roland George Investments Program was established at Stetson University through a gift made in 1980 by the late Sarah George.**

The innovative program is designed to:

- Honor Roland George by implementing his belief that students learn best through actual experience in making investment decisions.
- Provide an advanced course in investments to the School of Business Administration.
- Establish two investment funds, one income oriented and the other growth oriented.
- Generate annual income sufficient to:
  - Maintain the Roland George Distinguished Visiting Professorship of Applied Investments
  - Maintain the Roland George Merit Scholarship Program designated for outstanding students seeking careers in investments
  - Purchase resource materials to support the courses
  - Administer the overall program

On behalf of all of the program's participants — past, present, and future — we would like to express our appreciation to Sarah George for making this valuable opportunity possible.



# DIRECTOR'S LETTER

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The dream of Roland George was that students would go beyond theories, beyond lectures, beyond textbooks and into the real world. Roland George wanted students to push boundaries, look past the blue-chips and immerse themselves into the financial markets.

His vision was that failure, as well as success, would be an integral part of the teaching and learning enterprise. The program was built to expose students to risk, market uncertainty and tough decisions.

Since its inception 38 years ago, one of the goals of the program has been to train students for successful careers as investment professionals. The program empowers top students majoring in finance and business to manage a real portfolio with state-of-the-art facilities and data, including: Bloomberg, Reuters, Morningstar and Baseline.

After a 16-year run of exceeding the benchmark, defying astronomical odds, the RGIP program failed to beat the benchmark only once — during the 2017-2018 year. The program has been a huge success.

This year, we had another perfect placement record for the graduating RGIP class. Students accepted positions at firms such as Raymond James, Citi Group, Merrill Lynch, Charles Schwab and BNY Mellon. For the first time ever, an RGIP graduate was placed in the Global Security Analyst Program at Goldman Sachs. Two students went on to attend Stetson Law, and two more are attending Masters of Finance programs at the University of Illinois and Vanderbilt University. Similarly, this year the Sarah George Investments Institute continued its mission of investment education and social outreach.

The highly-anticipated Roland George Public Trustee meetings in Fall 2017 and Spring 2018 attracted more than 300 attendees. During the semi-annual public trustee meetings, students pitched a new ESG index to track Environment, Social and Governance factors. The unique group of stocks are selected because they are known to serve the public good, as well as to deliver superior performance to their shareholders. Additional presentations included a discussion on the opportunities and perils of Bitcoin and the cryptocurrency market.

In addition, student nominees attended the Quinnipiac Global Asset Management Education (G.A.M.E.) Forum. The G.A.M.E. Forum is the largest student-run financial conference in the world, with more than 1,500 students from 160 universities, representing 48 states and 54 countries, and business leaders from 106 companies and organizations. Students who have managed an actual portfolio during a full calendar year can take part in the student-managed portfolio competition. Stetson's RGIP entered both the fixed-income and equity-growth categories and placed second and third, respectively.



**Matthew Hurst, PhD**  
George Programs Director



## HISTORY OF THE PROGRAM

Roland George had a vision for students to learn about money management through hands-on experience. Annoyed with colleges teaching only theory, he envisioned a program that would enable students to manage an actual portfolio. Students would purchase and sell securities, monitor the portfolio, and endure the pressure of generating sufficient income to pay program expenses.

To honor that vision and the life of her late husband, Sarah George began to search for a university that would allow students to manage real money under the guidance of successful practitioners. Her search came to a close on Aug. 20, 1980, with Stetson University and a generous gift of assets valued near \$500,000.

Sarah George, along with her brother Robert Wilson and attorney Frank Gaylord, approached Stetson with the

idea. Their contributions — plus those of President Pope Duncan, Dean David Nysten, H. Douglas Lee, Ph.D., and Professor Kenneth Jackson — brought the Roland George Investments Program (RGIP) to life.

**Roland George's vision allows Stetson University to offer students an opportunity that only a select number of universities can — the investment and management of actual dollars.**

Roland George's vision offers Stetson students the opportunity that only a select number of universities can: the investment and management of real money with actual consequences.

Sarah George stressed that failure, as well as success, should be part of the learning experience. She insisted that students have a major voice in the investment decisions. Sarah

George passed away in 1988, leaving a gift of \$3.6 million and a new legacy, called the Roland and Sarah George Investments Institute. The institute provides support for investments education at Stetson through symposiums





with investment professionals and leading academic practitioners.

The George endowment also has allowed RGIP to be directed by high-quality visiting and full-time resident professors with applied experience. Past directors of RGIP include: Carter Randall, Gerald T. Kennedy, Max Zavanelli, Ned Schmidt, Frank Castle and K.C. Ma. These individuals were selected for their applied investment experience and their enthusiasm in conveying this knowledge effectively in the classroom to students. Their efforts have aided in developing the Roland and Sarah George Investments Institute into a premier organization for applied investment research and investment education.

In addition to the new institute, the endowment provided by the George estate allowed for an enhancement of the Roland George Investment Program. The initial one course was divided into two separate courses, one with a focus on growth and equity management techniques, and the other on the generating current income. Although monitoring the entire portfolio is essential throughout the year, this structure enabled students to concentrate their efforts in a specific area of investments.

Since its founding in 1980, RGIP has adapted with the changing investment environment to always provide

cutting-edge research methods. Initially this meant students sifting through paper copies of the Wall Street Journal. Subsequently, directors of the program navigated the introduction of computers; the internet; adoption of services such as Value Line, Dow Jones News Retrieval, Zack's Icarus Services; and the O'Neil Reports, Morningstar, Thompson Reuter, and Bloomberg. Each iteration gave students the opportunity to become versed in the most sophisticated research materials of the day.

