



# 2<sup>ND</sup> ANNUAL REPORT

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COLBY STUDENT INVESTMENT ASSOCIATION

## CSIA BOARD OF DIRECTORS

John Roberts – Chief Executive Officer  
Lokesh Todi – Chief Financial Officer  
Nicholas Van Niel – Vice President of Performance  
Nick Wijnberg – Vice President of Trading  
Yilin Xu – Vice President of Research  
Harry Goldstein – Vice President of External Communication  
Traver Elder – Vice President of Internal Communication

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W A T E R V I L L E , M E 0 4 9 0 1

## Letter from the 2008-2009 CSIA CEO

Dear Todger,

I would like to thank you for your continued support, which has nourished the CSIA through another year of operation. We continue to make great strides, in terms of performance, education, and publicity. Below is a brief synopsis of our accomplishments:

- Reorganization of the club into the following three divisions: Trading, Research, and Portfolio Management (formally Performance).
  - Created more leadership opportunities for board members, who are now in charge of their own groups and delegating responsibilities
  - Smaller groups allowed general members to be more involved within the organization
- Since our this past November of 2008, our portfolio has returned 18.50%, a 15.20% improvement over the S&P500, our chosen benchmark
  - Quintupled our position in ICICI Bank (NYSE: IBN) at \$10.00/share on March 5<sup>th</sup> based on our discounted cash flow (DCF) analysis that showed that the security was significantly undervalued. Our analysis proved correct and we subsequently sold 48% of our positions at \$17.50 / share on April, and then on May 18<sup>th</sup>, we sold the remaining shares at \$31.99, resulting in a 250% return over a period of less than three months
  - We made several other strategic decisions throughout the year for DBO, TBT, NWS, and STX, all of which, Nick Wijnberg, the current VP of Trading and next year's CEO, will address
- Provided educational training sessions, once a month, for the duration of the academic year. During these meetings, educational topics ranged from reviewing the basic investment vehicles to a step-by-step walkthrough for conducting a discounted cash flow analysis
- Our accomplishments were also noted in the Colby Magazine and on NPR's All Things Considered<sup>1</sup>
  - Part of our publicity overhaul this year revolved around redeveloping our website. For this task, we recruited a VP of Technology onto the executive board. While the website is not complete, we have made significant progress, and it can be viewed at colbysia.com.

None of these accomplishments would have been possible without a great team. I would especially like to credit the 2008-2009 CSIA Board: Lokesh Todi, Alex Clegg, Nick Wijnberg, Kevin Xu, Nick Van Niel, Traver Elder, Harry Goldstien, and Bogo Giertler.

In the remainder of this report, you will find a letter from Nick Wijnberg, next year's CEO. Thank you again for making this organization possible, it has already greatly changed my life and the lives of many other CSIA members and alums.

Sincerely,

John Roberts  
CSIA CEO 2008-2009

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<sup>1</sup> <http://www.npr.org/templates/story/story.php?storyId=98098421#commentBlock>

## Letter from the 2009-2010 CSIA CEO

The first half of 2009 has been exciting, difficult and educational. Even though we often feel far removed from the financial turmoil of the past year, resting on Mayflower hill, we have not been immune to the geopolitical events of the past six months and have made conservative moves with our portfolio. We have not however, been afraid to take some risks, and many of our purchases have paid off considerably. Since May of 2008, I am proud to report that our association has returned 15.20% above the S&P 500 over the same period. While Nick Van Niel will go into more detail about the performance of the fund, it is important to quickly summarize our investment philosophy both in the past year as well as looking forward.

I believe that our improved diligence in monitoring our trades has allowed for better risk management and seizure of opportunity when value is presented. This improved management is due both to the restrictions in trading days as well as the division of responsibilities within the Colby Student Investment Association. This year we decided to divide CSIA into three important segments: Trading, Research and Portfolio Management. As head of the Trading portion of CSIA, I will try and explain the rationale behind our actions in the past year.<sup>2</sup> We made a number of solid investments this past year. Some of the highlights include buying ICICI Bank and Coca-cola as well as selling Seagate and Waste Management. We were fortunate enough to time some of our transactions with the crests and troughs of the market, allowing us to realize even better gains. Early in the spring semester, we were quick to cut losses on companies such as News Corp and Seagate Corp. In addition we have picked up an online education company, ITT Technical Institute (ESI). Looking forward, I believe that we are heading for a period of inflation. Low interest rates, stimulus by the government, as well as rising commodity prices due to emerging market strength will drive a weaker dollar. While under-capacity production might lead to deflationary pricing on some aspects in the United States, foreign demand from the BRIC economies will bring sharp rises in commodity prices, ultimately lifting core CPI higher. These sentiments are shown in our actions, such as buying TBT, DBO, KO among others. I am happy with our actions in the past year, and I believe that our alpha performance of the fund speaks for itself.

### Looking Forward

The CSIA seeks to build a community of students who are eager to learn about the world of finance. Some of our accomplishments this year include: launching an independent website @ [www.colbysia.com](http://www.colbysia.com), and holding workshops detailing DCF and other valuation metrics. As we move forward however, we are looking to build our club's opportunities both networking and learning. I believe that this club, driven by the students who participate in it, will help propel this college as a top finance magnet. In short here are some bios of some of our new board members.

- Robin Daley, VP of Research was born and raised in Bar Harbor, Maine. Robin spent the last eight summers working at the Jordan Pond House Restaurant in Acadia National Park. This summer of 2009, he will be in NYC working for Piper Jaffray & Co., doing investment banking. At Colby he is an economics major with an administrative science minor, with particular interest in macroeconomics and finance. Hobbies include basketball, tennis, hiking, and pottery.
- Ken Cramer is Co-VP of Trading. As a rising senior from New Canaan, CT, Ken majors in Economics and minors in Mathematics. In his spare time he works in ITS at Colby and enjoys squash and snowboarding. Last summer he worked at a small hedge fund and this summer he has an internship at an investment bank in New York.

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<sup>2</sup> In addition, all stock-order requests can be found in Appendix A.

- John Abbett is VP of Portfolio Management. John is a rising senior from Minneapolis, MN and is studying Environmental Studies Policy and Administrative Science. John has gained experience working at the Private Bank in Minneapolis as part of the Wells Fargo Wealth Management Group as well as with nonprofits. He enjoys fly fishing, bird hunting and cross country skiing in his free time.
- Peter O'Hanlon is also Co-VP of Trading for the spring of 2010. Peter is a rising junior and is an Economics-Mathematics major and Administrative Science minor. Over the past two years, Peter has had internships at Fieldpoint Private Bank & Trust in Greenwich, CT working with their Wealth Management division. Outside of the classroom, Peter devotes his time to running the Colby College's intramural sports program. His interests include; skiing, baseball, and tennis.
- Simran Jaising, VP of Internal Communications, was born and raised in Elmhurst, NY. She is a Posse Foundation Scholar who is majoring in International Studies with a minor in Women's Gender & Sexuality. Simran has a passion for team-building and communication which she believes are at the core of any successful organization. This summer of 2009, Simran will be a Public Company Liability Underwriting Intern at The Travelers Cos.

