Annual Report

OREGON STATE INVESTMENT GROUP

2019-2020

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Letter from the President

Stephanie Miller, Senior

Overview

I started my freshman year at Oregon State in the fall of 2016. Since my dad attended college here, I've grown up a beaver my entire life, attending football games since I was too young to remember, to traveling to the Alamo bowl in 2012, to helping my dad renovate our entire basement into a "beaver den". When I first started attending OSU, I had no idea what I wanted to major in. The College of Business provides opportunities to learn about all their major options, which I spent my first year exploring. Fast forward to fall 2017. Finance had caught my eye, and one of my good friends in the investment group suggested I apply. To my surprise, I ended up being accepted into the group, and it's been an integral part of my college experience ever since.

The Oregon State Investment Group is a student-led organization that manages approximately $2.9 million over three equity portfolios on behalf of the Oregon State University Foundation. Our largest portfolio, the Large-Cap Portfolio, is benchmarked to the S&P 500, and consists of large-cap domestic stocks. Our second portfolio, the Global Portfolio, is compared to a blended index, which is made up by the MSCI-ACWI excluding the U.S. and the S&P 500, and includes companies who generate 50% or more of their revenues outside of the U.S. Finally, we have the DADCO portfolio, a D.A. Davidson sponsored competition portfolio. This portfolio is unique because we compete against a plethora of schools to see who can generate the greatest return over one year. D.A. Davidson gives each participating school an initial $50,000. If a school can generate a minimum 5% return, the school gets to keep half of what they make.

Goals

A major goal of our Vice President, Taylor Smith, and I was to attract more high-caliber and motivated students to our group. We decided to hold a recruiting round in the spring, which is something the group rarely ever does. In the fall of 2019, we recruited the largest analyst class OSIG has ever had - 13 students. While taking in so many new analysts at once runs the risk of higher attrition and diluted work quality, we were confident in every individual we took in, and wanted everyone to have the opportunity. Now, four out of the seven incoming executive board members are from that analyst class, even though they have only been in the group for two terms. Over the year, we have recruited 24 new analysts, completed 51 investment pitches, and newly invested or increased our positions in 19 companies, none of which would be possible without the amount of highly motivated and intelligent analysts.

Concerning our goal of making our group more accessible to students, Taylor and I wanted to continue the ongoing goal of improving diversity. This year, we had our first all-female executive team, which consists of the president, vice president, and treasurer. Our group is committed to creating a diverse organization, whether that be based on gender, race, ethnicity, age, socioeconomic status, religion, major, and much more. I am pleased to say that we have recruited three MBA candidates into our group, four women, and students in an array of majors, including finance, accounting, marketing, computer science, and engineering. However, this is not enough. Our group needs more diversity, and it remains one of the most important goals of our group, and is something I am confident the incoming executive board will work even harder to achieve.

Next Steps
As my time as president comes to an end, I can't help but get excited for what the incoming executive board will achieve. The goals they have outlined are clear, and many are improving upon the goals Taylor and I set. Securing funding, increasing group diversity, and analyst retention are just a few of the things they will be working on. I am confident in the direction the group is going, and I just want to thank everyone involved in OSIG for allowing me to lead such an intelligent, driven, and outstanding group of individuals.

Special Thanks
I want to give special thanks to our faculty advisor, Jimmy Yang, Ph.D. He has been the group advisor for over 10 years, and the group wouldn't be where it is without him. Thank you, Jimmy!

Other thanks:
- Prem Matthew, CFA, for his help and leadership in the CFA challenge
- The OSU Foundation and Alumni
- The University and the College of Business

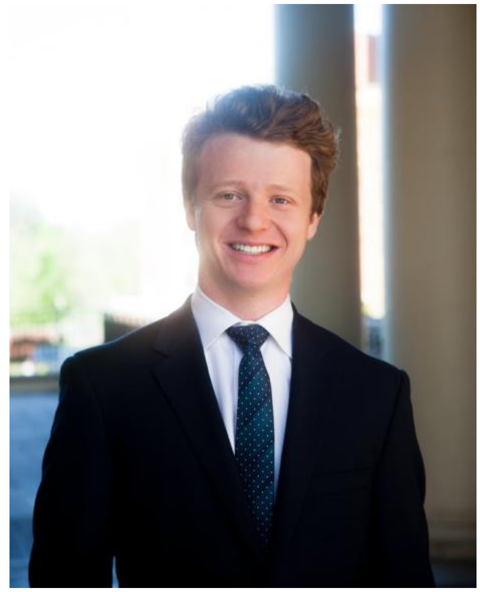
Note from the Vice President

Taylor Smith, Junior

I joined OSIG during the fall of my sophomore year because someone I knew, Ms. Stephanie Miller, said that I needed to be a part of this group. So, blindly, I applied, joined, and have since been given the most valuable experience of my college career. I have learned the power of surrounding yourself with peers who challenge you and the reward that comes with leading a group of this caliber. I am incredibly thankful for the time that I spent learning and growing with some of my closest friends. OSIG does not just teach you financial modeling and equity research, it teaches you strategy, networking, self-discipline, and ambition. This year I was able to coordinate an extremely rewarding trip to New York City where OSIG members connected with alumni, explored new career paths, and caught a glimpse of life in the financial epicenter of America. I am proud of the group comradery and attention to pitch quality that this year's Board of Directors has worked to build. I hope to see these efforts carried on by the incoming Board of Directors and I am excited to see the wealth of knowledge and spirit that they will bring. I don't feel that I will ever be able to fully convey what this experience has meant to me, but I would like to thank each and every member for sticking with me while I navigated my role and for giving me the opportunity of a lifetime.

