

Investment Club Meeting

Friday, October 19th

A dark blue diagonal graphic that starts from the bottom left corner and extends towards the top right corner, creating a triangular shape in the bottom right of the slide.

AGENDA:



- Real Estate Boot Camp
 - Logistics (David Perron)
- Trading Game Update
 - Henry Lewand
- Market Update
 - Brett Berger
 - Emmett O'Toole
 - Connor Thatch
- Portfolio Overview - Potential Trimming
 - Jeff Sikorsky
 - Mac Erb
- Externship Explanation
 - Emma Bodner

UPDATES:



- Real Estate Boot Camp
 - Application due TODAY!!
- Trading Game Update
 - Restart
- M&T Bank COO Mr. Rich Gold
 - Friday, November 2nd
 - Q&A
 - M&T Swag to be distributed
 - HUGE hiring presence @LAF
- Trading Floor Visit at BofAML
 - Friday 11/9



Market Update

Emmett, Brett, Connor



5 Day Ranges:

2,791.17 +22.39 (0.81%) ↑

Oct 19, 9:51 AM EDT · Disclaimer

1 day 5 days 1 month 6 months YTD 1 year 5 years Max



25,514.14 +134.69 (0.53%) ↑

Oct 19, 11:22 AM EDT · Disclaimer

1 day 5 days 1 month 6 months YTD 1 year 5 years Max



The S&P 500 and the Dow are on track to snap a three-week losing streak as the market quietly marks the 31st anniversary of the 1987 crash.

S&P 500: 2,791.17

- Among top Performers:
CFG +5.00% Today

Dow Jones: 25,514.14



Been a tough year for Housing Stocks



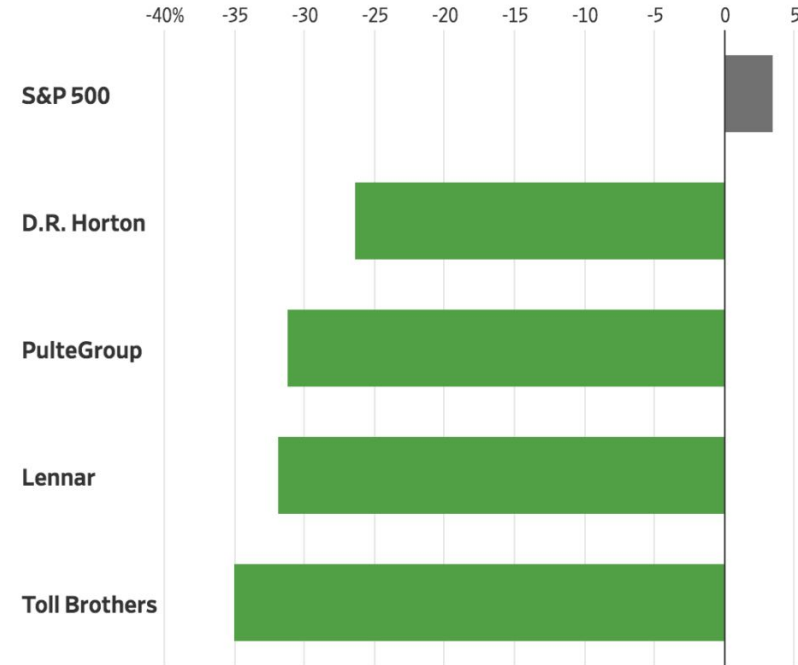
WHY?

- Rising Interest Rates
 - Borrowing = More expensive
- 10yr Treasury Yield Rising
 - Mortgage interest rates rising
- Tariffs
 - 463 of 6,000 of Chinese imports
 - \$2.5 Billion Potential Cost

Results?

- Sector will continue to perform below avg
- Not as bad as 2007

Performance in 2018



Note: Data are through Friday.
Source: FactSet

Paypal



52 Week High: \$93.70

52 Week Low: \$66.16

Current Share Price: \$84.06 → Up ~ 8.5% today

- Braintree, payments acceptance platform, used by Grubhub
- EPS growth of 17%, Revenue growth 14% YTD
- Finally starting to make money off of venmo

Uber's IPO

- Huge evaluation ~\$120 Billion
 - >Ford, GM, and Fiat Chrysler combined
- Only valued at 72 Billion in Aug
- Services?
 - Traditional car pickups, UberEats, & Acquisition of JUMP
- Do they have a reliable business model?
 - Living off VC
- Anticipated later in 2019

**Side note: Lyft is only being evaluated at ~15Bill



“Sorry, You Don’t Get a 20% Tip Just for Handing Me a Muffin”

- Particularly relevant to our generation
- Credit and debit cards vs. cash
- Defeats the purpose of tips
- Tipping before service
- \$3 tip for \$8.50 purchase?!
- 35%!!!
- Huge implications for restaurant industry, particularly in cities (youth-dependent)
- Take away: Deceptive

No Tip	15% Good
18% Great	20% Wow!
30% Best Service Ever!	Custom Tip



Saudi Arabia

- Following the alleged killing of journalist Jamal Kashoggi, investors and businesses are reassessing the risks of being associated with Saudi Arabia
- Chief executives from global tech and finance firms pulled out of a conference to be held there next week
- Firms are largely worried about damage to their brand
- J.P Morgan, Blackstone, and Uber

Crown Prince Mohammed bin Salman ->



Portfolio Trimming

Jeff Sikorsky and Mac Erb

Why? A couple reasons.