It has been an exciting year, and I have no doubt that CSIA has helped all of us gain pragmatic financial experience.

Sincerely,

Nick Wijnberg  
CSIA CEO 2009-2010

## Portfolio Management

The Colby Student Investment Association (CSIA) has returned 18.5% since November 25, 2008 compared with the S&P 500 returns of 3.3% over the same period. The CSIA assets under management, as of May 25, 2009, total \$86,301.36. The main contributors to these gains are ICICI Bank, Ltd. (IBN) and Powershares DB Oil fund (DBO).

Securities that remain in the CSIA portfolio remain for one of two reasons. They are excellent companies that have solid potential for returns (NVO, AAPL), they are going to rebound through the vicissitudes of the market and realize solid gains in the long term (CCJ, PBR).

Starting in the fall of 2008, the Portfolio Management group members attended biweekly meetings, such that they alternated with the larger CSIA town hall meetings. Each member in the Portfolio Management group was responsible for covering one stock. They would pay attention to any news or events with the company, listen in to any earnings releases, and at the end of the semester perform a DCF analysis to calculate a fair value.

In the fall of 2008, Alex Clegg found it very difficult to oversee every single member of the group; therefore, she set up four subgroups with their own directors. Mike Dakers led the Consumers/Industrials group, Prabhdeep Singh the Technology/Finance group, John Abbett the Energy/Utilities group, and Josh Jamner the Healthcare/Other group (other including our ETFs and bonds).

Another accomplishment of Portfolio Management was to create a Monthly Report that could be sent out to Alumni and other people interested in the CSIA's performance.<sup>3</sup> The CSIA Board and Portfolio Management group members believe that this Monthly Report has the opportunity to be a phenomenal communication tool between the CSIA and outsiders interested in our club. It contains performance information as well as up-to-date holdings, and recent club news.

The major goal for the spring semester was to calculate fair values for all of our holdings, allowing us to place stop-loss and limit orders on all of our securities before the summer months to use as protection against any potential market volatility during the summer, while the fund is not actively managed.<sup>4</sup> Next year, we hope to have members elaborate on these valuations.

## Moving Forward

The primary critique with the Portfolio Management group this year was that there was never sufficient time spent setting standards and goals with the rest of its members. Next year, it is vital that John Abbett, 2009-2010 Vice President of Portfolio Management, starts out at the beginning of the semester by going over what criteria are important when evaluating equities or other investment vehicles. Toward the spring semester, Professor Linwood Downs gave an intensive tutorial on performing a DCF analysis, and we believe that a similar lesson on interpreting 10-Qs and 10 Ks would be equally important.

As previously mentioned, the CSIA Board would like to continue to produce Monthly Reports. The CSIA believes that this has the ability not only to serve as a communicative tool but also to help the CSIA better measure and benchmark performance. Also, the CSIA Board this past semester talked about formulating a 'Master Plan' for our portfolio allocation. This Master Plan will target allocations for different asset classes in such a way to maximize returns and minimize risk, strategically positioning our portfolio in the market.

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<sup>3</sup> The Monthly Report for March is attached in Appendix B

<sup>4</sup> See section VI: Pending Orders

The last critique of Portfolio Management during 2009 was the lack of formal note taking during group meetings. The CSIA Board has already started recruiting people to take notes at the smaller group meetings. Overall, it was a great year for the Portfolio Management group. I believe that next year, under John Abbett's leadership, the group can continue its diligent tracking of the CSIA portfolio.

Sincerely,

Nicholas Van Niel  
CSIA CFO 2009-2010

# PORTFOLIO BREAKDOWN<sup>5</sup>

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## I. PORTFOLIO SUMMARY

### *Annual Return Calculations: May 31, 2009*

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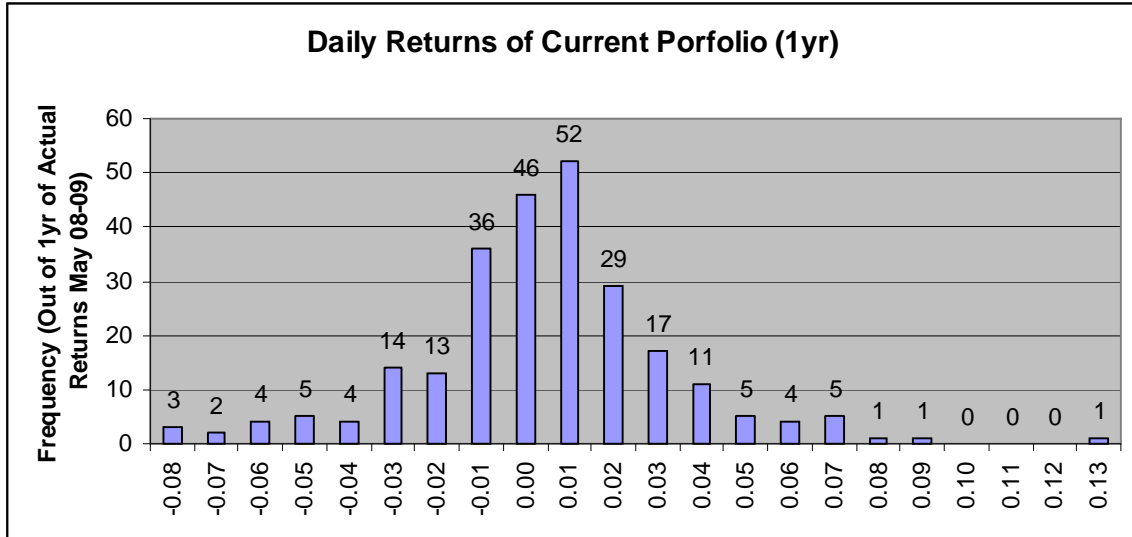
	November, 25th 2008 – May, 31 2009
Portfolio Return	18.50%
S&P 500 Return	3.30%
Russell 1000	1.6%
Performance vs. Benchmark (S&P)	15.20%

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<sup>5</sup> Note, Portfolio Return is Net, *The spending formula income amount (to be utilized for scholarship) is \$4,224 (calculated taking the 6/30/08 market value of the fund \$95,576 times the Board approved spending rate for fiscal 08/09 of 4.42%). This amount has been withdrawn from the fund as of today, 10/2/08. In addition, our Brokerage RBC Wealth Management takes .75% of total portfolio value in management fee per year.*

