# Student Foundation Investment Committee

**Growing Philanthropic Capital through Value Investing and Student Empowerment**

# Who We Are

## Investors and Crafters of Legacy

The UCSD Student Foundation Investment Committee is a group of brilliant, ambitious students who manage UCSD's $540,000 endowment fund. Our members come from a plethora of backgrounds both academically and geographically, encompassing a wide spectrum of majors that spans from economics and political science to applied mathematics and biotechnology, and a mixture of ethnicities covering Asia, both Americas, and Europe. Our multifarious make-up allows us to bring a unique pool of talent that draws synergies from an unparalleled diversity of channels to our investment practice.

The $540,000 endowment fund we manage belongs to the greater UCSD Student Foundation, a student-run, philanthropic organization that raises money for student scholarships. Every year, a portion of our portfolio returns is allocated to scholarships for incoming UCSD freshmen and transfer students. Our performance allowed us to give out $30,000 worth of scholarships in 2014.

Our committee of about thirty members is divided in five groups, each covering a specific market sector. Current sectors covered include: Technology, Consumer Cyclical, Healthcare, Oil and Gas, and Industrials and Consumer Defensive. This triangulation allows our analysts to specialize in specific industries, thereby harnessing comparative advantage and achieving superior analysis. This also allows our members to develop deep insight into one or two specific sectors, making them exceptional experts at their chosen industries.

Developing Tangible Skills

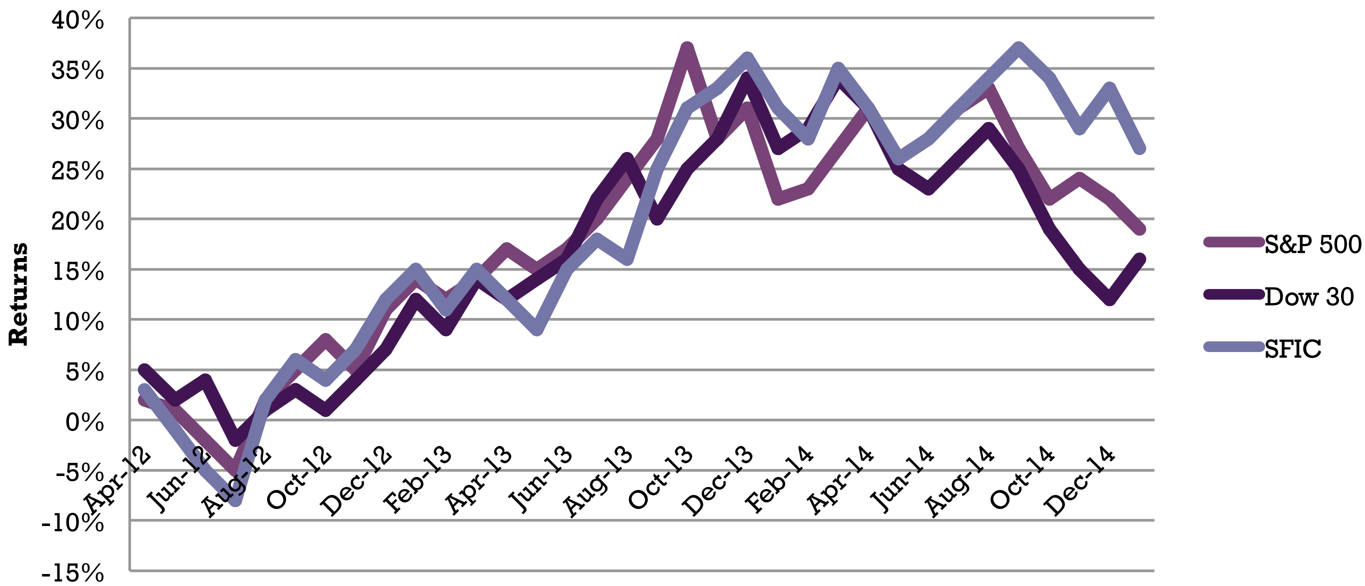
# Building the tangibles to dominate in today's dynamic market.