Roland George felt that exposing students to experienced investment managers and allowing them to participate in actual investment decisions were the ideal ways to prepare them for careers in investments. While many universities offer courses using computer-simulated programs, Stetson students are charged with investing more than \$3.4 million.

Roland George's dream has become a reality, and the program has now run successfully for 38 years.

Real life. Right now.

# GROWTH FUND REPORT

*JULY 1, 2017 – JUNE 30, 2018*

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At the beginning of the school year, Roland George students analyzed existing stocks in the portfolio to determine if they should be held or sold. After these reports were analyzed and voted on, the class created an Investment Policy Statement to shape the future of the growth portfolio. This past fall, the Roland George Investments Class decided to maximize total portfolio return within a 12-month workout period. The class chose to underweight cyclicals and overweight defensive. They also decided to considerably shed the portfolio and hold cash in the event of an economic drawback. The portfolio also can have a maximum of 25 stocks and the minimum position in a stock should be \$80,000.

## OBJECTIVE

Maximize total return within a 12-month workout period.

## CONSTRAINTS

- Underweight Cyclicals
- Overweight Defensive
- Underweight Small Cap
- Underweight Growth

## GROWTH FUND UPDATE

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On June 30, 2017, the growth portfolio had stocks with a market value of \$1,726,955.19, \$46,183.80 in exchange traded funds, and \$139,471.59 in cash, representing a total account value of \$1,912,610.58. By June of 2018, the portfolio had reached a total value \$2,360,284.48 with a market value of \$1,979,109.48 with \$380,458.00 in cash.

### GROWTH FUND BUY RECOMMENDATIONS

PayPal Holdings (PYPL)

IQIYI Inc. (IQ)

Microsoft Corp. (MSFT)

Geely Automobile (GELY)

Softbank Corp. (SFTBY)

American Tower Corp. (AMT)

Illumina Inc. (ILMN)

Central Garden and Pet (CENT)

Idexx Labs Inc. (IDXX)

Trupanion Inc. (TRUP)

### GROWTH FUND SELL RECOMMENDATIONS

HDFC Bank LTD (HDB)

Facebook Inc. (FB)

Knowles Corp. (KN)

Luxottica Group (LUXTY)

Air Lease Corp. (AL)

Hologic Inc. (HOLX)

Elbit Systems (ESLT)

Xylem Inc. (XYL)

# FIXED INCOME FUND STRATEGY

*JULY 1, 2017 – JUNE 30, 2018*

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At the beginning of the year, Roland George students analyzed the Fixed Income portfolio. The class decided to maximize the total return of the portfolio with a 12-18 month workout period. The class decided to focus on mid maturity bonds with a minimum duration of eight in order to maximize interest rate pickup. They required fixed income securities have a credit rating of B or greater. Finally the portfolio was restricted from any additional securities in the energy and financial sector.

## OBJECTIVE

Maximize total return within a 12-18 month workout period.

## CONSTRAINTS

- All holdings will be greater than or equal to a B credit rating.
- The portfolio will have a weight duration of eight years.
- Prioritize interest rate pickup.
- The portfolio will have restrictions on energy and financials.
- All holdings will have a minimum position of \$100,000.

## FIXED INCOME FUND INVESTMENT POLICY STATEMENT

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On June 30, 2017, the Fixed Income portfolio has \$1,142,580.00 in bonds and \$185,042.00 in cash, representing a total account value of \$1,321,729.00. By June of 2018, the fixed income portfolio had a total account value of \$1,175,350.10.

### FIXED INCOME FUND BUY RECOMMENDATIONS

CIT Group\*

HCA\*

PacifiCorp\*

### FIXED INCOME FUND SELL RECOMMENDATIONS

Jefferies Group\*

PIMCO\*

\*These swaps were initially approved by the RGIP Trustees but were not executed due to market factors.





# ROLAND GEORGE INVESTMENTS PROGRAM

*CLASS OF 2017-2018*











# AMERICAN TOWER®

## BUY RECOMMENDATION

by Dante Medina-Feil

Industry: REIT - Diversified  
Sector: Communication Services  
Recommendation: BUY  
Price Target: \$174

Ticker: AMT  
Price: \$150.62 (as of 10/24/2018)

Earnings/Share	Q1	Q2	Q3	Q4	Year	P/E
2016	0.58	0.37	0.55	0.47	1.98	53.42
2017	0.67	0.80	0.69	0.80	2.96	54.33
2018	0.63	0.69	<b>0.80</b>	<b>0.80</b>	<b>2.93</b>	<b>51.55</b>
2019	<b>0.88</b>	<b>0.94</b>	<b>0.92</b>	<b>0.92</b>	<b>3.57</b>	<b>42.26</b>
2020	<b>1.01</b>	<b>1.13</b>	<b>1.10</b>	<b>1.04</b>	<b>4.09</b>	<b>36.92</b>

\*Bolded/italicized figures are estimates

## Business Description

American Tower (NYSE: AMT) is a leading independent owner, operator and developer of wireless and broadcast communications real estate. The company's global portfolio includes approximately 170,000 sites and is experiencing steady growth. In addition to leasing space on towers, AMT provides customized collocation solutions through in-building systems, outdoor distributed antenna systems and other right-of-way options, managed rooftops, and services that speed network deployment.