Portfolio Performance

Large-Cap Performance – *Patrick McGrath, Junior*

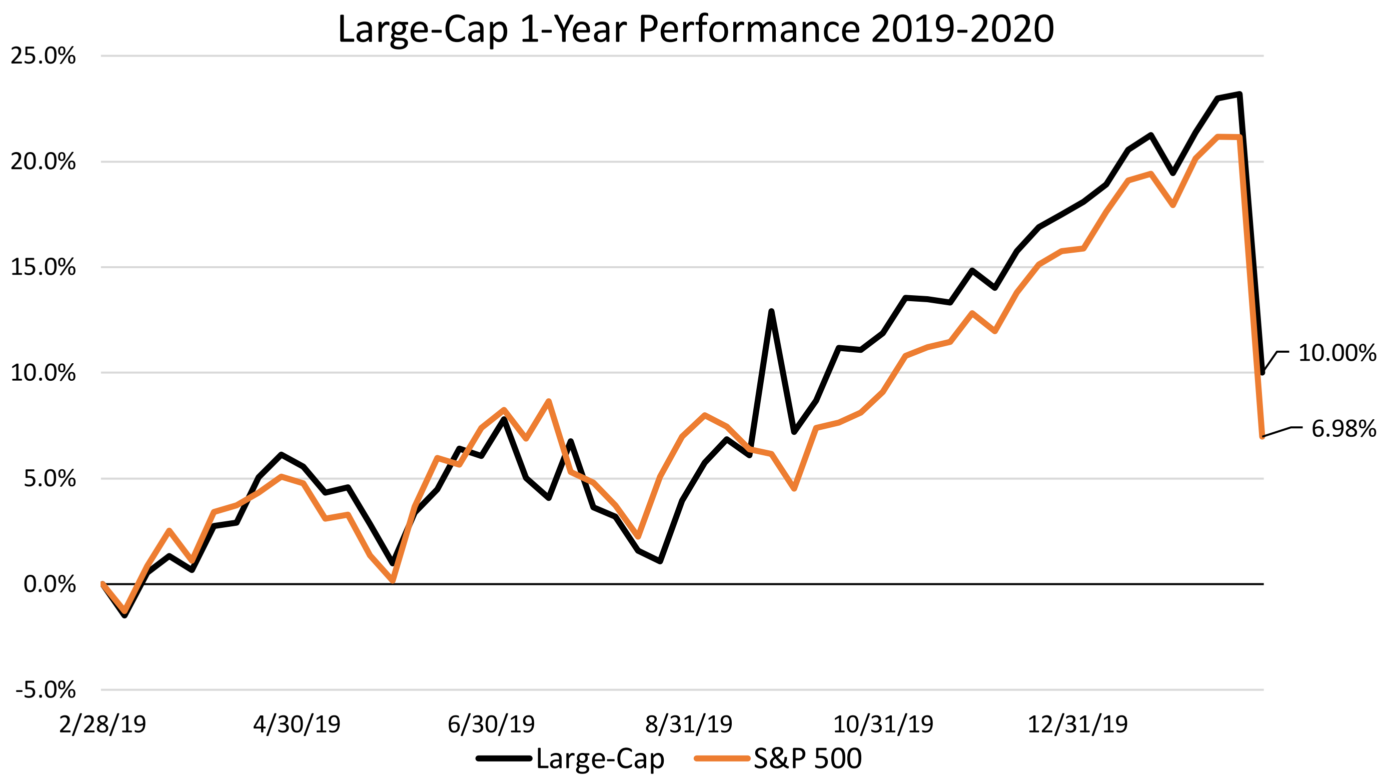


For the last year, the Large Cap portfolio outperformed the S&P 500 on a nominal basis by 329bps. With the beta of the portfolio being .89, the portfolio also outperformed the S&P 500 on a risk-adjusted basis by 469bps. This attributed to the portfolio's Sharpe Ratio being 1.30 compared to the S&P 500's of 1.06. Overall, these indicators demonstrate that as a student-led group, we could produce a superior portfolio compared to the S&P 500. At the beginning of March 2019, the portfolio was valued at $2.4 million compared to the current valuation of $2.7 million.

Over the last year, the group exited several positions that, due to both qualitative and quantitative factors, were deemed as overvalued with not enough upside to justify holding the position for the remainder of the year. These included Tapestry (TPR), Southwest Airlines (LUV), and Charles Schwab (SCHW). This increased the group's cash position, allowing the group to take on holdings that would diversify each of the sectors we have exposure in.

This year I was also able to implement a more quantitative aspect to the portfolio by adjusting weights of different holdings to maximize the portfolio's Sharpe Ratio. By finding the optimal weights for maximizing the Sharpe Ratio of the portfolio, I could reweight parts of the portfolio. Overall, examining the larger portfolio Sharpe Ratio against the S&P 500's, the strategy seemed successful. However, more steps could have been taken to readjust weights of the portfolio. Due to the large number of trades needed to completely reweight the portfolio, reweighting each holding was not possible without being labeled as a day-trader by our broker. This title would come with additional fees that overall did not fit with the group's long-term investment strategy.

Examining the macroeconomic trends that affected the portfolio for the last year, the portfolio saw swings of growth followed by corrections in the market due to trade tensions with China, uncertainty in the government, and the coronavirus. The coronavirus led to a large loss in a very short period with the portfolio having a loss of 10.7% over a one-week period. However, these factors were only short-term affects that the group thought would not adversely affect our long-term edge over the S&P 500.



Global Portfolio Performance – *Paul Hudson, Junior*

The Global portfolio returned 28.77% for the year ended December 26, 2019. Year to date performance for 2020 currently sits at 1.63%. This brings inception to date performance to 21.94% as of February 20, 2020.

The portfolio performed well and overcame negative returns at the beginning of the year that was largely driven by fears of U.S. and China trade tensions, coupled with uncertainty in European markets attributed to Brexit. Looking forward, concerns regarding the coronavirus pose a risk to the future performance of the portfolio. Economists predict short-term effects could be substantial, although the long-term outlook is not as dire. We continue to monitor the situation and note that there is a risk of high volatility in the short term, as many companies have halted operations in the Asia-Pacific region for the time being—ultimately affecting company earnings.

This year, my primary goal for the Global portfolio was to continue a strategy focused on tapping into emerging markets, building diverse exposure in Healthcare, IMEU, Financial, and Tech sectors, and decreasing our cash position to fit portfolio guidelines. Six equity positions were initiated in total. The companies introduced to the portfolio were **HDB** (Financial), **CNI** (IMEU), **ABT** and **DHR** (Healthcare), **VMW,** and **XLNX** (Information Technology). The addition of these six equities brought the total cash position down from 35.00% to 6.56%. The portfolio's top contributors were **AAPL**, **ASML**, and **EL**. Significant bottom performers that detracted from additional returns were **XOM**, **HDB**, and **XLNX.** During spring, we liquidated our **WP** position as it was acquired by **FIS** and no longer qualified for the portfolio.

Portfolio Additions:

HDFC Bank Limited (HDB) is one of the largest banks in India and provides banking and financial services. Headquartered in Mumbai, India, the company operates in retail and wholesale banking, treasury, and other banking functions. Analysts found catalysts for long-term growth for the bank to be a digital focus to provide better customer experience than competitors, value creation from HDB financial services, and key partnerships with the continuous addition of new products.