Building a career in today's investment landscape from UCSD is like navigating a complex labyrinth. With no comprehensive Finance or Business program, UCSD students are deprived of the tangibles that many of our peers at UCLA and UC Berkeley take for granted. Furthermore, UCSD is classified as a "non-target" school in the investment world, meaning that bulge bracket finance firms do not actively recruit from our student body. This makes it incredibly difficult for UCSD students to break into an investment career. And even when our students do manage to get their names out there, they rarely have the skills to ace the interviews. The UCSD Student Foundation Investment Committee, along with its sister organizations, is one of the leading platforms for students to break that barrier.

Our analysts are exposed to some of the most sophisticated analytical methodologies used in the financial world. We utilize techniques such as Discounted Cash Flow Valuation, Comparable Companies Analysis, and Porter's Five Forces in all of our equity reports. This allows our members to dive into investment concepts at a much more rigorous level than what is offered in undergraduate classes. Our members are also exposed to thought processes and technical expertise that many individuals do not attain until they have already begun working in the investment business. This empowers our members with the skillset necessary to perform exceptionally well in finance interviews.

Our alumni have gone on to do great things. With the knowledge attained through our investments committee, our current and prior members have attained internships and job offers from prestigious names in the business world such as McKinsey & Company, KPMG, UBS, Credit Suisse, and more. They have also left compelling philanthropic legacies. Last year, our committee members partnered with the greater Student Foundation to raise $100,000 for student scholarships by not only lending their investment expertise, but also by actively developing philanthropic campaigns and stewarding student donors. As 2015 begins, we are looking forward to further contributing to UCSD's philanthropic culture while empowering our members with the tangibles necessary to dominate in today's complex landscape.

**Our Performance**




# Investment Philosophy

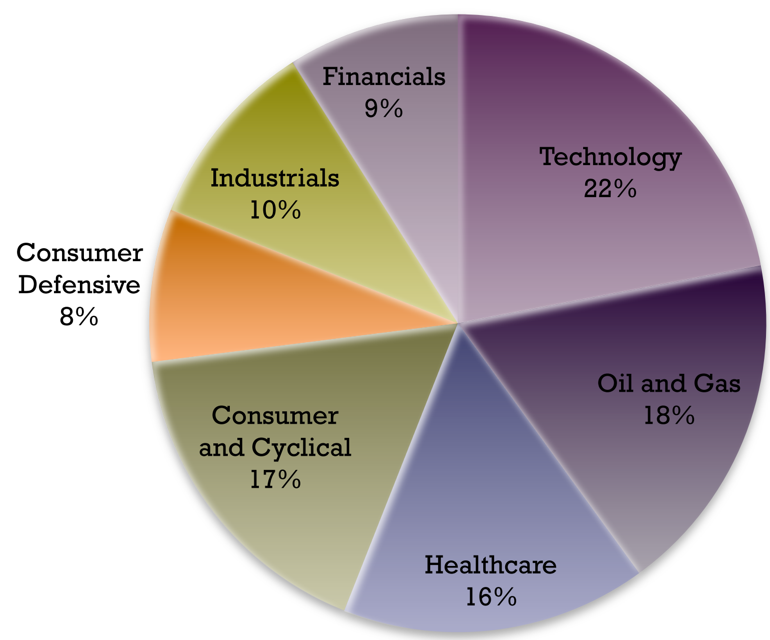
## Blending Value and Opportunity

Our investment philosophy blends the value discipline championed by Warren Buffet and Benjamin Graham with an opportunistic eye for catching industry megatrends. Our core analysis focuses on fundamental metrics, valuation multiples, and competitive positioning, deploying a mixture of qualitative methods such as SWOT and Porter's Five analyses, and quantitative techniques such as Discounted Cash Flow and Comparable Companies valuation. We aim to discover superior performers that are being underappreciated by the market either because of speculative movements or hidden value. After identifying excellent companies trading at discounts, we utilize a margin of safety to further minimize risk while maximizing upside potential. Since we are managing an endowment fund, we avoid the speculative swings of the market in order to focus on the discernment of real value. Therefore, we enter our positions for the long-term, and incorporate proven, dividend aristocrats into our portfolio to provide consistent cash returns and the liquidity necessary to weather market downturns. However, our value approach does not inhibit us from capitalizing on growth opportunities. While we avoid speculative investing, we do seek out companies that are fundamentally distinguished but also competitively positioned to take advantage of industry shifts. Through exceptional research, we are able to capture industry shakers before the market prices in their full potential. Our portfolio is positioned to reap the benefits of major developments such as Cloud Computing, the Internet of Things, and the revolution in semiconductor architecture. This double play of value and opportunity allows us to preserve our endowment capital while benefiting from the decade's biggest innovations.

