Oregon State Investment Group

2013 Annual Report

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Letter from the President

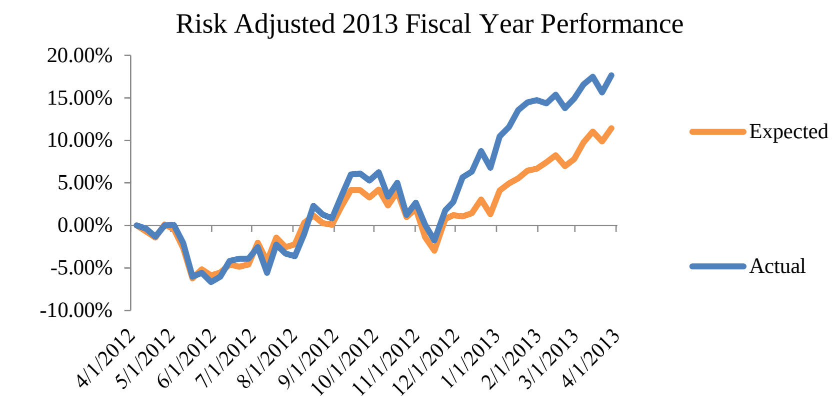
Since its origins as a $50,000 fund raised through generous alumni donations the Oregon State Investment Group has grown immensely to managing $1.8 million in assets across three separate funds. This year also marked the birth of our Russell 2000 Synthetic Portfolio, a project I have been working on since September 2011. Our R2000 Synthetic Portfolio, which is modeled after the Oregon State Treasury's R2000 Synthetic Portfolio and PIMCO's StocksPLUS strategy, is the first student run fund of its kind. The use of fixed income and futures contracts in this portfolio marks an important advancement in the technical knowledge of our group. In fact, this spring term also marks the creation of the first finance course devoted entirely to fixed income, an exciting opportunity which I believe is in part due to the strong interest of our members.

I was fortunate to have the ability to join the group as a freshman at the very beginning of my college career, allowing me to take advantage of the many opportunities the group has to offer. The group helped me develop skills that allowed me to excel during my internships and secure my dream job after graduation. Without joining the Investment Group it's difficult to say whether I would have been able to discover, or even take advantage of, the experiences that have defined my college career. During my time in the group, I have learned invaluable lessons and I've made life long relationships. The investment group takes our education to another level that can't be replicated in the classroom.

OSIG offers students an experiential learning opportunity to gain real-world experience that cannot be obtained in any other educational setting. I have witnessed the progression of the group throughout my four-year experience, which is evident in the quality of reports, overall knowledge of the group, and the continued expansion of the OSIG network. I believe that OSIG is playing a fundamental role in the advancement of the College of Business here at OSU. Every year we graduate an increasing number of members with excellent full time positions at top tier firms, increasing our visibility to future employers and establishing a strong presence in the financial community. This year is no different and based on the internships that our members have obtained I am even more optimistic for the future.

Riley Kinser
Finance & Accounting 14'
President

Large Cap Fund Performance – Andrew Luckman, Senior

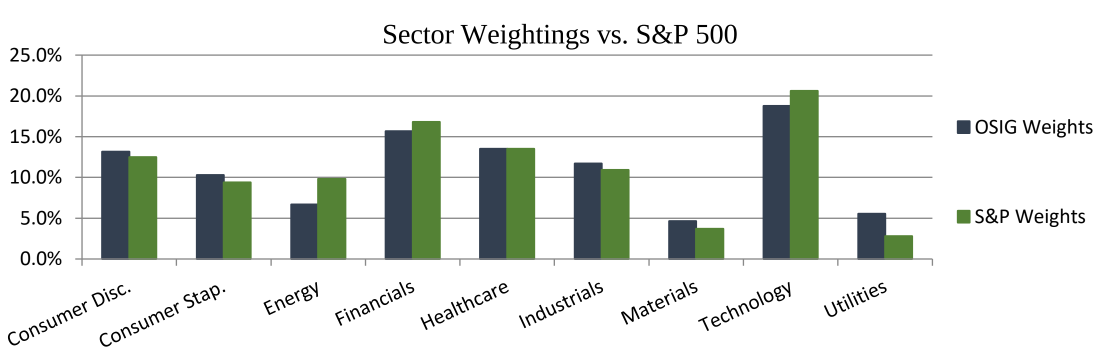


The Large Cap Fund originated in 2008 when the Oregon State Investment Group (OSIG) was tasked with investing $1 million of Oregon State University's endowment fund. This stewardship has allowed OSIG to become one of the best experiential learning opportunities at OSU. The fund has traditionally invested in only US equities with market capitalizations above $5 billion. However, during FY 2014 the management team decided to allow international equities in the portfolio. Only highly rated and reputable international companies are considered. We believe that expanding the focus of the fund beyond the US provides members with a more diverse set of learning opportunities.

As of March 31st, the end of our fiscal year, the Large Cap Fund has grown to $1,777,545. This represents a return of 21.9%, beating the S&P 500 by 204 basis points on an absolute basis. We believe that our diversification into international equities was key to increasing our performance in FY 2014.

