

SMIF September 22, 2011

Agenda

1. Concerns/Opening Ideas
 - a. Approval of 9/20 Minutes
 - b. Classroom Tech Briefing
 - i. www.m.socrative.com on mobile phone
 - ii. room 9297
 - iii. T/F
 - c. Newspapers Follow-up
 - d. Spring Semester Follow-up
 - i. Class TH 1 – 2:30
 - ii. MGMT 312 requirement must be in the 8:30 am MF class
 - e. Teachers' Comments/New Topics
 - i. Career fair comments from an alum
 1. Resume spelled correct; overall gpa
 2. Connection and research when talking
 3. Thank the job fair employers
 4. Don't complain
 5. Research company
 - ii. Clicker control goes to Arvi
2. SMIF Charter & Investment Policy Statement Quiz
3. Econ Report & Discussion
 - a. Overall GDP
 - i. $Y = C + I + G + NX$
 1. $C = 70\%$
 2. $I = 14\%$
 3. $G = 21\%$
 4. $NX = -5\%$
 - ii.
 - b. Consumption
 - i. US consumption 75% services consumption
 - ii. Forecast – consumption rise by 2%
 - c. Investment
 - i. Residential investment will remain stagnant
 - ii. Non-residential investment will improve moderately
 - d. Government Spending
 - i. Increase spending will contract by 2% then increase at a more sustainable level with GDP
 - e. Net Exports
 - i. NX will increase by 4%
 - ii. Weak dollar so American goods attractive (this morning dollar surged a lot so could be an over estimate in the increase)
 - f. GDP
 - i. Grow 1.3%
 1. Conservative estimate

- ii. Fed rate – 1.5%
 - g. Sector weighting recommendations
 - i. See ppt
 - ii. * = portfolio cannot exceed 20% in one category and s&p at 19.8%
 - h. Bearish econ report overall
- 4. Sectors Update
 - a. Discussion
 - i. Energy
 1. Oil down – predicted not to grow and stay at level
 2. GE investing
 - ii. Financials
 1. All banks connected to Europe crisis – reason for continued financials fall
 - iii. Utilities and staples
 1. Ride out market
 - iv. Materials
 1. Depends on dollar
 - v. Double dip recession
 1. Housing leads out of recession and need over 2% gdp growth to grow jobs
 2. Fed trying to help investment portion of gdp and help drive people into housing area
 3. Fed said yesterday that there is significant downside risk in today's economy
 - vi. Low beta and high dividend stock goals
 - b. Discretionary
 - i. Underweight – 1.5%
 - c. Staples
 - i. Overweight
 - d. Sector teams come in on Tuesday's class at 11 am and explain what is in the sector
 - i. Big companies
 - ii. Opinion on sector in group
 - iii. 4 mins to present
- 5. Buy, Hold, Sell Presentations
 - a. IBM
 - b. PGJ
 - c. BLV
 - d. VDE
 - e. HYG
 - f. EFA
 - g. TEVA
 - i. Recommendation by Monica – Hold
 - ii. Margins are down so where do you see the growth
 - iii. No recent approval of name brand drugs

- iv. Calls around 37 or a limit order – general consensus is to sell
- v. Q3 report comes out Oct 26
- vi. Sales down; many risk factors among the company; uncertainty of the future
- vii. 28 investors following 22 say strong buy
- viii. recommended stock price is higher
- ix. how much of drugs pay in revenue; patent expire time; what revenue can we expect from these drugs; revenue expected form up and coming drugs; margins are down why?; industry followers recommend buy why?

6. Professor Comments

Extra Information

- 1. Meet at 11am on Tuesday, September 27 to go over valuations
- 2. Please limit your B/H/S presentation to 5-7 minutes of presentations followed by 5-7 minutes of discussion
- 3. Holding Update 9/25 by 7:00 pm on Sunday
- 4. PLEASE CHECK YOUR EMAIL!
- 5. 10/6 - In Class visit by Frank Schreiner
- 6. 11/9 – 12pm Lunch visit by Bill Vogl
- 7. Please be mindful of the motion process in order to limit unnecessary votes

Summary of Unexecuted Portfolio Trades

- 1. PG: Limit Order Buy 100 shares @ \$61.16
- 2. KO: Limit Order Buy 100 shares @ \$69.51
 - a. Both limit orders were executed
 - b.