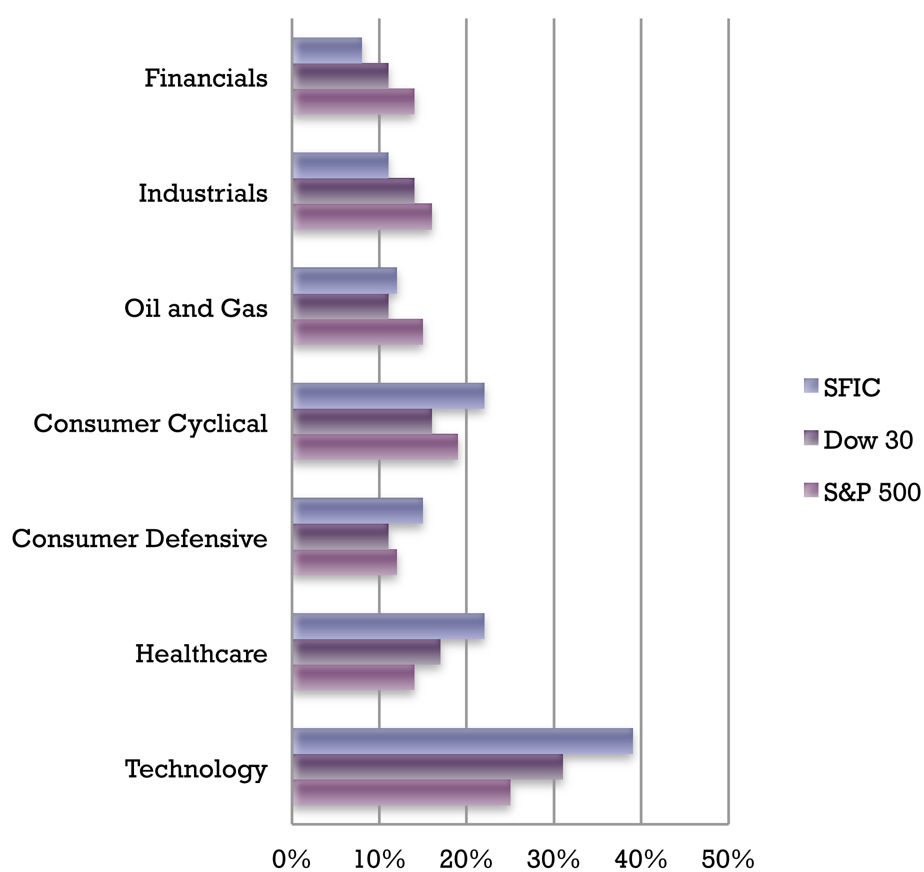
# Portfolio And Performance

Our equity allocation by sector can be viewed on the right. As mentioned in our investment philosophy, we seek to discover value plays underappreciated by the market, while also harnessing growth opportunities. Therefore, some of our biggest holdings include remarkable bellwethers such as Berkshire Hathaway (BRK B), Boeing Corporation (BA), and United Health Group (UNH), all of which we were able to establish positions in at exceptional discounts. We have also reaped the rewards of technology's rapid advance through our eye for opportunity, capturing the ascension of innovative behemoths like Apple (APPL), Google (GOOGL), and Oracle (ORCL) far before their golden days. But our philosophy also champions preservation. Positions in dividend aristocrats like Pepsi (PEP), McDonald's (MCD), and Wal-Mart (WMT) have provided us with the liquidity to weather market downturns. Our philosophy has yielded excellent returns in the past, and allowed us to give out $30,000 in student scholarships in 2014.