FY 2014 was an excellent period for US equities with the S&P 500 up 19.9%. As we have increased the types of companies we hold in our portfolio our beta has been rising. At the beginning of FY 2014 our fund's weighted beta was 0.94 increasing to 1.09 at the end of FY 2014. This increase has been due to our inclusion of more volatile equities in the fund which led to the fund's superior performance.

Some of our outstanding performers this year were Alcoa, Amazon, Disney, Google, PPG Industries, Tencent, and Visa which were all up over 50%. Our strongest performer of the year was Tencent which is up over 100% since we purchased it. Tencent is a Chinese technology company which has a wide user base in Asia. Purchasing Tencent was the beginning of our decision to include international equities in the fund. This decision has delivered superior



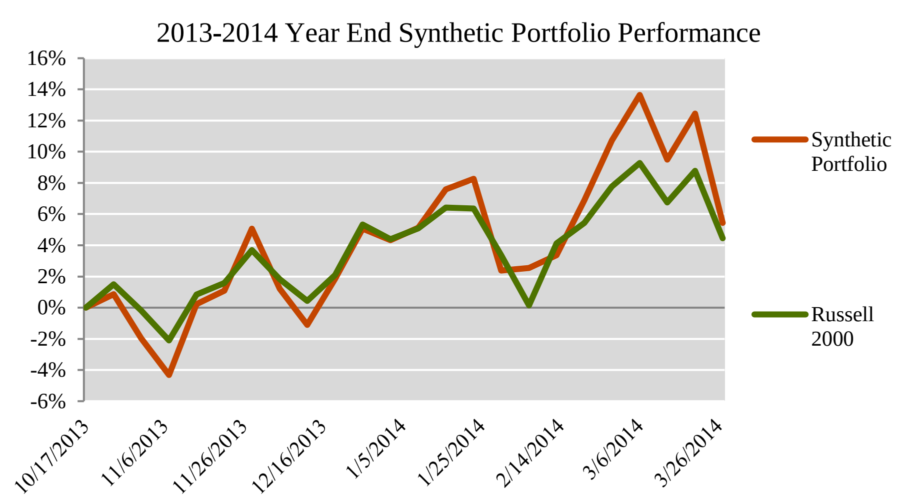
returns and given students opportunities to explore the implications or international tax law, foreign currency translations, and varying regulatory environments.

Our goal is to hold 25-30 equities in the fund with no one security making up less than 2% or more than 6% of the fund. Our largest holding at the end of the year was Amazon at x% of the total fund. Our smallest holding was Kinder Morgan Partners at x% of the fund. The purpose of holding at least 25 securities is to eliminate unsystematic risk from our fund.

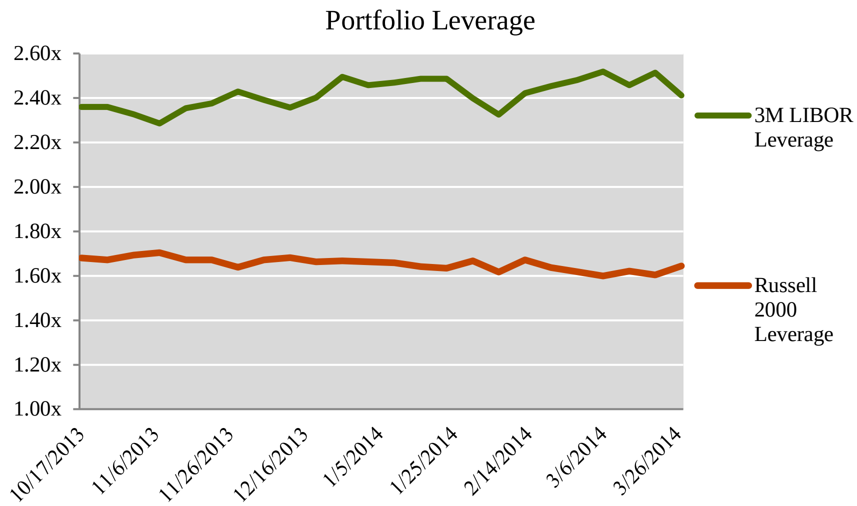
The fund's performance in FY 2014 was one of the best ever. I believe that our efforts to further diversify the Large Cap Fund will both benefit the University's endowment and our members' learning opportunities. Going forward I am wary of a slowdown in US market growth. After such a long rally in the market it is difficult for me to see it going even higher in the near future. Whatever surprises the market holds, I am confident that the new management team will be able to navigate the difficulties presented to them and will lead the fund to great returns in the future.