Canadian National Railway (CNI) specializes in transporting cargo, serving exporters, importers, retailers, farmers, and manufacturers. Analysts found that primary catalysts for long-term growth include its size and strength to capitalize on growing economies of North America due to their large presence in Canada and the United States in addition to a strong balance sheet with a commitment to maintaining equipment at a high standard, shown by their increasing return on assets.

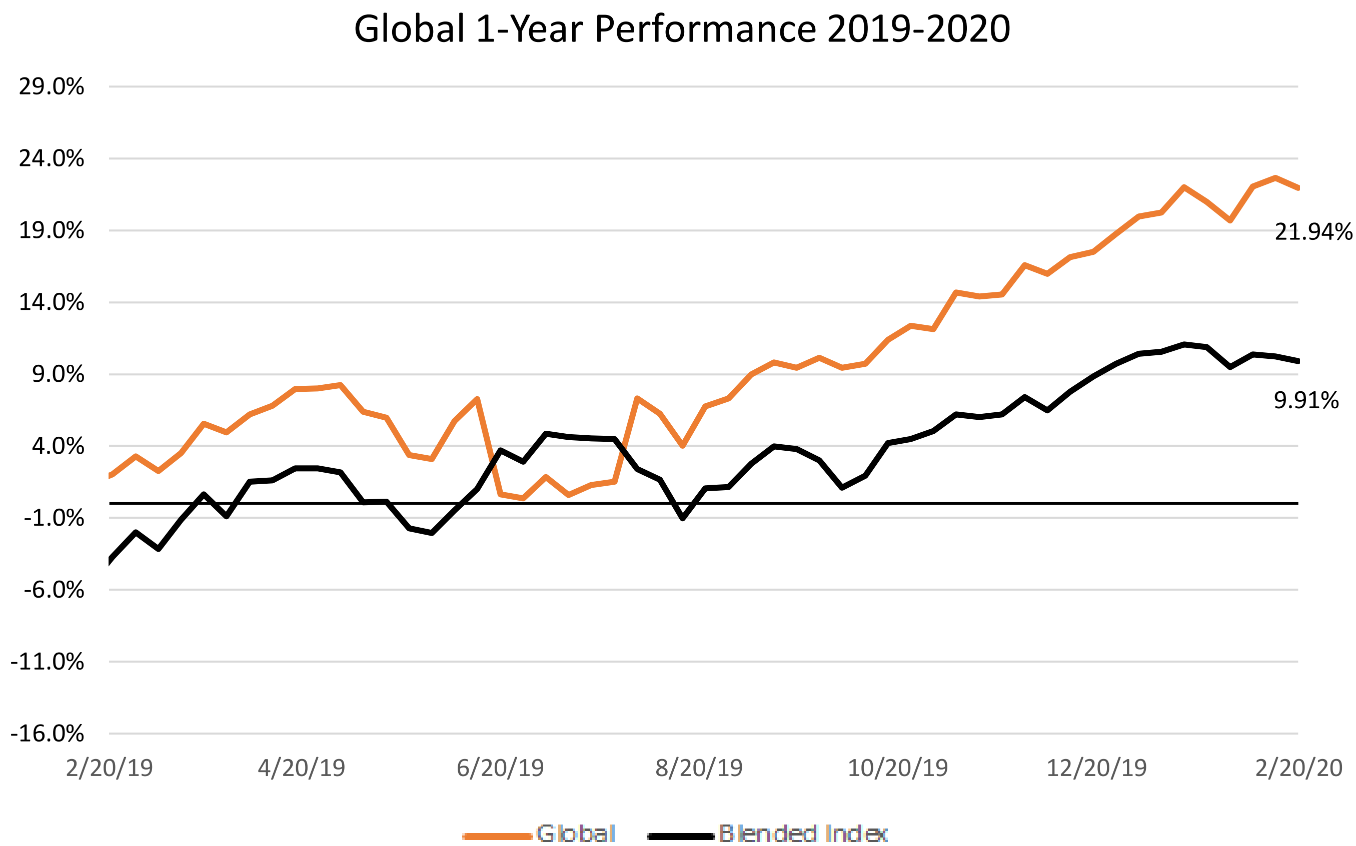
Abbott Laboratories (ABT) is a healthcare and medical device company that operates within five segments: established pharmaceutical products, diagnostic products, nutritional products, cardiovascular and neuromodulation products, and other products. Primary catalysts for long-term growth include the successful integration of new acquisitions, strong and diverse product lines, expansion into emerging markets, and an aging population that Abbott is well equipped to provide for.

Danaher Corporation (DHR) is a globally diversified healthcare conglomerate that operates as a medical company that designs, manufactures, and markets healthcare, environmental, and industrial equipment. It operates in three segments: Life Sciences, Environmental and Applied Solutions, and Diagnostics. Primary catalysts for long-term growth include the completed acquisition of GE's Biopharma business, increased return on assets, spinoff of underperforming dental segment allowing the company to focus on main segments, and a decrease in SG&A costs.

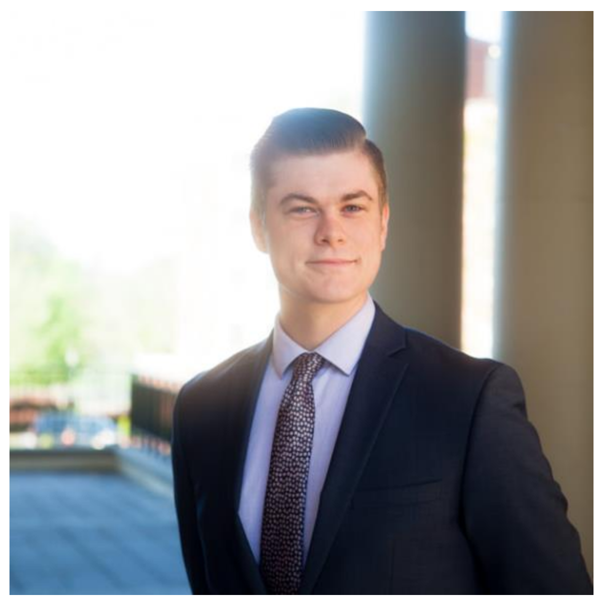
VMware (VMW) is an Infrastructure as a Service (IaaS) company that aims to provide digital foundations for customers managing their IT resources on private clouds, multi-cloud, and multi-device environments. Catalysts for long-term growth include strategic acquisitions that bring new technology and build on current key growth areas and company environmental policies, serving as a gateway to ESG funds that will directly increase the firm's value.

Xilinx (XLNX) develops and manufactures processing platforms that aid in the discovery of innovative breakthroughs related to consumers, cars, and the cloud. Catalysts for long-term growth include a global shift towards automated vehicles, implementation of 5G and data centers worldwide, and increased presence of AI technology globally.

