

**Roland George Investments Program**

# **ANNUAL REPORT**

**2013-2014**







# STETSON UNIVERSITY

## School of Business Administration

**Eugene M. and Christine Lynn Business Center**  
421 N. Woodland Blvd., Unit 8398, DeLand, FL 32723  
(386) 822-7442



**Thomas V. Schwarz, D.B.A.**  
Dean

**K. C. Ma, Ph.D., C.F.A.**  
Director, George Investments Institute  
Roland George Distinguished Visiting Professor of Applied Investments

**Lynn Thompson**  
Administrative Secretary



# ACKNOWLEDGEMENT



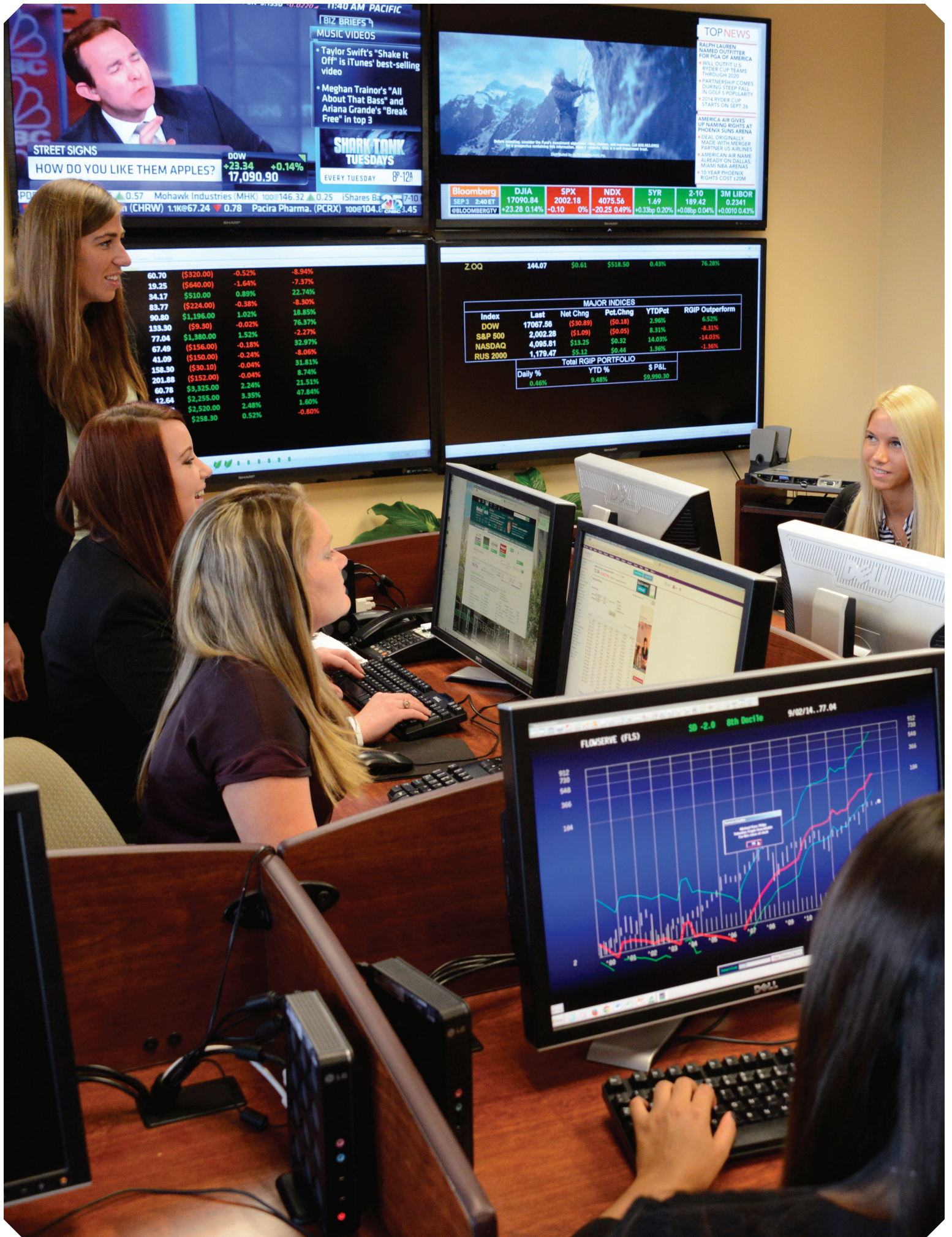
**The Roland George Investments Program was established at Stetson University through a gift made in 1980 by the late Sarah George.**

This innovative program was 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 incomes 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.





[BIZ BRIEFS]  
MUSIC VIDEOS

- Taylor Swift's "Shake It Off" is iTunes' best-selling video
- Meghan Trainor's "All About That Bass" and Ariana Grande's "Break Free" in top 3

**SHARK TANK**  
TUESDAYS  
EVERY TUESDAY 8P-10P

**TOP NEWS**

- RALPH LAUREN NAMED OUTITTER FOR PGA OF AMERICA
- WILL CLUTTIT U.S. RYDER CUP TEAMS THROUGH 2020
- PARTNERSHIP COMES DURING STEEP FALL IN GOLD'S POPULARITY
- 2014 RYDER CUP STARTS ON SEPT 26
- AMERICAN AIR GIVES UP NAMING RIGHTS AT PHOENIX SUNG ARENA
- DEAL ORIGINALLY MADE WITH MERGER PARTNER US AIRLINES
- AMERICAN AIR NAME ALREADY ON DALLAS MIAMI NBA ARENAS
- 10-YEAR PHOENIX RIGHTS COST \$2M