Synthetic Fund Performance – Jessica Kim, Junior

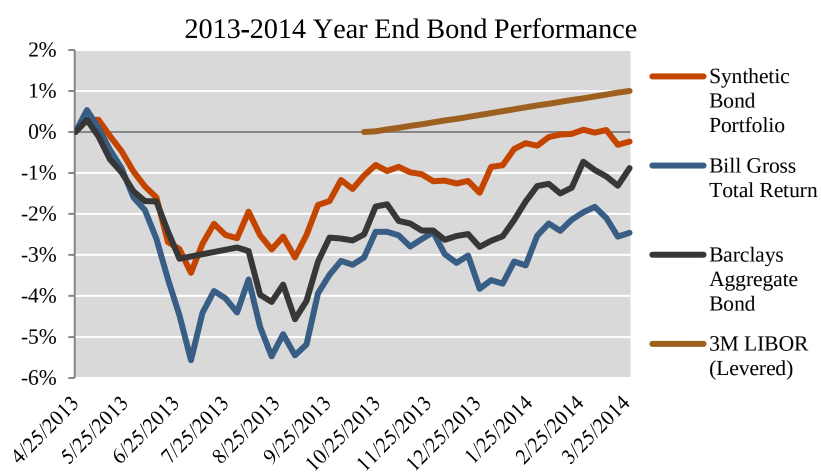
Since the end of 2011-2012 academic year to the 2012-2013 academic year, the OSIG Synthetic Portfolio has undergone significant changes to become what it is today. With the help of faculty and my predecessor Riley Kinser, the Fixed Income Portfolio officially became the OSIG Russell 2000 Synthetic Portfolio with the acquisition of the Russell 2000 E-Mini Future Contract on October 21st, 2013. It has been a phenomenal learning experience for all of us throughout the year, and I believe it will continue to provide us with the intellectually stimulating tasks in the years ahead.



The Synthetic Portfolio is currently structured using a single Russell 2000 E-Mini Future Contract, representing approximately 8% of the portfolio. The fixed income ETF/Mutual Fund securities represent the remaining 90-92% of the portfolio, as well as the cash reserves. Our objective is to outperform the Russell 2000 index by generating a return above our implied financing rate, which is assumed at the 3-month LIBOR, through our portfolio of fixed income securities. We are on target with the execution of our strategy with the current portfolio, taking advantage of the two structural sources – the exposure to the longer end of the yield curve and credit premium from lower quality securities. This year, we have seen the markets rally significantly, as investor sentiment was uplifted with signs of economic improvement. The Russell 2000 Future currently provides us with an exposure of $120,360 with a $4,400 initial margin. While the portfolio benefited from the rally in the markets through our future contract exposure, it continues to remain underfunded, which gives us an economic leverage of 1.60x. An additional funding of $30,000 would help ease our leverage to a manageable 1.20x, allowing us to take on less risk with our investments. Our performance was also partially offset by our investment in the Chinese Yuan-denominated Bond ETF (DSUM) on our expectation for the market to grow as we believe there will be an increasing interest in the Chinese bond market in the near future. With the recent stream of both negative and positive economic data from the region, our investment suffered a decline since our initial purchase of the ETF security. We believe however, that the investment will generate positive returns going forward.



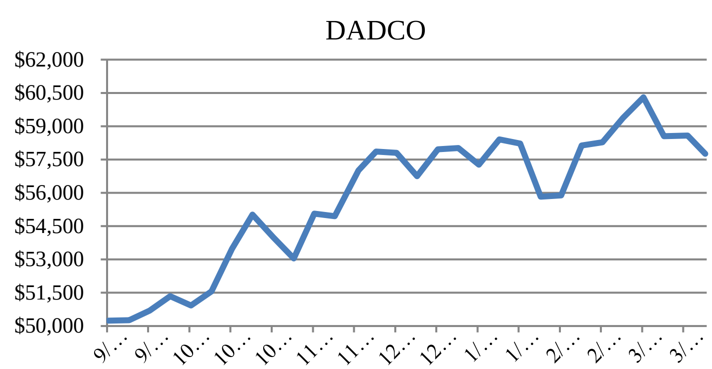
The overall fixed income market had taken a significant hit this year with the political turmoil that was experienced in Washington over the nation's debt limit and sequestration, as well as the Federal Reserve's exit from its bond purchasing program. Our bond portfolio performance was kept afloat by our exposure to the credit markets through our high yield corporate bond ETF, HYLD, generating a 0.89% return in our portfolio as of April 2013. While the equities market rallied and we were able to benefit from it through our futures exposure, the bond portfolio component of our portfolio was unable to generate the necessary return in excess of the 3-month LIBOR. This contributed in increasing our overall portfolio's economic leverage to 1.60x relative to our index exposure.