- We currently own things we don't know much about
- Selling old positions frees up cash
- Strategic
 - Would rather own fewer things that we know more about

Our Portfolio

- We currently have 49 different positions
- Of these, 48 are equities
- One is a Small Cap Value ETF

Balancing

- Been awhile since we looked at balancing our portfolio
- Not currently taking into account any specific level of diversification
- Rebalance sectors
- Overweight individual positions

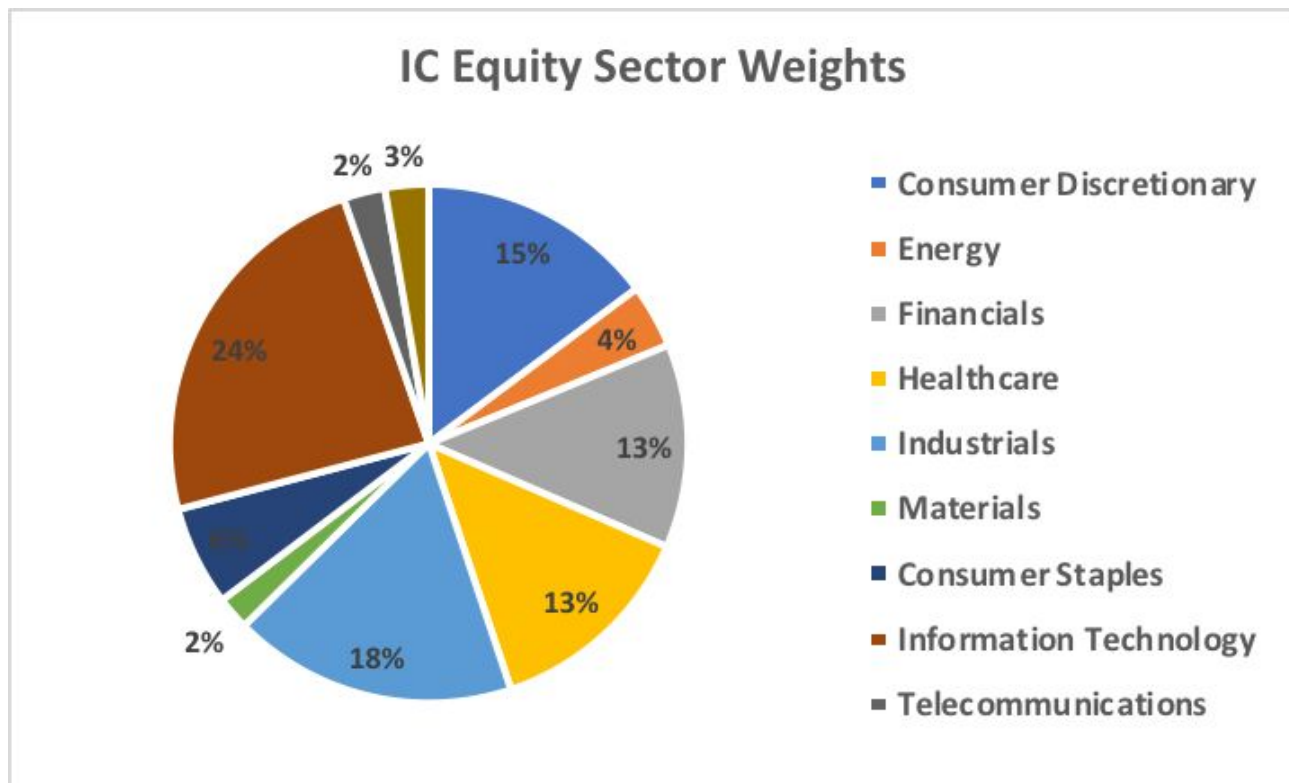
Need to decide our asset allocation

- We essentially currently only own equities
- Currently do not own fixed income products
- Should establish more definitive weight targets to match what our market outlook is
- What about individual stocks? How largely should they be weighted within our portfolio
- Quality over Quantity

Lets see some
examples

- excel

Our Equity Sector Allocation



IC vs. S&P 500

Sector	IC	S&P 500
Consumer Discretionary	14.80%	12.91%
Energy	3.99%	6.34%
Financials	12.72%	13.84%
Healthcare	13.35%	14.08%
Industrials	17.75%	9.51%
Materials	2.08%	2.60%
Consumer Staples	6.22%	6.96%
Information Technology	23.75%	25.96%
Telecommunications	2.60%	1.99%
Utilities	2.73%	2.95%

What is the next step?

- Great way for people looking to get more involved
- Going to dig in and go through our positions
- Find areas that we are overweight in
- Discuss what our goals for what we want the portfolio to look like
- Both trimming positions we have made money in
- selling positions we do not feel as strongly about