| Bloomberg     | DJIA         | SPX      | NDX          | 5YR           | 2-10          | 3M LIBOR      |
|---------------|--------------|----------|--------------|---------------|---------------|---------------|
| SEP 3 2:40 ET | 17090.84     | 2002.18  | 4075.56      | 1.69          | 189.42        | 0.2341        |
| WELCOMBERGY   | +23.28 0.14% | -0.10 0% | -20.25 0.49% | +0.33bp 0.20% | +0.08bp 0.04% | +0.0010 0.43% |

|        |            |        |        |
|--------|------------|--------|--------|
| 60.70  | (\$320.00) | -0.52% | -8.94% |
| 19.25  | (\$640.00) | -1.64% | -7.37% |
| 34.17  | (\$510.00) | 0.89%  | 22.74% |
| 83.77  | (\$224.00) | -0.38% | -8.30% |
| 90.80  | \$1,196.00 | 1.02%  | 18.85% |
| 133.30 | (\$9.30)   | -0.02% | 76.37% |
| 77.04  | \$1,380.00 | 1.52%  | -2.27% |
| 67.49  | (\$156.00) | -0.18% | 32.97% |
| 41.09  | (\$150.00) | -0.24% | -8.06% |
| 158.50 | (\$50.10)  | -0.04% | 31.81% |
| 201.88 | (\$152.00) | -0.04% | 8.74%  |
| 60.78  | \$3,325.00 | 2.74%  | 21.51% |
| 12.64  | \$2,255.00 | 3.95%  | 47.84% |
|        | \$2,520.00 | 2.48%  | 1.60%  |
|        | \$258.30   | 0.52%  | -0.80% |

Z.OQ 144.07 \$0.61 \$518.50 0.43% 76.28%

| MAJOR INDICES |          |           |          |         |                 |
|---------------|----------|-----------|----------|---------|-----------------|
| Index         | Last     | Net Chng  | Pct.Chng | YTD Pct | RGIP Outperform |
| DOW           | 17087.58 | (\$30.89) | (\$0.18) | 2.98%   | 6.52%           |
| S&P 500       | 2,002.28 | (\$1.09)  | (\$0.05) | 8.31%   | 8.51%           |
| NASDAQ        | 4,086.81 | \$13.25   | \$0.32   | 14.03%  | -14.03%         |
| RUS 2000      | 1,179.47 | \$5.12    | \$0.44   | 1.96%   | -1.96%          |

| Total RGIP PORTFOLIO |       |            |
|----------------------|-------|------------|
| Daily %              | YTD % | \$ P&L     |
| 0.46%                | 0.48% | \$0,998.30 |





# SARAH AND ROLAND GEORGE

By K. C. Ma, Ph.D., C.F.A.



**When the third-floor elevator door of the Lynn Business Center opens,** the first thing you will see is the shining silver sign, “Sarah George Investments Institute” on the wall. Not many people know that it was Sarah who first established the Roland George Investments Program to memorialize her husband. Later, she also endowed the Sarah George Investments Institute which promotes college student’s investment education.

The reason we tirelessly mention this piece of history in every annual report is that, ironically back in the early 1980’s, Mrs. George had already practiced two of today’s Stetson values: diversity and global citizenship. For the current 2014-2015 class, other than it is the largest class in the RGIP history (see page 12), out of the 30 students enrolled, there are eight women, eight student athletes from five different sports, seven international students, 12 Greeks and one musician. This reflects our central belief that Wall Street, being otherwise blind, only sees the difference between smart money versus dumb money.

Now I am getting to my favorite part of the reporting, for the 2013-2014 class, the Roland George Investments Program (RGIP) has achieved several new records. RGIP has received the most performance awards in the national performance competitions. With a 5.17 percent bond return for 2013, RGIP took first place in both the R.I.S.E. and G.A.M.E. in the Fixed-Income category as usual. Furthermore, with a 34.17 percent equity return, RGIP took second place in the G.A.M.E., and third place in the R.I.S.E. for the Growth Stock category. In both conferences, there were more than 200 university funds participating in the performance competitions. Unlike in other types of competitions, there is nothing to be ashamed of being the second or third in the financial market performances. We are perfectly happy to collect over 30% return from the stock market any year, even if we are not ranked First.

RGIP also received record high publicity for its historical, award-winning performance. In early 2014, we were selected for a two-minute segment on the local FOX morning news show while Stetson University was the site of the news broadcasting. Moreover, we were featured as the “Successful Student Investing” in two prestigious statewide magazines,

*Florida Trend* and *Forward Florida*. Most recently, we were happily surprised by an article entitled, “Stetson Students Master Markets in Real World Investment Arena” in the Q4 issue of the *Economic Development Quarterly* published by Volusia County, Florida, especially since it came with a handsome picture of the George Trading Room full of many professional men and women. Finally, when Stetson Marketing Department publicized our 2013 wins, more than 260 major newspapers and websites all over the country ran the news. We received countless congratulations and praises as if the entire town shared the excitement.

After many years’ request from the community, we finally held our first public meeting for one of our regular George trustee meetings. There was significant interest from the faculty, staff and the general public. Following the presentation, we have received so much positive feedback that we decide to make this a permanent event as a service to the community.

Again, we had a perfect placement record for the graduating RGIP class. By the end of summer, all students interested in a finance career have located suitable jobs. These firms include Raymond James, Citi Group, Merrill Lynch, Charles Schwab, and BNY Mellon to name a few. Two students are going to Master of Finance programs at Washington University and Vanderbilt University. Just one month into the programs, they both received and took analyst job offers from major Wall Street firms. Further, Matthew Ady and Brett Hargaden went to Emory Law and Roger Williams Law, respectively. Both are performing at the top of their classes.

For the year 2014-2015, we are rolling out several exciting new projects. Pursuant to the RGIP strategic plan, a prestigious peer-reviewed journal, *International Journal of Business*, will be housed at Stetson University. This will be the first academic journal, sponsored by the Association of Student-Managed Fund Programs, devoted to promote student investments education. More importantly, we will launch the first online student-managed investments letter, *The RGIP Investments View*, in the country. This will be a paid service which publishes students’ stock recommendations on a monthly basis. Please stay tuned for the development of these first movers.