Exhibit 1: The Company	
Headquarters	Boston, MA
Year Founded	1995
Employees	4,900
IPO	1998
Stock Style	Large Growth
Stock Type	Hard Asset

Source: Company 10Q

**Domestic Tenants:** AT&T Mobility, Sprint Nextel, Verizon and T-Mobile.

**Foreign Tenants:** Telefónica (Brazil, Chile, Colombia, Mexico and Peru); MTN Group Ltd. (Ghana, South Africa and Uganda); Grupo Iusacell, S.A. de C.V. (Mexico); Nextel International (Brazil, Chile and Mexico) and Vodafone (India, Germany, Ghana, South Africa and Uganda).

**Products:** AMT develops several products, including:

- **Towers** - AMT's broad portfolio, combined with its multiple tenant-leasing model, allows it to provide a diverse array of towers, with locations and heights to fit coverage needs throughout the U.S. In addition to existing towers, AMT has development rights for new tower construction on property throughout the U.S.
- **Rooftops** - AMT has formed partnerships with committed asset owners to create more than 15,000 opportunities for increased network coverage and capacity at managed rooftops, billboards and other tall structures across the country. AMT works closely with each owner to facilitate lease agreements with wireless carriers and maintain ongoing management responsibilities, so it remains the single point of contact. Its experience and customer-centric approach in the real estate and telecom industries make for an ideal partner. It can support the interests of both customers and owners alike. Also, it continues to streamline and simplify the collocation process, making installation and activation quick and easy.

- **Small Cells:** American Tower In-Building Small Cells solution gives enterprises a flexible network that supports multiple mobile network operators and scales to suit any building or venue size. It is ideal for voice, internet, public safety and Internet of Things (IoT) applications, as well as smart-building initiatives. Small Cells reduce the time, cost and complications associated with deploying wireless network connectivity throughout buildings. Their turnkey, neutral-host infrastructure solution includes the power source and passive equipment, as well as a full suite of professional services to ensure smooth deployments from the day they make contact through installation and beyond.

Headquartered in Boston, Massachusetts, American Tower has offices across the United States and in Argentina, Brazil, Chile, Colombia, Costa Rica, France, Germany, Ghana, India, Mexico, Nigeria, Paraguay, Peru, South Africa and Uganda.

## Investment Rationale

**First Come, First Server:** With AMT being first in the industry's cell tower business, it offers several huge advantages: Once a cell tower is built in a location, it can often be difficult for a competitor to build a competing tower due to zoning by-laws; carriers sign long-term five- to 10-year contracts, so once clients are on board, they are locked in for years; carriers want to sign up with a cell tower company that offers the widest coverage in a certain area, so the more towers a company has, the more easily it can attract new clients; client retention is high, as it can be expensive and cumbersome for carriers to switch cell tower providers.

### Explosion of Worldwide Mobile Data Demand:

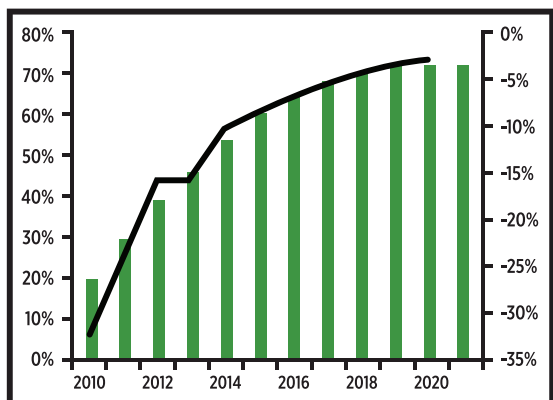
The forecast growth of mobile data is indicative of a virtuous cycle, whereby demand is fueling network evolution, which, in turn, is fueling demand. Currently, the explosive growth of mobile apps and overall mobile connectivity by end users is fueling the growth of 4G. This will soon be followed by 5G growth, which will drive even greater volumes of mobile data consumption. Data networks offloading to Wi-Fi will increase. Mobile carriers are already strained under the massive demand for mobile data. The rapid growth of mobile data usage will mean that networks' reliance on offloading data to Wi-Fi will increase 3 percentage points by 2021 to reach 63% of total mobile data.

**Bright Future in International Markets:** AMT has its biggest presence in India, Brazil and Mexico. Many international markets are a decade behind the U.S. and are now building their 4G networks. Indian data usage has been growing 100% per year, and carriers have been increasing spending to improve networks. Latin American countries now have more than 200 million people in the middle class, a significant proportion of whom are under 40 years old (the heaviest data users). Brazil and Mexico, collectively, account for half the Latin American population and 70% of its purchasing power.

## Industry and Peer Group Overview

**REIT:** Cell tower REITs comprise roughly 10% of the REIT ETFs (VNQ and IYR). Within the Hoya Capital Cell Tower REIT Index, they track the three cell tower REITs, which account for roughly \$130 billion in market value: American Tower (AMT), Crown Castle (CCI) and SBA Communications (SBAC). Cell tower REITs own roughly 80% of the 100,000 macro cell towers in the U.S., which is by far the highest concentration of REIT ownership of any real estate sector. For this reason, while cell towers may constitute only a tiny portion of total real estate asset value in the U.S., they hold a disproportionally high importance in the value-weighted investible real estate indexes.

