



**URSINUS COLLEGE
INVESTMENT
MANAGEMENT COMPANY**

Spring 2023 Newsletter



URSINUS COLLEGE

Investment Management Company

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At a Glance

The Ursinus Investment Management Company, UCIMCO, is a student-run endowment portfolio management company headed by Olivia DeFusco, Kaela Frenchman, Joe Kolonich, Jack Shimer, Scott Sloan, Ben Sjosten, Evan Coffey, Jack Thompson, and Michael Magargee under the advisement of Professor Eric Parnell, Dr. Scott Deacle and Professor Maureen Cumpstone. UCIMCO is split between three teams of student investors, the Women's Fund, Stock Selection, and Endowment. Each team meets weekly to discuss investment strategies and current events that could affect the portfolio. Our goal is to generate a return for Ursinus College's endowment and to create awareness of the role an endowment plays in the institution's operation. This semester, UCIMCO focused on technical analysis, guided by Professor Parnell, and how it can enhance final presentations. As well as presentation comfortability, as analysts were given multiple opportunities to present in front of other analysts, Ursinus Alumni, and other professionals in the financial atmosphere.

Each team is responsible for a different part of the portfolio. Members of the Stock Selection and Women's Fund teams learn about evaluating individual companies and pitch new ones at the end of every semester to be added to the portfolio. The Endowment Team invests in diversified ETFs that represent different asset classes. Subgroups on the team research each asset class and by the end of the semester they are weighted, and funds are reallocated.

Thanks to the support of our donors and contributors, UCIMCO is able to invest in more than just stocks. Continuous support allows UCIMCO to reinvest into itself to fund new research tools like Morning Star, Seeking Alpha, and Yahoo Finance; fund the field trips where members learn from experience; and fund the presentation dinner. These purchases help UCIMCO grow by improving alumni relations and the enjoyment and interest of current and future members.



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Letter from Ben Sjosten ('23)

UCIMCO has provided me with an experience that has been like no other, it has given me the opportunity to learn, participate, and meet new people in an exciting academic atmosphere. For me, the opportunity to apply what I have learned in the classroom in a collaborative manner with my peers has been rewarding. I feel that my skills as an analyst, communicator, and leader have been enhanced throughout my years at UCIMCO.

I started my journey with the fund in the fall semester of my sophomore year, however, that semester I was not enrolled in the course because I had missed the add-drop time window. I still wanted to be a part of the fund, and Dr. Deacle was kind enough to let me attend the class meetings. Following that first semester, I became passionate about the fund, investing, and market strategies. Now as I am wrapping up my final semester at Ursinus I have had the pleasure of being one of the Stock Selection Chief Curriculum Offers. Being on the teaching side of the fund, I feel honored to give back by passing on what I have learned in the past four years. I hope that I have been able to encourage my peers and get them excited and passionate about the world of investing, as UCIMCO has done for me. Looking forward, Ursinus and UCIMCO have given me the skills to achieve my professional goals within the investment industry and I look forward to the future ahead with a strong foundation. I want to thank Dr. Deacle, Professor Parnell, and everyone who has supported the fund over the years. I have had a wonderful experience and I look forward to keeping up with UCIMCO and seeing where the next generation of Ursinus students take it.





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Letter from Kaela Frenchman ('24)

I returned to Collegeville for my junior year with the intention to meet more people and to leave my mark on campus. Being a member of the Ursinus Women's Soccer team has allowed me to leave my mark however, I wanted to travel further down the road of Finance at Ursinus, since I am an applied economics major with a concentration in finance and accounting. In hopes of doing so, one of my close friends and classmates, Olivia DeFusco urged me to join UCIMCO. At first, I was a little nervous that the overload during the season would be too much to handle but with the advice and encouragement from Professor Parnell, I found that when you enjoy the work you are doing it is not actually work but rather research of the subject you love. Throughout the fall semester of 2022, I found myself falling further and further down the rabbit hole and falling in love with Finance. At each weekly meeting, I found myself speaking up about stock selections and investment strategies that I thought the fund should be implementing.



This opportunity allowed me to sharpen my skills in finance while also boosting my confidence in stock selection and the investment process. Now, one semester later, I am running the Women's Investment Fund as a Chief Curriculum Officer along with Olivia DeFusco ('24).

I am grateful to UCIMCO for giving me the opportunity to deepen my knowledge of financial analysis and sharpen my skills in such a welcoming environment for all experience levels. During these past two semesters in the fund, I have strengthened my knowledge in Finance but have also learned how to manage a classroom of such bright and determined women. As I wrap up my first semester as a Chief Curriculum Officer, I would like to thank Professors Parnell, Deacle, and Cumpstone for creating an environment for all experience levels to learn and thrive in. I would also want to thank Professor Parnell for always pushing me out of my comfort zone and giving me advice throughout my time here at Ursinus. I also wish to thank Olivia DeFusco along with all of the other UCIMCO leaders this semester for all their enthusiasm, flexibility, and hard work. Finally, thank you to all of those who support UCIMCO and allow Ursinus students this amazing opportunity.



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Letter from Evan Coffrey ('24)

In the fall of my sophomore year, I was on the way back from a golf tournament at Valley Country Club with the golf team. We had not played very well, and the mood was glum. I was sitting in the back of the team van listening to Mike Magargee ('23) and T.J. Stanton ('23) discuss an Ursinus investment club called UCIMCO. Their conversation intrigued me and brightened my spirits from the bad round of golf a few hours prior. Many of the topics they discussed were areas of finance and investing that I wanted to learn more about. When I returned back to my dorm room, I told my roommate Jack Thompson ('24) about this exciting new opportunity. He and I agreed that the following semester we would join UCIMCO and see what it had to offer. Flash forward to today, and Mike Magargee, Jack, and I are the Chief Curriculum Officers of the endowment fund within UCIMCO. Crazy how times can change.



UCIMCO has been an enriching experience and has provided me with a wealth of knowledge in the investing space. Prior to UCIMCO, I invested in popular equities that seemed like good buys because they were brands and companies I liked. This was the extent of my investing knowledge. Under the supervision and guidance of Kareem Elghawy ('22), Mike, Professor Deacle, and Professor Parnell my knowledge of the stock market expanded rapidly. On the endowment side of UCIMCO we don't invest in equities and instead focus on ETF's. This was something new to me, but since learning what ETFs were, I enjoyed looking at the market from a macroeconomic perspective and have come to appreciate the diversity the endowment fund offers. When Mike told Jack and I that he thought we would be good candidates to lead the endowment fund, we were both nervous and excited. This was a task we didn't know if we were prepared for, and we knew that a lot of weight would fall on our shoulders. Nevertheless, since becoming leaders we are well-versed in each asset class of the endowment and hope to continue to grow the fund. We have been busy this semester with the absence of Dr. Deacle, the ever-looming recession, and many new members within the fund, but overall, it has been a rewarding challenge. I am thankful for that day in the golf van and the opportunity UCIMCO has provided me over the last two years. I look forward to my senior year continuing as a chief curriculum officer with Jack and hope to grow the fund so that others can have the same opportunity I did.



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Investment Team Strategies and Updates

Stock Selection

The stock selection group utilizes two investing strategies, one of which comes from Edgar Wachenheim III, who focuses on financial ratios to determine what is an appropriate investment. In following his strategy, we search for stocks that have little-to-no debt and seem to have low prices in relation to their earnings, as shown by the debt-to-asset and price-to-earnings ratios. The other investment strategy follows Michael Moe's priority on identifying super trends and the four Ps (people, product, potential, and predictability).