Going forward, we believe that the Federal Reserve's exit from the bond market will continue on into the current year until the program reaches its official end, and the equities market will continue to experience a positive year in 2014 in line with expectations. While we remain conscious of the rising rates environment, we believe that such changes will occur gradually. In order to address our concern over the upward movement of interest rates, we have made the adjustments in our portfolio by decreasing our holdings in the Mortgage Backed Securities Mutual Fund, PMRCX, down to represent 15% of our portfolio from a previous 25%. We expect to find an alternative investment to this holding in our portfolio, as we believe that the MBS market no longer presents the value that it once did under the MBS purchasing program of the Federal Reserve. We have also divested out of the 10 years TIPS ETF, STPZ, at -0.43% return as we deemed that concerns of inflation was behind us. Lastly, the Chinese Dim-Sum Bond ETF was also incorporated into our portfolio, following a successful pitch at the Annual Civil War Meeting held at the University of Oregon. Our expectation is that the security will provide us with diversification through international exposure as we remain optimistic towards the Chinese bond market in the near future. Our strategy going into the summer is to decrease the overall duration of the portfolio in order to decrease the sensitivity to the interest rate changes.

It has been a tremendous experience being entrusted with the Synthetic Portfolio this year, and I consider it a great privilege to have the opportunity to be able to learn alongside the passionate students of OSIG. As a result of continued interest in the portfolio and fixed income, there will be a course offered in fixed income analysis for the first time in Spring 2014. I believe that the hands-on and unique experience this fund offers our group will continue to benefit us and hope that the experience will continue to be enriching for all of the members in the future.

DADCO Fund Performance – Scott Schaub, Senior



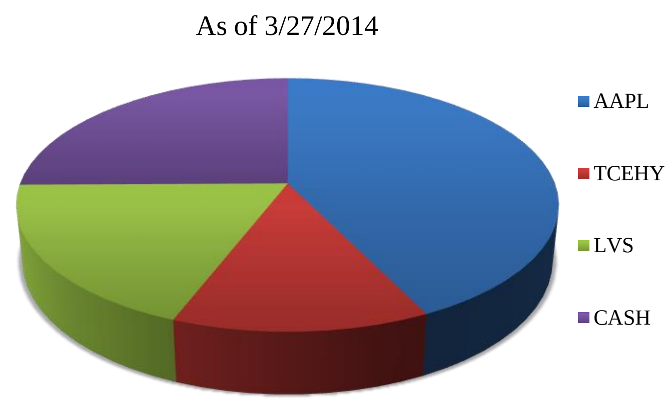
The 26th annual D.A. Davidson student investment competition began on September 1, 2013. As in years past, this year's competition included 20 schools along the West Coast. The competition rebalances all portfolios to $50,000 dollars at the beginning of each September, and equally distributes any excess return beyond a 5% benchmark between D.A. Davidson and the participating school.

The one-year time horizon inherently lends itself to more risk, yet we do not employ an overly risky strategy that could potentially jeopardize our participation in the competition going forward. Instead, we opt to target companies we believe are capable of experiencing rapid earnings growth, and securities we feel have wrongly fallen out of favor with the market.

September 2013 marked the first time in our three-year history the group was able to outperform the competition's benchmark. The performance resulted in a fourth place finish, and a $1,384 check for the group. This was largely due to strong summer performances from the majority of our holdings. For the 2012-13 competition year, our top performers included Ford (F), Prudential (PRU) and Tencent Holdings (TCEHY) with returns of 75%, 42% and 33% respectively.

Despite the September rebalance, we were able to continue our strong performance into the 2013-14 competition. In December we opted to sell out of our position in Prudential and Ford. Management felt the holdings no longer aligned with our investment strategy, and the group wanted to capitalize on the price appreciation of Prudential.

This year's growth has been driven by greater than 40% returns from both Tencent Holdings and Las Vegas Sands (LVS). The portfolio has experienced a gradual appreciation, reaching a high of $60,303 on March 6, 2014. The figure to the right displays the portfolio's current allocation. The selloff of Prudential and Ford created a substantial cash position to be used for investment in future pitches. Going forward, we expect to reinvest in order to maintain maximum exposure to the market.



OSIG Sector Analysis

Consumer Cyclical and Staples – Michelle Hulquist, Senior

Throughout 2013 to 2014, equities in the consumer goods sector have reacted to several key changes in the economic and political environment. The Bloomberg Consumer Comfort Index, a weekly index used to help understand Americans' views on the current state of the economy, is a good indicator of these changes and their effect on the sector. Consumer confidence peaked for 2013 in August, before quickly plunging to its one-year low in October, falling to minus 37.6. This drop coincided with the 2013 government shutdown, and the consequential speculation about personal financial security throughout U.S. households. While the pessimistic consumer confidence lingered for some time after the shutdown ended, the index showed a large upswing in the beginning of 2014. The confidence index average for the first three months of the year showed the strongest first-quarter sentiment since before the crisis, with its average rising to minus 30.1.
Another key indicator of the strength of the consumer market, and economic recovery, is the U.S. labor market. Extreme weather conditions throughout the 2013 holiday season created disappointing sales and subsequently resulted in shortfalls from the anticipated hiring rates. However, in March, the jobless rate has once again showed improvement by dropping to 6.6% from an earlier 7%. If the economy continues to add jobs at the current rate, we should see the gap between the number of pre-recession and current job numbers close this year. The jobless rate has a large impact on consumer spending, and as the jobless rate continues to decline, we

can expect to an increase in spending in both consumer goods sectors. Overall there have been positive trends in the consumer goods sector over this past year.