*Disclosure: company descriptions and catalysts for long-term growth were pulled directly from analyst reports.



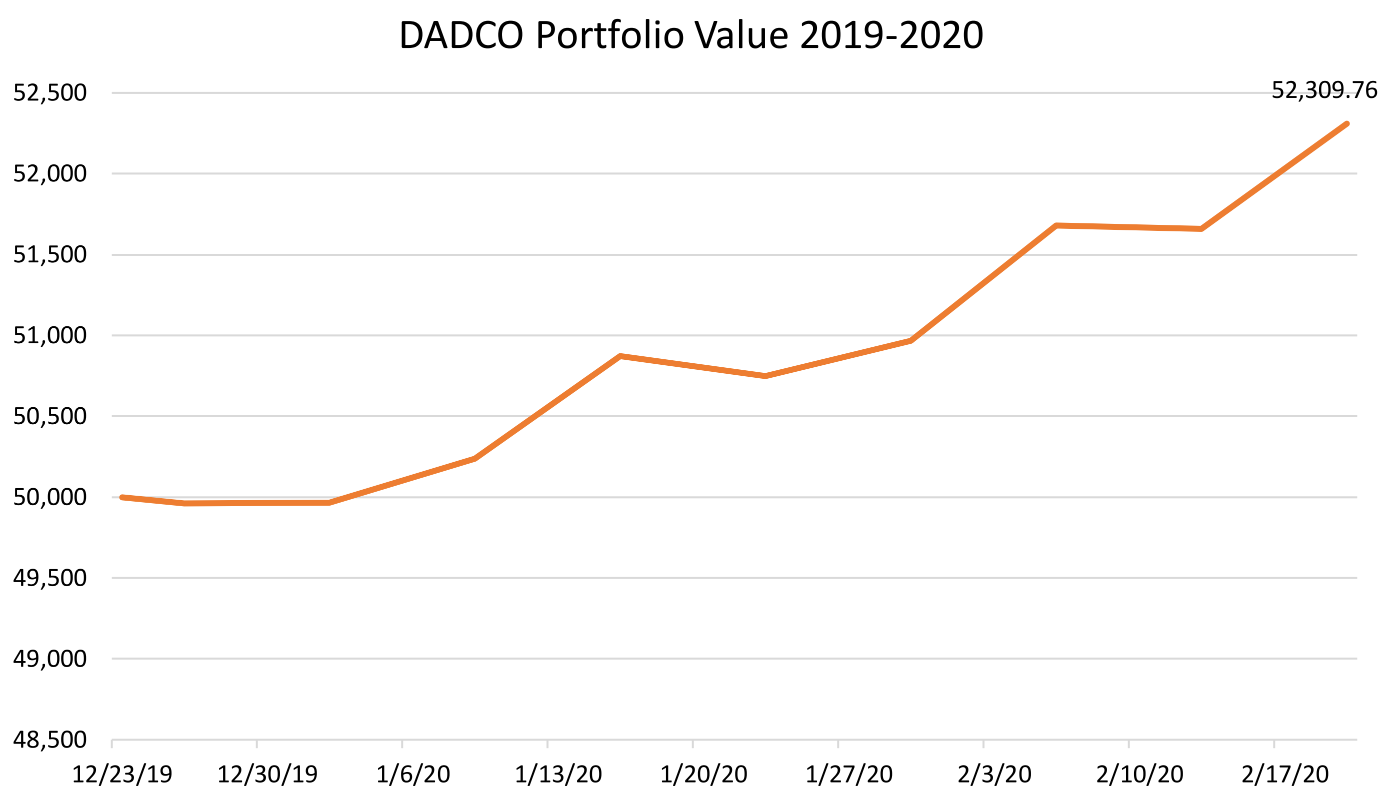
DADCO Portfolio Performance – *William White, Junior*



The D.A Davidson Student Investment Program is an annual competition established in 1985 to provide students with experiential education in active management. There are currently 20 universities throughout the nation involved in the program. The competition resets every September 1st, and the portfolios are rebalanced to $50,000. Ending returns over 5% are split evenly between D.A Davidson and the universities. Because of the limited, one-year time horizon for the competition, the group's strategy for this portfolio was centered around equities with macroeconomic catalysts that would be realized quickly. Due to recession indicators in quarter 4 of fiscal year 2019, the portfolio was balanced around hedged securities that would protect alpha in the event of an economic downturn.

The portfolio is currently valued at $52,309 with a performance since inception of 4.54%, slightly underperforming the S&P 500 due to broad-market tailwinds. The portfolio is currently comprised of four equities including Houlihan Lokey (**HLI**), MasterCard (**MA**), Edwards Lifesciences (**EW**), and Walmart (**WMT**). Through the financial holdings of HLI and MA, the group looked to diversify the portfolio with global revenues and restructuring, which would perform well counter-cyclically to the macroeconomic environment. With the purchase of EW, the portfolio had exposure to healthcare and consumer-related technologies, with the most notable product being their transcatheter aortic valve replacement (TAVR), which provides artificial heart functions to patients. Finally, the holding of WMT allowed the portfolio to be exposed to a low-cost consumer platform which would perform well in an economic slowdown.

The portfolio's highest performer of the year has been HLI, with a gain of 15.88% since inception. Increasing demand for capital structuring services, as well as notable collapses of companies such as WeWork allowed for Houlihan Lokey to consistently outpace analyst expectations. The portfolio's lowest performer of the year has been WMT, which has dropped 1.03% since inception. Underwhelming performance during the holiday season as well as an earnings call miss has led to investor skepticism for Walmart.