# CONTENTS

|   |    |
|---|----|
| Acknowledgement .....                                   | 3  |
| Sarah and Roland George By K. C. Ma, Ph.D., C.F.A. .... | 5  |
| R.I.S.E. 2014 and G.A.M.E. Teams .....                  | 7  |
| History of the Program .....                            | 8  |
| Faculty .....   | 10 |
| Class of 2013-2014 .....                                | 11 |
| Class of 2014-2015 .....                                | 12 |
| Merit Scholars 2013-2014 .....                          | 13 |
| CFA Global Investment Research Challenge 2014 .....     | 13 |
| Growth Fund Strategy .....                              | 14 |
| Fixed Income Fund Strategy .....                        | 15 |
| Appendices  |    |
| Summary of 34-Year Performance .....                    | 16 |
| Total Portfolio Value .....                             | 17 |
| Portfolio Assets .....                                  | 18 |
| Transactions .....                                      | 20 |
| Statement of Operations .....                           | 22 |
| Program Lecturers 2000-2014 .....                       | 23 |



# R.I.S.E. 2014 AND G.A.M.E TEAMS



*Left to right: Jordan Bieber, K.C. Ma, Alex Bowen, Bonnie Harper, Manuel Preg, Valery Popova, Christopher Aguirre.*

## R.I.S.E. 14 Forum By Christopher Aguirre

**From Mar. 27-29, 2014,** Valery Popova, Jordan Bieber and I were given the opportunity to represent RGIP at the R.I.S.E. 14 Forum at the University of Dayton in Dayton, Ohio. On the first day, we met with many students from across the country in similar student-directed portfolio programs. In addition, we met many business professionals at the conference including the president and CEO of the Federal Reserve Bank of Cleveland, Sandra Pianalto; the host of Mad Money, Jim Cramer; and CNBC anchor, Kelly Evans. We spoke with many students, professors and professionals, all of whom knew RGIP as the consistent, reigning champion. Many students and professors asked us about our program and its various investments strategies.

At the competition, we anxiously awaited the announcement that RGIP had been awarded National Champion in the Fixed Income category. This win makes the eighth time RGIP has won for Fixed Income and the 11 time RGIP has taken home a National Championship since the R.I.S.E. forum began. I am very proud to be a part of this elite program and would like to congratulate every student who took part in this year's success.

## 2014 G.A.M.E. IV Forum By Bonnie Harper

**Manuel Preg, Alex Bowen and I** were able to represent the Roland George Investments Program (RGIP) at the Quinnipiac G.A.M.E. IV Forum from Mar. 21-23, 2014, in New York City. We had the opportunity to see various speakers from CNBC's Fast Money, including Joe Terranova and Guy Adami, as well as Tom Keene, editor-at-large for Bloomberg News. Several smaller breakout sessions were available to attendees covering such topics as how to value private equity or how to start trading options. Throughout the conference, we talked with students from around the world who manage student portfolios like ours and professors who are trying to start a program like RGIP.

We were honored at the forum to learn that RGIP had won another championship in Bonds, our third out of the four years that G.A.M.E. has been in existence. This was the 14 championship in the past 14 years. This is a great accomplishment, and I wish to congratulate everyone who has made this legacy possible.



# HISTORY OF THE PROGRAM



**In honor of her husband**, Sarah George sought a university that would allow students to manage money under the guidance of successful practitioners. Fulfilling the dream of Roland George, who believed students should learn from hands-on experience, a gift was transferred by his widow, Sarah George, to Stetson University on Aug. 20, 1980 — assets with a value of nearly \$500,000.

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. Annoyed with colleges teaching only theory, the program he envisioned 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. 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 decision-making process.

Sarah George, along with her brother Robert Wilson and attorney Frank Gaylord, approached Stetson University with her idea. Their contributions, along with those of President Pope Duncan, Dean David Nylan, H. Douglas Lee, Ph.D., and Professor Kenneth Jackson, developed the Roland George Investments Program.

Carter Randall, a panelist on PBS television's "Wall Street Week" and an investment consultant, was chosen as the first Distinguished Visiting Professor. He eventually served in that capacity six times. Randall was instrumental in guiding the students into the real world of investing with his knowledge and insight. He also enhanced the program by attracting prominent investment professionals to Stetson University to teach the students.

Gerald T. Kennedy served as Distinguished Visiting Professor from 1982 to 1987. He introduced the use of computers to scan stocks meeting criteria selected from student research. The introduction of services such as Value Line and Dow Jones News Retrieval, in conjunction with data sources such as Zack's Icarus Services and the O'Neil Reports, taught students the use of sophisticated research materials.

Sarah George passed away in 1988. In her will she left a gift of \$3.6 million to establish the Roland and Sarah George Investments Institute. This Institute provides support for investments education at Stetson, such as symposiums to bring investment professionals and academic theorists together, and helps to provide access to research in investments for the School of Business faculty. The Stetson community greatly appreciates Sarah George's generosity and vision for investments education.

RGIP was enhanced by dividing the class into two semesters with the additional endowment provided by the George estate. Students focus on the Growth Fund and equity management techniques during the first semester. The second semester course places emphasis on management of the Income Fund, which comprises bonds and other income generating securities. Although monitoring the entire portfolio is essential throughout the year, this structure enables students to concentrate their efforts in a specific area of investments.