The group began this year significantly overweight in consumer staples and slightly underweight in consumer discretionary. We maintained this throughout the summer, until the group voted to purchase International Game Technology (IGT) in October, increasing our consumer discretionary holdings to be in line with the S&P 500. In November, the group's purchase of 100 shares of Apple increased our consumer discretionary weight even further, making it slightly overweight. In order to bring consumer staples down to weight, the group voted in February to sell Bunge (BG) for a 25.23% HPR. In comparison to the S&P 500, the large cap domestic fund is currently 2.89% overweight in discretionary and .23% underweight in staples.

The year's top performer in this sector was once again Disney (DIS), up over 46% over the past year, and was closely followed by Amazon (AMZN), up 39.65%. The current holdings in the consumer goods sector, and their performance since inception, include: Amazon.com Inc. (AMZN), up 114.06%; Apple Inc. (AAPL), up 2.07%; The Coca-Cola Company (KO), up 50.19%; Colgate-Palmolive Company (CL), up 60.01%; The Walt Disney Company (DIS), up 142.48%; International Game Technologies (IGT), down 15.78%; and Starbucks Corporation (SBUX), up 38.91%.

Financial Sector – Emily Durr, Senior

The calendar year 2013 started with many uneasy investors and institutions. Although showing signs of significant recovery, the financial sector experienced several challenges, testing the true strength of our economy. These host of challenges included – the government shut down which curtailed most routine operations after Congress failed to enact legislation appropriating funds for fiscal year 2014, the Fed drawback of Quantitative Easing, trouble overseas in emerging markets and Ukraine, and harsh weather decelerating economic growth to start 2014. The talks of cutting back the bond buyback program had lingered for months at the end of 2013, leaving interest rates up in the air. The Fed chose to trim the bond buy backs by $10 billion every month, as long as the economy shows stability. Interest rates have been steadily climbing as new Fed Chairwoman Janet Yellen continues trimming bond repurchases. Financial stocks have responded well to the cutting of QE, as they take advantage of rising interest rates. We remain optimistic with the economic recovery, attempting to become more on weight (currently underweight -.83) in the financial sector relative to the S&P 500.

September began with negative news concerning one of our holdings in the Large Cap Fund as the DOJ, EU, Madoff clients, and other governmental firms sued JPMorgan (JPM) for knowingly issuing dangerous mortgage back securities to their clients and taking part in unethical business practices in China. JPMorgan Chase suffered major litigation losses through out fiscal year 2013. The DOJ charged JPM with a $13 billion settlement to settle charges that the bank overstates quality of mortgages it sold to investors in the run-up to the financial crisis. This was a major step for the Department of Justice towards holding banks accountable for their behavior before the financial crisis. In Q1, they were hit with a $1.8 billion settlement for improperly carrying out home foreclosures after the housing market crisis. The JPM allegations continued through out the year, starting with the EU antitrust regulators fining JPMorgan for alleged rigging of benchmark Eurozone interest rates. JPM has paid out a total of about $20 billion in legal fees since the beginning of September, causing profit to drop 7.3%. Aside from all the legal settlements, JPM had made some big moves in in fiscal year 2013 to increase regulatory and internal controls of their business. They cut lending to risky business clients and stop nonessential business ventures, looking to scale back and tighten controls. JPM also decided to sell its physical commodities unit to Mercuria Energy Group Ltd. for about $3.3 billion, thinking commodities were too risky of a play for them. JPM slimming down, and shift to thinking smaller makes sense, since they've seemed to run into problems with regulators everywhere they turn. For this reason, JPM also announced they were entering the ETF market in order to lower stock volatility and increase profitability. JPM has returned 44.58% since we took a position on (5/10/2012) and 5.94% since last year.

It's been a recent trend in the banking industry to increase regulator, risk management and compliance controls. In a shift towards smarter "betas", BlackRock (BLK) plans to add as many as 10 new low-cost ETF's this year. They are planning on doubling down on international categories to offer the next level of exposure for investors. This announcement boosted their fourth-quarter income by 22%, as clients invested more than $117 billion in net assets into ETFs and other financial instruments. BlackRock ended the year with a record $4.32 trillion in assets under management, up 14% from a year earlier and 6% from the 2013 third quarter.

In the Large-Cap Fund we sold out of HCP Inc. (HCP) and American Capital (ACAS) due to constant negative earnings announcements and inability to keep up with rising interest rate trends. We took a position in Umpqua Holdings Corporation (UMPQ) on (2/13/2014) increasing our regional bank exposure. With this position comes exposure to a rapidly expanding, young regional bank looking to triple its size within the next coming years through its largest acquisition to date with Sterling Corporation. We expect a solid performance from Umpqua Holdings Corp., especially through out this upcoming fiscal year.

Our holdings in the Large-Cap Fund at the end of FY2013 included: JPMorgan & Chase (JPM) up 44.58% since purchase, Umpqua Holdings Corporation (UMPQ) up 8.33% since purchase, BlackRock (BLK) up 89.89% since purchase, Visa Inc. (V) up 192.97% since purchase. We finished the fiscal year -.83% underweight in the financial sector, relative to the S&P500, and plan to pick up one more financial holding to become more on weight.