Sector Analysis

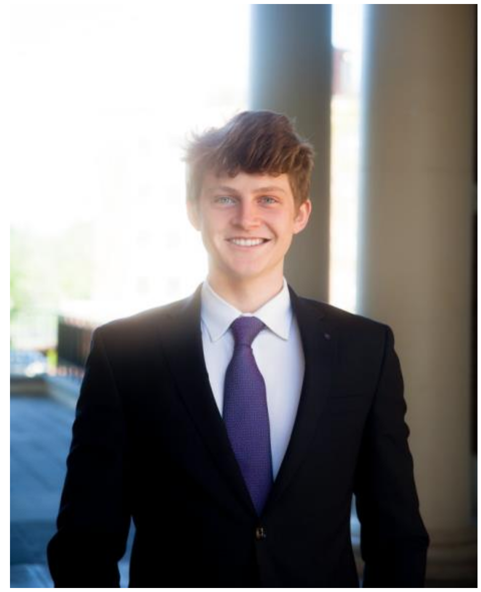
Healthcare Sector – Cole Arenz, Senior

Starting in the spring of 2019 as the healthcare sector leader, I was "bullish" on the sector. I expected another year of healthcare companies consistently beating earnings and EPS expectations, as well as outperforming our benchmark, the S&P 500. Sector drivers included a growing and aging population, rising prevalence of chronic diseases, evolving care models, and the growing expansion of healthcare systems in developing markets. The healthcare industry generally has a beta of between 1.00-1.30, indicating that it is mildly correlated with the market. That has been a positive catalyst, since the S&P this year is up 19.37% while our Large-Cap healthcare sector is up 30.93% this year. Even though in 2019 the U.S. was entangled in a trade war with China, the President was impeached, and the coronavirus came into the spotlight, the economy has stayed strong, thanks in part to the Federal Reserve lowering its interest rates three times in the second half of the year. Looking forward to 2020, I don't expect the same double-digit returns of 2019 but I am still "bullish" that the market will bounce back after the coronavirus scare. Along with this, the 2020 election will likely have a short-term impact on the outlook of the healthcare industry. However, due to bipartisan disagreement I wouldn't expect too much change in the healthcare sector going forward.

As a final note, our Large-Cap healthcare sector outperformed the S&P 500 by 11.56%. The holdings that helped contribute to this outperformance were (ZTS; 53.58%), (MDT; 22.95%), and (CVS; 15.33%), while a holding that underperformed the S&P 500 was (JNJ; 9.56%). Along with this the healthcare sector added two holdings in the Global portfolio; Abbott Laboratories (ABT) on 11/6/2019 and Danaher Corporation (DHR) on 1/15/2020.

Ticker	Percent Change From 2/20/2019 to 2/21/2020
ABT	6.08% (***purchased week of 11/7/19)***
CVS	15.33%
DHR	(0.77%) (***purchased week of 1/16/20)***
JNJ	9.56%
MDT	22.95%
ZTS	53.58%

Financial Sector – *Nolan Eggert, Junior*



This year went exceptionally well for OSIG's financial holdings. However, the sector saw a lackluster performance, trailing the S&P 500. The Financial Select Sector SPDR ETF (XLF) saw returns for the period at 19.65%, compared to the S&P 500's 21.56% gain over the same period.

In 2019, the Federal Reserve implemented three rate cuts, dropping the target federal funds rate a total of 75 basis points, from 2.00%-2.25% down to 1.50%-1.75%. As rates were cut, interest margins for banks were compressed. Regulatory burdens remained high, and areas like asset management and brokerage services suffered from severe price competition and low short-term interest rates. The financial sector was inhibited by these rate cuts, but was bolstered by strong equity markets. Overall, the financial sector trailed the S&P 500 by just 1.91%.

When it came to OSIG's financial sector performance, a whopping gain of 31.73% was realized, beating the industry by 12.08% and the S&P 500 by 10.17%. The sector's top performer of the period was Blackstone (BX), seeing an extraordinary gain of 88.78% over the period. In July, the alternative investment giant converted from a partnership to a C-corporation, the more common form of publicly traded stock. This move opened the firm's shares to many index funds and mutual funds, who had been precluded from buying the stock previously. This change, along with the massive flow of capital into private markets and the fact that firms like Blackstone are less regulated than banks and other financial institutions, has allowed Blackstone's stock price to see rapid growth.

Blackrock (BLK) and JP Morgan (JPM) also had outstanding years, up 30.32% and 30.26%, respectively.

The sector's bottom performer was Simon Property Group (SPG), down 23.06% over the period. Feeling the burn of the retail apocalypse, the mall owner has reacted to its troubles with several aggressive acquisitions that they hope will keep them afloat.

During the period, the only position initiated was Simon Property Group (SPG), at a weight of 2.77% of our total Large-Cap portfolio. This position was initiated at the very beginning of the period and is included in sector performance calculations. The only position closed during the period was The Charles Schwab Corporation (SCHW). Houlihan Lokey (HLI) was also recently initiated into our DADCO portfolio but is not included in sector performance calculations. While MasterCard (MA) was also initiated and operates in financial services, it is classified as more of a technology company.

Ticker	Percent Change From 2/20/2019 to 2/21/2020
BLK	30.32%
BNS	(1.47%)
BX	88.78%
HDB	15.76%
JPM	30.26%
SPG	(23.06%) (***purchased week of 2/28/19)***
USB	7.35%

Industrials, Materials, Energy & Utilities Sector – *Brett Thompson, Sophomore*

Since taking over the IMEU (Industrials, Materials, Energy, and Utilities) sector in late November of 2019, the holdings we currently own have performed better than any other sector in the Large-Cap portfolio. However, IMEU has struggled a bit in the Global portfolio mainly due to Exxon Mobil's poor recent performance.

Over the past year, we had three initiation pitches. We pitched Exelon (EXC), but did not purchase it mainly due to us already holding NextEra Energy and seeing Exelon was no better than NextEra. We also pitched Waste Connections Inc. (WCN), but also chose not to purchase it. Canadian National Railroad Company (CNI) was also pitched and purchased in the Global portfolio due to most of its revenues coming from Canada. We also had updates on NextEra Energy (NEE), and Exxon Mobil (XOM), which we voted to continue to hold. Southwest Airlines (LUV) was also updated, which we chose to sell due to poor recent earnings and projections, as well as them not being the top airline company in our eyes.

Companies held in February of 2020 include FedEx Corporation (FDX), General Dynamics Corporation (GD), Honeywell International (HON), Marathon Petroleum (MPC), Pioneer Natural Resources (PXD), NextEra Energy (NEE), Canadian National Railroad Company (CNI), Exxon Mobil Corporation (XOM), and Xylem Incorporation (XYL). Of these nine companies, NextEra Energy has performed best in our past fiscal year, up 45.06%. NextEra Energy has been growing consistently over the past three years and has continued to grow over the past year. NextEra has released positive quarterly earnings over the past year and investors have been reaffirmed as they have met many expectations and had steady revenue growth of 4.5% year over year. The worst performer of the year is Exxon Mobil, down 23.03% over the past year. Exxon Mobil has seen a steady decline in its stock price over the past year primarily due to the large plunge in oil prices. Oil has fluctuated a lot over the year but is currently at its lowest price in the past year. Part of the major oil concern is surrounding the coronavirus, as there are many concerns regarding the upcoming demand for oil.