The George endowment has also allowed RGIP to have a full-time resident professor with applied experience. Max Zavanelli was selected as the first Roland George Distinguished Visiting Professor of Applied Investments. Since then, Ned Schmidt, Frank Castle, and K. C. Ma have also served as visiting professors for RGIP. These individuals were selected because

**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.**





1981 visit by Sarah George to Stetson University, with Joseph Master, Accounting Department Chair, David Nylen, Dean of School of Business Administration, and Ken Jackson, Finance Department Chair.

they had applied investment experience and the enthusiasm to convey this knowledge effectively in the classroom to the students. They helped in greatly improving the level of investment experience for students at Stetson University. Their efforts have aided in developing the Roland and Sarah George Investments Institute into a premier organization for applied investment research and investment education.

RGIP is unique in its concept and design, affording Stetson's business students the opportunity to manage a portfolio,

complete with the pressures of possible failure. While many universities offer courses using computer-simulated programs with "play" money, Stetson University students are charged with investing more than \$3.4 million.

Roland George felt that exposing students to experienced investment managers and allowing them to participate in actual investment decisions were ideal ways to prepare for a career in investments. His dream has become a reality, and the program has met its goals successfully now for 34 years.



# FACULTY



## K. C. Ma, Ph.D., C.F.A.

Director, George Investments Institute  
Roland George Distinguished Visiting Professor  
of Applied Investments

“In order for the portfolio  
to be successful, the faculty  
has to trust the students’  
investment decisions.”

## Directors 1980-Present

|                            |              |
|----------------------------|--------------|
| Kenneth L. Jackson, Ph.D.  | 1980-82      |
| G. Michael Boyd, Ph.D.     | 1982-85      |
| James E. Mallett, Ph.D.    | 1985-2002    |
| Lawrence J. Belcher, Ph.D. | 2002-11      |
| K. C. Ma, Ph.D., C.F.A.    | 2011-Present |

## Visiting Professors 1981-Present

|                         |              |
|-------------------------|--------------|
| B. Carter Randall       | 1981         |
| Gerald T. Kennedy       | 1982-87      |
| B. Carter Randall       | 1987-91      |
| Max Zavanelli           | 1991-94      |
| Ned W. Schmidt, C.F.A.  | 1994-97      |
| K. C. Ma, Ph.D., C.F.A. | 1997-98      |
| Frank G. Castle, C.F.A. | 1998-2001    |
| K. C. Ma, Ph.D., C.F.A. | 2001-Present |



# CLASS OF 2013-2014



*Front Row:* Jordan Bieber, Jeremy Goldberg, Valery Popova, K.C. Ma, Bonnie Harper, Sammi Smith, Daniel Sprusansky.

*Row 2:* Brett Hargaden, Hans Riseng, Jonathan Canalizo, Matt Ady.

*Row 3:* Evan Jimmo, Manuel Preg, Christian Roeder, Jozsef Nemeth, John Stautberg, Logan Gapsch.

*Back Row:* Alex Bowen, Derek Donahou, Travis Workman, Christopher Aguirre.

*Not pictured:* Brian Eggleston, Jared Penney, Robert Reinbold, Michael Vlach, Daniela Perez, Simaii Keith.



# CLASS OF 2014-2015



*Front Row:* Brittany Rathburn, Jordan Schulz, Kaitlyn Ochrym, Kiara Urena, Maria Abreu, Krystal Somaza, Erin Davis, Maren Rygh, Dylan Bateh.

*Row 2:* Chester Espie, Matt Taylor, Tyler Warmoth, Shayn Sparks, Jack Stautberg, Jaimie-Jardine Ioffhouse-Smith, Chris Aguirre, Mark Lechler, Gabrielle Vittori.

*Back Row:* Stephen Small, Ben Rakus, Eric Ebersole, Nick Carpenter, Mike Fiore, Minki lee, Evan Sieg, Scott Williams, Adam Frocione, Jeremiah Riddle.

*Not pictured:* Jozsef Nemeth.



# MERIT SCHOLARS 2013-2014



*Left to right:* Travis Workman, K.C. Ma, Christian Roeder, Bonnie Harper, Hans Riseng, Sammi Smith, Logan Gapsch, Valery Popova, Jordan Bieber, Matt Ady, Jeremy Goldberg.

# CFA GLOBAL INVESTMENT RESEARCH CHALLENGE 2014



*Left to right:* K.C. Ma, Christian Roeder, Valery Popova, Travis Workman, Matt Ady, Jeremy Goldberg.



# GROWTH FUND STRATEGY

## Growth Fund Portfolio Manager Report

Fall 2013 By Brett Hargaden

**Students analyzed existing stocks** in the Growth Fund portfolio at the beginning of the fall 2013 equity management class to determine if they should be held or sold. After becoming more familiar with the equity market through these presentations, the class created an Investment Policy Statement (IPS) specific to this portfolio. The IPS served as a guideline for students as they began researching new equity securities to add to the program.

The class decided to maximize total realized return over a 12-18 month workout period. We chose to emphasize small-cap growth stocks without any restrictions on mid- to large-cap securities. The growth fund would emphasize industrial, material, and energy equities, while de-emphasizing health-care and utility equities. The class restricted the portfolio to a maximum of 25 stocks, with a maximum of five analysts covering each company. The class also set a minimum price restriction at \$3 a share and required that each stock have a 200,000 average daily volume.

In order to free up cash for future buy recommendations, the fall trustees voted to sell six stocks at the beginning of the semester. The program also sold half of its position in two companies, Apple and Zillow. Over the course of the fall semester, the trustees passed eight buy recommendations that fit the guidelines laid out in the new IPS. At the beginning of the spring semester, the class chose to sell seven stocks in the growth portfolio. Over the course of the spring semester, the trustees passed five new stock buy recommendations to add to the growth portfolio.



## Growth Fund Investment Policy Statement 2013-14

### Objective

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

### Constraints

- Emphasize small-cap growth stocks.
- Emphasize industrial, material and energy stocks.
- De-emphasize health-care and utility stocks.
- The portfolio can have a maximum of 25 equities.
- Each equity can have up to five analysts covering it.
- The minimum price is \$3 per share.
- Minimum average daily volume is 200,000.