Using these strategies, the fund can diversify across asset classes allowing for greater exposure throughout the market. Macroeconomic factors (such as high inflation, a rising interest rate environment, and the recent banking crisis) continue to contribute to the volatility in the US Stock Market. However, the fund's performance has been positive and outperforming the benchmark since the November rebalance due to the fund's allocation to the technology sector as a whole and a majority of that allocation being in semiconductor stocks. The biggest laggards in the portfolio were in the energy, healthcare, and real estate sectors. After the most recent rebalance, the fund was determined to overweight consumer staples and utilities due to recession fears as the economy may appear to be slowing down. The fund is also overweighting energy as it is a sector that was beaten down in the first quarter and stocks in the sector have a high dividend yield. The fund is also underweight in both financials and technology after the most recent rebalance due to uncertainty in the financial sector as a result of the banking scare and the run-up in technology stocks going back to October 2022. There is still uncertainty about what the Federal Reserve (Fed) will do regarding interest rates for the remainder of 2023.



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Investment Team Strategies and Updates

Women's Fund

In the Women's Investment Fund, the analysts start by reading a report from Argus, which details the performance and key trends of eleven industries, ranging from Basic Materials to Utilities. This report also gives their strategy for each industry, such as whether their allocation is overweight or underweight. Next, the analysts select the industry that interests them. This semester, the analysts chose Communications and Technology.

Madelyn Nau graciously gathered information from these industries using our ThinkorSwim subscription. After she creates an Excel spreadsheet for each of these industries, in which all the companies have a market capitalization of at least \$5 billion the analysts evaluate four ratios. These ratios include the price-to-earnings ratio, long-term debt-to-capital ratio, fixed charge coverage ratio, and quick ratio. These ratios for our potential companies are compared to the industry median to see how the company is performing.

The next aspect of our strategy entails looking at the company's ESG statements and reports. We screen these companies for their environmental, social, and governance criteria. We have recently focused on various positive aspects of ESG, one standard we are incorporating is that there is at least one female on the company's executive board. For the future, we plan on narrowing our ESG considerations and having a less ambiguous set of standards based on the values that our fund deems most important. This set of standards is key to shaping our portfolio in the most impactful way possible for our fund.

Using this new procedure, the portfolio is now invested in ten different industries: Health Care, Technology, Consumer Staples, Industrials, Consumer Discretionary, Financial Services, Energy, Utilities, and Communications. We have seen very positive returns since the reallocation on April 10, 2023.

We are looking forward to further growth in our returns, just as we are growing in participation. This semester, we have had an increase in student enrollment which is very exciting. Each semester we gain more students, and this Spring semester, we have 18 women in the fund. We are thrilled to watch our updated portfolio's performance in the coming weeks!



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Investment Team Strategies and Updates

Endowment

Given the large scope of the endowment group's investment portfolio, the endowment takes an active investment approach in changing the allocations into existing asset classes yearly in hopes of limiting nonsystematic risk. This is primarily through asset and geographical diversification. Following extensive market research, asset classes are weighted accordingly to maintain the endowment's key goal of maintaining purchasing power while simultaneously yielding returns in the long term. This research is vital to understanding allocation given that macroeconomic news such as interest rate hikes have a direct impact on our existing holdings, such as our fixed income and US Equity investments. In recent years, the endowment has made the decision to favor ESG investment strategies to be in line with Ursinus' core mission statement and has favored growth-heavy opportunities in clean energy and new developing market sectors such as India and the Asia-Pacific region.

Despite having a great deal of existing diversification in the portfolio, turbulent macroeconomic conditions have made it increasingly difficult to predict the market and allocate accordingly. While the fund prides itself on the extensive market research that it regularly performs, it had become more and more apparent that the fund's holdings were not prepared for existing market conditions. That is why we created an Investment Policy Statement this year. We needed an outline for all asset classes and investment decisions no matter what the current market conditions. This allows the fund to make confident investments for semesters to come. We are excited to continue to expand and maintain the portfolio in hopes that further diversification will occur, ensuring the fund will be accessible to even more Ursinus students and, in due time, rival some of the largest funds in the country.



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UCIMCO Investment Performance and Analysis

Endowment Fund Performance

	Benchmark (60/40 AOR)	Our Portfolio
April 8- Nov. 14	-8.19%	-14.9%
Nov. 14 – April 1	8.62%	-1.07%

The UCIMCO Endowment portfolio trailed the 60/40 AOR benchmark over the most recent investment period, stretching from November 14th, 2022 to April 11th, 2023. During this period, the main portfolio goals were to rebalance the real estate sector, making that a realistic part of the portfolio share. By doing this, they will be able to rebalance money into other sectors that have been underweighted in the past. They have seen a huge increase in their performance despite being just slightly lower than the benchmark. The analysts made the move to get out of volatile ETFs, such as ILF because there has been much turmoil in South America. By making the move to be a bit safer within the sectors, this will allow for a more stable portfolio.



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UCIMCO Investment Performance and Analysis

Women's Fund Performance

	Benchmark (Dow Jones Total Market)	Our Portfolio
April. 14 – Sept. 15	-10.7%	-11.6%
Sept. 15 – Nov. 23	3.0%	4.2%
Apr. 14 – Nov.23	-8.0%	7.9%
Nov. 23 – April 11	1.90%	-1.56%

The UCIMCO Women's portfolio trailed the benchmark Dow Jones Total Market Index by 3.46% over the investment period. The fund outperformed the benchmark through mid-November. The plan this semester was to diversify the portfolio a bit more. Analysts voted in favor of this and it has had slight underperformance. To note, a few selections that have stood out are: Haleon, which is up 13.62% relative to the sector benchmark, ENI which is up 10.46% relative to the sector benchmark, Hershey which is up 9.20% relative to the sector benchmark and Petrobras which is up 9.30% relative to the sector benchmark. The portfolio is headed in the correct direction and plans to focus on Macro-Trends that could potentially affect the performance in the future.



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UCIMCO Investment Performance and Analysis Stock Selection Performance

	Benchmark (Dow Jones Total Market)	Our Portfolio
Apr. 5 – Sept. 20	-14.47%	-14.86%
Apr. 5 – Nov. 4	-16.27%	-12.06%
Sept. 20 – Nov.4	-2.10%	3.30%
Nov. 4 – April 11	2.05%	7.72%