**Exhibit 4: U.S. Smart Phone Penetration Rate (%) vs. Smart Phone User Growth**

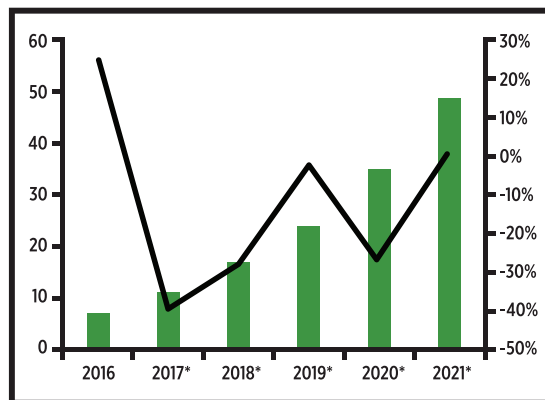


Source: Company 10Q

After lackluster performance in the first two months of 2018, the U.S. REIT industry rebounded in March and positive trend continued in April, as well. It seems that the mojo is somewhat back in the space, following the so-far steady performance of REITs this earnings season and stepped-up merger and acquisition activities. Specifically, total returns of 3.74% in March and 0.55% in April for the FTSE NAREIT All REIT Index also managed to outpace the broader market, as the S&P 500 slipped 2.54% in March and inched up just 0.38% in April. Moreover, despite the Federal Reserve recently acknowledging that inflation is nearing its desired level, any fast-paced hike in rates in the upcoming months is most unlikely as the central bank appears committed to a steady-as-you-go plan. And REITs are usually more adept in absorbing a rate hike when it occurs gradually. Short-term hiccups from rate hikes and movements of treasury yields cannot be entirely ruled out because of REITs' traditional dependence on debt for their business and consideration as bond substitutes for their high and consistent dividend-paying nature. But this time around, REITs seem to be better poised to brave the rising rate environment.

**Wireless Industry:** The generally low interest-rate environment is keeping cap rates low and property values high. The increasing demand on smartphones and wireless electronics will continue to cause an increasing burden on wireless carriers, thus forcing them to increase additional assets to compensate for coverage areas. The industry is looking ahead to the next wave of even faster wireless transmission technology, known as 5G. Even while the number of new devices has leveled off, data usage has continued to surge and wireless carriers are building out 5G networks that will increasingly come into play over the next three to five years, possibly bringing in additional revenue from new services like always-connected smart devices. The industry is pressing to have federal rule makers free up more airwaves and ease the way for the addition of thousands of smaller cell sites needed for 5G by preempting local and state regulations. At the end of 2017, mobile carriers had deployed 323,448 cell sites, just a 7% increase from five years ago, said CTIA, the wireless industry organization. But because 5G signals frequently don't travel as far as transmissions in today's 3G and 4G LTE networks, the industry may need as many as 800,000 sites to roll out 5G. Most will be much smaller than today's cell towers, with radios strapped to tops of lamp poles and traffic lights, but some localities are pushing back concerned about ugly equipment installations and possible health hazards.

**Exhibit 9: Global Mobile Data Traffic Growth with Revenue YOY Growth (Exabyte's)**



Source: Bloomberg

## Growth Drivers

**International Footprint:** AMT's global portfolio of approximately 170,000 sites is composed of towers in advanced, evolving and developing wireless markets, in various stages of wireless network deployment. AMT has selectively expanded internationally to complement its core U.S. operations, as it believes that the network development trajectory witnessed in the U.S. will ultimately be replicated overseas.



**Exhibit 15: Global Markets by Year of Entry**

1995	U.S.	27,000+
1999	Mexico	8,600+
2000	Brazil	6,900+
2007	India	12,000+
2010	Chile	1,000+
	Colombia	3,400+
	Peru	490+
2011	Ghana	1,900+
	South Africa	1,900+
2012	Germany	2,000+
	Uganda	1,100+
2013	Costa Rica	460+
2015	Nigeria	4,700+
2017	France	2,500+
	Paraguay	830+

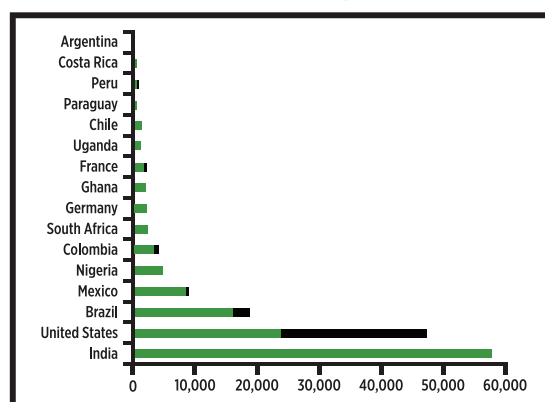
Source: Company 10Q

- India:** AMT has recently expanded its footprint in India through the completion of the acquisition of Indian carrier, Idea's tower business. The local subsidiary of ATC has acquired a portfolio of around 9,000 towers in India for 40 billion rupees (\$597.2 million). India's Department of Telecommunications (DoT) recently approved the transaction. The transaction was part of the anticipated merger between Indian carriers Idea and subsidiary Vodafone India, which is expected to create India's largest telecoms operator with an estimated 430 million subscribers. After this recent acquisition, ATC now operates some 68,000 towers across India. The company has already acquired Vodafone India's portfolio of around 10,200 telecommunications towers. Not including the towers purchased from Vodafone, ATC at present owns or operates more than 58,000 tower sites in India.
- Kenya:** Telkom Kenya has announced it has reached a definitive agreement to sell up to 723 towers to AMT, expanding the latter's footprint to a fifth country in Africa. The transaction will give the telco a bit of breathing room and cash to invest in its 4G network. Kenya Telkom has been performing adequately to date, though has struggled to get anywhere near market leader Safaricom. It is hoped the funds will give the telco a boost to be more competitive.
- Brazil:** At an auction held at Cemig's headquarters in Minas Gerais in 2018, AMT won the broadband network with a bid of R\$571 million, translating to \$152 million. This helped AMT purchase telecom assets from Brazilian state-run utility company, Cia Energetica de Minas Gerais SA, or Cemig. There is a rising trend of telecom companies to offload assets to wireless infrastructure companies like AMT. This growing trend