## II. VaR Analysis



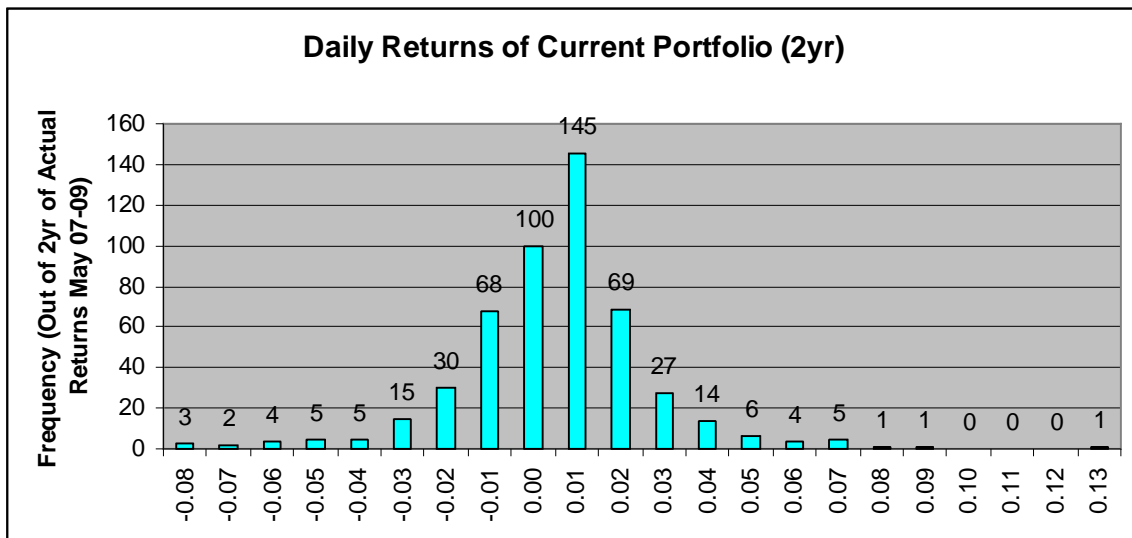
Notes:

\*VAR excludes cash. Takes the weight of each security based on if the portfolio consisted of solely securities and no cash.

\*Data taken from 5/19/08 to 5/19/09

\*Weights were determined by the value of the securities at the close of May 19<sup>th</sup>, 2009 as stated by Morningstar.

\*The worst 5% of all daily returns were losses of between 5% and 8%. Therefore, based on the historical prices of the securities in our portfolio over the last year, we can be 95% confidence that the worst daily loss will not exceed 5%.



Notes:

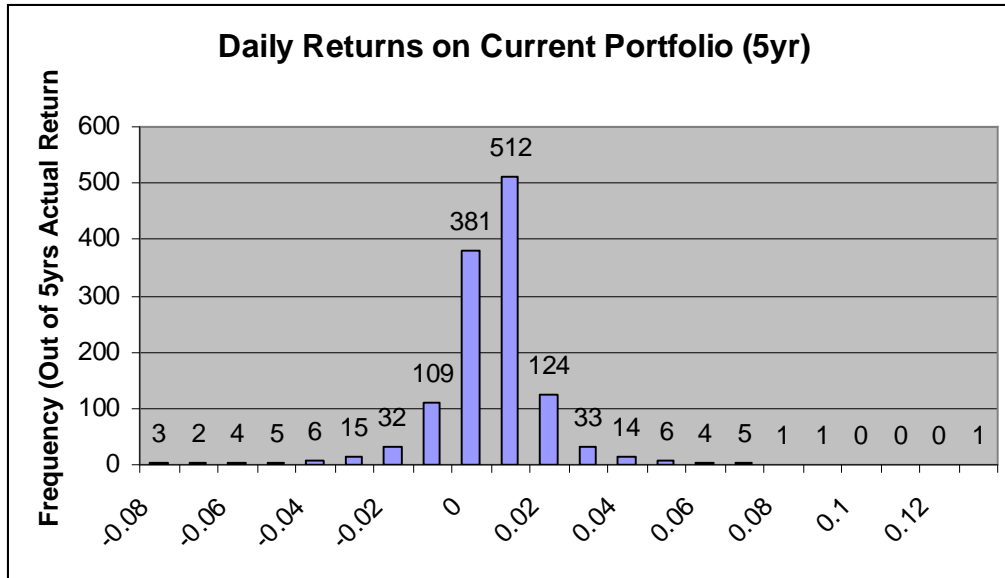
\*VAR excludes cash. Takes the weight of each security based on if the portfolio consisted of solely securities and no cash.

\*Data taken from 5/18/07 to 5/19/09

\*Weights were determined by the value of the securities at the close of May 19<sup>th</sup>, 2009 as stated by Morningstar.

\*Data is only available for UltraShort 20+ Year Treasury ProShares for approximately a year. For all dates with no data available, a daily return of zero was entered.

\*The worst 5% of all daily returns were losses of between 3% and 4%. Therefore, based on the historical prices of the securities in our portfolio over the last two years, we can be 95% confidence that the worst daily loss will not exceed 3% to 4%.



Notes:

\*VAR excludes cash. Takes the weight of each security based on if the portfolio consisted of solely securities and no cash.

\*Data taken from 5/18/07 to 5/19/09

\*Weights were determined by the value of the securities at the close of May 19<sup>th</sup>, 2009 as stated by Morningstar.

\*Data is only available for UltraShort 20+ Year Treasury ProShares for approximately a year. Similarly, the data is only available for PowerShare DB Oil and SunPower Corporation for slightly over two years. For all dates with no data available, a daily return of zero was entered.

\*The worst 5% of all daily returns (based on 69 out of 1259 observations) were losses of approximately 2% to 8%. Therefore, based on the historical prices of the securities in our portfolio over the last five years, we can be 95% confidence that the worst daily loss will not exceed 2%.