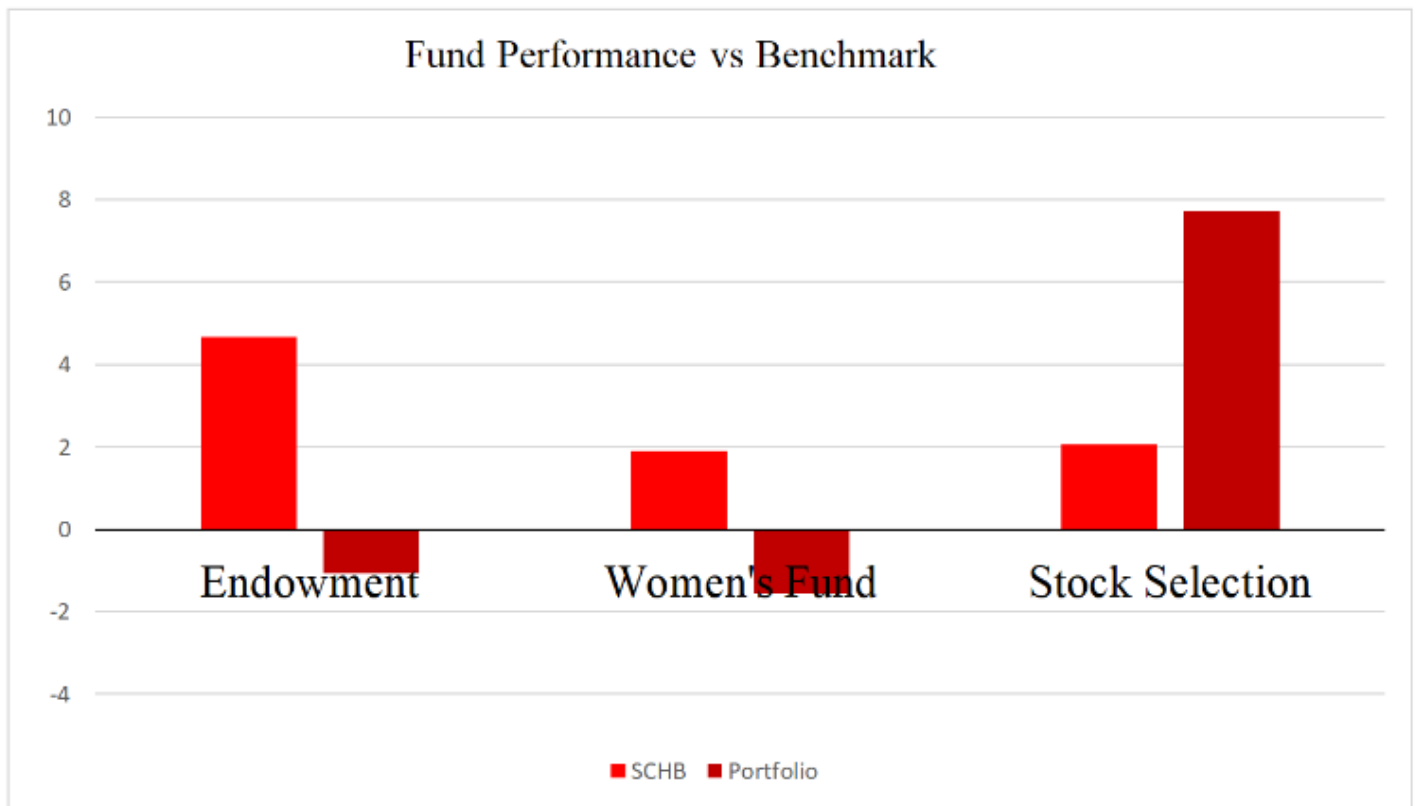
The UCIMCO Stock Selection Fund has outperformed the benchmark by 5.67% from Nov 4th to April 11th. The portfolio has really worked towards proper weighting and diversification within their sectors and strategically over-weighted and under-weighted stocks that have benefited extremely from the outperformance. A few stocks in particular that have outperformed relative to the benchmark performance are: AMD at 19.08%, Cube Smart at 20.42%, NVIDIA at 56.37%, and Shell at 17.06%. Overall they focused on lowering their risk by adding consumer staples, consumer discretionary, and utilities. Due to the lack of portfolio control during Summer break and uncertain short-term market outlook, their main allocation goal was bringing risk as low as possible.



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UCIMCO Investment Performance and Analysis Fund Performance vs Benchmark





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Endowment Outlook

Asset Class	Tickers	Weighting Strategy	Key Considerations
U.S. Equities	SPY, SUSA SCHD	Underweight	<ul style="list-style-type: none"> • Underweight US Equities due to the looming recession and poor projections • Dropped QCLN and VDE due to the recent bank failures and decline in the demand for oil • Added SPY which tracks the S&P 500. Less volatile compared to our old holdings of QCLN and VDE • Major holdings in technology and electronics mirror the projected outlook that technology may perform well once again. We hedge these bets with the addition of SPY
Emerging Markets	GMF, IXSE	Underweight	<ul style="list-style-type: none"> • Sold ILF due to political instability in the South American region and economic downturn • Stay with ILXE as India looks to continue its economic expansion • Purchased GMF to double down on Asian Pacific markets as countries continue to rebound from Covid and dominate the manufacturing sector
Developed Markets	EWJ, EWL EWA	Normal	<ul style="list-style-type: none"> • Dropped EWC and moved to Japanese markets because of low inflation rates and large potential for economic activity. China's re-opening provides an opportunity for trade and growth in the Asian- Pacific region • With recessions probable throughout many developed markets, Australia has shown economic stability and extreme resilience to recessions in the past • Switzerland has continuously shown strength in its financial markets and has not faltered with the Credit Suisse bank collapse



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Asset Class	Tickers	Weighting Strategy	Key Considerations
U.S. Corporate Bonds	LQD, ISCH	Underweight	<ul style="list-style-type: none">• Looming recession fears have left us at an underweight thesis• Keeping the current investment grade ETFs, we have is the best course of action• If interest rates continue to fall, we will look into the corps space during the fall rebalance
U.S. Real Estate	XLRE, SRVR	Underweight	<ul style="list-style-type: none">• Repeated past overweight designations in the real estate asset class have caused an increased asset class weight that was downsized in this rebalance.• Cut JPRE, and underweighted remaining holdings (SRVR, XLRE) to decrease total percent share• Amid recession fears, better to cut losses now instead of waiting till later• Despite these fears, we are optimistic about the outlook of the tech industry within real estate
Commodities	SIVR, BCI EVMT	Normal	<ul style="list-style-type: none">• Normal weight due to Commodities being at our IPS minimum allocation• Move away from COMT due to oil volatility and reallocate into SIVR as a safe haven amid recession fears• Predict overall asset class to perform poorly as a result of looming recession fears



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Endowment Outlook

Asset Class	Tickers	Weighting Strategy	Key Considerations
U.S. Treasuries	TLT, TLH SHV	Overweight	<ul style="list-style-type: none">• As an endowment fund with a looming recession, we want to hedge our risk and overweight investment grade fixed income• Short-term yields are currently high, and we want to capitalize on the inverted yield curve• Long-term duration treasuries are still yielding around 3.5%. Taking advantage of this now is key because we know that in six months, this number could be cut in half• Dropped the previous three holdings to reallocate for our new strategy of 60%(short-term) and 40%(long-term)



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Stock Selection Picks

Commercial Metals Company (CMC)



Background:

Commercial Metals Company (CMC) is a global metal recycling and manufacturing company based in Irving, Texas. The company was founded in 1915 and has since grown to become a Fortune 500 company with over 200 locations in more than 20 countries. CMC operates in four primary business segments: Americas Recycling, Americas Mills, Americas Fabrication, and International Mill. The company's core products include steel and non-ferrous metals, as well as fabricated metal products. CMC's commitment to sustainability is evident in its recycling operations, which help to conserve natural resources and reduce greenhouse gas emissions. The company is also dedicated to maintaining a safe and inclusive work environment for its employees and has been recognized for its efforts in these areas.

Thesis:

CMC's strong balance sheet and ability to generate consistent cash flow provide a great level of financial stability for our materials sector holdings. Additionally, with increasing demand for recycled materials and favorable market conditions, CMC will be a great addition to our portfolio.

Ratios:

- P/E: 5.57
- Current: 3.0
- Long-term Debt to Capital: 0.214
- Net income margin (%): 11.38

Strengths:

- Vertically integrated
- Operate internationally
- Obtain inputs at the lowest possible cost

Weaknesses:

- Raw materials are subject to price fluctuation
- Labor shortage within the industry
- Occasional production equipment failure

ESG Considerations:

- CMC recently invested in a new facility that will operate using green technology to produce construction rebar



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Stock Selection Picks

United Parcel Services (UPS)



Background:

United Parcel Service, Inc., a package delivery company, provides transportation and delivery, distribution, and contract logistics. It operates through two segments, U.S. Domestic Package and International Package. The U.S. Domestic Package segment offers time-definite delivery of letters, documents, small packages, and palletized freight through air and ground services in the United States. The International Package segment provides guaranteed day and time-definite international shipping services comprising guaranteed time-definite express options in Europe, Asia, the Indian subcontinent, the Middle East, Africa, Canada, and Latin America.

Thesis:

UPS has an extraordinarily strong balance sheet and is financially healthy. The company is constantly innovating with testing their drone delivering capabilities and was awarded the Forbes CIO Innovation Award. Logistics is believed to be the future of retail, so this is a great addition to the portfolio. The share price of UPS has risen 74% over the last 3 years and is staying consistent with their moving averages.