### Growth Fund Buy Recommendations

Cabela's, Inc. (NYSE: CAB)  
Susquehanna Bancshares, Inc. (NASDAQ: SUSQ)  
NGL Energy Partners LP (NYSE: NGL)  
Gray Television, Inc. (NYSE: GTN)  
Hexcel Corporation (NYSE: HXL)  
Tractor Supply Company (NASDAQ: TSCO)  
Michael Kors Holdings Ltd (NYSE: KORS)  
Advance Auto Parts Inc. (NYSE: AAP)  
Carmike Cinemas, Inc. (NASDAQ: CKEC)  
Howard Hughes Corporation (NYSE: HHC)  
JetBlue Airways Corporation (NASDAQ: JBLU)  
VMware, Inc. (NYSE: VMW)  
Keurig Green Mountain, Inc. (NASDAQ: GMCR)

### Growth Fund Sell Recommendations

Freeport-McMoRan Copper & Gold Inc. (NYSE: FCX)  
C&J Energy Services, Inc. (NYSE: CJES)  
Humboldt Wedag International (OTC: KHDHF)  
MFC Industrial Ltd. (NYSE: MIL)  
Zillow, Inc. (NASDAQ: Z)  
Bolt Technology Corp. (NASDAQ: BOLT)  
International Business Machines Corporation (NYSE: IBM)  
Cisco Systems, Inc. (NASDAQ: CSCQ)  
Stanley Black & Decker, Inc. (NYSE: SWK)  
Susquehanna Bancshares, Inc. (NASDAQ: SUSQ)  
Tractor Supply Company (NASDAQ: TSCO)  
Movado Group, Inc. (NYSE: MOV)  
Apple Inc. (NASDAQ: AAPL)  
Gray Television, Inc. (NYSE: GTN)



# FIXED INCOME FUND STRATEGY

## Fixed Income Fund Portfolio Manager Report Spring 2014

By Logan Gapsch

**This semester, our class focused on** improving our Fixed Income securities in addition to maintaining our Equity Portfolio from last semester.

As a class, we voted to maximize total (realized) return of our portfolio with a 12-month workout period. We also agreed to minimize our interest-rate risk, based on the overwhelming consensus that interest rates will begin to rise between 50 and 100 basis points during the workout period. In order to bring these objectives into realized gain, we set these constraints.

We chose to lower our weighted portfolio duration from 4-6 years to 3-5 years. We also chose to invest with no sector restrictions, while emphasizing a high coupon rate over the maturity of the bond. However, most importantly, we voted to lower the minimum credit rating of our bonds from BB to a B credit rating. After careful analysis of the credit spread between Corporate BBB bonds and the U.S. Treasury 10-year bond, we felt confident in assuming this higher risk. Lastly, we continued the trend that each of our bond positions should be a \$100,000 cash investment.

### Fixed Income Fund Buy Recommendations

Ally Financial (NYSE: ALLY)

AngloGold Ashanti (NYSE: AU)

MGM Resorts International (NYSE: MGM)

GulfMark Offshore, Inc. (NYSE: GLF)

Foot Locker, Inc. (NYSE: FL)

### Fixed Income Fund Sell Recommendations

Alcoa, Inc. (NYSE: AA)

Petrobras, Inc. (NYSE: PBR)

Raymond James Financial, Inc. (NYSE: RJF)

Nabors Industries, Ltd. (NYSE: NBR)

MeadWestvaco Corporation (NYSE: MWV)

## Fixed Income Fund Update

We started off the semester with a cash position of just over \$213,720 and a total account value of \$1.317 million. We started the year with 10 bonds; however, at the beginning of the semester, one was called by the issuer. For swapping purposes we had 9 bonds to evaluate. Currently, our Fixed Income portfolio has \$444,070 in cash for investing, and the value of the account is \$1.361 million. Our annualized return for the Fixed Income portfolio in 2013 was 5.17 percent, and our current YTD performance for this semester is 3.33 percent, beating the U.S. Treasury 10-year bond YTD of 3.04 percent.

## Fixed Income Fund Investment Policy Statement 2013-14

### Objective

Maximize total return within a 12-month workout period.

### Constraints

- The Income Fund will minimize interest-rate risk.
- All holdings will be greater than or equal to a B credit rating.
- All holdings will have a minimum position of \$100,000.
- The portfolio will not have a sector restriction.
- The portfolio will have a weighted duration between four and five.



YTD performance for this semester is 3.33 percent, beating the U.S. Treasury 10-year bond YTD of 3.04 percent.