### III. HOLDINGS SUMMARY

Priced as of 6/2/09 close

Investment Club 30971648

Cash		Money Market	
<b>Total</b>	<b>\$5,528.17</b>	<b>Total</b>	<b>\$50,800.16</b>

Securities								
Description	Symbol	Quantity	Unit Cost	Net Cost	Price	Chg (\$)	Value	Unrealized Gain/Loss
Agco Corp	AGCO	50.000	57.27	\$2,863.50	30.340		\$1,517.00	-\$1,346.50
Apple Inc	AAPL	18.000	170.00	\$3,060.00	139.490		\$2,510.82	-\$549.18
Cameco Corp	CCJ	80.000	36.37	\$2,909.60	28.690		\$2,295.20	-\$614.40
Coca Cola Co	KO	142.000	42.25	\$5,999.50	49.660		\$7,051.72	\$1,052.22
Itt Educational Services Inc	ESI	45.000	90.00	\$4,050.00	96.330		\$4,334.85	\$284.85
Jpmorgan Chase & Co Formerly J P Morgan Chase And Co	JPM	75.000	42.36	\$3,177.00	34.500		\$2,587.50	-\$589.50
Novo Nordisk A/S-Adr Repstg 1/2 Cl B Sh	NVO	50.000	67.07	\$3,353.50	52.450		\$2,622.50	-\$731.00
Petroleo Brasileiro Sa Petrobras Sponsored Adr	PBR	50.000	61.48	\$3,074.25	44.890		\$2,244.50	-\$829.75
Procter & Gamble Co	PG	50.000	65.16	\$3,258.00	53.710		\$2,685.50	-\$572.50
Sunpower Corporation Class A	SPWRA	35.000	85.61	\$2,996.35	30.070		\$1,052.45	-\$1,943.90
Veolia Environnement Adr	VE	100.000	39.63	N/A	31.430		\$3,143.00	N/A
<b>Total</b>				<b>\$34,741.70</b>			<b>\$32,045.04</b>	<b>-\$5,839.66</b>

Estimated Asset Value	
<b>Total</b>	<b>\$88,373.37</b>

This total includes money market, securities, cash and pending principal payment values.

## IV. PORTFOLIO FUNDAMENTALS

Security Breakdown	P/E		P/B	ROA	ROE	Projected EPS		Market Cap (\$ mil)	Weight (%)
	Forward					Growth (%)	Yield (%)		
AGCO Corporation	12.22		1.11	8.07	17.84	0	0	2,564.10	1.52
Apple, Inc.	20.37		3.32	12.22	23.69	18.33	0	112,289.86	2.57
Brazilian Petroleum	13.89		0.76	10.13	28.31	20	0.7	179,649.22	2.31
Cameco Corporation	14.86		2.22	7.47	14.38	29.33	0.68	9,750.07	2.38
Coca-Cola Company	14.2		5.12	14.33	25.86	7.55	3.3	108,804.91	7.65
ITT Educational Serv	11.89		19.57	32.53	182.89	16.03	0	3,823.37	5.26
J.P. Morgan Chase &	12.35		0.87	0.27	3.15	8	3.44	129,878.99	2.99
Novo Nordisk A/S	14.35		5.29	20.01	29.6	15.51	1.44	32,885.58	3.01
Procter & Gamble Com	13.64		2.97	8.39	21.9	9.2	3.04	157,452.19	3.05
SunPower Corporation	14.03		3.11	4.45	7.47	30.57	0	2,443.75	1.09
Veolia Environnement	15.41		1.54	1.52	5.54	1.87	4.6	13,963.45	3.37
Percentage of Portfolio Analyzed									35.19

Securities not included due to insufficient or inapplicable data:  
DBO, Cash

	Average for This Portfolio	Relative to S&P 500 (1.00 = S&P)
Forward Price/Earning	13.91	1.16
Price/Book Ratio	2.26	1.42
Return on Asset (ROA)	13.13	1.54
Return on Equity (ROE)	43.77	2.05
Projected EPS Growth (%)	13.17	1.3
Yield (%)	0.68	0.23
Average Market Capitalization (\$ mil)	34,112.64	1.01

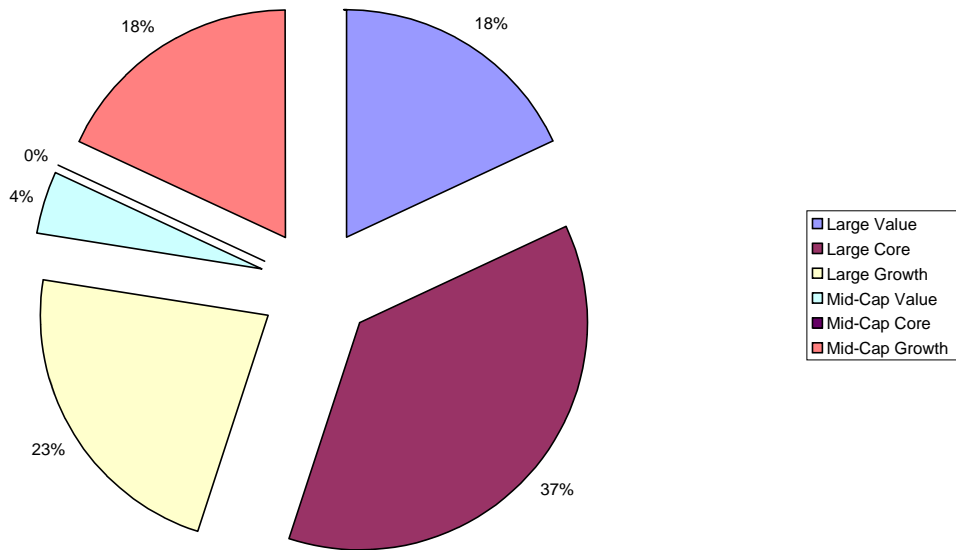
# Sector Analysis

## Asset Allocation

●	Cash	61.76
■	U.S. Stocks	24.12
■	Foreign Stocks	11.05
●	Bonds	0
●	Other	3.08



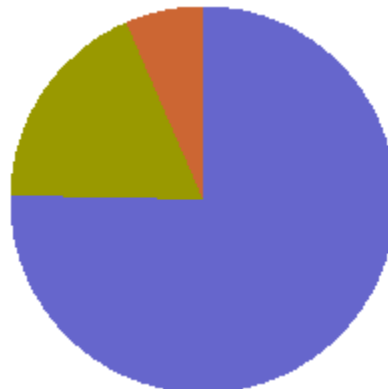
## Market Capitalization Breakdown:



## World Holdings

### CSIA Portfolio by World Region

●	U.S. & Canada	75.35
●	Europe	18.11
●	Latin America	6.54



## V. CSIA FLOW OF FUNDS REPORT

### Colby Student Investment Association- 2008/09

#### Summary of Money Market Account @ RBC Wealth Management

<u>Date</u>	<u>Description</u>	<u>Cash</u> <u>Principal</u>	<u>Gain/(Loss)</u> <u>On Sale</u>	<u>Cash</u> <u>Income</u>	<u>Cash</u> <u>Balance</u>
7/1/2008	Beg. Balance	16,160.55	0.00	328.44	16,488.99
7/1/2008	Dividend Merck & Co.			28.50	16,517.49
7/15/2008	Dividend Cameco Corp			4.06	16,521.55
7/16/2008	RBC Fees			(125.00)	16,396.55
7/31/2008	Dividend JP Morgan Chase & Co.			28.50	16,425.05
7/31/2008	Tamarack MM Income			27.57	16,452.62
8/5/2008	Dividend Icici Bank Ltd			38.64	16,491.26
8/15/2008	Dividend Seagate Technology			18.00	16,509.26
8/15/2008	Dividend Procter & Gamble Co			20.00	16,529.26
8/25/2008	Gift Principal	36,195.00			52,724.26
8/26/2008	RBC Fees			(27.44)	52,696.82
8/29/2008	Tamarack MM Income			30.11	52,726.93
9/19/2008	Dividend Waste Management			22.95	52,749.88
9/30/2008	Tamarack MM Income			100.10	52,849.98
10/1/2008	Dividend Merck & Co.			28.50	52,878.48
10/3/2008	Withdrawal for spending	(4,224.00)			48,654.48
10/3/2008	CSIA purchases	(3,963.00)			44,691.48
10/3/2008	CSIA sales	9,039.65	(2,809.81)		50,921.32
10/15/2008	RBC Fees			(164.98)	50,756.34
10/15/2008	Dividend Cameco Corp & News Corp.			12.75	50,769.09
10/31/2008	Tamarack MM Income			72.25	50,841.34
10/31/2008	Dividend JP Morgan Chase & Co.			28.50	50,869.84
11/5/2008	Sale- Waste Management	3,014.10	(314.52)		53,569.42
11/14/2008	Dividend Procter & Gamble Co			20.00	53,589.42
11/21/2008	Dividend Seagate Technology			18.00	53,607.42
11/28/2008	Tamarack MM Income			50.17	53,657.59
12/8/2008	Dividend Sony			19.06	53,676.65
12/31/2008	Tamarack MM Income			48.45	53,725.10
1/15/2009	Dividend Cameco Corp			3.22	53,728.32
1/16/2009	RBC Fees			(138.94)	53,589.38
1/26/2009	Gift Principal	1,865.00			55,454.38
1/30/2009	Tamarack MM Income			23.00	55,477.38
2/2/2009	Dividend JP Morgan Chase & Co.			28.50	55,505.88
2/9/2009	CSIA purchases- Coca-Cola	(5,999.50)			49,506.38
2/17/2009	Dividend Procter & Gamble Co			20.00	49,526.38
2/23/2009	Dividend Seagate Technology			4.50	49,530.88
2/27/2009	Tamarack MM Income			10.47	49,541.35
3/5/2009	Purchase- 300 Icici Bank IBN	(3,000.00)			46,541.35
3/11/2009	Purchase- 224 Powershares DBO	(3,996.16)			42,545.19
3/18/2009	Purchase- 113 Proshares Lehamn TBT	(4,994.60)			37,550.59
3/18/2009	Sale- 155 News Corp.	3,014.75	(1,852.26)		38,713.08
3/31/2009	Tamarack MM Income			8.98	38,722.06

3/31/2009	Dividend	Novo Nordisk			39.07	38,761.13
4/1/2009	Dividend	Coca Cola			58.22	38,819.35
4/15/2009	Dividend	Cameco Corp & News Corp.			12.66	38,832.01
4/16/2009		RBC Fees			(141.44)	38,690.57
4/22/2009		Sale- 150 Seagate Technology	2,907.00	(1,857.03)		39,740.54
4/23/2009		Sale- 180 Icici Bank	4,161.75	(1,011.84)		42,890.45
4/30/2009	Dividend	Tamarack MM Income & JPM			8.54	42,898.99
5/4/2009		Purchase- 45 ITT Ed Services ESI	(4,050.00)			38,848.99
5/6/2009		Sale- 113 Proshares Lehman TBT	4,994.60	677.85		44,521.44
5/6/2009	Dividend	Petroleo Brasileiro Sa			15.27	44,536.71
5/15/2009	Dividend	Procter & Gamble Co			22.00	44,558.71
5/18/2009		Sale- 195 Icici Bank	1,950.00	4,287.88		<b>50,796.59</b>
			53,075.14	(2,879.73)	601.18	<b>50,796.59</b>
				<b>50,195.41</b>	<b>601.18</b>	<b>50,796.59</b>
				P Cash	I Cash	<b>50,796.59</b>

## VI. Pending Orders

The CSIA would like to put in stop loss orders and sell prices for the following holdings: Veolia Environment (VE), Novo Nordisk A/S (NVO), Coca-Cola Company (KO), Procter & Gamble Company (PG), Brazilian Petroleum Corporation (PBR), ICICI Bank, Ltd. (IBN), AGCO Corporation (AG), and Cameco Corporation (CCJ), J.P. Morgan Chase & Co. (JPM), Apple, Inc. (AAPL), and SunPower Corporation (SPWRA).

The CSIA performed DCF analysis to obtain fair values for Veolia Environment (VE), Novo Nordisk A/S (NVO), Coca-Cola Company (KO), Procter & Gamble Company (PG), Brazilian Petroleum Corporation (PBR), ICICI Bank, Ltd. (IBN), AGCO Corporation (AG), and Cameco Corporation (CCJ). The CSIA used alternative valuation methods for J.P. Morgan Chase & Co. (JPM), Apple, Inc. (AAPL), and SunPower Corporation (SPWRA).

If the beta is greater than 2, stop losses were placed 40% below the CSIA fair value. If the beta is greater than 1 and less than 2, stop losses were placed 30% below the CSIA fair value. If the beta is less than 1, stop losses were placed 20% below the CSIA fair value.

All selling prices are 30% greater than the CSIA fair value, regardless of the stock's beta.

<u>Ticker</u>	<u>Company</u>	<u>Beta</u>	<u>CSIA Fair Value</u>	<u>Sell Price</u>	<u>Stop Loss</u>
VE	Veolia Environment	1.70	\$27.37	\$35.58	\$19.16
	Morningstar Value		\$36.00		
NVO	Novo Nordisk A/S	0.36	\$56.67	\$73.67	\$39.67
	Morningstar Value		\$68.00		
KO	Coca-Cola Company	0.60	\$52.32	\$68.02	\$36.62
	Morningstar Value		\$55.00		
PG	Procter & Gamble Company	0.55	\$56.11	\$72.94	\$39.28
	Morningstar Value		\$77.00		
PBR	Brazilian Petroleum Corporation	1.62	\$68.59	\$89.17	\$24.50
	Morningstar Value		\$35.00		
IBN	ICICI Bank, Ltd.	2.30	\$23.72	\$30.84	\$16.60
	Morningstar Value		\$20.00		
AG	AGCO Corporation	1.76	\$40.17	\$52.22	N/A
	Morningstar Value		\$38.00		
CCJ	Cameco Corporation	1.74	\$26.96	\$35.05	\$18.87
	Morningstar Value		\$25.00		
JPM	J.P. Morgan Chase & Co.	0.91	\$36.85	\$47.91	N/A
	Morningstar Value		\$41.00		
AAPL	Apple, Inc.	1.73	\$123.95	174.54	\$86.77
	Morningstar Value		\$128.00		
SPWRA	SunPower Corporation	2.33	\$33.90	\$44.07	\$23.73