Ratios:

- P/E: 14.0
- Current: 1.2
- Long-term Debt to Capital: 0.47
- Fixed Charge Coverage: 11.30
- Net income margin (%): 11.51

Strengths:

- Very well known for their high quality, fast deliveries, and affordable services
- Operates in over 220 countries and territories across the world
- Has financial strength which is allowing UPS to invest in more digital technology, transportation equipment, and facilities
- This also allows UPS to be able to offer competitive prices and innovate more

Weaknesses:

- Reliant on the US market
- Susceptible to strikes
- Significant tax liabilities
- Recent layoffs due to uneven demand

ESG Considerations:

- Heavy focus on achieving carbon neutrality by 2050
- Goal of enhancing equity and empowerment by investing 25% in the UPS



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Stock Selection Picks

Exelon Corporation (EXC)



Background:

Exelon Corporation is a public utility headquartered in Chicago, Illinois, and incorporated in Pennsylvania; founded by a merger in 2000. Exelon is the nation's leader in competitive energy power with more than 33,300 megawatts of nuclear, gas, wind, solar, and hydroelectric generating capacity comprising one of the nation's cleanest and lowest-cost power generation fleets. Additionally, Exelon is the largest electric parent company in the United States by revenue and is the largest regulated electric utility in the United States with approximately 10 million customers. The company is ranked 99th on the Fortune 500.

Thesis:

Exelon Corporation has diverse revenue models, good market ratios, and is an industry leader with best-in-class operations. As well as recently raising its four-year capital spending plan to more than \$30 billion with anticipation of significant annual growth above the midpoint guidance level of 6-8%. All of which will contribute to the continued success of the company and allow Exelon to continue to grow in the future.

Ratios:

- P/E: 18.64
- Current: 0.7
- Total debt to equity: 1.44
- Inventory turnover: 16.41
- Net Profit Margin: 11.37

Strengths:

- Has a large installed capacity
- Diverse revenue models
- Financially sound with consistent revenue
- Market leader - Ranked as a top electric company by Fortune 500 and ranked as the #1 U.S. utility

Weaknesses:

- The Electric Utilities industry is growing faster than the company
- Competitiveness in the Electric Utilities industry is putting downward pressure on profitability
- Leading to a decline in per-unit revenue and market share

ESG Considerations:

- Exelon has a large focus on diversity in the workplace and on its executive board. As well as starting the Path to Clean initiative with a net-zero climate and emissions goal to be fulfilled by 2050



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Stock Selection Picks

McDonald's (MCD)



Background:

McDonald's is an American multinational fast-food restaurant franchised and headquartered in Chicago Illinois. The franchise was founded in 1940 and since then, had expanded to 40,031+ locations globally. McDonald's is also one of the largest real estate companies in the world, adding another source of revenue besides selling food products to consumers.

Thesis:

Due to the Federal Government raising the interest rates, McDonald's specialization in affordable food options as well as its size in global markets makes the company attractive from a recessive standpoint. McDonald's also has healthy financials that promotes growth within the company as well as their innovation to continue the expansion and convenience to customers.

Ratios:

- P/E: 34.0
- P/FE: 26.7
- Current: 1.65
- Long-term Debt to Capital: 1.14
- Return on Equity: 1.16
- Net income margin (%): 26.65%

Strengths:

- Global Branding
- Real estate Ownership
- Ability to expand & innovate
- McDonald's App

Weaknesses:

- Supply chain
- Government regulation
- Protection of I.P.
- Competition

ESG Considerations:

- McDonald's consideration is to reduce food waste, packaging waste, and other forms of pollution



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Stock Selection Picks

The Goldman Sachs Group, Inc (GS)



Background:

Goldman Sachs Group, Inc is a leading global financial institution that was founded in New York City in 1869 by Marcus Goldman. They deliver on a broad range of financial services to a large and diverse clientele. The clientele includes corporations, financial institutions, governments, and individuals. With their headquarters in New York City, they also maintain offices in all major financial centers around the world.

They thrive to be the world's most exceptional financial institution by drawing on hundreds of years of experience working with the world's leading businesses, entrepreneurs, and institutions. As a global investment bank and an investment management firm, their services include underwriting IPOs, and trading in fixed income, equity, currency, and commodity securities. Also, investment advisory, wealth management, lending, financing, and asset management.

Thesis:

The Goldman Sachs Group, Inc is one of the best financial institutions in the world with a strong presence in many major cities and a wide variety of services. As one of the most prestigious investment banks on Wall Street, Goldman's strengths lie in investment banking, global markets, asset management, and wealth management. With a strong focus on capital market services with little credit and lending exposure, it leads to little risk from credit and interest rate duration. This proves GS to be resilient during economic downturns which is especially attractive if we are heading toward a recession.

Ratios:

- P/E: 10.2
- Current: 1.7
- Long-term Debt to Capital: 441.3%
- Net income margin (%): 25.22%

Strengths:

- Wide range of services
- Strong presence

Weaknesses:

- High employee turnover rate

ESG Considerations:

- Goldman is committed to being an active participant in ESG efforts. They provide the necessary resources to their clients to incorporate ESG factors into their investment strategy.



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Women's Fund Picks

Tenaris (TS)



Background:

Tenaris is the leading manufacturer of pipes and services for the world's energy industry. Tenaris mainly focuses on the production of steel pipes, but their manufacturing system also includes steelmaking, pipe forming, and heat treatment. Tenaris is an international company with locations in 25 different countries. They also have 3 research and development centers that are currently developing and testing new products and innovating new industrial processes. Tenaris was founded in 2001 with its headquarters located in Luxembourg. The company has about 23,000 employees in total. Looking at their female representation in leadership positions, one out of four of the senior managers are female and two out of eleven on their board of directors are female.

Thesis:

We believe Tenaris is a good company to invest in due to their strong key ratios in comparison to the sector benchmarks and their advanced innovation and production capabilities in the energy field.

Ratios:

- P/E: 6.55
- Long-term Debt to Capital: 0.918
- Fixed Charge Coverage: 69.915
- Quick: 1.6072

Strengths:

- Global production in 25 countries
- World leaders in Oil Country Tubular market
- Strong relationships with their international oil and gas companies

Weaknesses:

- Low amount of capital coming back to shareholders

ESG Considerations:

- Tenaris' values are rooted in sustainable principles with their main pillars being health and safety, environment, innovation, and diversity and development



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Women's Fund Picks

Alphabet Inc. (GOOGL)

Alphabet

Background:

Alphabet Inc. is an international technology conglomerate holding company based out of Mountain View, California. The company was created in 2015 during a reconstruction of Google that now includes the parent company, Google, as well as some other smaller subsidiaries, under one company name of Alphabet Inc. Google was first founded in 1998 by Larry Page and Sergey Brin, who currently still hold around 14% of Google's publicly traded stocks. Stocks were first traded publicly for Google starting in 2004 via an initial public offering. Google controls about 85% of the market for search engines, with around 89.3 billion visits per month and over 8.5 billion searches per day. Google is also able to provide services in many other areas aside from web searching, such as email, navigation, video sharing, smartphones, etc

Thesis:

Related to the averages for the communications sector, the lower p/e ratio, higher quick ratio, higher fixed charged ratio, and the lower long-term debt to capital indicates that Alphabet Inc is a strong stock. In addition, Google's stock trends suggest that it could be a good investment for UCIMCO. It recently took a hit, which is believed to be from an overreaction from investors, which would allow us to invest at a lower price, while growth is expected.

Ratios:

- P/E: 22.7
- Long-term Debt to Capital: 5.427
- Fixed Charge Coverage: 148.5
- Quick: 2.22

Strengths:

- Controls about 85% of the search engine market
- Revenue from advertising
- Large number of different services

Weaknesses:

- Less compatible with new generation devices
- Falling rate of advertisements
- Overdependence on advertising
- Consumer fear of large data consumption

ESG Considerations:

- From tackling climate change to fighting for racial and economic equality, Alphabet believes that every business should be committed to creating a more sustainable world for our planet. In 2007, it became the first carbon-neutral company for all operations. Google, Alphabet's subsidiary, also aims to achieve net zero emissions across all operations by 2030. In Alphabet's 2022 Sustainability Report, the multinational technology holding company outlines its plans to contribute US\$5.75bn to environmental, social, and governance (ESG) initiatives across its many platforms.