is offering ample scope to these infrastructure real estate investment trusts (REITs) to prosper. In fact, wireless services are advancing rapidly in terms of additional features and capabilities. Much of the infrastructure and upgrades require effective site management of towers and equipment. Moreover, with the advent of new technologies, especially 5G and Internet of Things (IoT), companies like AMT have higher chances of growth.

- Mexico:** On Sept. 25, 2018, the company signed an agreement with TV Azteca in Mexico through which TV Azteca paid \$59.5 million in cash to extinguish its existing loan agreement with the company. Simultaneously, the company restructured its existing Economic Rights Agreement with TV Azteca into a Commercialization Rights Agreement regarding space not used by TV Azteca on approximately 190 of its broadcast towers. As a result of these agreements, the company does not expect to record interest from TV Azteca in future periods. The company is pursuing collection of the approximately \$6 million in unpaid interest to date, as well as the reinstatement of regular payments pursuant to its contractual agreement with TV Azteca.

**Exhibit 16: AMT Owned/Operated Tower**



Source: Company 10Q

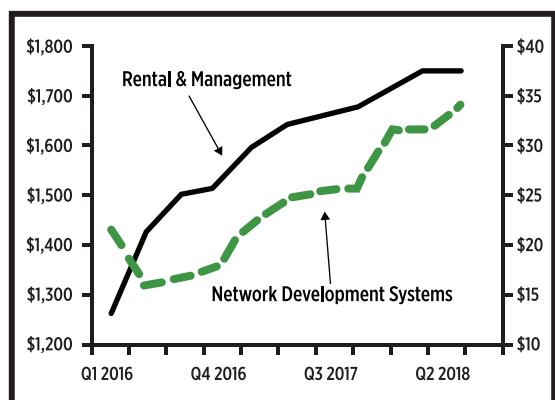
## Financial Analysis

**Quarter 2 2018 Revenue Growth:** Latin America led the way again as revenue jumped 10.8% from the previous year's second quarter to \$318 million. Driving the segment's growth was a 12.4% increase in organic tenant billings due to strength in Mexico and Brazil. American Tower's U.S. segment also delivered solid results. Revenue grew 6.7% to \$957 million, driven by a 7.4% increase in organic tenant billings. The company noted that it saw record levels of new business in the U.S. due to the "rapid adoption of unlimited data plans." Revenue in the Europe, Middle East and Africa (EMEA) segment rose 4.4% year-over-year to \$167 million, thanks mainly to 6.8% organic tenant billings growth.

**Operating Margin:** The operating margin percentage for AMT came in at a 23.13% as of March 2018. Each dollar of revenue the company generated brought in 23.13 cents of earnings. The company's operating margin came well above for the average of 17.20% for the S&P 500, displaying management's ability to control operating costs and expenses.

**Momentum Growth Quotient:** This is key metric that is used to gauge the financial health of a company and its potential future growth prospects. The MGQ is calculated by using the EBITDA growth trend over the past 10 years, the operating margin percentage, the operating margin percentage of the five-year average, the normalized free cash flow over the past seven years, the forward P/E and the forward rate of return. As of the end of June, the average MGQ for the S&P 100 was 10.28. The MGQ for AMT as of the end of June was 18.88, which implies an 83.3% higher growth rate compared to the S&P 100. This indicates that AMT has strong future growth potential and is a good candidate for a long position.

Exhibit 18: AMT's Revenue by Segment

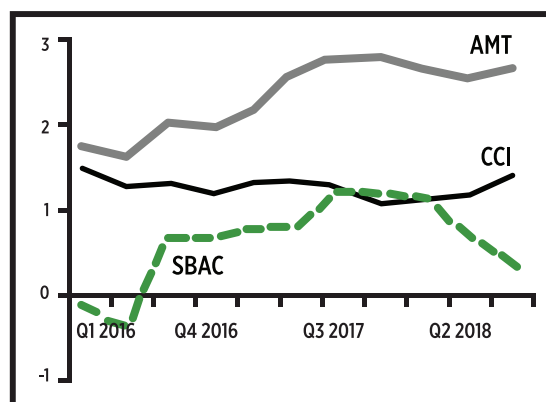


Source: Bloomberg

**Malkiel's Model:** This model is similar to the two-stage dividend model, values the stock based on dividends and growth, but also takes into account the stock's EPS, along with standard P/E. American Tower's EPS is \$2.93, and its DPS is \$3.01. (I used a required rate of return of 8% and a growth rate of 10% for a period of five years.) Taking this into account, the Malkiel Model Values AMT at \$175.20, indicating it is undervalued by 16%.

**Average Fair Value:** The summary estimates a fair value of \$174.00, which is derived from combining the above simulations and gives American Tower Corporation an undervaluation of 16%. After analyzing this information, it is recommended that American Tower Corporation is a strong BUY.