Currently, we do not have much presence of IMEU stocks in the Global portfolio or the Large-Cap portfolio, but based on the past year's performance in the Large-Cap especially, we will be looking to increase our holdings as well as introduce new IMEU stocks to the portfolio. Hopefully we can acquire a profitable airline stock as air travel is becoming increasingly common each year.

Over the past year, the IMEU sector has performed very well in our Large-Cap portfolio as shown below. With potential updated weights and initiation pitches, we hope to increase our presence in the IMEU sector and continue to see the growth we had in the past.

Ticker	Percent Change From 2/20/2019 to 2/21/2020
FDX	(9.65%)
GD	8.30%
HON	19.63%
MPC	(2.64%) (***purchased week of 2/28/19)***
PXD	4.69%
NEE	45.06% (***purchased week of 3/14/19)***
CNI	5.51% (***purchased week of 10/24/19)***
XOM	(23.03%)
XYL	19.29%

Consumer Sector – *Harnoor Gill, Senior*

The consumer goods sector relies heavily on key economic factors and metrics such as consumer confidence, disposable income, interest rates and unemployment rates. These economic factors have a large impact on consumer spending and consequently, the performance of consumer discretionary and staples stocks. Although we have seen a recent period of economic expansion, there is increasing uncertainty around future economic conditions.

Over the past year, this sector has had a strong performance. There has been a slight change in the Consumer Confidence Index from 130.70 in February 2019 to 131.40 in February 2020. Along with an improvement in consumers' short-term expectations, employment growth has remained steady. Spending and economic growth in the near term is expected to remain solid.

Since 2019, disposable personal income has increased from $14,848 billion to $15,100 billion. Similarly, personal consumption expenditures (PCE) increased from $14,266 billion in 2019 to $14,800 billion in 2020. Positive contributions from PCE were reflected in real GDP growth of 2.3% in 2019. However, GDP growth is estimated to slow to 2.0% in 2020. This slowdown can be attributed to trade disputes and slowing global growth while domestic labor market conditions and employment opportunities remain healthy. Labor market conditions have helped drive the unemployment rate to low levels and hold nominal wage growth at 3% over the past year. Interest rates also impact consumer spending indirectly but fortunately, the Federal Reserve intends to keep interest rates steady for this year.

Near the end of 2019, the coronavirus began weighing against a strong U.S. economy and a tight labor market. Although the effects of the coronavirus are expected to be short-term, consumer companies have felt the impact of it firsthand. Furthermore, a shorter holiday season in 2019 has been reflected in the FY19 earnings reported by retailers such as Home Depot. The strongest performing holding in the consumer sector was Costco, which rose 50.44% YTD. Costco was followed by Estee Lauder Companies with a gain of 33.70%.

Ticker	Percent Change From 2/20/2019 to 2/21/2020
BABA	23.80%
COST	50.44%
DIS	22.60%
EL	33.70%
HD	28.60%
IFF	2.70%
SBUX	23.56%
STZ	25.20%
TJX	26.29%

Technology Sector – *Kopal Sinha, Junior (written by Will White)*

The fiscal year of 2019 left little to be desired for tech equities on a global level. The group's technology holdings gained 42.97% on a 1-year time horizon, outperforming the SPDR Technology Fund (XLK) on the same annualized gains. The group's technology holdings focused on equities that were well-positioned to capitalize on popular industry trends, while still fitting financial undervaluation metrics.

Strong consumer spending was at the forefront of the technology holdings' success for fiscal year 2019. The group saw gains across the board in the telecommunications and consumer technology sub-industries, with companies such as Adobe (ADBE) and Google (GOOGL) gaining sizable competitive advantage within their respective industries and positioning them well for future growth. With the immense growth seen by technology companies propelling the group's portfolios, the substantial technology weighting seen by the Large-Cap proved instrumental in the success of the portfolio for fiscal year 2019. However, some holdings saw drastic volatility within their equity pricing, including the holdings of Cisco (CSCO) and Activision Blizzard (ATVI). With much controversy surrounding ATVI, including mismanagement and ties to the Chinese government, the equity failed to generate alpha against the SPDR. The group carefully monitored these holdings and continued to have strong convictions about their performance due to their YOY revenue increases as well as low valuation.

Of the best performers within the group's technology holdings, much of the alpha generated was through the accelerating growth of cloud networking platforms. Companies such as CSCO and GOOGL saw substantial segmented revenue generation through their established cloud platforms. The group continues to monitor this trend and seek alpha generation given appropriate financial valuation.

Other technology performers such as Salesforce (CRM) experienced rapid growth due to the increased exposure and usage of their platform. The immense gains through Salesforce's Customer Relationship Management platform propelled the equity to a 52-week high. AT&T (T) remained lackluster through the growth of the portfolio, but was carried forward through the gains of the other technology holdings.

The group is very pleased with the technology sector's performance last year and expects strong results in the coming year of 2020.

Ticker	Percent Change From 2/20/2019 to 2/21/2020
AAPL	87.24%
ADBE	46.65%
ASML	74.35%
ATVI	52.74%
CRM	4.05% (***purchased week of 1/30/20***)
CSCO	(5.50%)
GOOGL	37.09%
VMW	2.98% (***purchased week of 2/6/20***)
XLNX	(0.69%) (***purchased week of 2/13/20***)

Education Chair

Kyle Getsiv, Senior

As this position is still relatively new, I was given a lot of freedom in what I wanted to make of my position as the education chair. One of my main goals was to organize all of our training modules to better teach first-term analysts common valuation techniques. I started by updating our report, workbook, and presentation templates to double-check that calculations were correct and the right areas of the company, industry, and valuation were being covered. I also spent time going through all our training modules and organizing them in our shared drive so that they were easy to find and use. I also added more training material, specifically some write-ups on how financial institutions differ from others and valuation techniques used for that industry.

My second goal was to improve the process in which analysts' models and research reports were reviewed and taught, to help get analysts to deliver their best work in their pitch. Something I stressed in my time in this position was how important it was to have analysts' reports and models reflect their investment thesis. Assumptions in financial models needed to be explained and justified in the report with a mix of qualitative and quantitative research behind it, while catalysts, risks, and predictions needed to be shown in the company forecasts made. I also made an emphasis that the models weighted in their final valuation should be consistent with their view on the company makeup and the industries they operate in. To accomplish these, I hosted weekly training sessions where I would explain how to complete the calculations in financial models, the logic as to why they work, and the areas of research that would affect their key assumptions and their methods of weighing certain models.

Overall, I tried to make all of our training material easily available and help analysts learn the workings of financial valuation quickly so they could focus on the "why" in their pitches. This led to many analysts, myself included, constantly asking ourselves why we used what we used and critically thinking about what went into our investment thesis. I had an amazing time in this position and cannot wait to see what the group does from here!