URSINUS COLLEGE

Investment Management Company

Spring 2023 Newsletter

Women's Fund Picks

Tsingtao Brewery Company Limited (TSGTY)



Background:

Tsingtao Brewery Company Limited is recognized as one of the earliest breweries in China and is known to be the 6th largest brewer in the world. Created in 1903 by German and British merchants, the company is now the top Asian imported beer brand. The company is also a Global Top 500 brand sold in over 100 countries. With the company's success, it has received multiple recognitions, including the European Beer Star award in Germany and the World Beer Championship gold award in the U.S. Tsingtao has a wide variety of beers, including soda water and an IPA. The company has about 33k employees and a market cap of \$138.73 billion.

Thesis:

With Tsingtao's great P/E ratio, long-term debt-to-capital ratio, and the fixed charge coverage ratio, this brewery is a strong stock compared to those sector benchmarks. With the strong opportunities for growth in the company and the steady success of the stock, this would be a good investment for UCIMCO.

Ratios:

- P/E: 22.875
- Long-term Debt to Capital: .41
- Fixed Charge Coverage: 154.95
- Quick: 1.38

Strengths:

- The company's variety of award-winning drinks.
- Popular in 100 different countries
- Product is always in demand

Weaknesses:

- High turnover rate of management

ESG Considerations:

- Tsingtao Brewery Company Limited has recognized the effects of COVID-19 and has taken action to help those still affected by it, promotes responsible drinking, helps poverty in Paris, and has even lowered their greenhouse gas emissions with new innovations and working more efficiently. They heavily focus on the concept, "for a better world" and take extensive measurements to continue that philosophy.



URSINUS COLLEGE

Investment Management Company

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Women's Fund Picks

Airbnb (ABNB)



Background:

Airbnb is a community-based service that allows property owners to rent out their spaces to people looking for a place to stay. It operates through a large network of 4 million hosts who offer their homes to those on vacation in over 100,000 cities. Hosts are able to list entire homes, cabins, treehouses, boats, castles, luxury villas, and so much more. Airbnb thrives in the United States with over 2 million properties to choose from, but it also has expanded to more than 220 other countries. Airbnb was founded in 2007 in San Francisco, California. Airbnb believes to have just scratched the surface of the opportunities that hosting provides and plans to continue expanding.

Thesis:

According to the benchmark for the consumer discretionary sector, the high quick ratio, lower long-term debt-to-capital ratio, and the higher fixed charge ratio indicate that ABNB is a strong stock to invest in. Though ABNB has a higher P/E ratio than the benchmark, it makes up for this through its other ratios and its strength such as how globally recognizable it is and its strong host platform.

Ratios:

- P/E: 41.89
- Long-term Debt to Capital: 26.33
- Fixed Charge Coverage: 83.65
- Quick: 1.92

Strengths:

- Globally Recognized Brand
- Hosts in over 220 countries
- Over 4 million hosts
- Stand out from the competition by offering more accommodations, more listings, and better flexibility

Weaknesses:

- Government Regulations in certain areas prevent the number of Airbnb hosts an area could have
- Relying on strangers could lead to legal violations

ESG Considerations:

- The people who work at AIRBNB make the company what it is. AIRBNB is committed to its employees' health, their time to give back, and the financial resources and support they need. 41% of Airbnb's executive team is women.



URSINUS COLLEGE

Investment Management Company

Spring 2023 Newsletter

Our Teams

Management Team

Chief Curriculum Officers

Jack Shimer
Scott Sloan
Ben Sjosten
Joe Kolonich
Olivia DeFusco
Kaela Frenchman
Evan Coffey
Jack Thompson
Michael Magargee

Chief Communications Officer

Carlie Shiller

Chief Development Officer

TJ Stanton

External Affairs Officers

Drake Kasoff
Brett Wilkinson
Jackie Bogan

Chief Research Officers

Maddie Nau
Matt Tuley
Jared Minnichbach
Kieran MacDonough
Jess Patterson

Chief Risk Officer

Kyle Blaze

Women's Fund Analysts

Haley Bestrycki
Jacqueline Bogan
Laura Bradley
Katherine Ciuffreda
Olivia DeFusco
Sarah DiLello

Kaela Frenchman
Camila Knipe
Samantha Mallen
Mary Michaud
Alexis Miller
Jessica Pattreson

Mayleigh Rickey
Isabella Scarpetti
Carlie Shiller
Madelynn Solow
Carly Trolio

Stock Selection Analysts

Paul Army
Matthew Callahan
Ryan Carkhuff
Tyler Causa
Sean Connelly
James Condi
Dylan Crammer
Kevin DePrince
Ryan Dever
Beau Everett

Nick Francois
Bejamin Henwood
Joe Kolonich
Aiden Kreitz
Stephen Lyons
Kieran MacDonough
Hunter Murray
Eddie Newman
Jared O'Connell
Erik Ojert

Christopher Pucciarelli
Chase Rondeau
Jack Shimer
Ben Sjosten
Scott Sloan
Storm Snape
Robert Stillman
Eric Tanz
Alexander Torres
Jason Werrick



URSINUS COLLEGE

Investment Management Company

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Endowment Analysts

Will Allain

Kyle Blaze

Jackie Bogan

Evan Coffey

Cole Grubbs

Caleb Krause

Michael Magargee

Jared Minnichbach

Michael Nikolaou

Jordan Pick

Kipp Ransome

Kirk Ransome

Kyle Rosenfeld

Avery Samer

Mike Scheller

T.J. Stanton

William Tatlonghari

Kate Templeton

Jack Thompson

Nick Troha

Matt Tuley

Jordan Williams



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Thank You!

UCIMCO would like to extend a special thanks to those who shared their insights, experiences, and Support.

- o Christy Barilotti for hosting Women's Fund at Barilotti Wealth Strategies
- o Tara Shimer, Kirk Butler, Terri Fanelli, Scott Balta, Amol Dhargalkar, Tom Miller – Chatham Financial
- o Irish Bennett on her experience and career advice
- o Johnny Myers on Investment Policy Statements
- o Christopher Guy from the Ursinus Business Office for accounting and brokerage support.
- o Commonfund for hosting the Endowment and Stock Selection Team
- o George Psaradakis for financial literacy seminars
- o Judy Spires, Marina Bitar, and Rachel Chivaz for research and presentation feedback
- o Professor Eric Parnell for his guidance throughout the three funds

UCIMCO would not exist without the generous contributions it has received in its time, expertise, and money from a variety of Ursinus faculty, alumni, administrators, and parents of students. The fund wishes to thank the following supporters for their contributions:

Ursinus College Office of Academic Affairs
Isaac Abrams ('19)
Briana Anderson ('14)
Youssef Boussen ('16)
Paul Cottam ('19)
Maureen ('79) and John Cumpstone ('77)
Christian D'Ascenzo ('20)
Michael ('97) and Tracy Fleming
Catherine Gezik ('84)
Christopher Guy
Clay Hall ('12)
Chris Herdelin
Jacob Kang ('21)
Harold Smith ('55)

Matthew Malgari
The Magargee Family
Merck & Co. (matching gift)
Ryan Murray ('10)
Daniel and Janet Myers (P '19)
Johnathan Myers ('19)
Annette Parker
Erich Pingel ('11)
Joseph Pursley ('03)
Susan Stewart ('80)
Robert Tucci ('78)
Daniel J. Uba ('06)
Daniel Urban ('07)
The Vanguard Group (matching gifts)



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How to Contribute

You can provide financial support to this valuable learning experience for Ursinus students today and in the future by visiting <https://www.ursinus.edu/support-uc/ways-to-give/online-gift-form/> or you can scan the URL code below to access the donation website.