## APPENDIX A CSIA STOCK EXECUTION SHEET

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The CSIA voted on October 30, 2008 to sell its entire stake in WMI. Though the CSIA continues to find WMI attractive from an overall business standpoint, the CSIA thinks WMI's current amount of debt maturities (~\$1.3bn) coming due in the next 6 months will pose an unduly large burden on the company, which intends to refinance this debt through raising more debt. Given the current financial situation, particularly the tight credit markets, the CSIA thinks WMI's financial position poses significant risk to WMI's equity value. Though WMI may stand to receive assistance from TARP, it is beyond our capacity to know whether WMI will receive assistance and at what cost. Thus, the CSIA voted to sell WMI. The CSIA intends to reevaluate the company this spring.

The CSIA voted on October 30, 2008 to purchase \$8,000 of Barclay's high yield bond etf (AMEX: HYG) with a limit order at \$60/share and a stop loss set up at \$48/share (@20%). This fund seeks to match the return of the most liquid high yield commercial paper. The average maturity in the fund is 6.8 years, with the average credit rating B1/B+. The fund has traded as low as 63 cents on the dollar after the collapse of Lehman Brothers, and is currently trading closer to 70 cents on the dollar. At this current valuation, the coupon payments that we would receive in the form of monthly dividends offer a yield of ~12%. If this fund drops to \$60/share (effectively 60 cents on the dollar), we are confident that it will prove to be a good entry point that will pay off over the next 3-4 years as the appetite for risk returns in the credit markets. Further Information about the fund can be found at [http://us.ishares.com/product\\_info/fund/overview/HYG.htm](http://us.ishares.com/product_info/fund/overview/HYG.htm).

## APPENDIX A

# CSIA STOCK EXECUTION SHEET

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On November 20, the CSIA voted to increase its stake in Novo Nordisk (NVO) by purchasing \$3000 at \$37 per share. Recently, due to the turmoil in the equity markets and global economic downturn, NVO has lost over 30% since its initial purchase. However, the CSIA finds this current valuation grossly misjudges the value of ownership in this company. NVO has a favorable liquidity position, with no significant long-term debt, in addition to consistent cash flow generation and increasingly favorable operating margins. Additionally, the CSIA finds NVO's dominant position in the diabetes market, strong pipeline, and geographic diversity will facilitate NVO's continued success.

On November 20, the CSIA voted to increase its stake in Apple (AAPL) by purchasing ~\$3000 at \$80 per share. Recent turmoil combined with economic contraction, particularly in the United States, has caused AAPL to lose over 50% of its initial purchase value. Yet, the CSIA finds current market trends do not reflect the true value of AAPL. Fourth quarter earnings demonstrated that AAPL's premium products maintained anticipated growth projections, in spite of economic concerns. Moreover, the product and service lines AAPL currently provides, including its most recent addition of the iPhone, will contribute to the continued growth of AAPL. Moreover, AAPL's \$25bn cash position, to which \$9bn was added in the most recent quarter, combined with zero long-term debt place AAPL in a strategically advantageous position in this market.

On November 20, the CSIA voted to increase its stake in ICICI Bank Ltd (IBN) by purchasing an additional ~\$3000 at \$10 per share. The CSIA recognized that ICICI is currently one of the worst performing securities in its portfolio, losing nearly 70% since its initial purchase. The combination of the recent financial crisis, economic contraction, and high rates of inflation in India has contributed to the underperformance of this equity. However, the CSIA maintains that the long-term growth prospects (5 years) of IBN remain high. IBN is the second largest commercial bank in India, which population is growing at a pace that will soon make it the world's most populous country. Additionally, IBN has increasing exposure to other geographic regions of high growth – notably the Middle East and Russia. Additionally, in light of the recent financial crisis, the CSIA finds that recent moves by the Indian government to aggressively cut interest rates coupled with the continued stake in IBN maintained by the Indian government, IBN's conservative leverage position, and zero direct exposure to the subprime mortgages, place IBN in a relatively strong position to weather the current economic contraction and will place it in an even more advantageous position once this crisis has passed.

On November 20, the CSIA voted to purchase a stake in Coca-Cola Corporation (KO) by purchasing \$6000 at \$42.25 per share with a stop loss at \$37 a share.

On November 20, the CSIA voted to purchase a stake in McDonalds Corporation (MCD) by purchasing \$6000 at \$50 per share with a with a stop loss at \$45 a share.

# APPENDIX A

## CSIA STOCK EXECUTION SHEET

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ProShares UltraShort 20+ Year Treasuries ETF (NYSE:TBT)

Buy: 113 Shares:

Limit: 44.20

Stop Loss: \$38.5

Sell: \$55.50

TBT seeks investment results that correspond to twice the daily inverse performance of the Barclays Capital 20+ Year U.S. Treasury Index. The Barclays Capital 20+ Year U.S. Treasury Index includes all publicly issued, United States Treasury securities that have a remaining maturity of 20 years or greater, are non-convertible, are denominated in United States dollars, are rated (at least Baa3 by Moody's Investors Service or BBB- by S&P), are fixed rate, and have more than \$250 million par outstanding. The Index is weighted by the relative market value of all securities meeting the Index criteria

At CSIA we believe that there are a number of macroeconomic factors that point to higher Treasury Yields in the future. The rapid acceleration of debt issuance by the United States Government will continue to flood the market with supply, while demand has remained steady due to irrational exuberance in risk free assets. In the future, demand for at this current yield is not sustainable- especially from sovereign nations who now account for 50% of total ownership of our debt. In addition, recent monetary and fiscal policy will be inflationary, putting upward pressure on the nominal interest rate. Historically, current yields are incredibly low and CSIA believes that TBT is not only a good investment idea, but also further diversifies our portfolio because of its low correlation to our portfolio.

# APPENDIX A

## CSIA STOCK EXECUTION SHEET



ProShares DB Oil Fund ETF (NYSE: DBO)	Buy: 224 Shares Limit: 17.84 Sell: \$24.50
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PowerShares DB Oil Fund (the Fund) is based on the Deutsche Bank Liquid Commodity Index - Optimum Yield Oil Excess Return (the Index) and is managed by DB Commodity Services LLC. The Index is a rules-based index consisting of futures contracts on light sweet crude oil and is intended to reflect the performance of crude oil.