Year in Review

12th Annual New York Trip

The Oregon State Investment Group's 12th annual trip to New York City took place this September 16th-21st. Ten students were given the opportunity to attend this trip to expand their professional networks, learn about different career paths, and experience the financial epicenter of America. Students were able to make meaningful connections with OSU and OSIG alumni, as well as connections outside of the beaver network. This trip was made possible by generous funding from the College of Business Finance Department and the Tom Toomey Learning Labs Initiative. The group arrived Sunday afternoon and the week commenced that evening with a group dinner in Manhattan. At dinner, the group was able to decompress before an action-packed week of meetings. Monday morning marked the first day of meetings as the group headed to a long-standing employer of OSIG members, US Bank. The group had the opportunity to chat with OSU alumni, learn about the company’s different divisions, and get a tour of the trading floor. Next, the group headed to Madison Square Park for a quick lunch at Shake Shack, which quickly became a group favorite on this trip. The second meeting of the day was with OSIG alumni, Bryan Wynn, at Credit Suisse. While talking to Bryan the group got some pointers on interview techniques, submitting applications, and transitioning from Corvallis to Wall Street.

On Tuesday, the group’s first meeting was with Alkeon Capital Management, a technology-focused hedge fund based out of San Francisco. This was a new firm to the group and proved to be a valuable experience as students learned different roles within hedge funds and alternative investment strategies that capitalize on innovation. After a short lunch break exploring Chelsea Market, the group headed to the Google office in Chelsea. The group was given a tour of the facilities, lots of free snacks, and engaged in a conversation about finance at Google with Raj Hathiramani, a senior manager at Google. After a long day of meetings, the group explored the festivities in Times Square and went to the famous Los Tacos No. 1.

On Wednesday, the group met with recruiter Chantell Chimbo, at PIMCO. The group learned about positions at PIMCO, experiences for students, and got a tour of the trading floor which featured a “Welcome OSIG” ticker circling the room. Shortly afterward, the group met with Joshua Bruegman in Morgan Stanley’s Wealth Management division. Josh shared his experience in wealth management and his transition between firms. This meeting was slightly different than the groups’ typical banking focus and provided refreshing variety and a different perspective on the industry.

On Thursday, the group visited recent OSIG alumni, Chiara Marzi, and UO alumni, Nishan Senthirajah. They held a candid discussion and Q&A session regarding the transition from intern to full-time employee, moving from Oregon to New York, and the realities of investment banking. Hearing from recent graduates provided students with a lot of great advice on navigating their careers after college. With only one meeting on Thursday the group could explore other areas of the city, such as DUMBO and Brooklyn. The night ended with another group dinner to discuss the week thus far and reflect on meetings.

The groups’ last full day started with a visit to JP Morgan that was hosted by OSIG alumni Brad Alvarez. Brad chatted with students about roles within JP Morgan and his experience at the firm. Following a quick lunch, students met with recruiters at Ernst & Young, another first-time visit, where they learned about different roles within public accounting, programs for students, and career options where finance and accounting intersect. Much like Morgan Stanley, this visit was a nice change for students and catered to the several accounting majors that attended.

In closing, this trip was full of new experiences, career exploration, and peer-to-peer bonding. This trip consisted of ten high achieving students, nine meetings, three new firms, one amazing faculty advisor, lots of great food, and endless memories and experiences. Thank you to everyone who sees the immense value this trip holds and helped make this experience possible.

CFA Global Research Challenge

This year the Oregon State Investment Group sent four members to Portland to compete in the CFA Institute Research Challenge. In this event, teams from all over the region put together pitches and recommendations on a company assigned by the CFA board. This is a global challenge in which regional, national, and global competition rounds are held. This year the company was Portland-based Schnitzer Steel Industries, Inc. ($SCHN). The group's team, consisting of Nolan Eggert (junior), Will White (junior), Tyler Jacobs (senior), and Brett Thompson (sophomore) pitched a sell on the company, finding an intrinsic value of $16.35, representing a -4.6% margin of safety on the pitch date 02/21/2020. The group's team lost by a very small margin to the University of Oregon's MBA team.

Civil War Pitch (U of O vs. OSU)

The annual civil war between the Oregon State Investment Group (OSIG) and the University of Oregon Investment Group (UOIG) was hosted in Eugene this year. This year's civil war featured a speaker, Terry Cook, a U of O alumni that recently launched his own wealth management firm. Students engaged in a discussion surrounding the importance of holistic financial management and navigating different career paths within finance. This year Taylor Smith, Vice President, and Kyle Getsiv, Education Chair, represented OSIG with a buy recommendation on VMware Corporation (VMW) at an intrinsic price of $170.54 and a margin of safety of 17.4%. Jeffrey Yang and Amahn Enayati represented UOIG with a buy recommendation on Herman Miller Inc. (MLHR) at an intrinsic price of $47.10 and a margin of safety of 16.12%. Following the pitches, OSIG initiated a position in VMW for the group's Global portfolio and chose not to initiate MLHR.

Awards and Internships

Kobe Craig – Analyst of the Year

Kobe Craig was awarded Analyst of the Year for his outstanding performance and dedication to the group upon joining. Notably, both pitches Kobe has completed since joining the group have met or exceeded expectations. In addition, Kobe has shown a strong work ethic, motivation, and commitment to the group.

Nolan Eggert – Sector Leader of the Year

Nolan Eggert was awarded Sector Leader of the Year for his outstanding commitment to his sector and the success of his analysts. He became a sector leader shortly after joining the group, but that did not deter him from being one of the most dedicated and helpful sector leaders. Nolan would consistently go above and beyond to ensure his analysts were on the right track.

Mackenzie Thibault – Most Improved Analyst of the Year

Mackenzie was awarded Most Improved Analyst of the Year due to her tremendous development and progress in the group over the past two terms. Mackenzie is currently an MBA candidate, but completed her undergraduate degree in neuroscience. When joining the group, she claimed many of the concepts were new to her, but she was quick to show her interest and intent to succeed. Now, Mackenzie is one of our strongest analysts.

Cole Arenz – Most Improved Analyst of the Year

Cole was also awarded Most Improved Analyst of the Year due to his long-term group development and his enhancement of technical skills. Cole is pursuing his degree in accounting, and has successfully used his degree-related knowledge to better the group's understanding of accounting practices. Notably, Cole's most recent workbook for Danaher Corporation (DHR) was exemplary, and can now be used as a guide for new analysts.