## Portfolio Allocation




## Returns by Sector



# Recruitment

## Develop Ingenuity. Craft Legacy.

### Why Apply?

Our committee is the only platform that provides UCSD students with the opportunity to manage over $500,000 in active assets. We also offer a wealth of learning opportunities. In addition to our affiliate training program, our analysts develop tangibles that allow them to excel in today's investment landscape. We deploy sophisticated analytical techniques such as Discounted Cash Flow Valuation, Comparable Companies Analysis, and Porter's Five Forces in every equity report. The ability to specialize in specific sectors allows our analysts to become industry experts. Last but not least, our analysts leave compelling philanthropic legacies through the scholarships we give out from our portfolio returns.

### The Interview Process

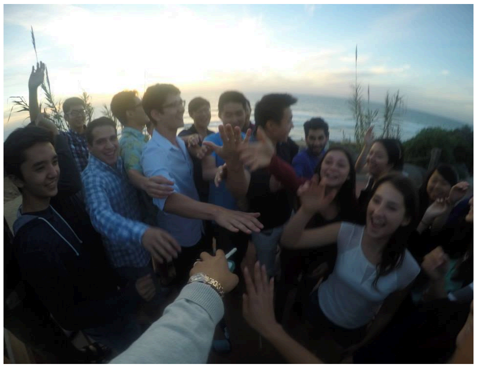
If you are interested in becoming apart of our committee, please send your resume and a brief cover letter to the email address provided on our website. We will contact you for an in-person interview if your credentials match our requirements. The interview will consist of a stock pitch, case study, finance technical questions, and general behavioral questions. While we would like applicants to possess some form of prior investment experience, we also highly value work ethic, willingness to learn, and a passion for philanthropy. If you are contacted for an in-person interview, please dress business casual, and bring at least three copies of your resume.

### Affiliate Training

All affiliates go through a quarter-long training program in order to learn the fundamentals of investing. Our program features a time tested proprietary curricula that covers accounting, stock pitching, qualitative methodologies, and financial valuation modeling. The program is led by a group of senior analysts who have acquired experience through internships from institutions such as investment banks, mutual funds, hedge funds, and more. Affiliates will be tested on the curricula at the end of the program, with those who pass becoming certified analysts. Training sessions are open to everyone, with non-committee members also welcome.

# Our Sister Organizations

The UCSD Student Foundation Investment Committee, along with its sister organizations, provides the leading platform for UCSD students to develop their business ingenuity, sharpen their leadership acumen, and craft compelling philanthropic legacies on campus.



### The UC San Diego Student Foundation

The UC San Diego Student Foundation is a student-run, philanthropic organization that creates scholarships for students, by students. Through its renowned donor branch Society 60, the Student Foundation raises funds from student donors, grows those funds through its endowment portfolio, and allocates the returns to student scholarships, all the while stewarding its donors with a plethora of exciting perks. With the help of the UCSD student body, the Student Foundation gave out $30,000 worth of scholarships in 2014.

### The Undergraduate Investment Society

The Undergraduate Investment Society strives to empower UCSD students and the San Diego community with the financial literacy and knowledge to create successful leaders in the business world. It delivers these initiatives through the provision of financial seminars, networking events with industry professionals, and mentorship programs. It continuously adds value to its community by building bridges with corporations, community leaders, and other prominent leaders within the financial world.

### The Financial Professionals Network

The Financial Professionals Network provides a bridge between the UCSD student body and the greater financial world. By fostering mentorships and building relationships between UCSD students and established financial professionals, it is able to enlarge UCSD's presence in the bulge bracket community. The network envisions a future in which UCSD's presence in the financial world is just as powerful as its dominant stance in the engineering and research spectrums.

### Our Synergy

Our extensive network of sister organizations allows us to achieve exceptional synergy for our purposes. The funds for our endowment come from donations raised by the greater Student Foundation, whereas the Undergraduate Investment Society and the Financial Professionals Network provide us with external research and investment expertise. We reciprocate our sister organizations by lending the expertise of our own members, who all share a remarkable passion for investment and philanthropy.


# Thank you.

## Students, Investors, and Philanthropists.

For more information, contact us at:

sfic@ucsd.edu