## APPENDIX A

# SUMMARY OF 34-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 |

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

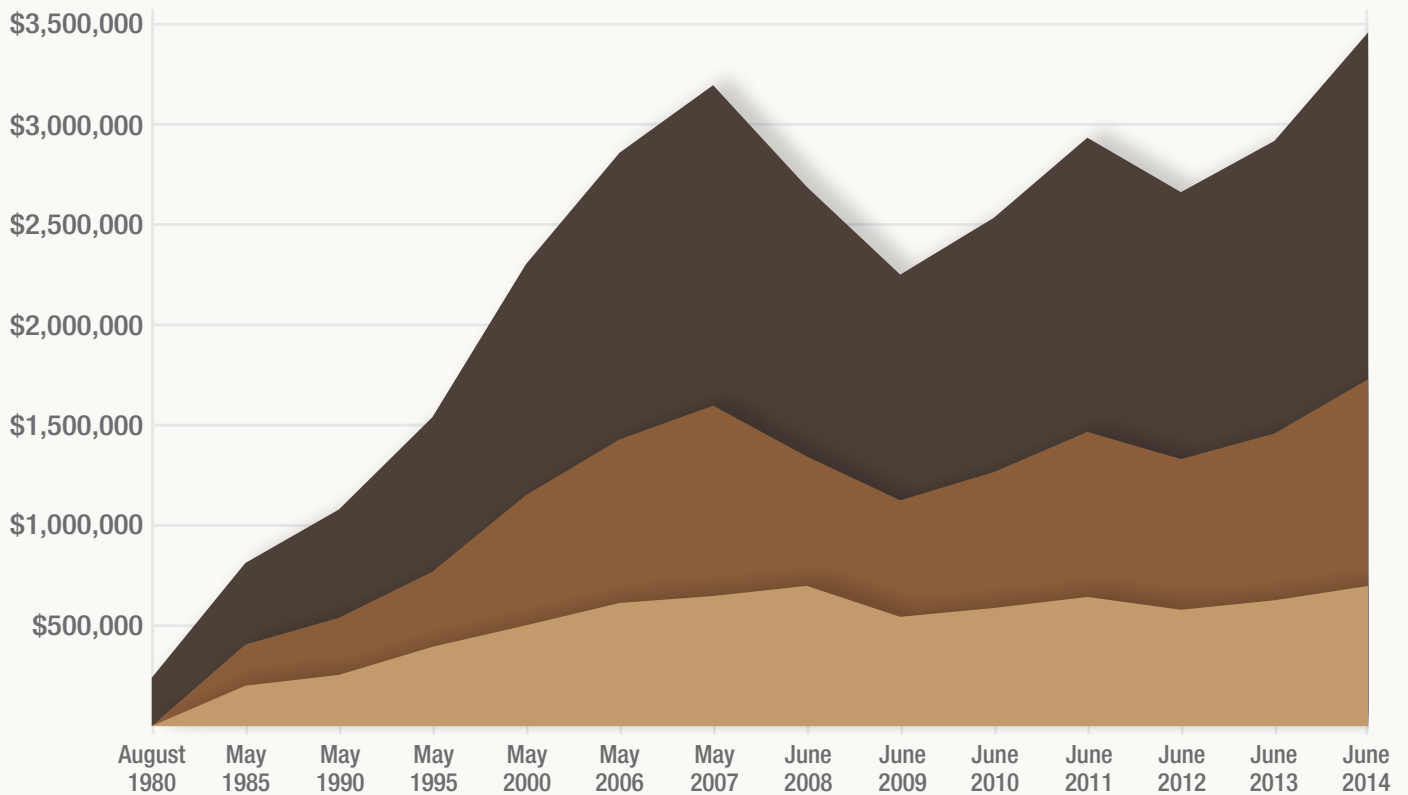
b Program expenses deducted after the end of the fiscal year

\* 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 fifty percent to the Growth Fund and fifty percent to the Income Fund. Therefore, funds are periodically transferred between funds to keep that balance.



# TOTAL PORTFOLIO VALUE



|  |                 |
|--|-----------------|
|  | Income Fund     |
|  | Growth Fund     |
|  | Portfolio Total |



## APPENDIX B

# PORTFOLIO ASSETS JUNE 30, 2014

### Growth Fund — Common Stocks

| Description                         | Symbol | Units | Market Value        |
|-------------------------------------|--------|-------|---------------------|
| Advance Auto Parts, Inc.            | AAP    | 500   | \$ 67,460           |
| AMBEV SA ADR                        | ABEV   | 7,500 | 52,800              |
| American International Group        | AIG    | 1,400 | 76,412              |
| Blue Earth Refineries, Inc.         | BUERF  | 1,700 | 0                   |
| Cabellas, Inc.                      | CAB    | 1,000 | 62,400              |
| Cameco Corp.                        | CCJ    | 2,000 | 39,220              |
| Carmike Cinemas, Inc.               | CKEC   | 1,700 | 59,720              |
| Deere & Co.                         | DE     | 700   | 63,385              |
| Walt Disney Company                 | DIS    | 1,300 | 111,462             |
| Flowserve Corp.                     | FLS    | 1,200 | 89,220              |
| Halliburton Co.                     | HAL    | 1,300 | 92,313              |
| Hexcel Corp.                        | HXL    | 1,500 | 61,350              |
| Howard Hughes Corp.                 | HHC    | 430   | 67,867              |
| I-Shares Core S&P ETF S&P 500 Index | IVV    | 1,900 | 374,300             |
| Jack in the Box                     | JACK   | 2,500 | 149,600             |
| Jetblue Airways Corp.               | JBLU   | 5,500 | 59,675              |
| John Bean Tachs Corp.               | JBT    | 3,500 | 108,465             |
| Keurig Green Mountain, Inc.         | GMCR   | 465   | 57,944              |
| Michael Kors Holdings               | KORS   | 615   | 54,520              |
| NGL Energy Partners, LP             | NGL    | 2,000 | 86,680              |
| Royal Caribbean Cruises             | RCL    | 1,700 | 94,520              |
| SPDR S&P 500 ETF TR                 | SPY    | 634   | 76,527              |
| Zillow, Inc.                        | Z      | 850   | 121,491             |
| <b>Total Securities</b>             |        |       | <b>\$ 2,027,331</b> |
| <b>Total Cash Equivalents</b>       |        |       | <b>33,191</b>       |
| <b>Total Accrued Income</b>         |        |       | <b>\$ 588</b>       |
| <b>TOTAL GROWTH FUNDS ASSETS</b>    |        |       | <b>\$ 2,061,110</b> |