Many of the same Macroeconomic ideas used to derive our investment thesis for TBT can be employed with DBO. In addition to inflationary fears, CSIA believes that an economic recovery spurring demand growth, a depreciation of the dollar, and or further supply cuts from OPEC will play an important role in putting upward pressure on oil prices.

## APPENDIX A CSIA STOCK EXECUTION SHEET

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NEWS CORPORATION (NASDAQ:NWS)

Sell: 155 Shares  
Stop Loss: \$4.50  
Limit: \$7.50

News Corporation is an entertainment company that generates revenue from filmed entertainment, cable network programming, direct broadcast satellite television, magazines, newspapers, and book publishing. Traditionally they have generated approximately half of their revenue from advertisements, with a large portion of this revenue coming from print sources. They are also geographically diversified with approximately half of their overall revenue coming from overseas, mainly Australia and Europe. News Corporation is aware that the fate of print publishing is gloomy and unlike many of their competitors is moving rapidly to make sure all of their products have an online presence from the Wall Street Journal to Fox Broadcasting, and they are also making new acquisitions in the online space to increase their online advertising revenue as we saw in 2005 with their purchase of MySpace.

News Corporation has been one of CSIA's worst performing stocks with a 70% loss incurred since its purchase. CSIA believes that News Corporation's intrinsic poor industry will continue to bring down future earnings.

News Corporation is going through management transitions as their 20-year CEO Rupert Murdoch, the visionary of News Corporation, has declared to 'relinquish his substantial powers' to son James Murdoch. Furthermore, Rupert Murdoch's original predecessor, Peter Chernin, recently left News Corporation. This nepotism in News Corporation's once sound management is a major selling point for CSIA. The CSIA is not willing to ride the turbulent waves of this managerial transition.

# APPENDIX A

## CSIA STOCK EXECUTION SHEET



SEAGATE TECHNOLOGY (NASDAQ: STX)	Sell: 150 Shares at \$7.00
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Seagate Technology is involved with the design, manufacture and marketing of hard disc drives. Hard disc drives are used as the primary medium for storing electronic information in systems ranging from desktop and notebook computers and consumer electronic devices. We believe that the current economic atmosphere is going to further suppress Seagate Technology's already-weak profits. With Seagate Technology's 2009 Q1 operating income at a loss of \$2.43 billion, Seagate Technology is going to have trouble developing and maybe even sustaining its business.

Seagate Technology has been CSIA's worst performing stock to date, with losses of 84% to date. Seagate Technology posted a 2009 first quarter net income loss of \$2.79 billion, compared to their revenue of \$2.27 billion. Seagate will also be negatively impacted by the economic recession's effect on the PC market. CSIA expects a significant decrease in PCs in the coming 2009 year. With acquisitions playing a major role in Seagate's business strategy, we expect Seagate to have relatively stagnant expansion due to the current difficulty of acquiring capital.

## APPENDIX A CSIA STOCK EXECUTION SHEET



ProShares UltraShort 20+ Year Treasury (NYSE: TBT) Beta: N/A Amount: \$ 5,603.67

TBT is an exchange traded Fund which seeks results that correspond to twice the inverse daily performance of the Barclays Capital 20+ Year U.S. Treasury Index. The Barclays Capital 20+ Year U.S. Treasury Index includes all publicly issued, United States Treasury securities that have a remaining maturity of 20 years or greater, are non-convertible, are denominated in United States dollars, are rated (at least Baa3 by Moody's Investors Service or BBB- by S&P), are fixed rate, and have more than \$250 million par outstanding. The Index is weighted by the relative market value of all securities meeting the Index criteria. Excluded from the Index are certain special issues, such as flower bonds, targeted investor notes (TINs), United States Treasury inflation-protected securities (TIPs), state and local government bonds (SLGs).

CSIA initially invested in this fund for a number of reasons cited in the pervious buy report. Among them included the belief in an economic recovery, increased inflation and increased supply of Treasury bonds. Since the purchase of this security, its value has increased 13 percent. Due to the leveraged nature of this investment however, it cannot be held to too long a period of time before decay based on position readjustment would eat away at the underlying value. Therefore, CSIA has decided to set a trigger to sell the entire 133 share position of TBT @ 50.20 amounting to a 18 percent gain. CSIA asks that in addition, a buy order be placed with a limit at 44.20 for 113 shares.

## APPENDIX A CSIA STOCK EXECUTION SHEET

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ITT Educational Services (NYSE: ESI) Beta: 0.57

Amount: \$4000.00

ITT ESI offers post secondary education degree programs in the US. Associate, Bachelor and Masters degrees are all offered. ITT ESI offers six main courses of study: Information Technology, Computing Electronics, Drafting and Design, Criminal Justice, Health Sciences and Business Administration. Online and on-campus programs are offered. This allows ITT to reach a variety of people with varying budgets and time constraints. As of December 31, 2008, the ESI offered degree programs to approximately 62,000 students. As of December 31, 2008, it had 105 institutes and nine learning sites located in 37 states. All of its institutes are authorized by the applicable education authorities of the states, in which they operate, and are accredited by an accrediting commission recognized by the United States Department of Education (ED). During the year ended December 31, 2008, the Company began its operations at eight new institutes. As of December 31, 2008, the Company offered 33 degree programs.

CSIA thinks ITT ESI is one of the largest providers of for-profit education in the United States by both revenue and student enrolment. ESI netted Revenue of \$1.015 billion and boasted Net Income of \$203 million with a total Market Capitalization of \$4.11 billion. Despite its large size, the company is well positioned to continue growing. ITT ESI has focused on cost reduction, earning them the best margins in the industry and rewarding shareholders. The for-profit education sector is poised to grow in the current economic environment as Blue-collar workers who need to transfer industries and Increasing government support for adult education have fostered the transition to continuing education institutions. The need for healthcare workers is expected to grow long into the future despite recession due to increasing healthcare demand has price inelastic customers. In addition, ESI Earns 73% of its revenue from Federal student aid programs- aid we believe will continue to be supported in the future.

Therefore, the CSIA would like to buy 45 shares at \$90.00 a share. Once this trade is exercised, we would like to enter a limit order of \$150.00 a share for these 45 shares.