Exhibit 20: AMT EPS Growth vs. Competitors



Source: Bloomberg

## Valuations

**Stock Price Analysis:** American Tower Corporation (REIT) (AMT) ticked a yearly performance of 8.67% while year-to-date (YTD) performance stood at 7.25%. The stock price moved with change of -5.37% to its 50 Day low point and changed 8.99% comparing to its 50 Day high point. AMT stock is currently showing down return of 0.32% throughout last week and witnessed bullish return of 6.33% in one-month period. The stock price mounted 1.34% in three months and soared 10.21% for the last six months trading period.

**Constant Dividend Growth Model:** The model's assumptions are that the dividend growth rate is constant; the growth rate cannot equal or exceed the required rate of return; the investor's required rate of return is both known and constant. With the current dividend per share being at \$3.01, with a required rate of return of 12%, the fair value of AMT came out to be \$174.08.

# APPENDIX A

## SUMMARY OF 38-YEAR PERFORMANCE

DATE	INCOME	GROWTH	TOTAL	
08/20/80	initial gift	—	\$ 481,499	
05/31/81	\$ 233,722	\$ 297,354	531,076	
05/31/82	337,559	264,303	601,862	a
05/31/83	374,161	407,186	781,347	
05/31/84	344,588	315,376	659,964	
05/31/85	402,196	410,290	812,486	
05/31/86	471,512	476,936	948,448	
05/31/87	476,248	498,175	974,423	
05/31/88	467,783	434,509	902,292	
05/31/89	496,747	475,699	972,446	
05/31/90	509,761	569,591	1,079,352	
05/31/91	579,978	537,431	1,117,409	
05/31/92	616,547	562,297	1,178,844	
05/31/93	687,708	778,023	1,465,731	b
05/31/94	779,942	775,785	1,555,727	b
05/31/95	790,106	749,717	1,539,823	b
05/31/96	792,512	882,426	1,674,938	b
05/31/97	798,163	904,564	1,702,727	b
05/31/98	1,027,786	975,195	2,002,981	b
05/31/99	1,021,160	1,113,886	2,135,046	b
05/31/00	1,004,273	1,298,380	2,302,653	b
05/31/01	1,218,729	1,468,381	2,687,110	b
05/31/02	1,319,005	1,481,500	2,800,505	b
05/31/03	1,517,821	1,324,353	2,842,174	b
05/31/04	1,308,252	1,484,329	2,792,581	b
05/31/05	1,370,963	1,491,732	2,862,695	b
05/31/06	1,227,069	1,631,060	2,858,129	b
05/31/07	1,296,182	1,898,606	3,194,788	b
* 06/30/08	1,397,712	1,290,966	2,688,678	b
06/30/09	1,088,834	1,161,630	2,250,464	b
06/30/10	1,176,859	1,355,353	2,532,212	b
06/30/11	1,287,030	1,645,980	2,933,010	b
06/30/12	1,159,235	1,502,382	2,661,617	b
06/30/13	1,253,762	1,663,446	2,917,208	b
06/30/14	1,396,687	2,061,110	3,457,797	b
06/30/15	1,380,573	1,951,127	3,331,700	b
06/30/16	1,193,845	1,890,699	3,084,544	b
06/30/17	1,321,729.28	1,912,610.58	3,234,339.86	b
06/30/18	\$ 1,175,350.10	\$ 2,379,342.43	\$ 3,554,692.53	b

a Includes subsequent gift of \$86,792 in February 1982.

b Program expenses deducted after the end of the fiscal year

\* Stetson University extended the fiscal year to encompass 06/01/07 through 06/30/08.

In establishing the Growth and Income Funds, the charter establishing the Roland George Investments Fund set an asset allocation of 50 percent to the Growth Fund and 50 percent to the Income Fund. Therefore, funds are periodically transferred between funds to keep that balance.