## Fixed Income Fund — Corporate Bonds

| Description                     | Symbol | Units | Market Value        |
|---------------------------------|--------|-------|---------------------|
| Aircastle Limit                 | AYR    | 100   | \$ 116,000          |
| Ally Financial, Inc.            | ALLY   | 100   | 121,750             |
| ArcelorMittal                   | MT     | 100   | 127,750             |
| Calumet Special                 | CLMT   | 100   | 107,500             |
| Gulfmark Offshore               | GLF    | 100   | 104,000             |
| MGM Resorts, Inc.               | MGM    | 100   | 130,000             |
| PIMCO ETF                       | HYS    | 2,400 | 256,488             |
| R R Donnelley and Sons          | RRD    | 100   | 126,750             |
| <b>Total Corporate Bonds</b>    |        |       | <b>\$ 1,090,238</b> |
| <b>Total Cash Equivalents</b>   |        |       | <b>286,107</b>      |
| <b>Accrued Income</b>           |        |       | <b>20,342</b>       |
| <b>TOTAL INCOME FUND ASSETS</b> |        |       | <b>\$ 1,396,687</b> |
| <b>TOTAL GROWTH FUND ASSETS</b> |        |       | <b>\$ 2,061,110</b> |
| <b>TOTAL PORTFOLIO ASSETS</b>   |        |       | <b>\$ 3,457,797</b> |



|  |                            |
|--|----------------------------|
|  | <b>98% Common Stocks</b>   |
|  | <b>2% Cash Equivalents</b> |



|  |                             |
|--|-----------------------------|
|  | <b>78% Corporate Bonds</b>  |
|  | <b>22% Cash Equivalents</b> |



## APPENDIX C

# TRANSACTIONS JULY 1, 2013 - JUNE 30, 2014

## Sales

### GROWTH FUND

| Description                           | Symbol | Units | Market Value      | Profit (Loss)     |
|---------------------------------------|--------|-------|-------------------|-------------------|
| Apple, Inc.                           | AAPL   | 150   | \$ 72,553         | \$ 58,783         |
| Bolt Technology Corp.                 | BOLT   | 1,925 | 36,452            | 7,592             |
| C&J Energy Services                   | CJES   | 2,900 | 61,992            | 9,841             |
| Cisco Services, Inc.                  | CSCO   | 3,100 | 67,988            | 8,610             |
| Freeport McMoran Copper               | FCX    | 1,200 | 40,142            | (9,846)           |
| Gray Television, Inc.                 | GTN    | 5,000 | 47,740            | (4,916)           |
| International Business Machines, Inc. | IBM    | 275   | 50,101            | 27,100            |
| KHD Humboldt Wedag                    | KHDHF  | 188   | 1,233             | 1,233             |
| MFC Industrial, Ltd.                  | MIL    | 1,886 | 15,362            | 15,362            |
| Movado Group, Inc.                    | MOV    | 2,000 | 72,084            | 10,668            |
| SPDR S&P 500 ETF                      | SPY    | 1,392 | 249,840           | 15,984            |
| Susquehanna Banc Shares, Inc.         | SUSQ   | 5,000 | 55,490            | (3,526)           |
| Stanley Black & Decker                | SWK    | 800   | 62,214            | 2,213             |
| Tractor Supply Company                | TSCO   | 675   | 42,920            | (6,809)           |
| VMWare, Inc.                          | VMW    | 550   | 49,622            | (9,660)           |
| Zillow, Inc.                          | Z      | 1,400 | 73,794            | 41,804            |
| <b>Total Growth Fund Sales</b>        |        |       | <b>\$ 999,527</b> | <b>\$ 164,433</b> |

### INCOME FUND

| Description                    | Symbol | Units   | Market Value        | Life-time Profit (Loss) |
|--------------------------------|--------|---------|---------------------|-------------------------|
| Alcoa, Inc.                    | ALCOA  | 10,0000 | \$ 103,710          | \$ (2,504)              |
| Computer Science               | CSC    | 10,0000 | 115,874             | (6,714)                 |
| Icahn Enterprise               | IEP    | 10,0000 | 105,840             | (2,200)                 |
| International Game Technology  | IGT    | 10,0000 | 121,073             | (2,349)                 |
| MedWestvaco                    | MWV    | 10,0000 | 121,114             | (4,110)                 |
| Nabors Industries, Inc.        | NBR    | 10,0000 | 128,140             | (3,389)                 |
| Petrobras International        | PBR    | 10,0000 | 116,816             | (7,601)                 |
| Raymond James Financial, Inc.  | RJF    | 10,0000 | 127,690             | (3,630)                 |
| <b>Total Income Fund Sales</b> |        |         | <b>\$ 940,257</b>   | <b>\$ (32,497)</b>      |
| <b>TOTAL PORTFOLIO SALES</b>   |        |         | <b>\$ 1,939,784</b> | <b>\$ 131,936</b>       |



## Purchases

### GROWTH FUND

| Description                  | Symbol | Units | Market Value |
|------------------------------|--------|-------|--------------|
| Advance Auto Parts, Inc.     | AAP    | 500   | \$ 204,564   |
| Cabellas, Inc.               | CAB    | 1,000 | 59,829       |
| Carmike Cinemas, Inc.        | CKEC   | 1,700 | 51,009       |
| Gray Television, Inc.        | GTN    | 5,000 | 52,656       |
| Howard Huges Corp.           | HHC    | 430   | 60,381       |
| Hexcel Corp.                 | HXL    | 1,500 | 63,729       |
| Jetblue Airways Corp.        | JBLU   | 5,500 | 48,353       |
| Keurig Green Mountain, Inc.  | GMCR   | 465   | 48,332       |
| Michael Kohrs Holdings.      | KORS   | 615   | 50,192       |
| NGL Energy Partners LP       | NGL    | 2,000 | 63,906       |
| S P D R S&P 500 ETF          | SPY    | 1,149 | 199,640      |
| Susquehanna Bancshares, Inc. | SUSQ   | 5,000 | 59,006       |
| Tractor Supply Company       | TSCO   | 675   | 49,729       |
| VMWare, Inc.                 | VMW    | 550   | 59,282       |