Healthcare – Blake Hendricks, Sophomore

2013 proved to be a booming year in the Healthcare Sector. 1 year returns of the Healthcare Select Sector SPDRA (XLV) topped 39%, outpaced only by Technology. The strong growth within the Healthcare Sector was primarily driven by the drug makers. Biotechnology stocks outpaced the broader financial markets, which soared to record highs in 2013, with the share prices of 81 biotechnology companies more than doubling. Fifty-two life sciences companies went public on US exchanges last year, the largest number of initial public offerings in over a decade. The value of mergers and acquisitions of biotech and medical technology companies climbed more than 20 percent, to $131.8 billion. The frenzy was driven by several factors, including the increasing preference of large drug makers to buy smaller companies to acquire drugs, rather than develop them in-house, and a perception that regulators are speeding the path of new therapies to the market. The Food and Drug Administration's approval of 39 new drugs in 2012, a 15 year high, served as a significant catalyst that helped ignite the recent IPO market for new biotech firms.

After the historic performance of life sciences firms this year, we remain cautiously optimistic going forward. The industry's pipeline of much-needed therapeutics and promising startup companies remains strong, however it is unlikely this sector will see comparable gains throughout 2014 as trends in the broader market come into play.

In January 2014 the Affordable Care Act began to be fully implemented. The program experienced a "rocky rollout" as the healthcare.gov website faced a variety of glitches, thus hindering enrollment. To date, 4.2 million Americans have enrolled in the government-sponsored healthcare plan. This number is well below the administration's original target of 5.6 million people enrolled by the end of February 2014.

The medical devices industry lagged behind the overall market in the last year, returning just over 23%. In part, the slower growth relative to the Healthcare Sector as a whole can be attributed to freezes in hospital spending due to the uncertainty of the impact healthcare reform will have on costs. Additionally, a 2.3% excise tax on all medical device sales in the U.S. was implemented in January 2013. As a result, medical device suppliers have turned to overseas markets where they experienced much higher growth versus essentially unchanged sales growth in the U.S. In the long-term we expect millions more Americans to gain access to healthcare, thus boosting both medical device and drug sales. The positive and negative implications of healthcare reform will become clearer going forward, with the market responding accordingly. I expect the increase in sales to more than offset the 2.3% tax burden on U.S. sales. Short term volatility, however, can be expected as new enrollment numbers are released.

Our holdings and returns since inception are as follows:

- Celgene (CELG) 37.97%
- Biogen Idec (BIIB) 37.88%
- Allergan (AGN) 112.73%

Industrials, Materials, Energy, and Utilities – Jordan Hopper, Senior

The IMEU sector has underperformed the broader S&P 500 index for this fiscal year. Early in the year, our strategy involved capitalizing on the recovering economy and the energy renaissance that has developed in the United States. As the year progressed, we tweaked our strategy looking for dividend income by overweighting utilities. We believe this has helped mitigate some of the risks associated with the volatility of the overall market.

Our utility holdings include Duke Energy (DUK) and Kinder Morgan Energy Partners (KMP). Once again, these provide dividend income and lower our portfolios beta. Our industrial holdings include Alcoa (AA), Chicago Bridge & Iron (CBI) and General Electric (GE). Both CBI and GE are new additions to our portfolio. By adding these holdings, we are trying to capitalize on the recovering economy, which should bolster growth in the industrials sector. We also sold out of Stanley Black & Decker (SWK) and Caterpillar (CAT) and picked up CBI and GE to bring our benchmark weightings back up to weight. Our materials holding include PPG Industries (PPG), which we have held throughout the fiscal year. We have seen tremendous growth from this holding and we expect this to continue as PPG continues to obtain contracts to drive growth. Finally, our energy holdings include Exxon Mobile (XOM) and Noble Energy, both we have held throughout the fiscal year. NE gives us exposure to the energy renaissance mentioned earlier and has provided excellent returns this year. Similarly, Exxon has been a solid performer and allows us diversification within the industry because the company is such a large conglomerate. The outlook for both of these energy holdings is still promising and we expect further growth.

Heading forward we would like to see each of these sub-sectors at the appropriate benchmark weighting. Trimming our utility holdings later in the next fiscal year and bringing our energy sector back up to weight will allow us to do this.

Technology – Van Wong, Senior

2013 was a great year for the stock market. The S&P index surged 30% in a year and almost everything went up. Even though the market tumbled and had a hard beginning for 2014, it bounced back very fast in February and reached a record high in March. Compared to the 43.11% yearly return of the Consumer Discretionary sector and the 41.39% yearly return of the Healthcare sector, the Technology sector had a smaller return. Even so, we saw great momentum in this sector as the Dow Jones Technology Index increased 24% in a year.