# APPENDIX B

## PORTFOLIO ASSETS JUNE 30, 2018

### Growth Fund – COMMON STOCKS

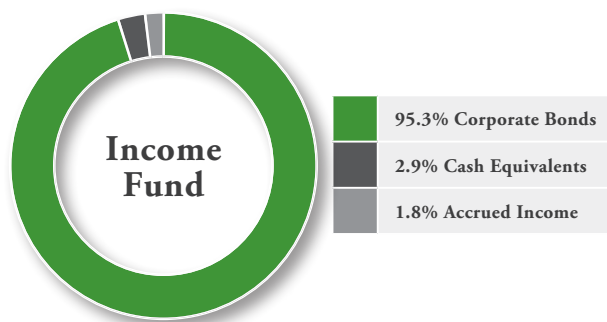
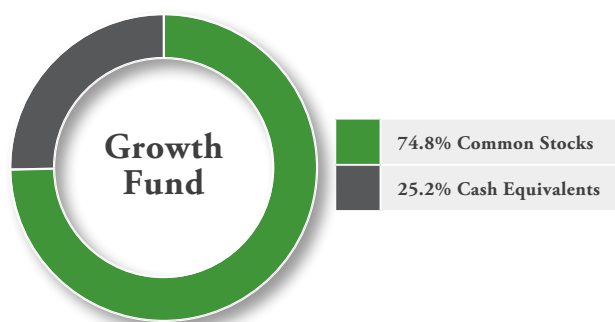
DESCRIPTION	SYMBOL	UNITS	MARKET VALUE
ALIBABA GROUP HOLDING	BABA	392	\$ 62,410.32
AMAZON INC.	AMZN	85	\$ 141,998.45
AMERN TOWER CORP.	AMT	200	\$ 33,482.00
APHRIA INC.	APHA	5,700	\$ 40,812.00
BANK OF AMERICA CORP.	BAC	3,456	\$ 102,228.48
CANOPY GROWTH	CGC	4,700	\$ 227,856.00
CENTRAL GARDEN AND PET	CENT	400	\$ 15,792.00
GEELY AUTOMOBILE	GELYY	1,000	\$ 34,360.00
GW PHARMACEUTICALS	GWPH	300	\$ 41,568.00
HARRIS CORP.	HRS	521	\$ 74,753.08
IDEXX LABS INC.	IDXX	100	\$ 20,885.00
ILLUMINA INC.	ILMN	50	\$ 14,694.00
IQIYI INC.	IQ	1,000	\$ 19,950.00
MATCH GROUP INC.	MTCH	2,300	\$ 120,451.00
MICROSOFT CORP.	MSFT	200	\$ 21,434.00
NVIDIA CORP.	NVDA	465	\$ 74,469.75
NXP SEMICONDUCTORS	NXPI	138	\$ 11,763.12
PARROT SA	PAOTF	1	\$ 3.85
PAYPAL INC.	PYPL	300	\$ 28,284.00
PFIZER INC.	PFE	600	\$ 24,384.00
PLANET FITNESS INC.	PLNT	1,000	\$ 57,570.00
SALESFORCE	CRM	239	\$ 35,787.86
SERVICE CORP. INTL	SCI	2,678	\$ 113,815.00
SOFTBANK CORP.	SFTBY	600	\$ 22,416.00
TENCENT HOLDINGS	TCEHY	1,635	\$ 72,046.28
TRIMBLE INC.	TRMB	1,278	\$ 47,567.16
TRUPANION INC.	TRUP	500	\$ 12,665.00
VISA INC.	V	838	\$ 116,205.46
ZENDESK INC.	ZEN	1,314	\$ 86,448.06
ZOETIS INC.	ZTS	1,470	\$ 124,494.30
SPDR S&P 500 ETF	SPY	191	\$ 50,763.98
<b>Total Securities</b>			<b>\$ 1,851,358.15</b>
<b>Total Cash Equivalents</b>			<b>\$ 622,779.65</b>
<b>TOTAL GROWTH FUNDS ASSETS</b>			<b>\$ 2,474,137.80</b>

## APPENDIX B

# PORTFOLIO ASSETS JUNE 30, 2018

### Fixed Income Fund – CORPORATE BONDS

DESCRIPTION	SYMBOL	UNITS	MARKET VALUE
PIMCO 0-5 YEAR HIGH YLD BND ETF IV	HYS	1,881	\$ 184,714.20
AIRCASTLE LIM1 7.625%20F DUE 04/15/20	AYR	100,000	\$ 104,250.00
ALLY FINL INC. 8%20 DUE 03/15/20	ALLY	100,000	\$ 104,375.00
FRONTIER COMM C 7.125%23 DUE 01/15/23	FTR	100,000	\$ 59,250.00
GULFPORT ENERGY 6.625%23 DUE 05/01/23	GPOR	100,000	\$ 97,750.00
HARTFORD LIFE, I 7.65%27 DUE 06/15/27	HIG	100,000	\$ 115,375.00
JEFFERIES GROUP 6.25%36 DUE 01/15/36	JEF	100,000	\$ 96,507.90
MICRON TECHNOLOGY 5.5%25 DUE 02/01/25	MU	50,000	\$ 50,312.50
R.R. DONNELLEY & STEP 19 DUE 02/01/19 MULTI STEP CPN	RRD	100,000	\$ 100,000.00
SPRINT CORP. 7.625%25 DUE 02/15/25	S	50,000	\$ 51,250.00
THE KRAFT HEINZ FOO 3%26 DUE 06/01/26	KHC	100,000	\$ 90,781.30
<b>Total Corporate Bonds</b>			<b>\$ 1,054,565.90</b>
<b>Total Cash Equivalents</b>			<b>\$ 31,595.69</b>
<b>Accrued Income</b>			<b>\$ 19,933.75</b>
<b>TOTAL FIXED INCOME FUND ASSETS</b>			<b>\$ 1,106,095.34</b>
<b>TOTAL GROWTH FUND ASSETS</b>			<b>\$ 2,474,137.80</b>
<b>TOTAL PORTFOLIO ASSETS</b>			<b>\$ 3,580,233.14</b>





# APPENDIX C

# TRANSACTIONS JULY 1, 2017 - JUNE 30, 2018

## Sales - GROWTH FUND

DESCRIPTION	SYMBOL	UNITS	MARKET VALUE
ALIBABA GROUP HOLDING	BABA	392	\$ 74,799
ALTRIA GROUP INC.	MO	815	\$ 52,251
AMBARELLA INC.	AMBQA	100	\$ 5,245
ELBIT SYSTEMS	ESLT	80	\$ 9,796
FACEBOOK	FB	413	\$ 74,882
HARRIS CORP.	HRS	521	\$ 74,899
HOLOGIC INC.	HOLX	2,100	\$ 80,270
KNOWLES CORP.	KN	5,100	\$ 82,435
MATCH GROUP INC.	MTCH	1,125	\$ 50,047
PACWEST BANCORP	PACW	900	\$ 43,869
RESTURANT BRANDS F	QSR	1,200	\$ 66,071
ST MICRO ELECTRONICS	STM	4,477	\$ 96,491
TENCENT HOLDINGS	TCEHY	1,635	\$ 80,104
TRIMBLE INC.	TRMB	878	\$ 34,888
VISA INC.	V	410	\$ 49,887
VUZIX CORP.	VUZI	3,888	\$ 23,130
WALT DISNEY CO.	DIS	1,300	\$130,031
<b>Total Growth Fund Sales</b>			<b>\$ 1,029,093</b>