#### Total Growth Fund Purchases

**\$ 1,070,608**

### INCOME FUND

| Description          | Symbol | Units | Market Value |
|----------------------|--------|-------|--------------|
| Ally Financial, Inc. | ALLY   | 1,000 | 121,631      |
| Aircastle Limited    | AYR    | 1,000 | 115,269      |
| Calumet Special      | CLMT   | 1,000 | 109,679      |
| Gulfmark Offshore    | GLF    | 1,000 | 105,066      |
| MGM Resorts, Inc.    | MGM    | 1,000 | 131,453      |
| PIMCO ETF            | HYS    | 2,400 | 256,378      |

#### Total Income Fund Purchases

**\$ 839,476**

#### TOTAL PORTFOLIO PURCHASES

**\$ 1,910,084**



## APPENDIX D

# STATEMENT OF OPERATIONS

JULY 1, 2013 - JUNE 30, 2014

### Income

|           |            |
|-----------|------------|
| Dividends | \$ 29,309  |
| Interest  | 79,082     |
| Taxes     | (308)      |
|           | <hr/>      |
|           | \$ 108,083 |

### Realized Gain (Loss) on Investments

|  |                   |
|--|-------------------|
| Proceeds from Securities Sold                  | \$ 1,939,784      |
| Cost of Securities Sold                        | 1,807,848         |
|  | <hr/>             |
| <b>Net Realized Gain (Loss) on Investments</b> | <b>\$ 131,936</b> |

### Beginning Portfolio Value

|                        |              |
|------------------------|--------------|
|                        | \$ 2,917,208 |
| Income                 | 108,083      |
|                        | <hr/>        |
|                        | \$ 3,025,291 |
| Realized Gain (Loss)   | 131,936      |
|                        | <hr/>        |
| Unrealized Gain (Loss) | 300,570      |

### Ending Portfolio Value

\$ 3,457,797

### Expenses

|                                      |              |
|--------------------------------------|--------------|
| Administrative Expenses <sup>a</sup> | \$ (133,000) |
| Management Fees                      | (188)        |
|                                      | <hr/>        |
|                                      | (133,188)    |

### Portfolio Value (After Expenses)

\$ 3,324,609

a 2013-2014 administrative expenses deducted after June 30, 2014.



## APPENDIX E

# PROGRAM LECTURERS 2000-2014



|  |  |
|--|--|
| <b>Arellano, Richard C.</b>                | Equity Market Maker, Jefferies and Company, Dallas, TX. 1998, 2004.  |
| <b>Bryant, Charles L.</b>                  | Vice-President of Marketing, Kennedy Capital Management, St. Louis, MO. Stetson graduate and Roland George Investments Program Merit Scholar (BBA 1995). 2000, 2002.   |
| <b>Bruce, Brian R.</b>                     | CEO and Chief Investment Officer, Hillcrest Asset Mangement, LLC, Dallas, TX. 1998-99, 2002-05, 2007.  |
| <b>Castle, Frank G., C.F.A.</b>            | Andover Research/Castle Asset Management, Andover, MA.; 1998-2001 Roland and Sarah George Visiting Professor of Applied Investments. 2002.   |
| <b>Cinnamond, Eric, C.F.A.</b>             | Vice-President and Portfolio Manager, Intrepid Capital Management, Inc., Jacksonville, FL. Stetson graduate (BBA 1993). 2006.  |
| <b>Hayes, Timothy, C.M.T.</b>              | Global Equity Specialist, Ned Davis Research, Inc., Sarasota, FL. 2001-06.   |
| <b>Kalish, Joseph</b>                      | Fixed Income Strategist, Ned Davis Research, Inc., Sarasota, FL. 2003.   |
| <b>Rupp, Christopher A., C.F.A.</b>        | Founder and Managing Partner, Dennard Rupp Gray & Easterly, LLC, Atlanta, GA. Stetson graduate (BBA 1993). 2000.   |
| <b>Schumacher, Robert C.</b>               | Director and Senior Fixed Income Portfolio Manager, Evergreen Investment Management Company, LLC, Jacksonville, FL. 1990-2007.   |
| <b>Serio, Michael J., C.F.A., C.A.I.A.</b> | Managing Director, JP Morgan, Denver, CO. 1998, 2002-12.   |
| <b>Stovall, Robert H., C.F.A.</b>          | Managing Director, Wood Asset Management, Inc., Sarasota, FL; formerly Senior Vice President and Market Strategist, Prudential Securities, Inc., New York, NY; 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, GA. Stetson graduate and Roland George Investments Program Merit Scholar (BBA 1984). 2001.   |
| <b>Yoder, Craig</b>                        | Performance Analyst, Brinson Partners, Chicago, IL. 2002.  |
| <b>Zavanelli, Max</b>                      | President, Zavanelli Portfolio Research, Inc.; 1991-94 Roland and Sarah George Visiting Professor of Applied Investments. 1983-86, 1991-2005.  |

## IN MEMORIAM



|   |   |
|---|---|
| <b>Kennedy, Gerald T.<br/>(1934-99)</b> | President, Kennedy Capital Management, Inc., Investment advisory firm ranked among the top quartile of investment advisors by S.E.I. Funds with more than \$1.6 billion under management; 1982-87 Roland George Distinguished Visiting Professor of Investments. 1982-99. |
| <b>Randall, B. Carter<br/>(1927-99)</b> | Investment Advisor, The Randall Company; 1981, 1988-91 Roland George Distinguished Visiting Professor of Investments; Panelist on PBS television's "Wall Street Week"; former Senior Vice President, Sun Banks of Florida, Inc. 1981, 1982, 1984-98.                      |



# STETSON UNIVERSITY

## School of Business Administration

George Investments Institute

421 N. Woodland Blvd., Unit 8398, DeLand, FL 32723