One major trend we saw last year was that the PC industry continued to decline as more consumers shifted to mobile devices like tablets and smartphones. We also saw that the growth in virtualization and cloud computing served to worsen the decline of the hardware and equipment industry. Semiconductor companies, which were heavily reliant on the PC market expanded their products offerings to cater to the smartphone and tablet industry. The semiconductor subsector was up 29.72% last year. Applied Materials, Inc. (AMAT), which we have been holding since May 2010, had a 48.28% return since inception and was up 29.72% last year.

Cloud computing, Software-as-a Service (SaaS) and Big data were the catchphrases of the year. Companies that offer cloud computing services thundered ahead in 2013. International Business Machines Corporation (IBM), which we have been holding since May 2010, had a 48.46% return since inception, but was down almost 10% last year due to the company’s weak hardware performance. During its latest quarter, the company’s systems and technology segment sales fell 26%. However, the company’s software revenues were up 2.8%. IBM has been trying to reduce its dependency on hardware and shift its priorities to cloud computing. At the beginning of this year, the company sold its X86 low-end server business to Lenovo and completed the acquisition of Cloudant. Inc. These changes should help IBM unwind its focus on the company’s unprofitable hardware segment and extend its leadership in cloud Computing.

The internet information subsector was up 49.51% last year. The rapid growth of the online advertising market last year has allowed internet companies to expand dramatically. Google Inc. (GOOG) has increased 148.67% since its inception in May 2010 and was up 46% last year. In January this year, the company sold its Motorola handset division to Lenovo, which unwinds its costly move into the smartphone hardware industry and allows it to focus more on the expanding mobile software segment.

Currently, one of the best performing stocks in both our large cap and DADCO portfolio is Tencent Holdings Ltd. (TCEHY). We bought in 1300 shares of TCEHY in July 2013 and sold out 300 share in February 2014. TECHY has a return of 105.95% since inception. The expansion of online advertising and gaming allowed this Chinese company to expand dramatically.

Another traction we had within the Technology sector was selling out Cisco Systems, Inc. (CSCO) in November 2013.

Overall, the Technology sector performed pretty well in the previous year. We can also expect the coming year as a momentous one for this sector – especially for internet and cloud companies.

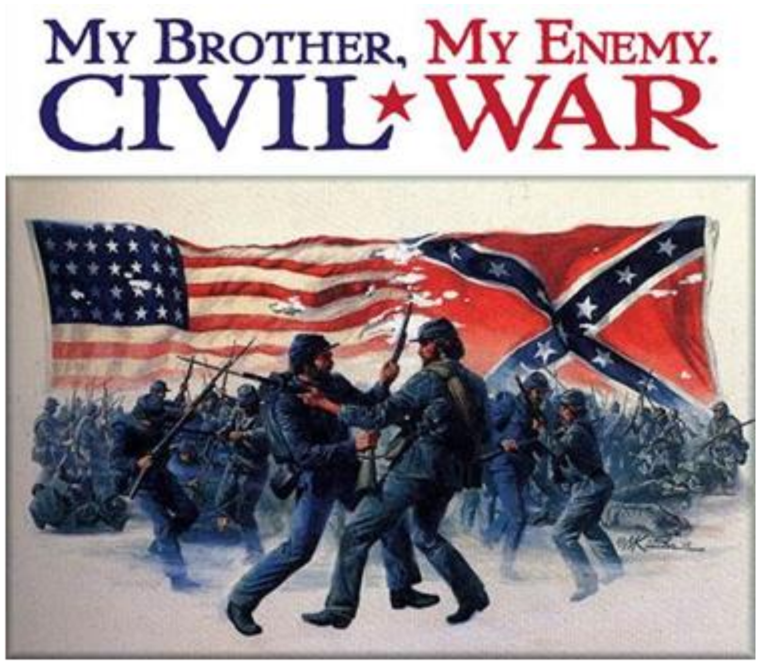
The Year in Review

5th Annual New York Trip

For the fifth year, eight of our most dedicated members were selected to attend the group's Annual New York Trip. In New York, the members had the opportunity to visit numerous prominent firms on Wall Street, including, JP Morgan, Morgan Stanley, Fortress Investments, New York Stock Exchange, and Barclays Capital. The trip has provided the members with invaluable exposure to firms of all sizes and expertise as well as exposure to various career opportunities in the financial industry. This year, the attending members had the opportunity to take a day trip to Hamilton Lane in Philadelphia to meet with the professionals of the firm with the help of our OSIG alumnus, Brooke Pollack. The trip was not only educational for the attending members, but also allowed the members to build invaluable relationships with the professionals at various Wall Street firms.

This September another group of OSIG members will be selected to attend the New York Trip once again to meet with alumni and learn about the numerous opportunities in the financial industry. As one of the financial hubs of the world, New York has presented myriad of opportunities and exposure for many of the members who attended the trip, many of whom were able to successfully launch a career with the firms that hosted the group on the trip. We remain grateful for the continued support from our alumni network as well as our donors and hope this opportunity will be a lasting tradition in the Investment Group.