## APPENDIX C

# TRANSACTIONS

JULY 1, 2017 - JUNE 30, 2018

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### Purchases - GROWTH FUND

DESCRIPTION	SYMBOL	UNITS	MARKET VALUE
AEROVIRONMENT	AVAV	500	\$ 27,089
ALTRIA GROUP	MO	800	\$ 51,394
AMAZON INC.	AMZN	34	\$ 32,413
AMERICAN INTL GROUP	AIG	1,400	\$ 85,323
CHEVRON CORP.	CVX	500	\$ 58,764
DRONE AVIATION HLDG	DRNE	800	\$ 755
HDFC BANK LTD	HDB	500	\$ 52,520
I X Y S CORPORATION	IXYS	1,000	\$ 23,595
MATCH GROUP	MTCH	1,155	\$ 27,680
NVIDIA CORP.	NVDA	335	\$ 59,674
ORACLE CORP.	ORCL	456	\$ 21,905
PFIZER INC.	PFE	600	\$ 21,659
PHOTRONICS	PLAB	1,393	\$ 11,139
PLANET FITNESS	PLNT	2,500	\$ 80,080
VULCAN MATERIALS COM	VMC	548	\$ 64,219
XYLEM INC	XYL	300	\$ 21,454

**Total Growth Fund Purchases**

**\$ 639,662**

# APPENDIX D

## STATEMENT OF OPERATIONS

### JULY 1, 2017 - JUNE 30, 2018

INCOME	
Dividends	\$ 33,178.00
Interest	\$ 71,244.00
Taxes	(\$ 611.07)
	<u>\$ 32,566.93</u>
REALIZED GAIN (LOSS) ON INVESTMENTS	
Proceeds from Securities Sold	\$ 1,887,321.00
Cost of Securities Sold	\$ 1,880,567.00
<b>Net Realized Gain (Loss) on Investments</b>	<u><b>(\$ 6,754.00)</b></u>
<b>BEGINNING PORTFOLIO VALUE</b>	<b>\$3,296,723.00</b>
Income	\$32,566.93
<b>ENDING PORTFOLIO VALUE</b>	<b>\$ 3,329,289.93</b>
EXPENSES	
Fees	(\$ 44.50)
<b>PORTFOLIO VALUE (AFTER EXPENSES)</b>	<b>\$ 3,329,334.43</b>

## APPENDIX E

# PROGRAM LECTURERS 2000-2018

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<b>Arellano, Richard C.</b>	Equity Market Maker, Jefferies and Company, Dallas, Texas, 1998, 2004.
<b>Bryant, Charles L.</b>	Vice-President of Marketing, Kennedy Capital Management, St. Louis, Missouri, Stetson graduate and Roland George Investments Program Merit Scholar (B.B.A. 1995). 2000, 2002.
<b>Bruce, Brian R.</b>	CEO and Chief Investment Officer, Hillcrest Asset Management, LLC, Dallas, Texas, 1998-99, 2002-05, 2007.
<b>Castle, Frank G., CFA</b>	Andover Research/Castle Asset Management, Andover, Massachusetts; 1998-2001 Roland and Sarah George Visiting Professor of Applied Investments. 2002.
<b>Cinnamond, Eric, CFA</b>	Vice-President and Portfolio Manager, Intrepid Capital Management, Inc., Jacksonville, Florida, Stetson graduate (B.B.A. 1993). 2006.
<b>Hayes, Timothy, CMT</b>	Global Equity Specialist, Ned Davis Research, Inc., Sarasota, Florida, 2001-06.
<b>Kalish, Joseph</b>	Fixed Income Strategist, Ned Davis Research, Inc., Sarasota, Florida, 2003.
<b>Rupp, Christopher A., CFA</b>	Founder and Managing Partner, Dennard Rupp Gray & Easterly, LLC, Atlanta, Georgia, Stetson graduate (B.B.A. 1993). 2000.
<b>Schumacher, Robert C.</b>	Director and Senior Fixed Income Portfolio Manager, Evergreen Investment Management Company, LLC, Jacksonville, Florida. 1990-2007.
<b>Serio, Michael J., CFA, CAIA</b>	Managing Director, JP Morgan, Denver, Colorado. 1998, 2002-12.
<b>Stovall, Robert H., CFA</b>	Managing Director, Wood Asset Management, Inc., Sarasota, Florida; formerly Senior Vice President and Market Strategist, Prudential Securities, Inc., New York, New York; formerly President of Stovall Twenty-First Advisors, Inc.; CPA; panelist on PBS television's "Wall Street Week"; and columnist for Financial World magazine. 1989-2007.
<b>Tesh, Kurt J., Jr., CFA</b>	Consultant, Capital Resource Advisors, Atlanta, Georgia, Stetson graduate and Roland George Investments Program Merit Scholar (B.B.A. 1984). 2001.
<b>Yoder, Craig</b>	Performance Analyst, Brinson Partners, Chicago, Illinois. 2002.

# STETSON UNIVERSITY

## **SCHOOL OF BUSINESS ADMINISTRATION**

Roland George Investments Program  
421 N. Woodland Blvd., Unit 8398  
DeLand, FL 32723