Use the drop-down menu under “Designation” and select “Other”. In the comments box please specify “Student Invest Fund”.





URSINUS COLLEGE
Investment Management Company

Spring 2023 Newsletter

Investment Policy Statement
UCIMCO Endowment
April 10th, 2023





URSINUS COLLEGE

Investment Management Company

Spring 2023 Newsletter

Scope & Purpose: Context

The Ursinus College Investment Management Company, UCIMCO, was founded in November of 2016 to create an opportunity for Ursinus students to learn about the fundamentals of investing. Regardless of the major, any student can participate and gain an opportunity for invaluable hands-on lessons in teamwork, valuation, the markets, and economics.

UCIMCO manages three funds on behalf of Ursinus. Groups of student analysts manage endowment-style and stock selection funds on behalf of the college endowment. At the end of each semester, UCIMCO presents its stock selections and asset allocations to students, alumni, and donors.

UCIMCO has provided the school with a way to grow its capital, while also creating an avenue for students to gain hands-on learning. Through its existence, UCIMCO has created a network for former and current students to connect.

In addition to the opportunities created for students, UCIMCO provides a sense of connection between alumni and current students. These funds consist of donations mostly from Ursinus alumni, allowing them to maintain a connection to the college. The hope is for these student-managed funds to grow over time, allowing for greater expansion of the group's portfolio.

Investment Objective

The endowment fund's financial goal is to provide consistent returns that surpass the AOR benchmark. This benchmark is a core growth allocation ETF that consists of 60% equities and 40% fixed income, providing the best comparable benchmark for return on investments. UCIMCO plans to outperform this benchmark by more than 2% each year due to its diversified holdings and active management strategies.



URSINUS COLLEGE

Investment Management Company

Spring 2023 Newsletter

Scope & Purpose: Structure

Positions currently held by students within UCIMCO are as follows:

The faculty advisor is the teacher that is currently teaching the UCIMCO stock selection class. The faculty advisor is part of the investment committee and is responsible for the overall supervision of the fund. The faculty advisor is responsible for submitting our investments to the college controller for purchasing.

The Chief Curriculum Officers are primarily responsible for operating as the leaders of the investment committee. Chief Curriculum Officers act as both governing and managing fiduciaries meaning that they are responsible for most of the decision making alongside the faculty advisor. As the investment committee they are responsible for overseeing the fund's evaluation of contemplated investments. The committee shall have the final authority in approving investments and shall make recommendations to the faculty advisor respecting the sale of investments. Chief Curriculum Officers are responsible for creating the curriculum for each semester and ensuring that students are exposed to useful and important knowledge regarding our past, present, and future markets. Chief Curriculum Officers also meet with the faculty advisor to decide the asset allocation by sector for each semester.

The Chief Information Officers is responsible for providing relevant market, sector, and stock updates to the entire fund. The Chief Information Officer's duty is to update the endowment selection group with information to make better and more informed decisions.

The Chief Compliance Officers is responsible for updating the investment policy statement as the governance section requires. The Chief Compliance Officer is also responsible for monitoring the fund to ensure that UCIMCO's students, practices, and processes operate under predetermined guidelines as defined in the investment policy statement throughout the progression of the fund.

The Chief Development Officers is responsible for coordinating with the Advancement Office to ensure the UCIMCO's success in raising capital. The Chief Development Officer is also responsible for proposing new ideas in order to obtain more capital for the fund. It is the Chief Development Officer's responsibility to produce an infographic showcasing the past, present and future actions of the fund to promote involvement from members outside of the Ursinus community.



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Scope & Purpose: Structure Continued

The Chief Communications Officer is responsible for organizing the newsletter at the end of each semester, as well as keeping the website up to date. In addition, they run social media platforms such as the UCIMCO Instagram account and the LinkedIn profile.

The External Affairs Officer is responsible for tasks such as reserving rooms, planning dinners, working with Ursinus's tech and front office, and sending invitations to guests. They also help to plan field trips, organize guest speakers, and do most of the planning for all of the fund's needs.

The Chief Research Officer is responsible for providing data to the curriculum officers and overseeing the work of the risk research team.

The Chief Risk Officers main responsibility is to conduct data analysis for the benefit of the endowment fund. They are also responsible for doing research reports, as well as writing code to help best manage the risk of the fund.

The organizational structure of the students/members consists of seven teams, each focusing on a specific asset class consisting of: commodities, corporate bonds, developed market equities, emerging market equities, real estate, U.S equities, and U.S treasuries. Each one of these teams is comprised of 3-4 students.

Every team conducts research to determine if changes need to be made to their current asset class. This can consist of reallocations of funds, selling of specific holdings, and or purchasing of new funds. Presentations are created to show each teams hypothesis regarding the weight distribution to each of that sector's holdings. These presentations will also showcase potential new investments the team wants to make and what current holdings they want to keep or remove from the fund.

Each team is responsible for monitoring their assigned asset class throughout the semester, which will aid groups in their decision-making process. The asset team will use this information to decide whether their asset class will be underweighted, overweighted, or maintain a normal weight. The updates received from other groups and from class discussions will help each group to better understand the current economy, allowing for more coordinated and calculated decisions.



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Governance: Reviewing & Updating Documents

The UCIMCO Endowment Investment Policy Statement should be updated at least once a semester when a rebalancing of the fund takes place. The process for updating the IPS will involve the entirety of the UCIMCO Endowment fund so that each member understands the goals, expectations, guidelines, and restrictions of the fund. UCIMCO leaders will help to guide the review and updating process and it is important to add that in some cases there will be very little content to update in the IPS. The chief compliance officer will be the ones responsible for updating this. When making changes to the IPS, it is important for us to log what in specific is being altered and how UCIMCO is altering it. This helps to track our progress and differentiate from our past documents. In order to log the changes, we will keep a file with each IPS document starting with this one. UCIMCO members should also feel inclined to note on the changes made within their respective sections.

Determination of Asset Allocation:

Inputs Used & Development of Input Assumptions

Proposed Asset Allocation

US Equities 15.0-30.0%

Treasuries 10.0-20.0%

US Corporate Bonds 5.0-10%

US Real Estate 10.0-15.0%

Emerging Markets 15.0-25.0%

Developed Markets 10.0-15.0%

Commodities 0-10.0%

US Equities:

U.S. equities hold the largest asset class share in the portfolio due to the strong returns equities have over time. This holding allows the fund to capitalize on market growth over time, while also providing UCIMCO with a pathway to outperform the benchmark. Extensive research and evaluations of market trends allow the fund to maximize returns and grow the value of the portfolio.



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Treasuries:

Treasuries are a lower-risk investment which maintains a larger holding in the portfolio due to stability. This asset class creates stable returns with low price volatility, establishing downside protection and forming a solid backbone for the portfolio.

US Corporate Bonds:

U.S. corporate bonds is a sector of the portfolio which provides a balance between fixed income and U.S. equities. This asset class provides us with exposure to the success of equities, while still achieving many of the price stability aspects of fixed income.

US Real Estate:

U.S. real estate allows the fund to capitalize on the continual housing market growth, as well as corporate real estate investments. This provides exposure to corporate growth, as well as an avenue to yield strong returns when interest rates are low, and the economic outlook is strong.

Emerging Markets:

Emerging markets provide us the opportunity to yield strong returns but also comes with greater risk. This asset class allows us to look for new investment opportunities and invest in new trends or countries the group feels will perform well. Emerging markets holds a smaller share due to risk but creates greater diversity and exposure in the fund.

Developed Markets:

Developed markets will give us exposure to other economies that provide stability like U.S. markets but can differ in their performance. This allows the fund to capitalize on other countries' economies that could outperform the U.S., or to provide stable returns during times of uncertainty in domestic markets.