## APPENDIX A CSIA STOCK EXECUTION SHEET

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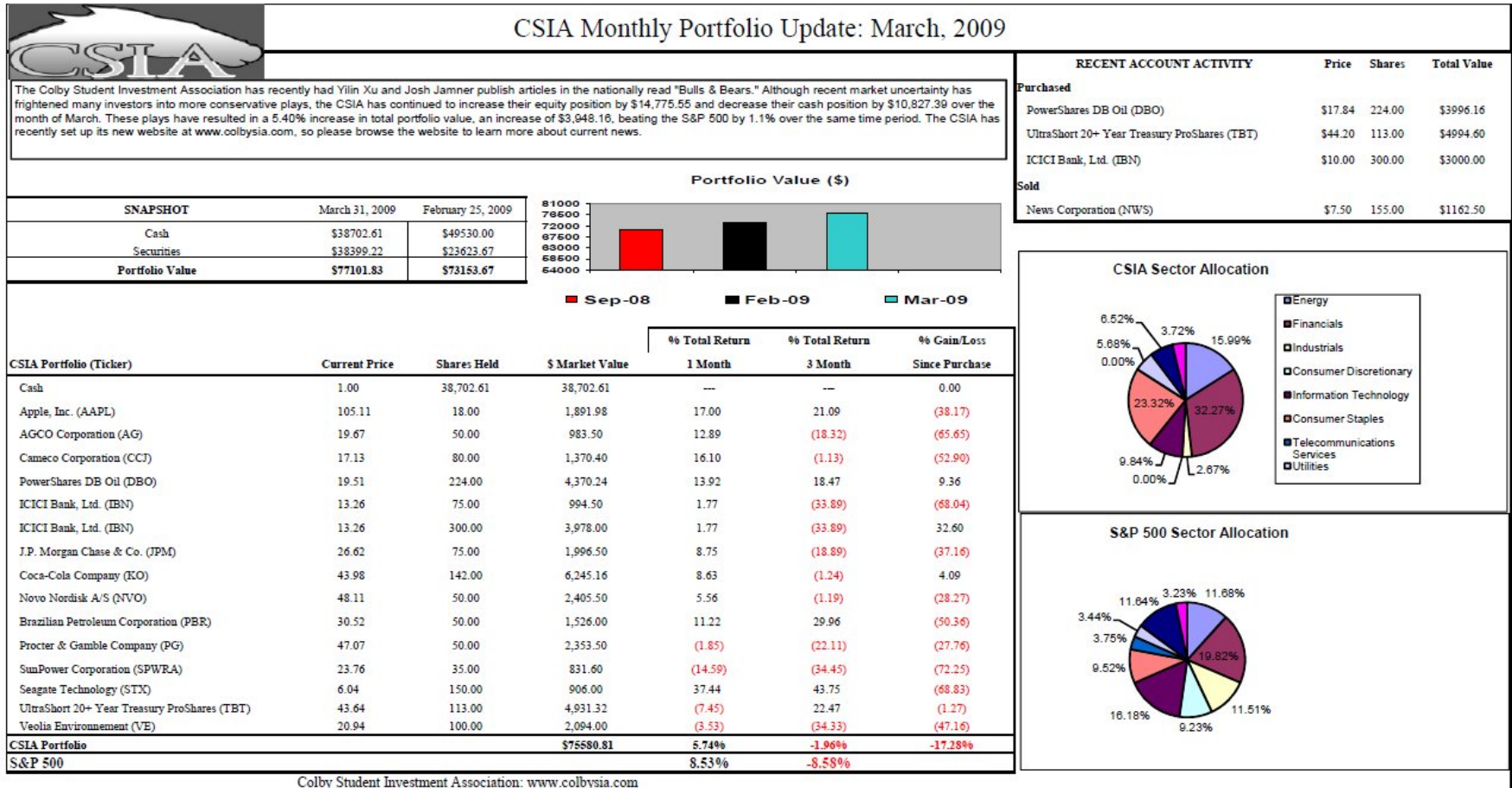


ICICI BANK LTD. (NYSE: IBN) Beta: 2.30	Sell: 180 Shares Price: \$17.50
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ICICI Bank was established in 1955 by the World Bank and Indian government to offer mid-term and long-term financing for Indian Business. It earns revenue from a wide range of banking products and services to corporate and retail customers. They are currently making the transition from an Indian bank to a global bank. In the past five years they have entered in 18 new countries. ICICI bank has the largest private financial product and services distribution network in India, and is the second largest lender.

The CSIA recently acquired 300 shares of ICICI Bank at \$10.00 per share, increasing their total stake to 375 shares. Currently, financials compose nearly 30% of the entire CSIA portfolio. Despite the positive outlook that the CSIA has on the fair value of ICICI Bank at \$23.72, the CSIA would like to decrease its weighting in the financial sector. By selling nearly half of our entire stake in ICICI Bank, we decrease our weighting in the financial sector, cover our losses from our initial ICICI Bank purchase, and still retain a substantial investment in ICICI Bank.

# APPENDIX B MONTHLY REPORT



CSIA Portfolio (Ticker)	Current Price	Shares Held	\$ Market Value	% Total Return 1 Month	% Total Return 3 Month	% Gain/Loss Since Purchase
Cash	1.00	38,702.61	38,702.61	---	---	0.00
Apple, Inc. (AAPL)	105.11	18.00	1,891.98	17.00	21.09	(38.17)
AGCO Corporation (AG)	19.67	50.00	983.50	12.89	(18.32)	(65.65)
Cameco Corporation (CCJ)	17.13	80.00	1,370.40	16.10	(1.13)	(52.90)
PowerShares DB Oil (DBO)	19.51	224.00	4,370.24	13.92	18.47	9.36
ICICI Bank, Ltd. (IBN)	13.26	75.00	994.50	1.77	(33.89)	(68.04)
ICICI Bank, Ltd. (IBN)	13.26	300.00	3,978.00	1.77	(33.89)	32.60
J.P. Morgan Chase & Co. (JPM)	26.62	75.00	1,996.50	8.75	(18.89)	(37.16)
Coca-Cola Company (KO)	43.98	142.00	6,245.16	8.63	(1.24)	4.09
Novo Nordisk A/S (NVO)	48.11	50.00	2,405.50	5.56	(1.19)	(28.27)
Brazilian Petroleum Corporation (PBR)	30.52	50.00	1,526.00	11.22	29.96	(50.36)
Procter & Gamble Company (PG)	47.07	50.00	2,353.50	(1.85)	(22.11)	(27.76)
SunPower Corporation (SPWR)	23.76	35.00	831.60	(14.59)	(34.45)	(72.25)
Seagate Technology (STX)	6.04	150.00	906.00	37.44	43.75	(68.83)
UltraShort 20+ Year Treasury ProShares (TBT)	43.64	113.00	4,931.32	(7.45)	22.47	(1.27)
Veolia Environnement (VE)	20.94	100.00	2,094.00	(3.53)	(34.33)	(47.16)
<b>CSIA Portfolio</b>			<b>\$75580.81</b>	<b>5.74%</b>	<b>-1.96%</b>	<b>-17.28%</b>
<b>S&amp;P 500</b>				<b>8.53%</b>	<b>-8.58%</b>	

**CSIA Sector Allocation**



**S&P 500 Sector Allocation**



Colby Student Investment Association: [www.colbysia.com](http://www.colbysia.com)