OSIG & UOIG Civil War Meeting



Each year, the Oregon State Investment Group and the University of Oregon Investment Group meet to pitch companies for possible investment into our funds and network. This year, the University of Oregon Investment Group hosted our annual Civil War meeting in Eugene. Alex Markgraff represented the Oregon State Investment Group in a brother-to-brother face off against Tyler Markgraff of the University of Oregon Investment Group. OSIG analyst Alex Markgraff pitched PowerShares Chinese Yuan Dim Sum Bond (DSUM), a Chinese Yuan-denominated fixed-income ETF holding characteristically short term/high yield corporate and government bonds that are settled outside of Mainland China. Tyler Markgraff of UOIG pitched Ford Motor Company (F), one of the largest automakers worldwide with operations in North America, South America, Europe, and the Asia Pacific region. The final OSIG vote resulted in a buy for DSUM and a hold for Ford.

CFA Society Global Equity Research Competition

OSIG sent five of its members to the CFA Global Research Competition hosted by the CFA Institute. Our group consisted of Emily Durr (senior), Andrew Luckman (senior), HiuKwan (Van) Wong (senior), Nelson Ribiernerho (senior), and team captain Jordan Hopper (senior). The group competed in the Northwest round of the competition against Portland State University, University of Portland, and Washington State – Vancouver, after the University of Oregon removed themselves from participating. Each team created a research report and pitch for the financial institution Umpqua Holdings Corp (ticker: UMPQ). The winner of this round would represent the region in the United States portion of the competition, which was held in Denver, CO.

Unfortunately, the group finished second to PSU and therefore did not advance. Despite the disappointment, the CFA presented a great opportunity for the analysts to hone their research skills and display their competencies developed in school in a real world application. The group was also able to have lunch with Umpqua's CFO and network with CFA charter holders.

The group would like thank the CFA Institute and the judges of the competition. We would also like to thank Prem Mathew, our faculty advisor, for his patience and help. We would also like to thank Allen Bond, our industry advisor, and finally Carl Burgdorfer, professor at OSU, for his invaluable constructive feedback following our presentation in the Northwest regional.

Special Thanks

We would like to extend a special thanks to Dean Kleinsorge for all of the support she ahs shown the group throughout the last several years. We would also like to thank the finance faculty, specifically Jimmy Yang for advising our group, and assisting members with OSIG matters. Finally, we would like to extend our thanks to D.A. Davidson, alumni, and the OSU Foundation Board members.

Management Team and Analyst Recognition

Outstanding Analyst: [Secret]

Outstanding Sector Leader: Jordan Hopper

We are confident the 2014-2015 management team will create an environment that will further enhance the minds of the analysts, especially the handful of sophomores recruited throughout the year. The management team includes:

President: Jessica Kim

Vice President: Chris Koenig

Large Cap PM: Chase Norlin

Synthetic PM: Alex Markgraff

DADCO PM: Blake Hendricks

Consumer Goods Sector Leader: John Neri

Financials Sector Leader: Majed Abdelrasul

Healthcare Sector Leader: Cory Sinner

IMEU Sector Leader: Brandan Hopper

Technology Sector Leader: Arun Varghese

Exiting Members

OSIG Members retiring with 5 years' experience:
Brad Alvarez (JP Morgan – Investment Banking Risk Analyst – New York, NY)

OSIG Members retiring with 4 years' experience:
Riley Kinser (Union Square Advisors – Investment Banking Analyst – San Francisco, CA)

OSIG Members retiring with 3 years' experience:
Haleigh Rhea (PricewaterhouseCoopers – Assurance Intern – New York, NY)
Scott Schaub (KPMG – Audit Intern – Portland, OR)

OSIG Members retiring with 2 years' experience:
Andrew Luckman (KPMG – IARCS Intern – Portland, OR)
Brian Dinh (Key Bank – Relationship Manager Associate – Portland, OR)
Chelsea Garza (TED Investments – Founder – Hillsboro, OR)
Emily Durr (CFP Candidate)
Jordan Hopper (Boeing – Financial Analyst Rotation Program – Seattle, WA)
Michelle Hulquist (CFA Candidate)
Van Wong (CFA Candidate)

OSIG Members retiring with 1 years' experience:
William Sun (The Finity Group – Associate – Portland, OR)

2013 Summer Internships

OSIG Members with 3 years' experience:
Haleigh Rhea (PricewaterhouseCoopers – Assurance Intern – New York, NY)
Jessica Kim (PIMCO – Business Development Support Summer Analyst – Newport Beach, CA)
Scott Schaub (KPMG – Audit Intern – Portland, OR)

OSIG Members with 2 years' experience:
Andrew Luckman (KPMG – IARCS Intern – Portland, OR)

OSIG Members with 1 years' experience:
Cory Sinner (Country Financial – Summer Financial Assistant – Newberg, OR)
Jake Roselli (Harsch Investment Properties – Accounting and Finance Intern – Portland, OR)
Katie Merrill (Boeing – Product Development, Industrial Engineering Intern – Everett, WA)