Commodities:

Commodities is a unique asset class that benefits the fund due to it having little to no correlation with equities and fixed income. This creates better diversification and downside protection in the portfolio. The small asset class share makes the impact on the portfolio minimal but provides exposure to new markets and the increased global demand for precious metals.



URSINUS COLLEGE

Investment Management Company

Spring 2023 Newsletter

Investment, Return, and Risk Objectives: Overall Investment Objectives

Risk management is essential to mitigate losses and create net gains over time. because if a firm blows up no one makes money. A key consideration for managing a portfolio is to avoid making emotional decisions. Specifically, the purpose of having a risk measure is to understand the general volatility of a fund in relation to its benchmark index. In a real-world setting, risk management is a daily responsibility, however, UCIMCO as a fund does not have these capabilities. As opposed to measuring standard deviation, one factor we will keep in mind to ensure our goal is maintain a diverse portfolio. Additionally, throughout the groups' research we will scan for political, credit, and macroeconomic risk. Abiding by these methods will help prevent major losses. To mitigate volatility caused by investor uncertainty influenced due tax rate changes, inflation rates, and monetary policies, we will hold a portfolio that is extremely diverse. To succeed in this goal, we will be cautious when paying attention to short-term fluctuations. Additionally, it is recommended to overweight quality ETFs and underweight riskier ETFs. Overall, it is necessary to consider the future outlook of the fund, working to yield a positive risk-reward ratio. The beta of an investment security will be a variable to pay attention to because it portrays the level of risk in terms of the entire market. The practice of reevaluating risk measures is crucial for pursuing and attaining investment goals, making risk management a top priority.



URSINUS COLLEGE

Investment Management Company

Spring 2023 Newsletter

Risk Tolerance & Investment Constraints (U.S. Equities)

The portfolio of the Ursinus College Investment Management Company is well diversified in many different sectors of the economy. We believe that our portfolio is able to keep with our overall strategy of being less aggressive and focusing on market average returns. The UCIMCO portfolio has done a great job implementing procedures to make sure our sectors are well diversified to help balance out any losses we may incur. We believe that the Ursinus College Investment Management Company should take a risk tolerance level of 2 on a scale from 1-5. This scale represents a level 1 being little to no risk taken to a level 5 which signifies the largest amount of risk taken. This ranking system is based on multiple factors which will be discussed in detail. The first factor is the theoretical percentage of loss equity we are equipped to handle. We believe that we should see no more than the percentage the total market is down as the percentage our portfolio is down. We will be able to achieve this by implementing new risk measures to insure we stay diversified and in less risky options.

Relevant constraints

The Ursinus College Investment Management Company needs to adopt a formal plan to showcase the various constraints that are being dealt with in the investment field. One of the main changes we have made is coming up with a horizon for performance achievement metrics. As a company, UCIMCO knows that tracking the achievement of each individual ETF more closely is imperative to ensure we are following the market average and not allowing for major losses within our portfolio. UCIMCO will be able to achieve this by being more proactive and getting rid of underperforming ETFs more quickly instead of holding them for long periods of time.

At this time, we believe having 15 percent liquidity will be doable and be able to better position the company for any undisclosed losses we may incur. Having a 15 percent liquidity will allow us some flexibility in making sure we do not expose the company and investors to too much market volatility at any given time.

The tax considerations will play an effect into how we invest depending on whether we will hold a short or long position on any asset class in our company. We will allow each analyst to determine the risk worth reward or holding onto a stock for a short or long position depending on the expected return and expected tax rate.



URSINUS COLLEGE Investment Management Company

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Performance Reporting and Risk Measurement (U.S. Treasuries)

When managing the endowment, there needs to be a medium of performance reporting and risk measurement. To that end, the endowment team has a performance spreadsheet updating near instantaneously throughout the year, so the performance of the fund is open knowledge to all. This platform shows all gains, losses, market value at purchase date, and market value at the present time, along with valuation at each rebalancing session every semester. This updating sheet is pivotal to the fund's success as it shows where it stands at any time and allows the analysts to get a better understanding of each sector.

The endowment fund does its own research on top of the analysis of professional investors. This enables UCIMCO analysts to learn and understand what goes into the actual rating of risks for ETFs. By researching the holdings within each ETF, groups can ensure that every investment will be something the college is comfortable investing in. The goal of UCIMCO's research is to further the fund's knowledge of specific sectors so that it can get a clearer picture of what it means to be a research analyst and as the end goal, to grow the endowment for years to come.



URSINUS COLLEGE
Investment Management Company

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Women's Fund Investment Policy Statement

April 10th, 2023





URSINUS COLLEGE

Investment Management Company

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Scope and Purpose: Context

Ursinus College is a private four-year collegiate institution in Collegeville, Pennsylvania, founded in 1869. Ursinus College Investment Management Company (UCIMCO) was founded by Ursinus students in 2016. It is funded by donations. The fund was founded to teach students investment basics with real assets. UCIMCO currently manages \$150,000 across three different sections. UCIMCO is essential to the Ursinus endowment fund as it can create positive returns and provide income to pay for faculty, staff, and facilities.

Scope and Purpose: Structure

This investment policy statement governs the investment portfolio managed by the UCIMCO stock selection team. As part of the Ursinus College Investment Management Company, there are several different roles which each have different responsibilities. UCIMCO operates under the supervision of the faculty advisor. The fund operates in a two-tiered governance structure in which the Chief Curriculum Officers and faculty advisor act as governing and managing fiduciaries and the returners act as operating fiduciaries. Each group is responsible for making investment decisions in the best interest of Ursinus College and UCIMCO alike.

The faculty advisor is the teacher that is currently teaching the UCIMCO stock selection class. The faculty advisor is part of the investment committee and is responsible for the overall supervision of the fund. The faculty advisor is responsible for submitting our investments to the college controller for purchasing.

The Chief Curriculum Officers are primarily responsible for operating as the leaders of the investment committee. Chief Curriculum Officers act as both governing and managing fiduciaries meaning that they are responsible for the majority of decision-making alongside the faculty advisor. As the investment committee, they are responsible for overseeing the fund's evaluation of contemplated investments. The committee shall have the final authority in approving investments and shall make recommendations to the faculty advisor respecting the sale of investments. Chief Curriculum Officers are responsible for creating the curriculum for each semester and ensuring that students are exposed to useful and important knowledge regarding our past, present, and future markets. Chief Curriculum Officers also meet with the faculty advisor to decide the asset allocation by sector for each semester.



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The Chief Information Officer is responsible for providing relevant market, sector, and stock updates to the entire fund. The Chief Information Officer's duty is to update the stock selection group with information to make better and more informed decisions as a whole.

The students in the fund hold several different responsibilities. They are split into two groups, newcomers and returners. The newcomers are students who are participating in their first semester with the fund whereas the returners have participated for at least one semester. Newcomers are responsible for staying up to date on assets currently held by UCIMCO and reporting a buy, hold, or sell signal to the fund. The newcomers are responsible for providing research to aid in the rebalancing of our assets to achieve target allocation. They also partake in voting to decide the buying, holding, or selling, of some or all of each investment. Returners are tasked with researching and presenting new investment opportunities to the fund. The returners also operate as part of the investment committee with the purpose to participate in and oversee the fund's contemplated investments. Returners act as operating fiduciaries for the purpose of implementation. They are tasked with creating and sharing research reports regarding contemplated investments. They also partake in voting to decide the buying, holding, or selling, of some or all of each investment.

UCIMCO invests in all 11 sectors, with those being Industrials, Materials, Healthcare, Technology, Energy, Financials, Real Estate, Communication Services, Consumer Staples, Consumer Discretionary, and Utilities. The weights of each sector in our portfolio vary by semester as decided by the Chief Curriculum Officers and the faculty advisor.