Kyle Getsiv – Outstanding Service

Kyle Getsiv received an award for Outstanding Service due to his exceptional commitment to the group. Kyle was the group's education chair – a relatively new position. The purpose of this position is to enhance the training materials and quality to better equip our analysts. Kyle implemented many new ideas and materials for our training programs. He consistently exceeded his role expectations. As a result, our new analysts have been able to understand the meaning and technicalities behind the work they produce, resulting in better pitches and ultimately, better investments.

Exiting Members' Full Time & Internship Positions

Cole Arenz, Tax/Audit Intern, Moss Adams, Portland, OR – Internship
Kyle Getsiv, Investment Banking Intern, BTIG, San Francisco, CA – Internship
Harnoor Gill, Risk & Financial Advisory Consultant, Deloitte, Portland, OR – Full Time
Andrew Macmillan, Portfolio Monitoring Analyst, U.S. Bank, Portland, OR – Full Time
Stephanie Miller, Asset Management Intern, UBS Financial Services, New York, NY – Internship

Returning Members' Internships

Nolan Eggert, Investment Banking Summer Analyst, KeyBanc Capital Markets, Portland, OR
Braeden Kuether, Treasury Intern, Point72, Stamford, CT
Cooper Lash, Financial Analysis Intern, Absolute Internship Program, London, UK
Gus Light, Sales & Finance Intern, Cloud Campaign, Portland, OR
Patrick McGrath, Software Engineering Intern, Google, Mountain View, CA
Garrett Mott, Portfolio/Relationship Management Intern, U.S. Bank, Portland, OR
Joseph Noonan, SharePoint & Software Development Intern, Wilson Construction Company, Canby, OR
Taylor Smith, Assurance Intern, PwC, San Jose, CA
Will White, Financial Analyst Intern, Tektronix, Beaverton, OR

Incoming Executive Board Bios

Patrick McGrath – President

Patrick joined OSIG in the winter of 2018. Before being elected President, Patrick was serving as the Large-Cap Portfolio Manager. Patrick enjoys the team aspect of the group. Starting as a Technology Sector Analyst, tech remains the most innovative sector in his opinion. Majoring in electrical engineering and computer science, Patrick recently completed an internship at Google in data analytics. With great interest in technological analytics, Patrick is interested in pursuing a career as a trader or quantitative analyst. In his spare time, Patrick enjoys playing soccer and tennis, hanging out with friends, and investing his personal equity portfolio.

Mackenzie Thibault – Vice President

Mackenzie joined OSIG in the fall of 2019. Before becoming Vice President, Mackenzie was an analyst in the technology sector. Mackenzie says her favorite part of OSIG is being able to step outside of her comfort zone and challenge herself in new ways. Mackenzie is currently pursuing her MBA in Corporate Finance and completed her undergraduate degree in neuroscience at the University of Michigan. Before coming to OSU to complete her MBA, Mackenzie worked at a physiology lab at the University of Michigan conducting research and patient care. Currently, she is interested in career opportunities related to corporate finance or management roles within bioscience or technology companies. In her spare time, Mackenzie enjoys reading, traveling, exercising, and hanging out with friends.

Brett Thompson – Treasurer

Brett joined OSIG in the spring of 2019. Prior to being elected Treasurer, Brett served at the IMEU Sector Leader. Before that, he was a Consumer Goods Analyst. Brett enjoys taking deep dives into companies to better gauge their value. Brett continues to find interest in the consumer goods sector. Majoring in finance, Brett is interested in finding opportunities in investment banking and corporate finance. In his spare time, Brett enjoys playing golf, football, basketball, volleyball, skiing, cooking, and hiking outdoors.

Parker Atkinson – Large-Cap Portfolio Manager

Parker joined OSIG in the fall of 2019. Before taking on the role of Large-Cap Portfolio Manager, Parker was an analyst in the financial sector. Parker's favorite part about OSIG is the opportunity to meet tons of new people who work hard and will be successful after college. Majoring in finance and accounting, Parker completed an internship with Morgan Stanley Wealth Management, and is currently interested in career opportunities related to auditing and financial analysis. In his free time, Parker enjoys rafting, hiking, playing guitar, and traveling.

Kobe Craig – Global Portfolio Manager

Kobe joined OSIG in the fall of 2019. Before being elected Global Portfolio Manager, Kobe was an analyst in the consumer goods sector. Kobe's favorite part of OSIG is the competitive yet collaborative nature of the group. Majoring in finance, Kobe will be interning at Keturi LLC this upcoming summer in equity research. Eventually, Kobe is interested in career opportunities relating to portfolio management and wealth management. In his spare time, Kobe enjoys golfing, snowboarding, traveling, and hanging out with friends.

Braeden Kuether – DADCO Portfolio Manager

Braeden joined OSIG in the fall of 2019. Before being selected as DADCO Portfolio Manager, Braeden was an analyst in the I.M.E.U sector. Braeden's favorite part of being an OSIG member is the opportunity to interact with a great group of people who share similar interests. Braeden is majoring in computer science and economics, and will be interning at Point72 this upcoming summer. Braeden is interested in a future career in hedge funds. In his spare time, Braeden enjoys lifting weights, playing videogames, listening to podcasts, and watching sports.

Nolan Eggert – Education Chair

Nolan Joined OSIG in the spring of 2019. Before being elected Education Chair, Nolan was the Financial Sector Leader. Nolan enjoys being surrounded by motivated team members. Throughout his time in OSIG, the financial sector continues to grab his interests. As a finance major, Nolan has interned at commercial real estate firm JLL and hopes to continue exploring various fields across finance. This summer, he will be an

Investment Banking Intern at KeyBanc Capital Markets. In his spare time, Nolan enjoys the outdoors, rock climbing, snowboarding, and spending time with friends.

Special Thanks

As the group has reached its 12th anniversary, so many people and organizations who have contributed to the group's success deserve special recognition. Thank you to everyone who has ever been involved with the Oregon State Investment Group. The Oregon State Investment Group would not be possible without the continued support of our community. The group would like to extend a special thank you to the College of Business for their continued support of group operations and financial assistance. We would also like to thank Prem Matthew, CFA, Associate Dean for Undergraduate Student Development, and Dave Berger, head of the Finance Department. Also, we want to send a huge thank you to the Oregon State University Foundation and Alumni, as this group would not even be possible without them. Thank you to D.A. Davidson, for allowing us to participate in the DADCO competition, and for the initial $50,000. Finally, we want to thank Dr. Jimmy Yang, our faculty advisor. Jimmy has been an integral part of this group, and is the reason OSIG has access to so many great opportunities. Jimmy has been with us since the group's inception, and we want to thank him for his endless support.