Governance: Reviewing and Updating Documents

It is the responsibility of the Chief Curriculum Officers to determine and execute investment policy. The Chief Curriculum Officers are obligated to ultimately approve or disapprove of the policy. It is the duty of the C-suite to review the IPS each semester and vote on proposed changes by the returning students of the fund. It is the faculty advisor's responsibility to select the Chief Curriculum Officers, Chief Information Officer, and any additional roles for the semester. The Investment Committee by default is the returning students. It is at the Chief Curriculum Officer's discretion that the responsibilities can be allocated and shared by other roles.



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Determination of Asset Allocation

As noted above, the investment committee strives to invest in each of the 11 sectors with weights based on their assessment of market conditions.

Overall Investment Objectives

UCIMCO will seek to maximize long-term total returns consistent with prudent levels of risk. Investment returns are expected to preserve or enhance the real value of the principal investment. Investments are expected to generate income for Ursinus College through dividends and growth of capital. UCIMCO will pursue assets with adequate liquidity. As a nonprofit, UCIMCO avoids taxation on capital gains and dividends.

Environmental, Social, and Governance Considerations

UCIMCO Women's Investment Fund is determined to empower women and support them in whichever way, shape, or form that it can. One of the ways UCIMCO exercises this philosophy is by ensuring that women's representation is evident in the firms that it looks to purchase for the portfolio.

Risk Tolerance

UCIMCO has a relatively high-risk tolerance as the fund is based on the education of students who are likely to make an occasional mistake. The portfolio is comprised of equities in all asset classes which provides diversification to minimize the fund's risk. The fund utilizes market and individual security research and suitable holdings to minimize risk. The fund screens potential investments with the parameter of at least \$1 billion dollars in market capitalization. The Chief Curriculum Officers and faculty advisor will supervise diligent research and evaluation on a potential investment. The fund will manage risk by examining a company's financial statements to ensure it has low debt in relation to its sector. With rebalancing periods at least twice a semester the fund will make investment decisions based on macroeconomic trends that follow our time horizon. It is assumed that a fund managing equities will face a greater risk but the fund is tolerant as it is based on education with a secondary goal of returns on investment. Analysts of UCIMCO will follow this risk tolerance and recognize risk is necessary for the fund to produce returns in line with our objectives. The fund is studying the use of stop-loss orders to minimize loss by outlier investments.



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Performance Reporting

The fund will use performance reporting to analyze risk and return to see if its goals and objectives are being met. The fund will report its performance at the end of each semester to investors at the UCIMCO presentation. The fund will also send periodical newsletters to its investors with information regarding the fund's performance and or new assets. The faculty advisor and Chief Curriculum Officers may also select a student to produce an attribution analysis of the fund for a given period. The fund will compile all applicable performance information from the previous semester and conduct analysis to improve decision-making in the future. The fund will report its performance in each sector against its respective benchmark. UCIMCO will report the performance of its portfolio as a whole against its benchmark.

Risk Measurement

UCIMCO invests in equities which exposes the fund to greater risk but is tasked to operate as risk-averse as possible for the sake of funding Ursinus College's endowment fund. The fund's portfolio is made up of all 11 sectors to provide a safe amount of diversification. Certain sectors may carry higher risks but are accounted for in terms of asset allocation by sector. Risk is measured and monitored by checking investments weekly as well as reevaluating different risk metrics when necessary. The fund is exploring ways to monitor the standard deviation of the portfolio's returns on a real-time basis.



URSINUS COLLEGE
Investment Management Company

Spring 2023 Newsletter

Stock Selection Investment Policy Statement

April 10th, 2023





URSINUS COLLEGE

Investment Management Company

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The Chief Information Officer is responsible for providing relevant market, sector, and stock updates to the entire fund. The Chief Information Officer's duty is to update the stock selection group with information to make better and more informed decisions as a whole.

The students in the fund hold several different responsibilities. They are split into two groups, newcomers and returners. The newcomers are students who are participating in their first semester with the fund whereas the returners have participated for at least one semester. Newcomers are responsible for staying up to date on assets currently held by UCIMCO and reporting a buy, hold, or sell signal to the fund. The newcomers are responsible for providing research to aid in the rebalancing of our assets to achieve target allocation. They also partake in voting to decide the buying, holding, or selling, of some or all of each investment. Returners are tasked with researching and presenting new investment opportunities to the fund. The returners also operate as part of the investment committee with the purpose to participate in and oversee the fund's contemplated investments. Returners act as operating fiduciaries for the purpose of implementation. They are tasked with creating and sharing research reports regarding contemplated investments. They also partake in voting to decide the buying, holding, or selling, of some or all of each investment.

The investment strategy of UCIMCO focuses on U.S. equity market sectors. UCIMCO invests in all 11 sectors, with those being Industrials, Materials, Healthcare, Technology, Energy, Financials, Real Estate, Communication Services, Consumer Staples, Consumer Discretionary, and Utilities. The weights of each sector in our portfolio vary by semester as decided by the Chief Curriculum Officers and the faculty advisor.

Governance: Reviewing and Updating Documents

It is the responsibility of the Chief Curriculum Officers to determine and execute investment policy. The Chief Curriculum Officers are obligated to ultimately approve or disapprove of the policy. It is the duty of the C-suite to review the IPS each semester and vote on proposed changes by the returning students of the fund. It is the faculty advisor's responsibility to select the Chief Curriculum Officers, Chief Information Officer, and any additional roles for the semester. The Investment Committee by default is the returning students. It is at the Chief Curriculum Officer's discretion that the responsibilities can be allocated and shared by other roles.



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Determination of Asset Allocation

As noted above, the investment committee strives to invest in each of the 11 sectors with weights based on their assessment of market conditions.

Overall Investment Objectives

UCIMCO will seek to maximize long-term total returns consistent with prudent levels of risk. Investment returns are expected to preserve or enhance the real value of the principal investment. Investments are expected to generate income for Ursinus College through dividends and growth of capital. UCIMCO will pursue assets with adequate liquidity. As a nonprofit, UCIMCO avoids taxation on capital gains and dividends.

Risk Tolerance

UCIMCO has a relatively high-risk tolerance as the fund is based on the education of students who are likely to make an occasional mistake. The portfolio is comprised of equities in all asset classes which provides diversification to minimize the fund's risk. The fund utilizes market and individual security research and suitable holdings to minimize risk. The fund screens potential investments with the parameter of at least \$1 billion dollars in market capitalization. The Chief Curriculum Officers and faculty advisor will supervise diligent research and evaluation on a potential investment. The fund will manage risk by examining a company's financial statements to ensure it has low debt in relation to its sector. With rebalancing periods at least twice a semester the fund will make investment decisions based on macroeconomic trends that follow our time horizon. It is assumed that a fund managing equities will face a greater risk but the fund is tolerant as it is based on education with a secondary goal of returns on investment. Analysts of UCIMCO will follow this risk tolerance and recognize risk is necessary for the fund to produce returns in line with our objectives. The fund is studying the use of stop-loss orders to minimize loss by outlier investments.



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Performance Reporting

The fund will use performance reporting to analyze risk and return to see if its goals and objectives are being met. The fund will report its performance at the end of each semester to investors at the UCIMCO presentation. The fund will also send periodical newsletters to its investors with information regarding the fund's performance and or new assets. The faculty advisor and Chief Curriculum Officers may also select a student to produce an attribution analysis of the fund for a given period. The fund will compile all applicable performance information from the previous semester and conduct analysis to improve decision-making in the future. The fund will report its performance in each sector against its respective benchmark. UCIMCO will report the performance of its portfolio as a whole against its benchmark.

Risk Measurement

UCIMCO invests in equities which exposes the fund to greater risk but is tasked to operate as risk-averse as possible for the sake of funding Ursinus College's endowment fund. The fund's portfolio is made up of all 11 sectors to provide a safe amount of diversification. Certain sectors may carry higher risks but are accounted for in terms of asset allocation by sector. Risk is measured and monitored by checking investments weekly as well as reevaluating different risk metrics when necessary. The fund is exploring ways to monitor the standard deviation of the portfolio's returns on a real-time basis.